

**STATE OF ILLINOIS**

**ILLINOIS COMMERCE COMMISSION**

**Illinois Power Agency** :  
: **19-0951**  
**Petition for Approval of the 2020 IPA** :  
**Electricity Procurement Plan pursuant to** :  
**Section 16-111.5(d)(4) of the Public** :  
**Utilities Act.** :

**ORDER**

By the Commission:

**I. INTRODUCTION**

Section 16-111.5(d)(2) of the Public Utilities Act (“PUA”) requires the Illinois Power Agency (“IPA”) to prepare a power procurement plan (“Draft Plan”). The IPA’s Draft Plan was posted on the IPA and Illinois Commerce Commission (“Commission”) websites, pursuant to Section 16-111.5(d)(2) of the PUA. 220 ILCS 5/16-111.5(d)(2). Comments on the Draft Plan were submitted to the IPA for its review. The PUA requires the IPA to make revisions as necessary to the Draft Plan based on the submitted comments and then formally file a revised plan with the Commission.

On September 30, 2019, the IPA filed with the Commission its 2020 Power Procurement Plan (“2020 Plan”), initiating this proceeding. Among other things, the purpose of the 2020 Plan is to secure electricity commodity and associated transmission services to meet the needs of eligible retail customers in the service areas of Commonwealth Edison Company (“ComEd”), Ameren Illinois Company d/b/a Ameren Illinois (“Ameren”), and MidAmerican Energy Company (“MidAmerican”).

Section 16-111.5(d)(3) of the PUA provides that, within five days of the filing of a procurement plan, any objections to it must be filed with the Commission. The same subsection also provides that the Commission shall enter an Order approving or modifying the procurement plan within 90 days after the filing of the plan. 220 ILCS 5/16-111.5(d)(3). Pursuant to Section 16-111.5(d)(4) of the PUA, the Commission shall approve the procurement plan, including the load forecasts used in the plan, “if the Commission determines that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.” 220 ILCS 5/16-111.5(d)(4).

Ameren filed a Petition to Intervene. Staff of the Commission (“Staff”) and the Attorney General of the State of Illinois (“AG”) also participated in this proceeding.

On October 7, 2019, Ameren filed Verified Comments to the 2020 Plan. On October 22, 2019, Staff, the IPA and the AG filed Responses. On October 31, 2019,

Ameren, Staff and the IPA filed Replies. A Proposed Order was served on the parties on November 15, 2019. Ameren and Staff filed Briefs on Exceptions on November 22, 2019. On December 4, 2019, Staff and the IPA filed Reply Briefs on Exceptions.

## **II. THE 2020 PLAN**

### **A. Uncontested Issues**

This is the IPA's twelfth electricity procurement plan under the authority granted to it under the Illinois Power Agency Act ("IPA Act") and the PUA. Chapter 2 of the 2020 Plan describes the specific legislative authority and requirements to be included in the plan, including those set forth in previous orders of the Commission. The 2020 Plan addresses the provision of electricity for the "eligible retail customers" of Ameren, ComEd, and MidAmerican. Following MidAmerican's participation for its fourth time in the 2019 IPA Procurement Plan, MidAmerican has again elected to have the IPA procure power and energy for a portion of its eligible Illinois customers through the 2020 Plan.

As defined in Section 16-111.5(a) of the PUA, "eligible retail customers" are for Ameren and ComEd generally residential and small commercial fixed price customers who have not chosen to receive service from an alternate supplier. For MidAmerican, eligible retail customers include residential, commercial, industrial, street lighting, and public authority customers that purchase power and energy from MidAmerican under fixed-price bundled service tariffs. The 2020 Plan considers a 5-year planning horizon that begins with the 2020-2021 Delivery Year and lasts through the 2024-2025 Delivery Year.

The 2019 Plan, as approved by the Commission in Docket No. 18-1564, called for the energy requirements for Ameren, ComEd, and MidAmerican to be procured by the IPA through two block energy procurements (Spring 2019 and Fall 2019). In addition, the 2019 Plan included two capacity procurements for Ameren (Spring 2019 and Fall 2019). The 2019 Plan also recommended a continuation of the energy procurement strategies proposed in the 2018 Plan. This 2020 Plan recommends a further continuation of those strategies.

Renewable energy resources are now procured through procurements and programs subject to a separate planning process. Those include procurements and programs described in the Long-Term Renewable Resources Procurement Plan ("Long-Term Plan") developed by the IPA and approved by the Commission on April 3, 2018 in Docket No. 17-0838.

Section 16-111.5(b)(5)(ii)(B) of the PUA calls for the Long-Term Plan to be updated, and possibly revised, every two years "in conjunction with the [IPA]'s other planning and approval processes" to the extent practicable. Concurrent with the release of the draft 2020 Plan, the IPA also released a draft Revised Long-Term Renewable Resources Procurement Plan for public comment, and while the two plans will be subject to separate written comment processes and will be filed separately with the Commission, public hearings for receiving comment were jointly held. The 2020 Plan proposes to continue using the risk management and procurement strategy that the IPA has historically utilized: hedging load by procuring on and off-peak blocks of forward energy in a three-year laddered approach. The IPA believes the continuation of its tested and

proven risk management strategy is the most prudent and reasonable approach, and the approach most likely to meet its statutorily mandated objective to “[d]evelop electricity procurement plans to ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability.”

The IPA’s energy hedging strategy for the 2020 Plan is consistent with the strategy used for the 2019 Plan. That strategy involves the procurement of hedges in 2020 to meet a portion of anticipated eligible retail customer energy supply requirements for a three-year period and includes two block energy procurement events, one in the Spring and the second in the Fall. Additionally, for Ameren, for the 2021-2022 Delivery Year, the IPA recommends continuing the strategy of procuring up to 50% of its forecasted capacity requirements in bilateral transactions and the remaining balance through the MISO Planning Resource Auction (“PRA”). For the 2022-2023 Delivery Year, the IPA recommends procuring up to 25% of its forecasted capacity requirements in bilateral transactions in 2020, with the balance of forecast capacity requirement to be determined in the 2021 Plan.

For ComEd, consistent with the strategy adopted in prior plans, the IPA proposes that forecasted capacity requirements be secured by ComEd through the PJM Reliability Pricing Model process. Consistent with the approach taken in the 2019 Plan, the IPA recommends that MidAmerican’s forecasted capacity deficit be secured by MidAmerican through the annual MISO PRA.

In addition to the various proposals above, the IPA recommends that ancillary services, load balancing services, and transmission services be purchased by Ameren and MidAmerican from the MISO marketplace and by ComEd from the PJM markets.

In the 2020 Plan, the IPA recommends the following items for Commission action:

1. Approve the base case load forecasts of ComEd, Ameren, and MidAmerican as submitted in July 2019.
2. Approve two energy procurement events scheduled for Spring 2020 and Fall 2020. The energy amounts to be procured in the Spring will be based on the updated March 15, 2020 base case load forecasts developed by Ameren, MidAmerican, and ComEd, in accordance with the hedging levels stated in the 2020 Plan, and as ultimately approved by the Commission. The energy amounts to be procured in the Fall will be based on the July 15, 2020 base case load forecasts developed by Ameren, MidAmerican, and ComEd in accordance with the hedging levels stated in the 2020 Plan, and as ultimately approved by the Commission.
3. Approve two capacity procurement events for Ameren scheduled for Spring 2020 and Fall 2020. The up-to capacity amounts to be procured in the Spring will be based on the updated March 15, 2020 base case load forecast developed by Ameren in accordance with the hedging levels stated in the 2020 Plan, and as ultimately approved by the Commission. The up-to capacity amounts to be procured in the Fall will

- be based on the July 15, 2020 base case load forecast developed by Ameren, in accordance with the hedging levels stated in the 2020 Plan, and as ultimately approved by the Commission. In the event that legislative changes and/or regulatory decisions render the proposed 2021-2022 and/or 2022-2023 capacity procurements for Ameren unnecessary and that there is consensus to cancel either procurement among the IPA, Staff, Procurement Monitor and Ameren, the affected procurements would be cancelled.
4. The March 15, 2020 and the July 15, 2020 forecast updates provided by the utilities to be used to implement this Plan will be pre-approved by the Commission as part of the approval of the 2020 Plan, subject to the review and consensus of the IPA, Staff, the Procurement Monitor, and the applicable utility. In the event that the parties do not reach consensus on an updated load forecast required in Items 2 and 3 above, then the most recent consensus load forecast will be used for the applicable procurement event. If those parties are unable to reach consensus on either of the updated load forecasts required in Items 2 and 3 above, then the July 2019 load forecast will be used for the applicable procurement event.
  5. Approve procurement by ComEd, Ameren, and MidAmerican of capacity, network transmission service and ancillary services from each utility's respective Regional Transmission Organization ("RTO").

The IPA believes the 2020 Plan is compliant with all applicable laws and will produce the "lowest total cost over time, taking into account any benefits of price stability" requests approval of the specific action items listed above.

The Commission approves the 2020 Plan as submitted by the IPA. Specifically, the Commission approves the base case load forecasts of ComEd, Ameren, and MidAmerican as submitted in July 2018.

Moreover, as proposed by the IPA, the Commission approves two energy procurement events scheduled for Spring 2020 and Fall 2020. The energy amounts to be procured in the Spring will be based on the updated March 15, 2020 base case load forecasts developed by Ameren, MidAmerican, and ComEd, in accordance with the hedging levels stated in the 2020 Plan. The energy amounts to be procured in the Fall will be based on the July 15, 2020 base case load forecasts developed by Ameren, MidAmerican, and ComEd, in accordance with the hedging levels stated in the 2020 Plan.

The Commission further approves two capacity procurement events for Ameren scheduled for Spring 2020 and Fall 2020. The capacity amount to be procured in the Spring will be based on the updated March 15, 2020 base case load forecast developed by Ameren in accordance with the hedging levels stated in the 2020 Plan. The capacity amount to be procured in the Fall will be based on the July 15, 2020 base case load forecast developed by Ameren, in accordance with the hedging levels stated in the 2020 Plan. In the event that legislative changes and/or regulatory decisions render the proposed 2021-2022 and/or 2022-2023 capacity procurements for Ameren unnecessary and there is consensus to cancel either procurement among the IPA, Staff, Procurement

Monitor, and Ameren, the Commission agrees that the affected procurements can be cancelled.

In addition, the March 15, 2020 and the July 15, 2020 forecast updates provided by the utilities to be used to implement the 2020 Plan are pre-approved by the Commission as part of the approval of the 2020 Plan, subject to the review and consensus of the IPA, Staff, the Procurement Monitor, and the applicable utility. In the event that the parties do not reach consensus on an updated load forecast, then the most recent consensus load forecast will be used for the applicable procurement event. If the parties are unable to reach consensus on either of the updated load forecasts, then the July 2019 load forecast will be used for the applicable procurement event.

The Commission further finds that it is appropriate to approve procurement by ComEd, Ameren, and MidAmerican of capacity, network transmission service and ancillary services from each utility's respective RTO.

Thus, pursuant to Section 16-111.5(d)(4) of the PUA, the Commission approves the procurement plan, including the load forecasts used in the plan, and finds that it will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability. 220 ILCS 5/16-111.5(d)(4).

## **B. Contested Issue**

### **1. Ameren's Position**

On November 26, 2018, the Commission issued its final Order in Docket No. 18-1564 which approved two IPA capacity procurement events for Ameren scheduled for Spring 2019 and Fall 2019. See, e.g., *IPA Petition for Approval of the 2019 IPA Procurement Plan*, Docket No. 18-1564, Final Order at 3 (Nov. 26, 2018). For the Spring 2019 procurement, the 2019 Plan identified a goal of reaching 25% cumulative hedge for the 2020-2021 Delivery Year and 12.5% cumulative hedge for the 2021-2022 Delivery Year. For the Fall 2019 procurement, any shortfall in the goal for the Spring 2019 procurement would be added to the goal associated with the Fall 2019 procurement. The capacity hedging goal of both procurements was to reach a 50% cumulative hedge for the 2020-2021 Delivery Year and 25% cumulative hedge for 2021-2022 Delivery Year. 2019 Plan at 74.

After the completion of the Spring and Fall capacity procurement events, the hedged percentage for the 2020-2021 Delivery Year is 27% compared to a goal of 50% and 12% for the 2021-2022 Delivery Year compared to a goal of 25%. The reasons for the hedging shortfall were not made public by the IPA or its Procurement Administrator.

Given the uncertainty associated with the volatility of the clearing price in the annual MISO capacity auction, Ameren has a history of supporting the risk mitigation benefits of a balanced approach to capacity hedging (e.g., 50% hedged through IPA procurements and 50% through the MISO capacity auction). MISO capacity auctions have the potential to range in price from near \$0 per Megawatt ("MW")-Day to the Cost of New Entry ("CONE"), which is projected to be \$255 per MW-Day for the 2020-2021 Delivery Year. The clearing price associated with each MISO capacity auction is the

intersection of the vertical demand curve and the supply offer curve and countless factors impact this clearing price. These include, but are not limited to:

- The load's capacity requirement and whether it is satisfied through bilateral contracts with capacity suppliers, self-supply from owned capacity resources or the MISO capacity auction.
- The impact that reserve margins and transmission losses have on the load's capacity requirement.
- The quantity of capacity resources that offer in the auction at variable price levels and their associated price offer strategies.
- The local clearing requirement associated with each MISO capacity zone and the import/export capability associated with each MISO capacity zone.

Given these and other complexities associated with the MISO capacity auction, it becomes virtually impossible to predict the clearing price with any reasonable degree of accuracy. Ameren has spent considerable time reviewing publicly-available MISO data regarding prior capacity auction results and it is our conclusion the clearing prices have a tendency to be inexpensive, unless the vertical demand curve approaches a steep part of the supply offer curve, at which point the price has the potential to increase exponentially. And once the demand curve intersects the steep part of the supply offer curve, small changes in demand or supply can dramatically change the clearing price (either higher or lower). Because of this pricing uncertainty and the risk to eligible retail customers, it is Ameren's opinion that a strategy of hedging 50% of the capacity requirement and clearing the remaining 50% in the MISO capacity auction appropriately balances the goals of low and stable supply prices for eligible retail customers.

Ameren notes that historical MISO auction capacity prices have been volatile. While prices have been low over the last several years, the impact of the dramatic increase in price for 2015-2016 is worth revisiting. During 2015-2016, the IPA Plan procured 0% hedges, thus leaving 100% of the capacity requirements to be cleared as a "price taker" through the MISO capacity auction. The auction subsequently cleared at an unprecedented price of \$150 per MW-Day (~\$126 per MW-Day after netting out the impact of zonal delivery benefits) and this resulted in a ~27% increase in the supply price for eligible retail customers compared to the prior year. This added ~\$80 million of unexpected costs, which translated into a bill increase of ~\$100 per year for a typical residential customer.

While Ameren cannot predict the clearing price for the 2020-2021 MISO capacity auction with any reasonable degree of accuracy, Ameren is concerned that entering the MISO capacity auction with a ~27% hedge level for the 2020-2021 Delivery Year creates a risk of much higher costs for eligible retail customers should the auction price rise significantly. Ameren is also concerned about the ~12% hedging level for the 2021-2022 Delivery Year but acknowledges that the IPA has two additional procurements proposed for 2020 with a goal to reach a 50% hedging level prior to the 2021 MISO capacity auction.

Should the Commission determine that the capacity shortfall for the 2020-2021 Delivery Year creates undue risk for Ameren eligible retail customers, there may still be

time for the IPA to procure additional quantities of capacity for 2020-2021. The Commission could direct the IPA to pursue the remaining quantities of capacity for the 2020-2021 Delivery Year, while also incorporating the latest information obtained from MISO and an updated capacity forecast from Ameren. Ameren's understanding is that the MISO capacity auction for 2020-2021 is currently scheduled for the last week of March 2020. Backing up from that date, Ameren's expected deadline to demonstrate to MISO that Ameren received all capacity procured by the IPA would be no later than early March 2020. Therefore, Ameren anticipates that any incremental capacity contracts would need to be executed no later than February 2020.

In Reply, Ameren states that it appreciates the efforts of consumer groups, which led to changes in the MISO capacity auction. Ameren is, however, concerned by any assumption that these changes will provide long term mitigation against future price spikes. Ameren's rationale is that considerable market dynamics have changed since 2015 and similar change is likely to continue in the future. These market dynamic changes include, but are not limited to the following:

- Thousands of MWs of Illinois coal generation have retired or plan to retire soon.
- Other MISO states are also seeing considerable retirements in coal fired generation.
- The increase in renewable generation in the MISO footprint is causing MISO to increase its reserve margin requirement. This increases the capacity requirement for load, including the load for eligible retail customers.
- MISO has also increased transmission losses and this also increases the capacity requirement for load.
- MISO's Independent Market Monitor ("IMM") believes the "realistic case" reserve margin is likely lower than "base case" reserve margin used by MISO.
- Newly developed transmission projects are now energized.
- The quantity of demand response registrations has increased.
- Energy efficiency continues to impact load.
- The quantity of wind generation continues to increase, and the quantity of solar generation is now beginning to increase.
- The total capacity requirement, local clearing requirement and import/export limits change yearly for each MISO zone.

Ameren states that the variables that drive the MISO Auction Clearing Price are so dynamic that it becomes virtually impossible to predict the auction outcome from year to year with any reasonable degree of accuracy. Furthermore, Ameren suspects the vast majority of MISO market participants would agree.

The IPA, in its Response, appears skeptical that its capacity procurements can directly impact the MISO Auction Clearing Price. Additionally, the IPA attempts to minimize the hedging shortfall by indicating that the shortfall is only 23% of eligible retail

customer load requirements. The IPA goes on to assert that eligible retail load is only a fraction of the broader total retail load capacity requirement. However, the evidence from prior capacity procurement events suggests that IPA procurements can and do have a direct impact on the MISO Auction Clearing Price.

For example, the 2015/2016 capacity requirement for eligible retail customers was 2,058 MW and the full amount was cleared in the MISO auction at a net price of about \$126/MW-Day. Assuming hypothetically the IPA would have hedged 50% of this quantity via its procurement events (1,029 MW), publicly available data from MISO suggests that all else being equal, the MISO capacity auction would have cleared at \$3.00/MW-Day. After the 2015/2016 auction, MISO appeared to agree with this concept when it stated that more capacity was procured through the auction compared to prior years, instead of through the use of owned resources or contracts. Specifically, they stated that 45% of capacity requirements were satisfied through the MISO auction in 2015/2016 compared to 35% in the prior year. Further, MISO stated that since more load participated in the auction in 2015/2016, it moved the price further up the supply offer curve.

During 2016/2017, the IPA procured 1,033 MW of capacity in advance of the MISO capacity auction at a price of \$138.42/MW-Day. This price is higher when compared to the actual MISO Auction Clearing Price of \$72/MW-Day. However, publicly available data from MISO suggests that absent this IPA procurement and all else being equal, the MISO auction would have cleared at about \$223/MW-Day.

Finally, the IPA implies that the eligible retail load has an inconsequential impact on the MISO capacity auction when compared to the retail load in total. Ameren believes the IPA's logic is flawed. First, the vast majority of capacity resources in MISO do not submit price sensitive offers in the auction. Instead, they take actions to ensure their resources are guaranteed to clear in the auction and therefore they are assured of meeting their load's capacity requirements. This is achieved, consistent with MISO protocol, through either an offer of \$0/MW-Day or the use of a Fixed Resource Adequacy Plan. Both achieve the same result, which is to match up owned or contracted for capacity resources with load requirements and/or ensure clearing in the auction.

Ameren states that a minority of MISO capacity resources instead use escalating price sensitive offers that are characterized by a tiered pricing approach. Since any unhedged capacity requirements for eligible retail load capacity *must* clear in the MISO auction as a price taker and the majority of capacity resources self-supply to meet their requirements, the unhedged eligible retail capacity requirement represents a fairly substantial amount of the MWs that are actually exposed to the clearing price. In some circumstances, the eligible retail capacity is exposed to escalating price sensitive offers (e.g., 2015-2016 and 2016-2017) and this market characteristic creates risk for eligible retail customers, which in a worst-case scenario could result in a price of CONE (\$255/MW-Day proposed for 2020). Eligible retail customers are naturally "short" capacity, which means they need 100% of their requirements from the market. The only two options for eligible retail customers to meet their capacity requirements are the IPA procurement events and the MISO auction. Therefore, Ameren believes the only way to mitigate customer risk associated with the MISO capacity auction is through IPA procurement events.

In its Response, Ameren notes that the IPA alleges that expected prices for capacity in a Delivery Year will converge to the actual realized prices as the auction date approaches and capacity resources gain insight into the various parameters and market structure that will inform auction offers. For this reason, the IPA suggests a procurement event shortly before the MISO capacity auction would not provide benefit to eligible retail customers.

Nowhere in its Response, Ameren states, does the IPA acknowledge that while the MISO Auction Clearing Price may be expected to be low on average over several years, in any given year there is a possibility of a substantial and exponential increase in the price. Ameren further states that the IPA does not acknowledge that the bilateral capacity market tends to be "thin" or illiquid and the limited quantity of contracts tend to contain confidentiality clauses among the parties. This makes price discovery for capacity more difficult when compared to energy price discovery, which is correlated with natural gas prices and therefore easier to predict. Furthermore, the IPA does not acknowledge the countless factors that ultimately determine the MISO Auction Clearing Price.

To reiterate, Ameren opines that this makes it virtually impossible to provide an accurate estimate for the outcome of the MISO Auction Clearing Price, even shortly before the auction occurs. For these reasons, Ameren believes that the MISO auction does not achieve price convergence as described by the IPA. Instead, it is Ameren's belief that market participants recognize that the MISO auction follows a pattern of near zero pricing during periods of excess capacity resources and then extreme pricing during periods of scarce or constrained resources. In other words, and as previously stated, the MISO auction prices may be expected to be low on average over a period of time, but in any given year there is a possibility of a substantial and exponential increase in the price. For these reasons, it is logical that capacity resources may be interested in hedging their excess via an IPA procurement event, even if the event were to occur shortly before the MISO auction. Capacity resources have uncertainty too and the IPA's procurement events provide them with hedging opportunities in a similar way they provide hedging opportunities for eligible retail customers.

In its Response, the IPA describes that recent procurements had higher prices when compared to the actual MISO Auction Clearing Price (i.e., hedges were "out of the money"). *Id.* at 5. While this is true, Ameren argues that the actual impact to eligible retail customers needs to be put in perspective. The 2019 procurement quantities were approximately \$25/MW-Day higher than the MISO Auction Clearing Price and the percentage hedged was 50%. The blended capacity charge component of the supply price for eligible retail customers was about \$1.50/MWh. Conversely, MISO has issued a preliminary 2020 CONE price of \$255/MW-Day and assuming that 73% of the capacity were to clear at CONE and the other 27% at the existing IPA hedge price of about \$24/MW-Day, the blended capacity charge component of the supply price for eligible retail customers would be about \$18.50/MWh. Taking this into account and the previously mentioned analysis from 2015/2016 and 2016/2017, Ameren notes that small hedging costs for eligible retail customers can protect against major increases in costs, should a price spike occur.

Moreover, MISO's IMM acknowledges the possibility of a price spike up to CONE. In its 2019 Summer Preparedness Presentation, the IMM indicated that one generating

unit in Michigan was included in MISO's previous capacity auction, even though the unit had an approved outage that would make it unavailable for the summer of 2019. The IMM stated that had this unit been removed from the previous capacity auction, the price for Michigan would have been CONE.

Ameren notes that the AG suggests that the IPA and Commission consider examining the reasons for the inability to meet the 2020 Plan's hedging goals and suggests that the IPA should provide an explanation for the hedging shortfall. Ameren agrees with these suggestions. Additionally, the AG implies that the reason for the hedging shortfall may be a lack of capacity resource interest in the IPA procurement events. While that may be the case, Ameren speculates the shortfall could also relate to the level at which the confidential price benchmarks were set by the IPA's procurement events. These benchmarks provide a maximum price for which the IPA will procure on behalf of eligible retail customers. In other words, any offers above this benchmark price would be excluded from contract awards.

To the extent the price benchmarks were the reason for the shortfall or one of the reasons for the shortfall, Ameren encourages the IPA and the Commission to review the process by which the price benchmarks are set. While Ameren knows it is not part of the group that sets the benchmarks, it believes that its suggestions would be beneficial to the process. Therefore, given that all of the intervening parties in this docket have a desire to ensure affordable and stable electricity supply for eligible retail customers, to the extent that the parties can agree to a mechanism by which Ameren can provide input in a more general way that does not violate statutory protocol, Ameren would be interested in discussing the matter further.

## **2. IPA's Position**

The IPA urges the Commission to reject Ameren's concerns. In the 2019 Plan approved by the Commission in Docket No. 18-1564, the IPA planned procurement of up to 25% of the Zonal Resource Credits ("ZRCs") comprising 2020-2021 Ameren capacity requirements in a Spring 2019 procurement event and then targeting a further amount in a Fall 2019 procurement to bring the cumulative 2020-2021 capacity procurement up to 50% of AIC eligible retail customers' needs, with the remainder left to the 2020-2021 MISO PRA to be held in April 2020. The actual procurements succeeded in procuring 5.9% of 2020-2021 capacity requirements in Spring 2019 and then an additional 21.4% in the Fall 2019 procurement, resulting in a cumulative 27.3% of 2020-2021 capacity needs procured. As a result, the previously approved procurement strategy has resulted in leaving 72.7% of Ameren capacity requirements for 2020-2021, rather than 50%, to be filled by MISO's annual PRA for Local Resource Zone 4 ("Zone 4") next Spring.

In comments, Ameren indicates that the IPA should conduct an additional procurement to attempt to achieve that 50% hedging level. The IPA appreciates the proposal offered by Ameren, as well as Ameren's stated desire to lower the overall cost of capacity procured for Ameren eligible retail customers. However, the IPA urges the Commission to reject Ameren's proposal.

First, the capacity hedging approach for 2020-2021 approved by the Commission in the 2019 Plan functioned as intended. The two procurements featured three winning bidders in the Spring, five winning bidders in the Fall, and a total of six unique winning

bidders. While the IPA cannot comment on overall levels of participation given the confidentiality of bid information, this robust result, approved by the Commission, indicates that bids received were competitive and reflective of market expectations. Further, both the Spring 2019 and Fall 2019 capacity procurements were subject to price benchmarks developed by the consensus of Staff, the IPA Procurement Administrator, the IPA itself, and the Commission's Procurement Monitor, pursuant to the law's requirements, and approved by the Commission. 220 ILCS 5/16-111.5(e)(3). These benchmarks function as a cost control mechanism for eligible retail customers, ensuring that customers will not pay above-market rates for capacity by establishing a ceiling price for the evaluation of any bids. While the IPA cannot comment specifically on why targeted volumes were not procured, it can share that this statutorily-required process intended to safeguard customer interests was faithfully followed.

Second, the statutory scheme undergirding the annual Plans already provides for contingencies should procurements fail to fill targeted quantities, and that process was likewise followed. Section 16-111.5(e)(5) of the PUA defines a process whereby the Procurement Administrator, Procurement Monitor, and Staff are to confer within 10 days after such an under-procurement and rerun the request for proposals process "if changes are identified that would likely result in increased supplier participation." 220 ILCS 5/16-111.5(e)(5)(iii). While the IPA is unable to comment about the status or result of those discussions, the Commission should be assured that the relevant parties have conferred as required by law. Moreover, the law also provides that "where there is insufficient supply provided under contracts awarded through the procurement process to fully meet the electric utility's load requirement, the utility shall meet the load requirement by procuring power and energy [including capacity] from the applicable RTO market." 220 ILCS 5/16-111.5(e)(5)(iii). In other words, the intent of the approved 2019 Plan to leave any unprocured Ameren capacity requirements for 2020-2021 to the MISO PRA is consistent with the law's scheme.

Third, Ameren's arguments citing prior Zone 4 price escalations are unpersuasive. Specifically, Ameren cites a situation from the 2015-2016 Delivery Year where 100% of eligible retail customer load was exposed to the high Zone 4 clearing price (\$150 per MW-day before netting out Zonal Deliverability Benefits) resulting from the MISO PRA that year, resulting in, allegedly, \$80 million of "unexpected costs" in supply charges for AIC's eligible retail customers. But the PRA parameters for MISO Zone 4 have changed substantially since the April 2015 auction, owing in part to the Federal Energy Regulatory Commission's ("FERC") decision in late 2015 in response to complaints from certain consumer groups levied in connection with that procurement. Lower requirements for locally-sited capacity will likely discourage the assertion of market power by concentrated ownership of local generating capacity and thus temper the slope of the "steep part" of the offer supply curve in the PRA, reducing the likely PRA clearing price for Zone 4.

Indeed, for each of the past four Delivery Years (2016-2017 through 2019-2020), ZRC clearing prices in IPA-administered capacity procurements for Ameren have been *above* the ultimately realized PRA prices. In the 2019-2020 PRA, 1,261.7 MW of Zone 4 capacity did not clear the MISO PRA while featuring bids of \$25 or below. Those non-clearing PRA bids were *below* the prices procured for 2019-2020 ZRCs in the Spring and Fall 2018 Ameren capacity procurements conducted by the IPA.

It is also unclear whether the removal of supply from the PRA bidding stack via a new IPA-administered procurement for 2019-2020 would affect the “steepness” of the PRA supply stack for Zone 4, as bidders may be able to observe the results of the new IPA procurement and adjust their bids accordingly. In addition, the amount of 2020-2021 eligible retail customer capacity needs at issue is only approximately 23% of eligible retail customer load – the difference between the cumulative amount actually procured by the IPA (27%) and the cumulative amount that would now be targeted to be procured under AIC’s apparent proposal (50%) – with eligible retail customer load already constituting only a fraction of the broader Zone 4 requirement, thus narrowing the points along the curve for which hedging could be impactful.

Fourth, any potential price reduction benefits appear unlikely given basic market dynamics. The IPA states that it should be expected that forward prices or expected prices for MISO ZRCs in a given Delivery Year will converge to the (future) actual realized prices as we move forward in time toward the PRA date and bidders gain insight into the various parameters and market structures that will inform PRA bidding. If a high 2020-2021 PRA clearing price for Zone 4 is likely (and thus perceived by the market to be likely), it is unlikely that bidders in an IPA-administered capacity procurement just before the PRA – which is when any new procurement would need to occur, given the timing of this Plan approval and the time needed to prepare for an additional procurement event – would then bid low. Alternatively, if a high 2020-2021 PRA clearing price for Zone 4 is unlikely, then a new IPA-sponsored capacity procurement would simply add costs for Ameren eligible retail customers because it would result in additional procurement of capacity at a price higher than if that capacity were ultimately procured through the MISO PRA. Neither outcome is suited to producing the “lowest total cost over time, taking into account any benefits of price stability” as a Commission determination in this proceeding requires. 220 ILCS 5/16-111.5(d)(4).

Fifth, and lastly, the IPA asserts that administering a new capacity procurement for 2020-2021 in time to submit the results to MISO before the 2020-2021 PRA would be challenging. Based on the likely timeline of the 2020 Plan approval proceeding, the Commission will issue an approval Order at its December 19, 2019 Open Meeting. March 10, 2020 is the deadline for Ameren to submit its Fixed Resource Adequacy Plan, including ZRCs contracted through IPA-administered procurements, to MISO for incorporation in the 2020-2021 PRA construct. Therefore, the Bid Date for the capacity procurement could be approximately no later than sometime in February (with the need to also account for the Commission’s approval of procurement results, the execution of contracts, etc.), leaving at most two months following the Commission’s Order to plan and implement the new capacity procurement.

In its Reply, the IPA states it generally agrees with Staff as to why the reasons for a procurement event failing to meet targeted quantities must be kept confidential. As Staff points out, the disclosure of confidential bid information could raise bids and operate contrary to the public interest. Thus, additional explanation of the basis for procurement targets not being met (as requested by AG in its Response) may compromise the 2020 Plan’s ability to meet this standard.

First, the IPA disagrees with the AG that the failure to achieve procurement targets indicates a lack of interest. Given the confidentiality considerations outlined above, the

IPA refrains from offering any additional commentary on the level of interest in its prior procurement events.

Second, the competitiveness of each procurement event already receives examination from a third party tasked with oversight - the Commission's Procurement Monitor, which provides an "independent confidential report" to the Commission regarding each competitive procurement. While the IPA is not privy to the contents of the Procurement Monitor's confidential report to the Commission, the IPA understands that assessing the competitiveness of procurement events and identifying any barriers to achieving robust participation may fall within the scope of the Procurement Monitor's examination.

Third, procurement events that fail to achieve sought quantities are anticipated by the PUA, and in such cases, Section 16-111.5(e)(5)(ii) of the PUA requires that a specific review and analysis process be followed:

If the procurement process fails to fully meet the expected load requirement due to insufficient supplier participation or due to a Commission rejection of the procurement results, the procurement administrator, the procurement monitor, and the Commission staff shall meet within 10 days to analyze potential causes of low supplier interest or causes for the Commission decision. If changes are identified that would likely result in increased supplier participation, or that would address concerns causing the Commission to reject the results of the prior procurement event, the procurement administrator may implement those changes and rerun the request for proposals process according to a schedule determined by those parties and consistent with Section 1-75 of the Illinois Power Agency Act and this subsection. In any event, a new request for proposals process shall be implemented by the procurement administrator within 90 days after the determination that the procurement process has failed to fully meet the expected load requirement.

220 ILCS 5/16-111.5(e)(5)(ii). As the issues cited by the AG are already examined through an existing process required by Illinois law, any separate "examination" or "investigation" for determining why the procurement "did not attract appropriate bid quantities, prices, or combination of the two" would circumvent the PUA's required approach.

Lastly, the IPA states that to the extent other parties seek to provide feedback on the procurement process in identifying strategies to increase participation levels, the PUA already includes a process for providing this feedback. Section 16-111.5(o) of the PUA requires that "[o]n or before July 1 of each year, the Commission shall hold an informal hearing for the purpose of receiving comments on the prior year's procurement process and any recommendations for change." This process has been used annually since 2009 for external feedback on how to improve the IPA's competitive procurement events. While in many years, only the Procurement Monitor provides comment, other parties - including

bidders, or even stakeholders like the AG - are welcome to offer suggestions through this informal hearing.

### **3. Staff's Position**

Staff states that the procurement process has worked as intended to ensure procurements produce reasonable results despite capacity procurement short of the 50% target for the 2020-2021 Delivery Year. Staff does not disagree with Ameren's opinion regarding the hedging goal but notes that procuring 50% through the IPA procurement events may not always be achieved because the hedging strategy employed must be considered within the context of the procurement process required by the IPA Act and the PUA.

Staff states that there are numerous requirements specified in the PUA with respect to the administration of procurement processes. For example, bidders in the procurement process must be prequalified based upon factors that include credit worthiness, compliance with procurement rules, and agreement with associated standard form procurement contracts. 220 ILCS 5/16-111.5(e)(1). Additionally, the Procurement Administrator must develop a market-based price benchmark, in consultation with Staff, the IPA, and the Procurement Monitor. Received bids above this Commission-approved price benchmark must be rejected. Imposition of these provisions are among the reasons procurements may not result in the achievement of hedging targets.

As Ameren indicates, the IPA and its Procurement Administrator did not make public the reasons for the hedging shortfall. The withholding of this information is appropriate and consistent with how the PUA specifies that the procurement should be administered. In particular, knowledge of individual bidder financial details and the actual bids received has the potential to impact overall bidding and bidding strategies by all suppliers and it reduces the incentive of bidders to base bids upon their true cost of providing, in this instance, capacity. In fact, the benchmark itself, and the method for calculating the benchmark is confidential for these reasons. 220 ILCS 5/16-111.5. Providing opportunity for bidders to gain access to such confidential information has the potential to raise bids. Such an outcome would be contrary to the public interest. Staff submits that these concerns are the reason that the PUA specifies that both the benchmarks and the reports by the Procurement Administrator and the Procurement Monitor summarizing the results of the procurement as well as the Procurement Monitor's assessment of bidder behavior are to be submitted as confidential to the Commission. 220 ILCS 5/16-111.5(f).

As an active participant in the procurement administrative process, Staff observed the Procurement Administrator to appropriately follow the processes specified in the PUA. These processes, as Ameren observes, yielded a procurement hedging result that fell short of the 50% target for the 2020-2021 Delivery Year. However, the PUA specifies a process and procedure to be followed by the Procurement Administrator, the Procurement Monitor, and Staff in cases where the procurement process produces results short of the procurement target. 220 ILCS 5/16-111.5(e)(5)(ii). That process and procedure was followed in this case.

In particular, with respect to the capacity hedging shortfalls noted by Ameren, the Procurement Administrator, the Procurement Monitor, and Staff met within the specified

time frames to discuss and analyze the issue. It was the consensus decision of this statutorily-specified group that the Procurement Administrator should not rerun the request for proposals or engage in an additional request for proposals. As explained above, the information relied upon by the parties to reach this determination is confidential.

In addition, Staff notes that the Procurement Administrator, the Procurement Monitor, and Staff met to discuss the potential impact of the August 21, 2019 announcement by Vistra Energy and its subsidiaries to close four coal-fueled power plants in Illinois on the development of the benchmark for the Fall capacity procurement. Again, given the confidential nature of the topic, Staff cannot describe the outcome of this discussion. However, Staff notes this for the purpose of informing the Commission and the parties to this docket that such a discussion did take place prior to the scheduled Fall capacity procurement.

Staff is of the opinion that the Commission need not, as Ameren suggests, direct the IPA to pursue the remaining quantities of capacity for the 2020-2021 Delivery Year. The capacity hedging procurement process worked as specified in the PUA and it remains Staff's opinion that an additional IPA capacity procurement prior to the 2020 MISO capacity auction would be inefficient and unlikely to eliminate the hedging shortfall. The procurement process has worked as intended to ensure procurement results produce reasonable results.

In its Reply, Staff states that the AG recommends that the Commission reject the concerns raised by Ameren regarding the fact that the IPA's target to procure 50% of Ameren's forecasted 2020-2021 capacity requirements was not met. Specifically, Ameren expressed concern about procuring approximately 73% of its total expected capacity needs through the MISO Planning Resource Auction ("MISO PRA") for the 2020-2021 Delivery Year. Staff agrees with the AG's primary recommendation that the Commission should not order any additional, interim procurement. But Staff opposes the AG's additional recommendation that the IPA and Commission consider examining the reasons for the inability to meet the Plan's hedging goals.

The Commission need not make such a directive in this Docket because the law already puts processes in place to achieve the same objectives as the examination recommended by the AG. See 220 ILCS 5/16-111.5(e)(5)(ii). As indicated in Staff and the IPA's Response, that process was followed with respect to the IPA's capacity procurement for Ameren's 2020-2021 Delivery Year.

Second, if the AG's recommendation is for the IPA to publicly provide "the reasons for the inability to meet the Plan's hedging goals," it would be inconsistent with the PUA. Section 16-111.5(h) provides that other than the name of the successful bidders and load weighted average of winning bid prices, all the "other supplier and bidding information..." is confidential. 220 ILCS 5/16-111.5(h). As set forth in Section 16-111.5(h), confidential information is to "not be made publicly available" and is not admissible "in any proceeding, other than one for law enforcement purposes." If the Commission were to order the IPA to publicly provide an explanation for the hedging shortfall as the AG appears to recommend, not only is that not provided for by the PUA but confidential information could end up being inappropriately disclosed to the public which would be contrary to the PUA.

#### 4. AG's Position

The AG states that Ameren's request is based in large part on a price increase that occurred three years ago during the 2015-2016 MISO capacity auction. Ameren's comments are misguided and lack support. MISO's data show clearing prices since the 2015-2016 capacity auction are stable and not volatile. Further, Ameren ignores changes by MISO since the 2015-2016 auction and the capacity availability to Zone 4. The Commission should therefore deny Ameren's request. In the alternative, the AG suggests the IPA examine the apparent lack of interest in its 2019 procurement events, which will no doubt aid the IPA and the Commission in its review of the 2020 procurement efforts.

The AG states that clearing prices since 2015-2016 evidence stability and consistent low cost. Ameren mischaracterizes the "volatility of the clearing price in the annual MISO capacity auction[.]" In fact, MISO's report of the results from its most recent capacity auction, the PRA for 2019-2020, show that clearing prices in MISO Zone 4 (*i.e.*, Ameren's service territory) have continued on a stable course that is already in its third year.

The Zone 4 clearing price is \$2.99 per MW-day. This is an order of magnitude lower than even the IPA's Fall 2019 procurement event's clearing prices of \$23.74 per MW-day for the 2020-2021 Delivery Year and \$27.75 per MW-day for the 2021-2022 Delivery Year. The data show Ameren's focus on 2015-2016 is misguided, and that the clearing price for that Delivery Year is, by any comparison, an anomaly.

This data also contradicts Ameren's request to the Commission that it consider ordering the IPA to procure remaining capacity through bilateral agreements. Rather, the stable, consistently low prices in the MISO PRA suggest, more likely than not, that it could be more cost effective for the remainder of Ameren's load for the 2020-2021 Delivery Year to be secured through the auction.

The AG states that Ameren provides an offer curve for Zone 4 from the 2015-2016 PRA as evidence that the clearing prices for Zone 4 in the PRA could rise dramatically. However, many of the circumstances which gave rise to the price increase in that particular Delivery Year are not present today. For example, as a result of the price increase in the 2015-2016 PRA, various parties, including the AG, filed a formal complaint with the FERC. *People of the State of Ill. by Ill. Att'y Gen. Lisa Madigan v. Midcontinent Independent Sys. Operator, Inc.*, 153 FERC ¶ 61,385 (2015). MISO went on to implement recommendations and changes that arose in part through the complaint. See, *e.g.*, *id.* at ¶¶ 85, 145, 176. Since then, not only have capacity clearing prices in Zone 4 gone down, but prices have remained low for three years in a row as well.

Furthermore, Ameren makes no mention of the significance that Zone 4 has not separated (or cleared with a different price due to transmission system constraints) from a substantial portion of the other MISO zones. For the last three PRAs, Zone 4 has cleared with at least nine of the ten MISO zones, and in 2016-2017, cleared with six of ten zones. These ratios show that MISO's transmission system in and around Zone 4 remains robust, thereby enabling the flow of least-cost electricity from ample capacity resources located throughout MISO.

The lack of constraint within MISO indicates that there are substantial imports available to meet Zone 4's need. MISO's most recent PRA report indicates that Zone 4 can import 6,771 MW, compared to a Local Clearing Requirement of 6,222.1 MW. Considering that Zone 4's required total capacity (the Planning Reserve Margin Requirement) is 9,792.3 MW, and its in-zone capacity is 6,222.1 MWs, Zone 4 can still import nearly twice the amount needed to reach its required level of capacity. Considering that Zone 4 imported only 1,186.8 MWs of capacity in the 2019-2020 PRA, it follows that, should it be needed, a large amount of capacity could be imported in the future. Given that the majority of the other MISO zones cleared at low prices in the prior three PRAs, it also follows that the capacity resources outside of Zone 4 should be able to provide low-cost capacity to Zone 4. In other words, it appears that even appreciable retirements or changes in the availability of capacity inside and outside Zone 4 could occur without significant impact on the availability of capacity to Zone 4. The AG maintains that Ameren's comments fail to analyze, let alone raise, any of the above.

The AG also states that Ameren's request is at best, premature. In this year's Plan, the IPA is continuing the hedging strategy it applied in its plan from the prior year. But the IPA has changed its hedging goals in the past and may consider revising them downwards in light of low PRA capacity prices. See, e.g., 2020 Plan at 57, 59-60. Given that Ameren acknowledges there will be opportunities to procure more capacity towards the goal of 25% hedging for the 2021-2022 Delivery Year in 2020, and the most recent and relevant data from MISO's PRAs, it is not evident that Ameren's request for a separate, smaller procurement would necessarily be the most cost-effective approach to securing more capacity.

The AG suggests, in the alternative, that the IPA and the Commission consider examining the reasons for the inability to meet the 2019 Plan's hedging goals. For example, should an examination find that the reason is a lack of bidder interest in the relatively small Illinois-specific procurement, a second procurement seems unlikely to produce a better result; should the bidding in a smaller procurement result in prices that are substantially in excess of the MISO PRA, the Commission and the IPA would then consider alternatives. For example, the IPA's 2020 Plan states that "For the 2021-2022 Delivery Year, the cumulative hedges should be *no more than* 50% of the capacity requirements." 2020 Plan at 71 (emphasis added). And for the 2021-2022 Delivery Year, the IPA has procured 12% of Ameren's capacity, with two additional procurement events proposed for 2020 pending. No doubt the IPA would benefit from the AG's suggested examination.

The AG therefore argues that the IPA should provide an explanation for the hedging level shortfall. Subject to any future IPA statement to the contrary, it appears there was insufficient interest in the Spring 2019 and Fall 2019 Ameren capacity procurement events to meet the required levels. If this is the case, the Commission and the IPA should investigate why the IPA's procurement events for Ameren did not attract appropriate bid quantities, prices, or combination of the two. Based upon the foregoing, it is evident that, at a minimum, the Commission should not order any additional, interim procurement in the absence of further information and analysis.

## 5. Commission Analysis and Conclusion

The Commission agrees with the IPA, the AG, and Staff that the hedging process approved in the 2019 Plan functioned as directed, both statutorily and as ordered by the Commission. The IPA and Staff detail the numerous requirements outlined in Section 16-111.5(e) and (f), and the Commission need not reiterate them here. Consistent with the statute, the IPA, Procurement Monitor, Procurement Administrator, and Staff met to discuss the hedging shortfall. The Commission agrees with Staff that disclosing the outcomes of this meeting, as well as any bidder-specific information, would be contrary to the public interest.

The Commission rejects Ameren's suggestion that the IPA should conduct an additional procurement to attempt to achieve the 50% hedging level. As described above, the process was followed, and there is no need to modify that process. As the IPA states, the law provides that "where there is insufficient supply provided under contracts awarded through the procurement process to fully meet the electric utility's load requirement, the utility shall meet the load requirement by procuring power and energy from the applicable RTO market." 220 ILCS 5/16-111.5(e)(5)(iii). Therefore, any unprocured Ameren capacity requirements for 2020-2021 are procured from the MISO PRA. The 2020 Plan allows for the same safeguards should the hedging goals not be met for a successive year. The 2020 Plan as filed "will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability." 220 ILCS 5/16-111.5(d)(4).

The AG suggests that the IPA and the Commission consider examining the reasons for the inability to meet the 2019 Plan's hedging goals. The Commission agrees with Staff that the PUA already requires such an examination in Section 16-111.5(e)(5)(ii). 220 ILCS 5/16-111.5(e)(5)(ii). As stated above, that process was followed with respect to the IPA's capacity procurement for Ameren's 2020-2021 Delivery Year. Accordingly, the Commission declines to adopt the AG's recommendation.

### III. FINDINGS AND ORDERING PARAGRAPHS

The Commission, having reviewed the entire record, is of the opinion and finds that:

- (1) Commonwealth Edison Company, Ameren Illinois Company d/b/a Ameren Illinois and MidAmerican Energy Company are corporations engaged in the retail sale and delivery of electricity to the public in Illinois, and each is a "public utility" as defined in Section 3-105 of the Public Utilities Act and an "electric utility" as defined in Section 16-102 of the Public Utilities Act;
- (2) the Commission has jurisdiction over the parties hereto and the subject matter hereof;
- (3) the recital of fact and conclusions of law in the prefatory portion of this Order are supported by the record and are hereby adopted as findings of fact and conclusions of law;
- (4) the load forecast for Ameren Illinois Company d/b/a Ameren Illinois attached to the Illinois Power Agency's September 30, 2019 Petition should be approved; the load forecast for Commonwealth Edison Company attached

to the Illinois Power Agency's September 30, 2019 Petition should be approved; the load forecast for MidAmerican Energy Company attached to the Illinois Power Agency's September 30, 2019 Petition should be approved;

- (5) the 2020 Plan filed by the Illinois Power Agency pursuant to Section 16-111.5 of the Public Utilities Act should be approved; the 2020 Plan, and load forecasts found appropriate above, will ensure adequate, reliable, affordable, efficient, and environmentally sustainable electric service at the lowest total cost over time, taking into account any benefits of price stability; in making this finding, the Commission is not expressing its concurrence in every statement or opinion contained in the 2020 Plan and no presumptions are created with respect thereto; and
- (6) all motions, petitions, objections, and other matters in this proceeding which remain unresolved should be disposed of consistent with the conclusions herein.

IT IS THEREFORE ORDERED by the Illinois Commerce Commission that the 2020 Plan and load forecasts filed by the Illinois Power Agency pursuant to Section 16-111.5 of the Public Utilities Act are hereby approved.

IT IS FURTHER ORDERED that all motions, petitions, objections, and other matters in this proceeding which remain unresolved are disposed of consistent with the conclusions herein.

IT IS FURTHER ORDERED that pursuant to Section 10-113(a) of the Public Utilities Act and 83 Ill. Adm. Code 200.880, any application for rehearing shall be filed within 30 days after service of the Order on the party.

IT IS FURTHER ORDERED that, subject to Section 10-113 of the Public Utilities Act and 83 Ill. Adm. Code 200.880, this Order is final; it is not subject to the Administrative Review Law.

By Order of the Commission this 19<sup>th</sup> day of December, 2019.

(SIGNED) CARRIE ZALEWSKI

Chairman