



November 15, 2011

Procurement Policy Board
511 W Capitol Avenue Suite 102
Springfield, IL 62704

Dear Sirs:

Pursuant to PA 97-0168, enclosed please find the attached correspondence that was sent to the Director of the Illinois Power Agency.

If anything further is required, please advise.

Sincerely,

Edward C. Fitzhenry
Managing Associate General Counsel
(314) 554-3533
(314) 554-4014 (fax)
efitzhenry@ameren.com

cc: Service List
Jim Blessing
Rich McCartney

November 10, 2011

Illinois Power Agency
Arlene Juracek, Executive Director
160 N. LaSalle
Suite N-508
Chicago, Illinois 60601

Public Act 97-0616 Forecast & Energy/REC Solicitations for June 2013-December 2017

Dear Ms. Juracek:

Forecast:

Pursuant to our requirement under PA 97-0616 (formerly SB 1652) to provide you with a forecast for the above referenced period, enclosed please find the following Excel files:

AIC Expected Forecast for PA 970616.xlsx
Expected gross load forecast which is filtered by expected switching to calculate the expected portfolio scenario.

AIC High Forecast for PA 970616.xlsx
High gross load forecast which is filtered by low switching to calculate the high portfolio scenario.

AIC Low Forecast for PA 970616.xlsx
Low gross load forecast which is filtered by high switching to calculate the low portfolio scenario.

RPS Expected Spending Cap and Target for PA 970616.xlsx
Expected REC MWH target and spending cap for each year of term

RPS High Spending Cap and Target for PA 970616.xlsx
High REC MWH target and spending cap for each year of term

RPS Low Spending Cap and Target 2012 for PA 970616.xlsx
Low REC MWH target and spending cap for each year of term

Energy Solicitation:

PA 97-0616 contains a methodology by which quantities of around the clock (7x24) energy are determined from the expected forecast and then subsequently solicited by the IPA via a procurement event to be completed within 120 days of enactment. The language pertaining specifically to Ameren Illinois implies the quantities should be calculated for each planning year independent of the other planning years. As such, we have calculated the quantities as follows:

PLAN YEAR	ATC ENERGY
2013	650 MW
2014	1,039 MW
2015	1,035 MW
2016	1,023 MW
2017 (Partial)	1,054 MW

An alternative methodology calculates across the entire period and yields one quantity of ATC energy as follows:

PLAN YEARS	ATC ENERGY
2013-2017 (Partial)	640 MW

REC Solicitation:

PA 97-0616 further describes a procurement event for RECs which is also to be completed within 120 days of PA 97-0616 enactment. Our current forecasts provide expected REC targets and spending caps for each year of the term as follows:

PLAN YEAR	REC TARGET (MWH)	SPENDING CAP
2013	1,178,518	\$24,525,145
2014	1,250,785	\$24,043,022
2015	1,358,433	\$23,725,773
2016	1,531,488	\$23,432,317
2017 (Partial)	996,568	\$14,255,624

It is not entirely clear to Ameren Illinois what quantities of RECs are to be pursued by the IPA during the procurement event. However, it is noteworthy that the above referenced energy purchases plus existing purchases will yield a hedge significantly less than 100% of forecasted load for each of the planning years. Ameren Illinois would therefore have no objection if the IPA desires to solicit a quantity less than 100% of the REC target for each of the planning years. This may actually prove to be a prudent choice given continued uncertainty surrounding the rate of switching in the residential market.

To aid in this decision by the IPA, Ameren Illinois also provides its low REC targets and spending caps for each year of the term as follows:

PLAN YEAR	REC TARGET (MWH)	SPENDING CAP
2013	1,178,518	\$18,213,057
2014	1,025,366	\$16,158,244
2015	1,008,810	\$14,389,148
2016	1,029,245	\$12,786,067
2017 (Partial)	604,396	\$ 7,125,036

Please let us know if you have questions or wish to discuss any of the files. I can be reached at 314-613-9181 and Jim Blessing can be reached at 314-554-2972.

Sincerely,

Richard L. McCartney

cc: Jim Blessing, Ameren Illinois, Manager of Power Supply Acquisition
Lenny Jones – Ameren Illinois, Manager of Rates and Analysis
Richard Zuraski – ICC Policy Program, Energy Division