

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)	
)	
Petition for Approval of Procurement Plan.)	Docket No. 13-0546
)	Rehearing

**BRIEF ON EXCEPTIONS ON REHEARING OF
AMEREN ILLINOIS COMPANY**

COMES NOW Ameren Illinois Company d/b/a Ameren Illinois (“AIC” or “Company”) and hereby requests that the Illinois Commerce Commission (“Commission”) accept its Exception No. 1 to the Proposed Order on Rehearing, and in support thereof, offers the following arguments:

Exception No. 1

AIC recognizes that the Proposed Order on Rehearing (“PO on Rehearing”) accepts the Renewable Suppliers’ secondary or alternative proposal to use alternative compliance payment (“ACP”) funds collected from hourly pricing customers as the source of funds to purchase curtailed renewable energy credits (“RECs”) by utilities. (PO on Rehearing, pp. 53-54). As identified in the testimony of AIC witness Mr. Richard L. McCartney, the Company did not curtail long term purchase power agreements (“LTPPAs”) for the period June 2014 through May 2015. (Ameren Ex. 1.0 RH, p. 2) As such, the Company always interpreted the Renewable Suppliers’ (“RSs”) alternative proposal to use ACP funds only to the extent those funds were collected from the associated utility's customers, and not to provide for pooling or cross-subsidization between Commonwealth Edison Company (“ComEd”) and AIC. However, after reviewing the PO on Rehearing, the Company notes this issue is not explicitly addressed. The Company therefore believes additional language would provide clarity with respect to this issue

and avoid the potential for confusion during implementation. By explicitly stating that ACP funds should be segregated between AIC and ComEd, the Commission will avoid any confusion during implementation and avoid the problematic situation that could occur when funds from a utility that does not curtail are sought to make whole the RSs of a utility that does in fact exercise contractual curtailment.

Proposed Alternative Language (p. ___ of PO on Rehearing)

In terms of the settlement mechanics of the utility's purchase of curtailed RECs from a LTPPA supplier, the RS proposes for the utility to simply settle with the supplier each month for the curtailed RECs credits purchased with hourly ACP funds on the basis of the same price data used to settle the non-curtailed part of the LTPPAs, i.e., the LTPPA Contract Price less the Day-Ahead Hourly LMPs in that month. Additionally, the use of ACP funds to settle the curtailed RECs should be segregated and applied separately between AIC and ComEd so as not to intermingle the funds between the two companies. Further, if no curtailment occurs for one utility, then no ACP funds should be used to settle the curtailed RECs of the other utility. And finally, the utility without the curtailment should continue to collect and accumulate ACP funds until such time as the IPA procures additional RECs and/or a Commission approved curtailment under the LTPPAs occurs and the Commission further orders the use of ACP funds be used to settle curtailed RECs consistent the RS alternative proposal.

WHEREFORE, Ameren Illinois Company respectfully requests that the Commission accept its proposed Exception No.1 to the Proposed Order on Rehearing.

Dated: May 23, 2014

Respectfully submitted,

AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois

A handwritten signature in blue ink, appearing to read "Matthew R. Tomc". The signature is fluid and cursive, with a long, sweeping underline that extends to the left.

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CERTIFICATE OF SERVICE

I, Matthew R. Tomc, counsel for Ameren Illinois Company, hereby certify that a copy of the foregoing *Brief on Exceptions on Rehearing* was filed on the Illinois Commerce Commission's e-docket and was served electronically to all parties of record in this Docket No. 13-0546 on this 23rd day of May, 2014.

A handwritten signature in blue ink, appearing to read "Matthew R. Tomc", is written in a cursive style.

Matthew R. Tomc