

**STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION**

Illinois Power Agency)	
)	
)	Docket No. 14-0651
Petition for Approval of Procurement Plan)	
Pursuant to 1-56(i) of the Illinois Power)	
Agency Act)	

**AMEREN ILLINOIS COMPANY’S OBJECTIONS
TO THE ILLINOIS POWER AGENCY’S SUPPLEMENTAL
PROCUREMENT PLAN PURSUANT TO 20 ILCS 3855/1-56(I)(1)**

The Illinois Power Agency (“IPA”) filed a petition for approval of its Supplemental Procurement Plan (“Supplemental Plan”) pursuant to Section 1-56(i) of the Illinois Power Agency Act, with the Illinois Commerce Commission (“Commission”) on October 28, 2014. (20 ILCS 3855/1-56(i)(1)). Ameren Illinois Company (“Ameren Illinois”) offers the following objections pursuant to Section 16-111.5(d)(3) of the Illinois Public Utilities Act (“Act”), 220 ILCS 5/16-111.5(d)(3).

I. Sections 2.2.2, 2.3.3,3.1, 4.5, and Others – Acceptable Metering

In various places in the filing, the IPA refers to “utility grade” metering. See e.g. Sections 2.2.2, 2.3.3.3, 3.1, and 4.5. It would be more accurate or appropriate if the IPA referred to the data as being measured by “revenue quality metering” since this definition is consistent with Illinois practice. In addition M-RETS allows RECs to be calculated from readings taken from the inverter so long as it meets American National Standards Institute (“ANSI”) or state standards (M-RETS Operating Procedures 7.1; see also 7.2), and Illinois requires utilities to use revenue grade meters that meet certain ANSI standards (83 ILAC 410.120.) Applicable customers should not be misled into believing that utility meters are required to be installed on their generator (which is

expensive and unnecessary), or take readings only from the out channel on the utility's meter at their residence or business (which, if they have inverter metering that meets the M-RETS and GATS standards, will under report their REC output.)

II. Section 2.3.3 - Installer Certification

The Supplemental Plan notes that a list of Qualified Installers is available on the Commission's website. However, this listing is for installers who meet the standards of 83 ILAC 468 which, as the Supplemental Plan notes, have a different and arguably less stringent qualification standard than those required of installers for Photovoltaic ("PV") units intending to supply RECs in this procurement. This reference to the listing of Part 468 installers is potentially confusing and therefore the reference should be deleted. In the alternative, the IPA should provide more detail regarding its plan for installers associated with this procurement and express a willingness to make public its criteria and ultimately a list of installers that meet said criteria.

III. Section 3.1 Resource Selections

The IPA states the General Assembly leaves two key decisions to the Agency in developing its Supplemental Plan: first, determining the balance of resources between new and existing photovoltaic resources; and second, determining the appropriate balance of solar RECs procured between DG and utility-scale generation (i.e., photovoltaic systems on the other side of - not "behind" - a regulated utility, municipal utility, or rural electric cooperative meter).

Regarding the first key decision, the IPA proposes to procure only RECs from new PV facilities rather than from both new and existing facilities as the law requires. The IPA also proposes holding separate REC procurements for different facility sizes

without any clear authorization to do so within the law. Ameren Illinois asserts the long standing Requests for Proposals (“RFPs”) and Commission Orders pertaining to eligible retail customers are instructive to this Supplemental Plan.

In prior RFPs for eligible retail customers, a procurement event that covered all REC types (Wind, Solar, Other), Ameren Illinois understands the Procurement Administrator (“PA”) would select the lowest cost RECs available until the total REC target was met or Renewable Resource Budget (“RRB”) was exhausted. Once the target was met at the lowest cost, the PA would swap out the highest cost REC selected so long it was not needed to meet a legally mandated preference for the lowest price preference REC that was still available. This process would continue (giving equal weight to all mandated preferences) until the mandated preferences were met or the RRB was exhausted. In this way, the PA ensured that the target was met and the cost to the consumer was kept as low as possible while still meeting legislative preferences.

In this Supplemental Plan, by holding separate procurement events for different sizes or types of facilities as now being considered, there is no way for the IPA to meet its requirement to obtain the lowest cost RECs. By excluding certain qualified bidders from participating (existing facilities), the IPA cannot obtain the lowest cost RECs. The opportunity to disregard one form of REC because it is not the lowest cost as compared to a different form of REC will be lost and existing facilities will potentially be harmed. Although the IPA references that it is allowing existing facilities in a current plan associated with Ameren Illinois’ eligible retail customers (Docket 14-0588), the IPA fails to acknowledge that Ameren Illinois and other parties oppose this proposal since the total REC target for the next planning year has already been exceeded with existing

contracts. If the Commission agrees with Ameren Illinois and other parties who oppose the REC procurement for eligible retail customers in Docket 14-0588, the claim put forth by the IPA that it is attempting to balance new vs. existing RECs in this Supplemental Plan becomes moot.

The IPA must believe that buying RECs from new facilities is better for the market than purchasing from existing facilities in the same market. However the IPA has put forth no analysis, study or evidence to substantiate the same, and therefore, the recommendation must be rejected. Rather the Commission should hold to the status quo, and the IPA should modify its Supplemental Plan to allow all eligible parties to participate in each Supplemental PV RFP that is held in order to ensure the lowest cost possible is achieved and that no undue bias is incurred by existing facilities.

IV. Section 3.1 – Metering of Generation Systems

The Supplemental plan refers to “utility-scale” generation as not being located behind a utility’s meter. The IPA should be aware that due to the Ameren Illinois’s status as an integrated distribution company, all generation interconnected with the Ameren Illinois system is metered. The better distinction may be between distributed generation which is intended to offset a customer’s load, and merchant generation which exists only to sell generation into the grid.

V. Section 3.1 – Resource Selection and Section 4.1 – Key Contract Terms

In Section 3.1, the Supplemental Plan defines a new system as one that’s energized on or after the date of approval of in the tracking system. Section 4.1 defines system energization as the date on which the first meter read is entered into the applicable tracking system, which is inconsistent with the definition in Section 3.1. One

doesn't have to register with either M-RETs or GATs immediately when the generator begins producing power – the registration is only required when the generator owner begins receiving RECs. If left unchanged, numerous existing solar generators would qualify as "new" under the criteria in Section 4.1, and they would also be grandfathered/exempted from the installer criteria. To minimize confusion and ensure consistency with its intent to stimulate the development of new solar DG, the Supplemental Plan should strike...(defined as the first meter read registered in the applicable tracking system.)" from Section 4.1.

VI. Section 4.5 – Tracking and Transfer of RECs

The Supplemental Plan contains inconsistencies between its definition of what constitutes a REC and what the two authorized REC tracking organizations define as a REC. For example, in Section 4.5 the Supplemental Plan states that RECs must be tracked through a single metering point, while M-RETS provides for the aggregation of small generators with multiple metering points into a single entity for purposes of calculating and reporting RECs. (M-RETS Operating Procedures, Section 3.3.2.) Instead of providing its interpretation of how a REC is created, the Supplemental Plan would best support generation customers by simply deferring to M-RETS' and GATS' to determine what constitutes a REC. This would not limit the IPA from imposing its legislatively mandated requirements that RECs come from a system installed by an appropriately certified installer and where operation begins subsequent to the approval of the Supplemental Plan.

Finally, Ameren Illinois notes that in prior contracts resulting from IPA procurements for eligible retail customers, NARR was deemed to be an acceptable

REC tracking system in addition to GATS and MRETS. The IPA may wish to consider adding NARR if the IPA deems it would be beneficial. As an alternative, the IPA could agree to use an alternate tracking system in the future other than GATS and M-RETS upon written approval of the IPA. Doing so may provide greater flexibility to the IPA and suppliers in the future should tracking systems change.

Dated: November 3, 2014

Respectfully submitted,

AMEREN ILLINOIS COMPANY
d/b/a Ameren Illinois

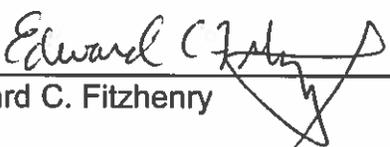


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VERIFICATION

STATE OF MISSOURI)
) SS.
CITY OF SAINT LOUIS)

I, Edward C. Fitzhenry, being first duly sworn, hereby state that: i) I am an attorney for Ameren Illinois Company, ii) I am authorized to make this verification on its behalf; iii) I have knowledge of the facts stated in the foregoing *Objections*; and iv) the facts as stated are true and correct to the best of my knowledge, information, and belief.



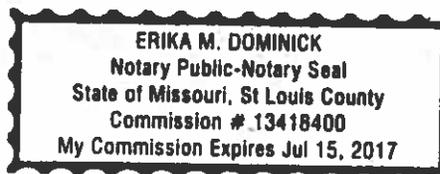
Edward C. Fitzhenry

SUBSCRIBED and SWORN to before me this 3rd day of November, 2014.



Notary Public

My Commission expires:



CERTIFICATE OF SERVICE

I, Edward C. Fitzhenry, Counsel for Ameren Illinois Company, hereby certify that a copy of the foregoing *Objections to Illinois Power Agency Supplement Procurement Plan Pursuant to 20 ILCS 3855/1-56(l)(1)* was filed on the Illinois Commerce Commission's e-docket and was served electronically to all parties of record in Docket No. 14-0651 on this 3rd day of November, 2014.



Edward C. Fitzhenry