

**STATE OF ILLINOIS  
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency	)	
	)	ICC Docket No. 13-0546
Petition for Approval of the 2014 IPA	)	
Procurement Plan Pursuant to Section 16-	)	
111.5(d)(4) of the Public Utilities Act	)	

**BRIEF IN REPLY TO EXCEPTIONS  
FOR THE PROPOSED ORDER ON REHEARING  
ON BEHALF OF THE ILLINOIS POWER AGENCY**

Pursuant to Section 200.830 of the Illinois Commerce Commission’s (“Commission”) Rules (83 Ill. Admin Code. § 200.830) and the schedule set forth by the Chief Administrative Law Judge, the Illinois Power Agency (“IPA” or “Agency”) respectfully submits its Brief in Reply to Exceptions for the Proposed Order on Rehearing. The Agency addresses arguments from the parties’ Briefs on Exception (“BOEs”) below.

**Renewable Suppliers (“RS”) on Rejection of their Primary Proposal (RS BOE at 2-12.)**

The RS take exception to the Proposed Order’s rejection of their primary proposal, under which energy purchases associated with curtailed renewable energy credits (“RECs”) would not be curtailed. After due consideration of the RS’ argument in its Brief on Exceptions, the Agency remains opposed to the RS’ primary proposal for reasons set forth in previous filings. (*See* IPA Initial Brief on Rehearing at 4-11; IPA Reply Brief on Rehearing at 1-3.)

In Section C of its Brief on Exceptions (pp. 10-12), the RS address the meaning of “renewable energy resources” as defined in § 1-10 of the Illinois Power Agency Act. The Agency agrees with the RS that “renewable energy resources,” as defined in the IPA Act, refers to either a) renewable energy credits and associated energy or b) only renewable energy credits, and wishes to make its position clear on this point. The Agency does not believe that the

Proposed Order must be modified to clarify this definition, or that this interpretation necessitates adoption of the RS' primary proposal.

**Ameren Illinois Company (“AIC”) on Segregation of Hourly Customer ACP Funds (AIC BOE at 1-2.)**

AIC argues that the Commission's Order should explicitly address that alternative compliance payments (“ACPs”) collected from hourly pricing customers must be limited to purchasing RECs curtailed under contracts with that corresponding utility. As hourly pricing customer ACPs are already collected and held by each utility, and not otherwise pooled, the IPA agrees that these funds should and must remain segregated by utility. The Agency thus supports AIC's argument, but offers the following clarifying changes to AIC's proposed language:

~~Additionally, the use of hourly ACP funds to settle the curtailed RECs should be remain 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 hourly ACP funds of that utility 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.~~

**Commonwealth Edison Company (“ComEd”) on Applying ACP Budget by Quantity vs. Value (ComEd BOE at 3-4.)**

ComEd argues that the allocation of available hourly ACP funds should be made on an annual contract value, rather than annual contract quantity, basis. While the IPA believes ComEd may be overstating a quantity-based approach's impact on resource mix and preferences (especially given the Agency's stated willingness to purchase leftover RECs via the Renewable Energy Resources Fund), the Agency believes that allocating available ACP funds by value, using a price\*quantity methodology, is the more fair and equitable approach and should be adopted. The Agency likewise supports ComEd's suggested language.

**ComEd on Clarifying Adoption of the RS' Secondary Proposal (ComEd BOE at 4.)**

ComEd seeks more explicit clarification that required purchases of curtailed RECs would be made only from hourly pricing customer ACPs, and not through the IPA-controlled Renewable Energy Resources Fund. The Agency views this issue as adequately addressed in the Proposed Order on Rehearing (*See* Proposed Order on Rehearing at 54-55.), but does not oppose ComEd's suggested clarifying language.

**ComEd on Quarterly vs. Monthly Settlements (ComEd BOE at 4-5.)**

ComEd argues that the Commission's Order should provide for settlements of curtailed RECs on a quarterly, rather than monthly, basis. For the sake of administrative efficiency and maintaining consistency with existing Agency practice, the Agency supports quarterly settlements and supports adoption of ComEd's suggested changes.

Dated: June 2, 2014

Respectfully submitted,

Illinois Power Agency

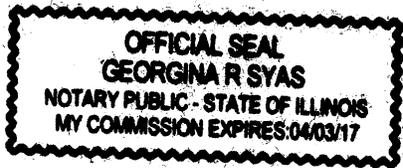
By: /s/ Brian P. Granahan

Brian P. Granahan  
Chief Legal Counsel  
Illinois Power Agency  
160 N. LaSalle St., Suite C-504  
Chicago, Illinois 60601  
312-814-4635  
[Brian.Granahan@Illinois.gov](mailto:Brian.Granahan@Illinois.gov)

STATE OF ILLINOIS     )  
  )  
COUNTY OF COOK     )

**VERIFICATION**

Anthony M. Star, being first duly sworn, on oath deposes and says that he is the Director for the Illinois Power Agency, that the above Reply Brief on Exceptions on Behalf of the Illinois Power Agency has been prepared under his direction, he knows the contents thereof, and that the same is true to the best of his knowledge, information, and belief.



A handwritten signature in black ink, appearing to read "Anthony M. Star". The signature is written in a cursive style and is positioned above a horizontal line.

Anthony M. Star

Subscribed and sworn to me  
This 2nd day of June, 2014

A handwritten signature in black ink, appearing to read "Georgina R Syas". The signature is written in a cursive style and is positioned above a horizontal line.

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**NOTICE OF FILING**

Please take notice that on June 2, 2014, the undersigned, an attorney, caused the Brief in Reply to Exceptions on Behalf of the Illinois Power Agency to be filed via e-docket with the Chief Clerk of the Illinois Commerce Commission in the above-captioned proceeding:

June 2, 2014

/s/ Brian P. Granahan  
Brian P. Granahan

**CERTIFICATE OF SERVICE**

I, Brian P. Granahan, an attorney, certify that copies of the foregoing document(s) were served upon the parties on the Illinois Commerce Commission's service list as reflected on eDocket via electronic delivery from 160 N. LaSalle Street, Suite C-504, Chicago, Illinois 60601 on June 2, 2014.

/s/ Brian P. Granahan  
Brian P. Granahan