

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission On Its Own)	
Motion)	
)	
vs.)	
)	Docket No. 11-0592
Ameren Illinois Company d/b/a Ameren)	
Illinois)	
)	
Investigation into compliance with the)	
efficiency standard requirement of Section)	
8-103 of the Public Utilities Act)	

AMEREN ILLINOIS COMPANY’S PREHEARING MEMORANDUM

Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois”) respectfully submits this Prehearing Memorandum in accordance with the schedule established at the April 15, 2013 status hearing held in this docket. The purpose of this Memorandum is to identify and briefly address issues raised by the pre-filed testimony in this docket.¹

I. INTRODUCTION

The purpose of this proceeding is to determine whether Ameren Illinois has complied with the incremental energy savings mandated by Section 8-103(b) of the Public Utilities Act, as modified by subsections (d) and (e) of that Section. (August 23, 2011 Initiating Order in Dkt. No. 11-0592, at 2.)

On July 31, 2012, Ameren Illinois filed the Direct Testimony of Kenneth C. Woolcutt (Ameren Ex. 1.0). On November 7, 2012, Staff filed the Direct Testimony of David Brightwell (Staff Ex. 1.0) and Jennifer Hinman (Staff Ex. 2.0). On January 24, 2013, the Citizens’ Utility Board (“CUB”) filed Direct Testimony of Rebecca Devens (CUB Ex. 1.0).

¹ By filing this Memorandum, Ameren Illinois does not waive its rights to fully address these and any other issues at hearing or in its post-hearing briefs.

On January 31, 2013, Ameren Illinois filed Rebuttal Testimony of Mr. Woolcutt (Ameren Ex. 2.0). On March 12, 2013, the People of the State of Illinois (“AG”) filed Rebuttal Testimony of Philip H. Mosenthal (AG Ex. 1.0). On April 2, 2013, Ameren Illinois filed Surrebuttal Testimony of Mr. Woolcutt (Ameren Ex. 3.0).

II. AMEREN ILLINOIS’ TESTIMONY

The following briefly summarizes the issues addressed in Ameren Illinois’ Direct, Rebuttal, and Surrebuttal Testimony of Kenneth C. Woolcutt, Managing Supervisor of Illinois Energy Efficiency for Ameren Illinois. Mr. Woolcutt’s testimony addresses six topics: (1) the evaluations performed by the independent third party evaluators for Program Year (“PY”) 3, which covers the period June 1, 2010 through May 31, 2011; (2) the electric energy efficiency statutory goal for PY3; (3) Ameren Illinois’ achievement of the statutory goal for electric energy savings in PY3; (4) banked savings; (5) the application of savings from compact fluorescent lamps (“CFLs”); and (6) Ameren Illinois’ projected peak demand reduction target.

First, Mr. Woolcutt explains that Ameren Illinois engaged two independent program evaluators to evaluate the electric energy savings achieved by the Company’s programs. (Ameren Ex. 1.0 at lines 61-147.) The Cadmus Group, Inc. (“Cadmus”) evaluated the savings for residential programs and Opinion Dynamics Corporation (“ODC”) evaluated the savings for business programs. Both program evaluators were selected by Ameren Illinois, in collaboration with Staff and the Illinois Energy Efficiency Stakeholder Advisory Group (the “SAG”), based on their responses to Ameren Illinois’ Request for Proposal (“RFP”) for the selection of program evaluators for the three year plan cycle. Cadmus and ODC conducted and provided reports on PY1 and PY2 savings in Docket No. 10-0519. Their PY3 reports were filed in this docket on June 1, 2012.

Mr. Woolcutt testifies that, for PY3, Cadmus calculated that Ameren Illinois' residential programs achieved 124,734 MWH in energy savings and ODC calculated that the business programs achieved 138,640 MWH in energy savings. Thus, total savings for PY3 was calculated to be 263,374 MWH by the independent program evaluators.

Mr. Woolcutt also explains his understanding of Ameren Illinois' statutory savings goal and Ameren Illinois' achievement of the statutory goal. (Ameren Ex. 1.0 at lines 148-70.) Mr. Woolcutt understands that, pursuant to Section 8-103, the total electric savings goal is 227,196 MWH, or 0.6 percent of actual energy delivered. Based on the Commission's directive in Docket No. 07-0539, Ameren Illinois is responsible for 80% of this savings goal (and DCEO is responsible for the remainder), and thus Ameren Illinois is responsible for achieving savings of 181,757 MWH. Because Ameren Illinois achieved savings of 263,374 MWH in PY3 (as calculated by the program evaluators), it exceeded its statutory goal by 81,618 MWH. Accordingly, Ameren Illinois does not need to apply banked savings to PY3 at this time.

In his Rebuttal Testimony, Mr. Woolcutt recognizes that Ms. Hinman does not agree with his approach to statutory savings. (Ameren Ex. 2.0 at lines 52-78.) In her Direct Testimony, Ms. Hinman states that the statutory savings goal of Section 8-103 should be based on *projected*, not *actual*, throughput. (Staff Ex. 2.0 at lines 81-84.) In an effort to reduce the number of contested issues, Mr. Woolcutt testifies that Ameren Illinois stands by its positions set forth in Direct Testimony, but is willing to accept Staff's approach for purposes of this docket only and subject to addressing this issue if/when it is determinative of an issue in a future docket. Under either approach, Ameren Illinois has exceeded its statutory goal. As recognized in Mr. Woolcutt's Surrebuttal Testimony (Ameren Ex. 3.0), the AG's position with respect to savings goals is consistent with that of Ameren Illinois (*i.e.*, that savings should be based on a percentage of *actual* throughput, not *projected* energy delivery).

The fourth topic Mr. Woolcutt addresses is banked savings. (Ameren Ex. 1.0 at lines 171-96; Ameren Ex. 2.0 at lines 97-108.) Mr. Woolcutt explains that Ameren Illinois seeks to bank 35,066 MWH in savings for use in future years. Mr. Woolcutt explains that he arrived at this number by adding 18,176 MWH (10% of Ameren Illinois' savings for PY3, which is the amount the Commission previously permitted to be banked (*see* Docket No. 07-0539)) plus the previously-approved banking amount of 16,890 MWH (*see* June 6, 2012 Final Order in Docket No. 10-0519). In his Surrebuttal Testimony, Mr. Woolcutt states that Ameren Illinois' position with respect to the amount of savings to be banked in this docket is consistent with that of the AG (that Ameren Illinois' banked amounts should be calculated from its individual savings goal, as opposed to the combined utility-DCEO savings goal). (Ameren Ex. 3.0.)

In his Rebuttal Testimony, Mr. Woolcutt addresses Ms. Hinman's recommendation that Ameren Illinois should not be permitted to bank savings in a year when it exceeds its portion of the statutory savings goal set forth in Section 8-103(b), but the combined utility-DCEO savings goal is not met because of DCEO's failure to achieve sufficient savings. (Ameren Ex. 2.0 at lines 117-26.) Given the undisputed fact that Ameren Illinois met its savings goal under either Staff's or the Company's calculations, and the combined utility-DCEO goal was also met, Mr. Woolcutt testifies that this is not an issue that the Commission must resolve in this docket. For purposes of this docket only, the Company is willing to defer this issue so that the Commission can address this issue if and when it is necessary to do so.

The final two topics that Mr. Woolcutt addresses are CFL carryover savings and Ameren Illinois' peak demand reduction target, both of which were initially raised by other parties in this docket. In his Rebuttal Testimony, Mr. Woolcutt explains that – for purposes of this docket only – he does not contest Dr. Brightwell's position with respect to how to calculate savings from CFLs, subject to being able to address this issue in a future docket, if appropriate. (Ameren Ex.

2.0 at lines 46-51.) Mr. Woolcutt notes that the Company has and intends to continue to follow the Commission approved statewide Technical Reference Manual (“TRM”) for future savings calculations, as appropriate. AG witness Mr. Mosenthal testifies that “it is unclear from Dr. Brightwell’s testimony whether his suggested approach differs in any way from Ameren’s plans at this point, as his comments only address future year savings that are not at issue in this docket.” (AG Ex. 1.0 at 5:17-6:12.) Mr. Mosenthal does not take a position on the merits of Dr. Brightwell’s argument and states his belief that this issue is not relevant to this docket, and should only be address in a future docket if the ongoing collaborative TRM process does not reach a consensus approach. *Id.*

Mr. Woolcutt also addresses the Direct Testimony of CUB witness Ms. Devens. (Ameren Ex. 2.0 at lines 139-52.) Mr. Woolcutt testifies that he does not agree with the number referenced by Ms. Devens as Ameren Illinois’ projected peak demand reduction target (15,789 kW, referenced in CUB Ex. 1.0 at lines 34-37). He explains that Ms. Devens’ number represents the cumulative reduction target for three years, and that Ameren Illinois’ reduction target for PY3 was actually projected to be an estimated 5263 kW and, if calculated based on actual throughput, the reduction target would be lower. Mr. Woolcutt also notes that the savings amounts identified in Ms. Devens’ testimony, as well as reflected in the program evaluators’ reports, do not provide all of the savings achieved in PY3 through the demand response programs, as the program evaluators only reported on savings achieved through thermostats installed in PY3, and Ameren Illinois conducted its event using all of the installed thermostats (that is, not just those installed in PY3).

III. SUMMARY CHART OF THE ISSUES IN THIS DOCKET

For ease of reference, Ameren Illinois provides the following chart, which summarizes the issues and positions of the parties who pre-filed testimony in this docket. These summaries

are not meant to address each and every point made in the respective testimony, but rather to provide helpful information in preparation for the hearing:

No.	Issue	Parties' Positions	Contested?
1(a)	Is the statutory Annual Energy Savings Goal of Section 8-103 based on <i>actual</i> or <i>projected</i> throughput?	<p>Ameren Illinois: Actual. (Ameren Ex. 1.0 at line 39.)</p> <p>AG: Agrees with Ameren Illinois. (AG Ex. 1.0 at 4:13-24.)</p> <p>Staff: Projected. (Staff Ex. 2.0 at lines 81-84.)</p> <p>CUB: N/A</p>	Yes, but Ameren Illinois is willing to agree to Staff's approach for purposes of this docket only because, under either approach, Ameren Illinois has exceeded its statutory goal.
1(b)	What is the total statutory savings goal (Ameren Illinois and DCEO combined)?	<p>Ameren Illinois: 227,196 MWH (actual). (Ameren Ex. 1.0 at 3 (chart).)</p> <p>AG: Agrees with Ameren Illinois (AG Ex. 1.0 at 4:13-24.)</p> <p>Staff: 231,813 MWH (projected). (Staff Ex. 2.0 at lines 89-90.)</p> <p>CUB: N/A</p>	Yes, but Ameren Illinois is willing to agree to Staff's approach for purposes of this docket only because, under either approach, Ameren Illinois has exceeded its statutory goal.
2	How much savings did Ameren Illinois achieve for PY3?	<p>Ameren Illinois: 263,374 MWH (as calculated by program evaluators). (Ameren Ex. 1.0 at line 117.)</p> <p>AG: N/A</p> <p>Staff: "[M]ethods used by evaluators to determine savings were acceptable[, but Staff] did not verify [] the calculations." (Ameren Ex. 2.1 (Staff response to AIC-ICC 1.1).)</p> <p>CUB: N/A</p>	No. (Staff has neither contested nor endorsed the calculation of the independent program evaluators.)

No.	Issue	Parties' Positions	Contested?
3	Has Ameren Illinois complied with the incremental energy savings mandated by Section 8-103(b) of the Public Utilities Act, as modified by subsections (d) and (e) of that Section, for PY3?	<p>Ameren Illinois: Yes.</p> <p>AG: Agrees with Ameren Illinois (AG Ex. 1.0 at 5:1-4.)</p> <p>Staff: “[M]ethods used by evaluators to determine savings were acceptable[, but Staff] did not verify [] the calculations....[Staff] has no reason to dispute the estimated savings made by the evaluators.” (Ameren Ex. 2.1 (Staff response to AIC-ICC 1.1).)</p> <p>CUB: N/A</p>	No. No party has contested Ameren Illinois’ conclusion that it has exceeded its savings goal and, notably, all testimony addresses banking of savings from PY3, which presumes Ameren Illinois met its savings goal.
4	How much should Ameren Illinois be allowed to bank for PY3 for use in future years?	<p>Ameren Illinois: 18,176 MWH (10% of Ameren Illinois’ portion of the statutory goal). (Ameren Ex. 1.0 at 3 (chart).)</p> <p>AG: Agrees with Ameren Illinois (AG Ex. 1.0 at 5:4-15.)</p> <p>Staff: 23,181 MWH (10% of the entire statutory goal). (Staff Ex. 2.0 at lines 94-96.)</p> <p>CUB: N/A</p>	Yes, but Ameren Illinois met its savings goals under either calculation, and thus this issue does not require resolution in this docket, as it can be revisited in future dockets, as appropriate.

No.	Issue	Parties' Positions	Contested?
5	How should savings from CFLs be applied towards the statutory savings goal in future Plan Years?	<p>Ameren Illinois: No objection to Staff's position, subject to being able to address the issue in future dockets and the intention to abide by the statewide TRM. (Ameren Ex. 2.0 at lines 43-51; Ameren Ex. 3.0 at lines 64-70.)</p> <p>AG: This issue is irrelevant to this docket and should not be decided. (AG Ex. 1.0 at 6:1-12.)</p> <p>Staff: No objection to application of Illinois Statewide Technical Reference Manual ("TRM") recommendation regarding deferring savings for lighting purchased in PY3 to future Plan Years, provided appropriate baseline is used. (Staff Ex. 1.0 at lines 58-90.)</p> <p>CUB: N/A</p>	No, not in this docket, though the utilities and the SAG parties, as well as Staff, are currently engaged in discussions around the most appropriate way to count these future savings.
6	Should a utility be permitted to bank savings where it has met its "portion" of the statutory savings goal, but the statutory savings goal set forth in Section 8-103(b), and shared by the utility and DCEO, has not been met?	<p>Ameren Illinois: Yes. (Ameren Ex. 2.0 at lines 117-126.)</p> <p>AG: No.² (AG Ex. 1.0 at 9:1-3.)</p> <p>Staff: No. (Staff Ex. 2.0 at lines 46-66.)</p> <p>CUB: N/A</p>	Yes, but Ameren Illinois met its savings goals under either calculation, and the combined statutory goal (combined utility and DCEO goal) was also met, and thus this issue does not require resolution in this docket, as it can be revisited in future dockets, as appropriate.

² This appears to be the position taken by the AG, though it is not explicitly stated in Mr. Mosenthal's Direct Testimony (AG Ex. 1.0). Although Mr. Mosenthal refers to the Commission's May 16, 2012 Order in Docket No. 10-0520, in which the Commission prohibited any banking if the combined savings of ComEd and DCEO did not also exceed the combined savings goal, he does not state AG's position with respect to the issue in this docket. (AG Ex. 1.0 at 9:1-3.)

No.	Issue	Parties' Positions	Contested?
7	What was Ameren Illinois' projected peak demand reduction target?	<p>Ameren Illinois: 5263 kW and, if calculated based on actual throughput, the reduction target would be lower. (Ameren Ex. 2.0 at line 145.)</p> <p>AG: N/A</p> <p>Staff: N/A</p> <p>CUB: 15,789 kW. (CUB Ex. 1.0 at lines 34-37.)</p>	Ameren Illinois does not believe CUB disagrees with its calculation of the target.

Dated: May 7, 2013

Respectfully submitted,

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d/b/a Ameren Illinois

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CERTIFICATE OF SERVICE

I, Mark W. DeMonte, an attorney, state that I served a copy of the foregoing Ameren Illinois Company's Prehearing Memorandum to the service list maintained on the Illinois Commerce Commission's e-Docket system for Docket No. 11-0592 via electronic delivery on May 7, 2013.

Dated: May 7, 2013

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