

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Commerce Commission On Its Own)
Motion)

vs.)

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)

Docket No. 11-0592

AMEREN ILLINOIS COMPANY'S REPLY BRIEF

July 18, 2013

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I. INTRODUCTION

As reflected in the Initial Briefs, the parties agree that Ameren Illinois Company d/b/a Ameren Illinois (“Ameren Illinois” or “AIC”) met the Plan Year (“PY”) 3 incremental energy savings goal as mandated by Section 8-103(b) of the Public Utilities Act, as modified by subsections (d) and (e) of that Section.

However, four additional issues have been raised in this docket: the contested issues include (1) whether the Commission should use actual or projected throughput when calculating AIC’s incremental energy savings goal for PY3; (2) how to calculate the amount of PY3 energy savings that can be “banked” for use in future years; (3) whether to address certain policy issues regarding year-to-year carryover of the energy savings achieved through CFL light bulbs; and the uncontested issue is whether (4) the identification of Ameren Illinois’ estimated, projected peak demand reduction goal for PY3 (and the independent evaluations of the PY3 demand response program). As set forth in AIC’s Initial Brief and below, none of these issues require Commission resolution at this time and no party has shown otherwise in their respective Initial Briefs. Ameren Illinois surpassed the incremental energy savings goal for PY3 under any proposed calculation and exceeded the amount of energy savings allowed for banking under any proposed approach. Moreover, all parties acknowledge that the CFL carryover issue can and should be addressed outside this docket. And Ameren Illinois does not object to the reference of the estimated, projected peak demand reduction target for PY3 or the independent evaluations of the PY3 demand response program. Accordingly, Ameren Illinois respectfully requests that the Illinois Commerce Commission (“Commission”) enter a Final Order that finds Ameren Illinois met the energy savings goals set forth in Section 8-103(b) for PY3 and allows for nondispositive issues to be resolved in the future, if and when appropriate.

II. ARGUMENT

A. Uncontested Issues

As noted above, the parties agree that Ameren Illinois met its incremental savings goal for PY3. AIC therefore requests such a finding in the Commission's Final Order.

Additionally, the People of the State of Illinois ("AG") and the Citizens Utility Board ("CUB") ("AG/CUB") jointly request that the Commission reference Ameren Illinois' reduced peak demand savings goal, as well as the savings reflected in the independent evaluation of AIC's PY3 demand response program. (AG/CUB Initial Brief at 11-12.) CUB made a similar proposal in ICC Docket No. 10-0519, which was the proceeding to determine whether Ameren Illinois met its savings goals for PY2. In that docket, Ameren Illinois disagreed that reduced peak demand was an issue relevant to a docket that focuses solely on the energy savings targets mandated by Section 8-103(b), but in an effort to eliminate contested issues ultimately agreed to include reference of the issue in the Final Order. (*See* 6/6/12 Final Order in ICC Docket No. 10-0519, at 2.) Here, again while maintaining its position that reduced peak demand targets are irrelevant to this docket, AIC will not object should the Commission choose to reference in the Final Order: (1) that Ameren Illinois projected its peak demand reduction target for PY3 at an estimated 5263 kW and (2) the savings amounts identified in the independent evaluations of the PY3 demand response program, so long as the Commission also notes that those savings amounts do not reflect all of the savings achieved by AIC because the evaluations were limited to the equipment *installed* in PY3 (as opposed to all equipment in service during PY3).

B. Contested Issues

1. Calculation of Energy Savings Goals

As stated in its Initial Brief, Ameren Illinois believes its Section 8-103(b) savings goal should be calculated based on energy actually *delivered*, rather than *projected*, as proposed by

Staff. While AG and CUB agree with Ameren Illinois that the savings goals should be based on energy actually delivered, unlike Ameren Illinois, they do not agree to use Staff's approach for purposes of this docket. (*See* AG/CUB Initial Brief at 7.) Importantly, under either approach, Ameren Illinois met its statutory savings goal. Ameren Illinois, therefore, does not agree with the other parties that this issue requires resolution in this docket and maintains that it will not object to using Staff's proposed savings goal in this docket, subject to, and without prejudice upon, revisiting this issue in the future. (Ameren Initial Brief at 7.)

2. Banking of Energy Savings

Despite other parties' positions to the contrary, the method of calculating the amount of savings that Ameren Illinois should be permitted to bank for use in future years is also not an issue that requires resolution in this docket because AIC exceeded the allowable savings amount that can be banked in a given year under any proposed calculation. (*See* Ameren Illinois' Initial Brief at 7-8.) For clarity of the record, Ameren Illinois explained its position that the amount of savings it should be permitted to bank should be calculated based on a percentage of its *individual* savings goal (not the *combined* DCEO-utility goal). (*Id.* at 8.) AG and CUB agree with Ameren Illinois' approach and disagree with Staff's calculation. (*See* AG/CUB Initial Brief at 7-10.) However, because the way AIC calculated banked savings for PY3 need not be resolved in this docket, Ameren Illinois will not object in this docket to using Staff's proposed savings goal, subject to, and without prejudice upon, revisiting this issue in the future.¹ The "proper" method of calculating banked savings can be resolved if and when it is determinative of an issue in a future proceeding.

¹ Importantly, no party has addressed the issue of whether a utility should be permitted to bank savings in a year when the combined DCEO-utility goal is not met, but the utility meets its portion of the goal. As explained in Ameren Illinois' Initial Brief, this is a purely hypothetical issue that would be improper to address at this time. (*See* Ameren Initial Brief at 9.)

3. Savings from CFLs

Finally, all parties agree that the Commission need not address the issue of how to apply savings from compact fluorescent lamps (“CFLs”) from year-to-year in this docket, as this issue is being addressed by the Illinois Technical Reference Manual (“TRM”) update process and is not determinative of any issue in this proceeding. (*See* Ameren Initial Brief at 6; AG/CUB Initial Brief at 10-11; Staff Initial Brief at 8.) Despite the testimony addressing this issue that has been presented in this docket, Ameren Illinois respectfully requests that the Commission not address this issue in the Final Order.

III. CONCLUSION

For these reasons, and the reasons set forth in its Initial Brief, Ameren Illinois respectfully requests that the Commission enter an order that 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. Ameren Illinois further requests that the Commission defer ruling on issues that do not require resolution in this docket, and allow them to be revisited in future dockets, as necessary.

Dated: July 18, 2013

Respectfully submitted,
AMEREN ILLINOIS COMPANY

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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 Reply Brief to the service list maintained on the Illinois Commerce Commission's e-Docket system for Docket No. 11-0592 via electronic delivery on July 18, 2013.

Dated: July 18, 2013

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