

# ILLINOIS COMMERCE COMMISSION

## 2023 Annual Report on Electricity, Gas, Water and Sewer Utilities



January 2024



STATE OF ILLINOIS

## ILLINOIS COMMERCE COMMISSION

527 East Capitol Avenue  
Springfield, Illinois 62701

160 North LaSalle  
Chicago, Illinois 60601

January 31, 2024

The Honorable JB Pritzker

Governor

The Honorable Members of the Joint Committee on Legislative Support Services

Dear Governor Pritzker and Members of the Joint Committee:

We are pleased to submit to you the Commission's 2023 Annual Report on Electricity, Gas, Water, and Sewer Utilities. This Report covers the period of January 1, 2023, through December 31, 2023.

The Annual Report is submitted in compliance with the Public Utilities Act and specifically addresses the items cited in Section 4-304 of that Act, which requires the Commission to report on the following subjects: a general review of agency activities; a discussion of the utility industry in Illinois; a discussion of energy planning; the availability of utility services to all persons; implementation of the Commission's statutory responsibilities; appeals from Commission orders; studies and investigations required by state statutes; impacts of federal activity on state utility service; and recommendations for proposed legislation.

Among other Commission reports provided to the Governor and General Assembly each year are the following:

- Annual Report on Cable and Video Service Deployment by Providers Granted State Issued Cable and Video Service Authorization
- Annual Report on the Transportation Regulatory Fund
- Annual Report on Accidents / Incidents Involving Hazardous Materials on Railroads in Illinois
- Crossing Safety Improvement Program
- Office of Retail Market Development (ORMD) Annual Reports

Additional information about the Commission and its activities is available from the Commission's website listed on the following page.

Sincerely,

A handwritten signature in black ink that reads "Douglas Scott".

Doug Scott  
Chairman

# Contacting the ICC

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Springfield, Illinois 62701  
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For any public utility service issue, for assistance, or information, or to file an informal complaint, please contact the ICC's Consumer Services Division. Toll-free: 800/524-0795 (In Illinois only) 800/858-9277 (TTY)

## The ICC Online

Agendas for Commission meetings, selected Commission orders, annual reports, and other information are available online from the Commission's Website: [www.icc.illinois.gov](http://www.icc.illinois.gov)

ICC's Electronic Docketing System: [www.icc.illinois.gov/e-docket](http://www.icc.illinois.gov/e-docket)

Plug In Illinois—Choosing an Electric Supplier: [www.pluginillinois.org](http://www.pluginillinois.org)



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## Year in Review

### January

At the start of the year, ICC Chairman Carrie Zalewski and Commissioner Michael T. Carrigan were given new roles on regulatory regional state committees. Zalewski—who previously served as DER liaison for the Organization of MISO States (OMS)—moved to the Board of Directors for the Organization of PJM States (OPSI), and Carrigan began serving on the Board of Directors for OMS.

### February

The ICC's Office of Diversity and Community Affairs published its 2022 Annual Report that found that diverse spending by the state's six largest investor-owned public utilities remained steady for a second year in a row at over \$2 billion, with some utilities reporting nearly 50 percent share for diverse supplier spending.

The ICC approved implementation of a new 861-area code to overlay the existing 309-area code region.

The Commission issued a ruling establishing updated delivery service charges for Illinois Gas Customers. The Commission approved an annual base tariff revenue increase of \$867,688, and an annual base tariff revenue of \$3,939,848.

The Commission approved the Illinois Power Agency (IPA)'s procurement administrator, NERA Economic Consulting, selection of winning bids for Zonal Resource Credits (ZRCs) in the Ameren Illinois territory. This electricity capacity procurement event followed the Federal Energy Regulatory Commission's ("FERC's") August 2022 Order accepting MISO's proposal to implement a seasonal capacity construct. This was the first IPA procurement event for ZRCs on a seasonal basis.

### March

The Illinois State Senate officially confirmed the appointment of Ann McCabe as Commissioner of the Illinois Commerce Commission. Governor JB Pritzker appointed McCabe to a five-year term on February 1, 2022. Governor Pritzker appointed Conrad R. Reddick, an experienced corporate and regulatory attorney, to a five-year term on the Commission, pending Senate confirmation.

The Commission approved the state's first Beneficial Electrification (BE) Plans to finance infrastructure upgrades needed to support widespread adoption of electric vehicles across Illinois. Both the ComEd and Ameren Illinois BE plans provide rebates for purchasing EV trucks and buses, establish customer education programs, and pilot a variety of programs to meet customer needs and test charging price models. The Commission prioritized investments in environmental justice and restore, reinvest, renew communities in the orders to ensure the new incentives are made widely accessible.

The Commission granted Invenergy of Chicago with a Certificate of Public Convenience and Necessity to construct the high-voltage Grain Belt Express Power Line, a transmission line that will extend from Kansas to Indiana.

The Grainger College of Engineering at the University of Illinois Urbana-Champaign honored ICC Chairman Carrie Zalewski as a 2023 Distinguished Service Award recipient.

## April

Stacey Paradis, who holds 25 years of experience in government relations, public affairs, and nonprofit management, was appointed to the Commission by Governor Pritzker, to a five-year term pending Illinois Senate confirmation.

The ICC was selected to join the newly established Advanced Nuclear State Collaborative (ANSC), a multi-year cooperative agreement established between the U.S. Department of Energy's Office of Nuclear Energy and the National Association of Regulatory Utility Commissioners designed to bring together public service commissioners and staff from across the country to discuss the barriers and possibilities related to the U.S. nuclear fleet. Commissioner Carrigan is currently representing the ICC in the initiative.

In recognition of National Safe Digging Month, the Commission reminded homeowners and excavators to call 811 before beginning any outdoor project that requires digging.

The Commission approved the IPA's proposed selection of winning bids for the sale of standard energy blocks to Ameren Illinois, ComEd and MidAmerican. Successful bidders had to submit the expected fuel mix by month and on-peak/off-peak segments for each company for all winning bids.

## May

The ICC held its annual Summer Preparedness Policy Session in Springfield. PJM and MISO, the regional transmission organizations (RTOs) that cover Illinois, each shared their preparedness to maintain grid reliability, considering weather, changing resources, and peak summer demand. Several of the state's investor-owned electric utilities, ComEd, Ameren Illinois, and MidAmerican Energy Company presented on their readiness to ensure reliable power supply on the electric distribution system.

In May, the Commission ordered a disallowance of \$15.4 million dollars that Peoples Gas previously collected to cover past uncollectible bills. The Final Order directed Peoples to refund the amount over a nine-month period beginning in September and marks the first time the Commission has disallowed bad-debt expenses since starting these in 2009.



The Commission approved performance metrics for ComEd and Ameren that establish financial incentives and penalties across six different categories: Peak load reduction, interconnection timeliness, grid reliability and resiliency, supplier diversity, and customer service to align utility incentives with the goals of the Climate and Equitable Jobs Act. The Final Orders established tracking metrics for each utility that will collect data on key issues from pollution reduction to grid flexibility to costs savings, among others. The metrics are designed to achieve incremental improvements over baseline performance beginning in 2024 and continuing for at least 4 years.

## June

Doug Scott, an accomplished, well-respected attorney with an extensive public service background, officially started his tenure as Chairman of the Commission in June. Scott previously served as Chairman of the ICC from 2011-2015. He is awaiting Senate confirmation.

Commissioner Ann McCabe assumed former Chairman Zalewski's role on PJM's regulatory regional state committee as the OPSI Board Member representing Illinois.

The ICC approved implementation of a new 730-area code to overlay the existing 618-area code.

The Commission ruled that Nicor Gas improperly charged customers through qualifying infrastructure plan surcharges for \$31 million in infrastructure spending from 2019, triggering a process that will lead to future rate adjustments. Commissioners remarked that the utility inappropriately failed to submit some construction projects for competitive bidding, while others had unnecessary cost overruns.

The Commission initiated an investigation into the value of and compensation for distributed energy resources, as required by CEJA. The intent of the investigation is to assess the value of DERs based on the present and future technological capabilities and grid needs.

The Commission approved IPA's selection of winning bids for the sale of ZRCs to Ameren Illinois. This was the second seasonal IPA procurement event following FERC's Order to eliminate MISO's annual capacity product. ZRCs represent a commitment of capacity from planning resources that can be relied upon by MISO.

The Commission approved IPA's procurement of bids for the sale of indexed renewable energy credits (RECs) to Ameren Illinois, Commonwealth Edison and MidAmerican Energy Company derived from new utility-scale wind projects, new utility-scale solar projects and new brownfield site photovoltaic projects. This procurement was a result of CEJA and was the third procurement event for indexed RECs.

## July

The ICC provided Ameren Illinois electric customers with an additional opportunity to offer comments on the company's proposed Multi-Year Rate Plan at a public hearing at the Decatur Civic Center. An ICC

Administrative Law Judge (ALJ) who presided over the cases in consolidated Docket Nos. 22-0487 and 23-0082, as well as ICC Staff, were onsite to accept the public comments.

## August

The ICC provided Peoples Gas customers an additional opportunity to offer comments on the company's proposed general increase in rates at a public hearing at the University of Illinois in Chicago. The ICC Administrative Law Judge who presided over the case in Docket No. 23-0069, as well as ICC staff, were onsite to accept the public comments.

In August, the ICC opened a notice of inquiry (NOI) into a recent Ameren Illinois study examining the costs and benefits of remaining a Midcontinent Independent System Operator (MISO) member compared to joining PJM Interconnection (PJM), the grid operator that serves the northern part of the state. In July 2021, the Commission directed Ameren to conduct the study in large part due to structural market shortcomings revealed in MISO's 2022-2023 Planning Resource Auction. The NOI is expected to help inform any potential future Commission action regarding the state's ongoing participation in its two power grid operators.

## September

The Commission approved Prairie Path Water Company's purchase of the Bahl Water Corporation to provide water utility service to approximately 245 customers within Pioneer Acres in Jo Daviess County.

The Commission approved the IPA's selection of winning bids for the sale of standard energy blocks to Ameren Illinois and ComEd. Soon after, the Commission approved IPA's selection of winning bids for the sale of Zonal Resource Credits (ZRCs) to Ameren Illinois. This was the third IPA procurement event for ZRCs on a seasonal basis.

## October

The ICC held its annual Winter Preparedness Policy Session in Chicago. The state's RTOs and local distribution companies (LDCs) discussed their emergency preparedness and plans for maintaining gas and electric reliability over the winter. Consumer advocate organizations additionally provided the Commission with consumer perspectives on the economic and weather-related challenges facing Illinois customers and presented policy options to mitigate those challenges.

The Commission submitted comments to MISO in support of the reliability-based demand curve (RBDC), arguing that the RBDC will result in a more stable price signal and avoid sharp price shocks. The comments noted that the solution is especially important for Illinois as a retail access state, and to other parties that rely on market signals to drive their energy investment decisions.

## November

The Illinois Commerce Commission disallowed \$101.12 million and \$5.57 million to Peoples and North Shore Gas' respective rate requests for their natural gas delivery services in Illinois. The ICC, similarly, issued rulings disallowing \$96.99 million to Nicor Gas' rate request and \$36.34 million to Ameren's rate request for their natural gas delivery services in Illinois.

These decisions initiated a two-step future of gas proceedings that include a detailed action plan for the utilities' future infrastructure investments to evaluate the impacts of Illinois' decarbonization and electrification goals on the natural gas system. The decisions established a new low-income discount rate for eligible customers whose incomes are up to 300 percent of the Federal Poverty Level.

## December

In December, the ICC rejected Ameren Illinois and ComEd's Multi-Year Integrated Grid Plans by a 4-1 vote, finding that both companies failed to comply with several components of CEJA, including transparency and affordability. The ICC's decisions require both utilities to file an updated grid plan within three months of the Final Order. As a result of the rejected grid plans, the Commission removed various proposed grid investments from consideration in the companies' rate requests. The Commission decisions approved an 8.72 and 8.905 percent return on equity (ROE) for Ameren and ComEd respectively, a reduction from the utilities' requested 10.50 percent ROEs.

The Commission approved IPA's selection of bids for the sale of indexed RECs to Ameren, ComEd, and MEC derived from new utility-scale wind projects, new utility-scale solar projects and new brownfield site photovoltaic projects. The bidding process was monitored for the Commission by Bates White and is the fourth procurement event for indexed RECs.

The ICC confirmed Jonathan Feipel as the Commission's Executive Director. Feipel previously served as Executive Director from 2012 to 2015 and worked for the Commission in a variety of roles from 1999 to 2006.

## Introduction

The following report for calendar year 2023 was prepared to meet the requirements of the Public Utilities Act (P.A. 84-617). Section 4-304 of this Act instructs the ICC to prepare an annual report and provide copies to the Joint Committee on Legislative Support Services of the General Assembly, and the Governor.

Nine specific sections on which the Commission is asked to report are cited in the Act. The report is therefore divided into nine main parts, as follows:

- Section 1: A General Review of Agency Activities;

- Section 2: A Discussion of the Utility Industry in Illinois;
- Section 3: A Discussion of Energy Planning;
- Section 4: Availability of Utility Services;
- Section 5: Implementation of the Commission’s Statutory Responsibilities;
- Section 6: Appeals from Commission Orders;
- Section 7: Studies and Investigations Required by State Statutes;
- Section 8: Impacts of Federal Activity on State Utility Service; and
- Section 9: Recommendations for Proposed Legislation.

For the convenience of the reader, each section is given the same number designation as the corresponding subsection of the Public Utilities Act (PUA) that it addresses.

Other information about the Commission and its activities is available from the Commission’s web site, [www.icc.illinois.gov](http://www.icc.illinois.gov).

The following persons (listed alphabetically) are serving as members of the ICC as of the date of this annual report’s submission.

Michael T. Carrigan

Ann McCabe

Stacey Paradis

Conrad R. Reddick

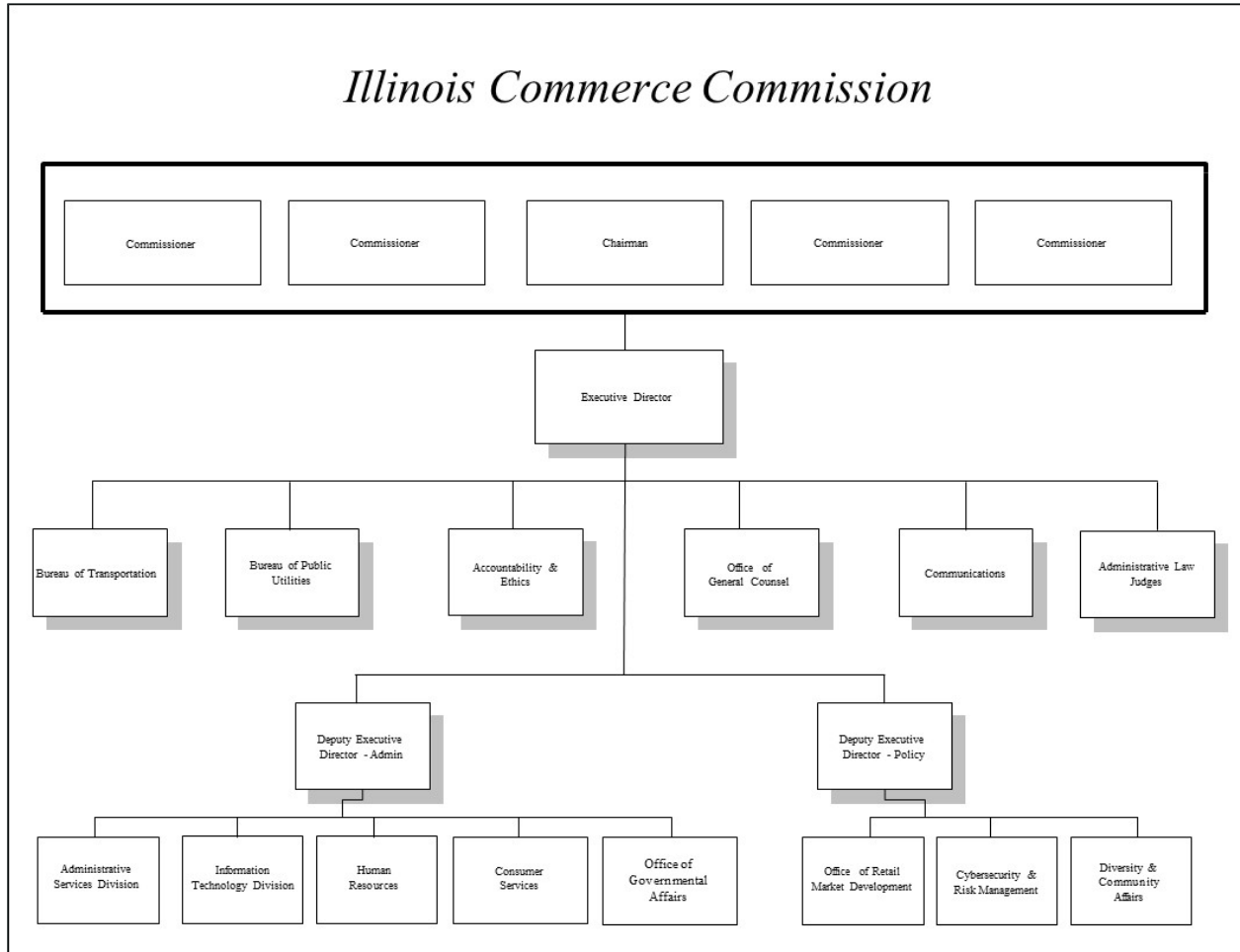
Doug P. Scott

## **Mission Statement**

The ICC’s mission is to balance the interests of consumers and utilities to ensure adequate, efficient, reliable, safe and least-cost public utility services, while promoting the development of an effectively competitive energy supplier market.

The ICC is also directed by State law to protect the public by overseeing certain transportation activities, including railroad safety, trucking insurance and registration, relocation and safety towing, and household goods moving companies.

## Organizational Structure



## Section 1 | A General Review of Agency Activities

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### **Public Utilities Act Section 4-304 requires:**

*(1) A general review of agency activities and changes, including:*

*(a) a review of significant decisions and other regulatory actions for the preceding year, and pending cases, and an analysis of the impact of such decisions and actions, and potential impact of any significant pending cases;*

*(b) for each significant decision, regulatory action and pending case, a description of positions advocated by major parties, including Commission staff, and for each such decision rendered or action taken, the position adopted by the Commission and reason therefore;*

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### **Review of Significant Commission Decisions**

A review of significant Commission decisions and other regulatory actions taken in 2023 may be found in Appendix A of this report. While not exhaustive, these summaries provide a representative sampling of Commission actions. If the reader would like to know more about any of the cases discussed in this report, both the Commission's order and the record for decision are available for examination in the Commission's Springfield office. In any proceeding in which the Commission has entered an order on the merits, the best summary of positions advocated and reasons for the Commission's adoption of a position is contained in the order itself.

Copies of these documents are available free of charge to public officers. Others may obtain copies upon payment of the fee established in Section 2-201 of the PUA. Selected orders and other Commission documents may be found on the Commission's website ([www.icc.illinois.gov](http://www.icc.illinois.gov)) or in the Commission's electronic docketing system ([www.icc.illinois.gov/e-docket](http://www.icc.illinois.gov/e-docket)). More information about the e-Docket system follows in the next section.

### **Pending Cases**

As noted above, Section 4-304 of the PUA requires a review of pending cases, including an analysis of the potential impact and a description of positions advocated by staff and major parties. The Commission believes that it is precluded from entering discussions of pending issues or characterizing positions advocated by staff and parties in pending cases. The dangers of acting otherwise include the possibility of violating restrictions on ex parte communications (see Section 10-103 of the PUA and 83 Ill. Adm. Code 200.710) and the possibility of later being held to have prejudged issues pending before the

Commission as of the date of this report. The Commission's record in pending cases is available for examination through the Chief Clerk's office and through the ICC's e-Docket system.

## Significant Regulatory Actions

Significant actions taken by the Commission during 2023 are described in the summary statement, "The Year in Review," preceding this section.

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*(1-c) a description of the Commission's budget, caseload, and staff levels, including specifically:*

*(i) a breakdown of type of case by the cases resolved and filed during the year and of pending cases;*

---

## Cases Filed During 2023

Table 1-1, Utility Cases Monthly Report, shows the cases and filings for each month for the years 2018, 2019, 2020, 2021, 2022, and 2023. This table shows the totals by type for the year.

TABLE 1-1

UTILITY CASES MONTHLY REPORT

		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Year to Date	Fiscal Year
<b>New Cases</b>	2023	98	74	104	87	76	54	49	69	61	56	44	64	836	853
	2022	97	69	105	59	37	62	80	52	31	57	62	78	789	759
	2021	80	73	148	102	68	76	47	66	59	46	59	53	877	897
	2020	115	96	144	79	64	60	53	55	55	55	68	64	908	991
	2019	107	99	143	136	151	76	76	76	85	69	63	64	1,145	1,339

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	2018	270	205	234	190	200	131	116	130	88	107	91	95	1,857	2,124
Filings/Reports (SPI)	2023	1,534	1,048	1,803	1,530	1,663	1,061	784	940	822	784	624	632	13,225	12,909
	2022	819	918	1,531	1,489	1,147	1,086	712	719	773	735	635	696	11,260	10,561
	2021	905	964	1,696	1,426	1,036	920	607	526	612	690	527	609	10,518	11,009
	2020	1,035	914	1,417	1,203	962	852	665	461	641	652	418	1,225	10,445	10,461
	2019	825	772	1,306	1,466	1,211	896	848	689	668	806	513	554	10,554	9,926
	2018	673	527	1,045	873	841	579	659	606	488	674	564	459	7,988	7,336
Hearing & Commission Action Notices	2023	166	200	194	187	161	145	119	144	158	157	179	107	1,917	1,960
	2022	137	151	174	151	155	110	129	151	174	134	140	179	1,785	1,692
	2021	160	137	191	153	129	111	96	139	161	163	146	109	1,695	1,721
	2020	156	122	187	149	172	137	154	129	152	126	113	166	1,763	1,662
	2019	120	110	124	101	118	131	114	122	157	150	97	99	1,443	1,381
	2018	92	86	112	109	142	115	95	116	105	133	125	103	1,333	1,198
Supplemental/ Reopen Petitions	2023													-	-
	2022	1	-	-	-	-	-	-	-	-	-	-	-	1	1



Illinois Commerce Commission  
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	2021	-	-	-	-	-	-	-	-	-	-	-	-	-
	2020	-	-	-	-	-	-	-	-	-	-	-	-	-
	2019	-	-	-	-	-	-	-	-	-	-	-	-	1
	2018	-	-	-	-	-	-	-	1	-	-	-	1	-
Petitions for Rehearing	2023	1		1	8	-	4	1	-	-	-	12	27	30
	2022	1	4	1	-	2	-	-	-	3	6	2	5	24
	2021	3	3	-	2	1	1	2	1	-	-	-	5	18
	2020	2	1	-	-	-	1	3	-	-	1	2	-	10
	2019	-	-	2	1	-	-	-	-	-	-	5	-	8
	2018	-	4	6	3	1	1	-	-	1	-	1	2	19
Notice of Appeals	2023	2	1	1	5	-	4	-	2	-	-	-	15	16
	2022	-	-	1	-	-	2	-	-	-	-	3	6	5
	2021	1	3	2	1	-	-	2	-	-	-	-	9	11
	2020	-	2	-	-	-	-	1	1	-	1	-	1	6
	2019	-	-	-	-	-	-	2	-	-	-	-	1	3

	2018	-	1	-	1	1	4	-	-	-	-	-	-	7	8
Cases Closed	2023	70	111	86	87	82	107	39	82	45	28	108	33	878	865
	2022	54	81	91	88	79	39	47	38	62	60	54	61	754	788
	2021	51	58	89	128	124	67	75	43	77	33	65	63	873	885
	2020	73	50	74	150	68	72	63	45	77	69	57	57	855	843
	2019	76	107	104	108	162	82	81	96	68	134	89	55	1,162	1,346
	2018	305	306	173	210	277	131	138	115	130	113	104	107	2,109	1,982
Tariff Filings	2023	56	46	87	61	88	85	79	55	49	42	68	85	801	795
	2022	72	46	80	58	91	106	66	64	62	38	51	91	825	852
	2021	54	43	94	53	84	123	68	69	62	45	67	88	850	844
	2020	50	49	91	59	84	96	62	61	64	50	60	96	822	824
	2019	45	50	71	92	98	92	64	65	53	45	81	87	843	835
	2018	53	56	77	77	96	104	66	61	68	53	61	78	850	889

### e-Docket: ICC's Electronic Docket Filing System

To aid both the Commission Staff and the public at large, the Commission utilizes an electronic filing, reporting, and case management system called e-Docket that is accessible on the Commission website.

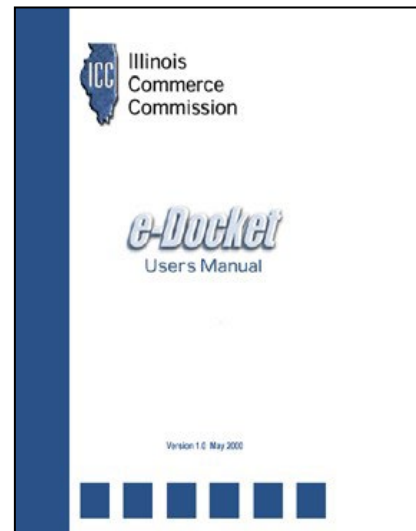
e-Docket is a web-based, automated information and records-keeping system. It was developed to process and manage public information about the Commission’s official cases and rulemaking proceedings. A person using e-Docket may conduct searches in two ways:

- **Search for cases:** permits searches by case types, service types, companies, and/or a date range as parameters.
- **Search for documents:** permits searches by document types, docket numbers, and/or a date range.

e-Docket has a variety of practical uses. Anyone interested in case proceedings conducted by the Commission may visit the e-Docket website at [www.icc.illinois.gov/e-docket](http://www.icc.illinois.gov/e-docket) and view a wealth of information about active and closed cases initiated on or after January 1, 2000.

### **e-Docket User’s Manual Provides Instructions for Searching for Documents**

A 24-page e-Docket user’s manual is available on the e-Docket website to assist viewers in finding information about cases. e-Docket was first used as a way to store electronic documents as of January 1, 2000. Documents created prior to that date were filed with the Commission in paper format only and are available for viewing in the Commission’s Chief Clerk’s Office.



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*(ii) a description of the allocation of the Commission's budget, identifying amounts budgeted for each significant regulatory division, or office of the Commission and its employees.*

*(iii) a description of current employee levels, identifying any change occurring during the year in the number of employees, personnel policies, and practices or compensation levels; and identifying the number and type of employees assigned to each Commission regulatory function and to each department, bureau, section, division, or office of the Commission.*

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The following table shows the Commission's budget and authorized headcount by divisions and funding source.

TABLE 1-2

*BUDGET AND HEADCOUNT BY DIVISION FOR FISCAL YEAR 2023*

	Chairman & Commissioners		Public Utility Division		Transportation Division		Total	
	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$	Head Count	Budget \$
<b>Public Utility Fund</b>	16	2,180,400	203	42,157,000	0	0	219	44,337,400
<b>Transportation Fund</b>	1	254,800	0	0	73	17,852,400	74	18,107,200
<b>Underground Utilities Damage Prevention Fund</b>	0	0	0	601,000	0	0	0	601,000
<b>Consumer Intervenor Compensation Fund</b>	0	0	0	3,000,000	0	0	0	3,000,000
<b>Illinois Telecommunications Access Corporation Fund</b>	0	0	0	1,500,000	0	0	0	1,500,000
<b>Total</b>	<b>17</b>	<b>2,435,200</b>	<b>204</b>	<b>47,258,000</b>	<b>72</b>	<b>17,852,400</b>	<b>293</b>	<b>67,545,600</b>

Headcount is shown at the authorized level for FY23.

Budget \$ shown represents the enacted FY23 appropriation levels.

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*(1-d) a description of any significant changes in Commission policies, programs or practices with respect to agency organization and administration, hearings and procedures or substantive regulatory activity.*

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## **Agency Organization and Administration**

There were no changes agency organization structure or administration to report in 2023.

## Section 2 | A Discussion of the Utility Industry in Illinois

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*2. A discussion and analysis of the state of each utility industry regulated by the Commission and significant changes, trends and developments therein, including the number of types of firms offering each utility service, existing, new and prospective technologies, variations in the quality, availability and price for utility services in different geographic areas of the State, and any other industry factors or circumstances which may affect the public interest or the regulation of such industries.*

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### Significant Developments in the Illinois Regulatory Environment

Many of the developments in the current electric industry came in the aftermath of the end of the rate reductions and freeze originally set forth in the Electric Service Customer Choice and Rate Relief Law of 1997 (the 1997 Law). Concern over higher rates subsequent to the end of the rate freeze culminated in the Illinois Power Agency Act, P.A. 95-0481 (the IPAA). The IPAA created a state agency, the Illinois Power Agency (IPA), to procure power and renewable energy resources for ComEd and Ameren Illinois Company. In addition, the IPAA required that major utilities meet goals for energy efficiency and demand response programs.

### Electric Power Procurement Obligations

Wholesale electricity purchased by ComEd, Ameren Illinois, and, in part MidAmerican is subject to Section 1-75 of the IPAA<sup>1</sup> and Section 16-111.5 of the PUA.<sup>2</sup> These laws include the following major features:

- An annual procurement plan is prepared by the IPA.
- A draft plan is first submitted to the Commission (by August 15) and subject to a 30-day public comment period.
- At the end of the 30 days, the revised plan is filed with the Commission.
- Parties have five days to raise objections with the filed plan.
- The Commission has another five days to determine if hearings should be held.

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<sup>1</sup> 20 ILCS 3855/1-75

<sup>2</sup> 220 ILCS 5/16-111.5

- A Commission order approving or modifying the plan must be entered within 90 days of the plan filing.<sup>3</sup>
- Procurement of “standard products” must be made through sealed-bid, pay-as-bid Request for Proposals (RFP) processes.
- The RFP process is conducted by an IPA-hired and Commission-approved “procurement administrator.” At present, the IPA’s procurement administrator is the consulting firm of NERA Economic Consulting.
- The RFP process is monitored by a Commission-hired “procurement monitor.” At present, the Commission’s procurement monitor is the consulting firm of Bates White LLC.
- The procurement administrator and monitor independently submit to the Commission confidential reports within two business days after the receipt of bids.
- The Commission reviews the confidential reports and either accepts or rejects the recommendations of the procurement administrator within two business days after receipt of the reports.
- If, by the above action, the Commission approves of utilities entering into contracts, then contracts with winning bidders are executed within three business days.

Implementation of plans subject to the above-cited portions of the IPAA and the PUA is conducted with a series of bidding events in the spring and fall for several types of contracts:

1. Standard blocks of power entered into by Ameren to establish fixed-quantity price hedges vis-à-vis MISO<sup>4</sup> day-ahead and real-time spot prices over portions of a one to three-year period.
2. Standard blocks of power entered into by ComEd to establish fixed-quantity price hedges vis-à-vis PJM<sup>5</sup> day-ahead and real-time spot prices over portions of a one to three-year period.

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<sup>3</sup> The Commission issued its final order approving the IPA’s 2023 Electricity Procurement Plan on December 14, 2023 (Docket No. 23-0665).

<sup>4</sup> MISO is the Midcontinent Independent Transmission System Operator, Inc. It is the regional transmission organization (RTO) to which Ameren and MidAmerican belong. MISO coordinates the movement of power in 15 U.S. states and the Canadian province of Manitoba. [www.misoenergy.org](http://www.misoenergy.org)

<sup>5</sup> PJM is the PJM Interconnection, which is the RTO to which ComEd belongs. PJM coordinates the movement of wholesale electricity in all or parts of 13 states and the District of Columbia. Originally, it operated within Pennsylvania, New Jersey, and Maryland; hence the name, PJM. [www.pjm.com](http://www.pjm.com)

3. Standard blocks of power entered into by MidAmerican to establish fixed-quantity price hedges vis-à-vis MISO Day-ahead and real-time spot prices over portions of a one to three-year period.<sup>6</sup>
4. Capacity contracts to enable Ameren to satisfy resource adequacy requirements of MISO over portions of a one to two-year period.<sup>7</sup>

The results of previous procurements can be found at <https://www.icc.illinois.gov/programs/electricity-procurement-process>.

Shortly after the conclusion of the procurement events, Ameren, ComEd, and MidAmerican revise the base level of retail charges through which the costs of electricity and Renewable Energy Credits (RECs) are recovered from customers. Actual revenues and actual costs are monitored on a monthly basis, and rates are adjusted, as necessary, to minimize the accumulation of a revenue-cost imbalance. An annual audit and reconciliation proceeding is also held.

## Retail Electric Choice

I. The Electric Service Customer Choice and Rate Relief Law of 1997 restructured the state's electric service industry to allow for competition among suppliers. The 1997 Law established a fixed timetable for the introduction of electric retail choice in Illinois, beginning with approximately 64,000 non-residential electric customers, or about one-seventh of all non-residential customers, on October 1, 1999. An additional 609,000 non-residential customers became eligible for retail choice on January 1, 2001. An estimated 4.4 million Illinois residential customers became eligible for the retail choice program in May 2002. All customer classes are now eligible to choose alternative retail electric suppliers (ARES). As of November 2023, there were 97 suppliers certified to serve customers, although 10 of those sought Commission authority to serve themselves or affiliates. Of those 97 certified to serve customers, 74 are certified to serve residential customers. As of October, there were 78 active suppliers in the ComEd territory and 39 active suppliers in the Ameren Illinois territory.

II. As of May 31, 2023, approximately 1.12 million residential customers were purchasing power and energy from an alternative retail electric supplier (ARES) and approximately 195,016 non-residential

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<sup>6</sup> Pursuant to the Illinois Power Agency Act (20 ILCS 3855/), the Illinois Power Agency is authorized to develop and implement electricity procurement plans for utilities that on December 31, 2005 provided electric service to at least 100,000 customers in Illinois and for small multi-jurisdictional electric utilities that (A) on December 31, 2005 served less than 100,000 customers in Illinois and (B) request a procurement plan for their Illinois jurisdictional load. Mt. Carmel Public Utility does not meet these criteria and, therefore, is not part of the Illinois Power Agency procurement plans.

<sup>7</sup> ComEd has been authorized by previous approved procurement plans to satisfy resource adequacy requirements through through PJM's Reliability Pricing Model (RPM). MidAmerican has similarly been authorized by previous approved procurement plans to satisfy its capacity deficit through MISO's capacity market, the MISO Planning Resource Auction (PRA).



customers in Illinois were purchasing power and energy from an ARES. The percentage of ARES usage among non-residential customers with a peak demand above one megawatt in the ComEd service territory was approximately 95 percent, as of May 31, 2023. Detailed electric customer switching statistics can be viewed on the Commission’s website at <https://www.icc.illinois.gov/industry-reports/electric-switching-statistics>.

III. In 2007, larger commercial customers were benefiting through electric competition, but little competitive activity occurred in the residential and smaller commercial customer classes. At this time, the Illinois General Assembly passed P.A. 94-1095 (the “Retail Electric Competition Act”), reiterating “its findings from the Electric Service Customer Choice and Rate Relief Law of 1997 that the Illinois Commerce Commission should promote the development of an effectively competitive retail electricity market that operates efficiently and benefits all consumers.” P.A. 94-1095 created the Office of Retail Market Development (ORMD) to actively seek out ways to promote retail competition in Illinois to benefit all consumers. The ORMD facilitated the implementation of P.A. 95-0700 requiring ComEd and Ameren Illinois to provide utility consolidated billing to ARES and to provide for the purchase of RES receivables. Ameren implemented a utility consolidated billing and purchase of receivables program at the end of 2009 and ComEd did so in the beginning of 2011.

IV. In the Commission’s Order approving Ameren Illinois’ consolidated billing and purchase of receivables program, the Commission concluded that “consumer education and protection are both very important to any program implementing customer choice, particularly for smaller customers.” In December 2012, the Commission entered a final Order adopting Illinois Administrative Code Part 412, which specified a number of ARES disclosure requirements and similar consumer protections.

V. In September 2014, the Commission initiated a Notice of Inquiry (NOI) as a vehicle for gathering information and opinions on retail marketing issues that had been experienced since the beginning of marketing to residential customers in 2011. Following a rulemaking proceeding to consider changes to the marketing and disclosure requirements for ARES, the Commission entered a final Order in October 2017, amending Code Parts 412 and 453. Among the changes are a broader definition of in-person marketing, new advance notice requirements for upcoming variable rate changes as well as more detailed disclosure requirements for the marketing of renewable or “green” offers.

VI. Amendments to Part 453 took effect on November 1, 2017, and amendments to Part 412 took effect on May 1, 2018. Since having gone into effect, ORMD provided an Agent Training Workshop in June of 2018 to discuss with RES the best practices for agent training and to ensure they are complying with the regulations. ORMD has been able to increase its enforcement capabilities and investigate actors that are not complying with various marketing and sales regulations in Part 412. Since the Part 412 amendments took effect, Commission Staff has issued a Notice of Apparent Violation to several ARES and initiated formal investigative proceedings concerning several other ARES.

VII. In August 2019, the Home Energy Affordability and Transparency (HEAT) Act was signed into law and took effect on January 1, 2020. The HEAT Act aims to enhance consumer protections and create transparency in the market. To increase transparency in the market, the HEAT Act requires a number of additional disclosures on marketing materials, the Uniform Disclosure Statement (UDS), among others. Among the new requirements, the Act mandates that the Utility Electric Supply Price to Compare (PTC) be included on all marketing materials and on all bills. Additionally, the HEAT Act eliminates early termination fees, increased bond requirements, and adds a new bond requirement for suppliers who engage in in-person solicitation.

VIII. The HEAT Act expands on consumer protections found in the Public Utility Act and the Consumer Fraud Act. As a result, Staff has initiated several rulemaking proceedings to ensure the Commission rules reflect changes brought about by the HEAT Act.

IX. On November 10, 2022, the Commission entered a Final Order adopting Illinois Administrative Code Part 512 and amendments to Part 412, which specified a number of alternative gas supplier (AGS) and ARES disclosure requirements and consumer protections. The rules went into effect on May 1, 2023.

X. Residential switching activity is, at least in part, due to municipal aggregation programs by many communities throughout the state. As of May 31, 2023, 746 communities have passed municipal aggregation referenda and more than 418 had active programs.

[www.icc.illinois.gov/electricity/switchingstatistics.aspx](http://www.icc.illinois.gov/electricity/switchingstatistics.aspx)

## Discussion of the Quality, Availability, and Price of Utility Services by Geographic Area

### 1. Electricity

Four investor-owned public utilities provide electric service to retail customers in the State of Illinois:

- Ameren Illinois Company (Ameren Illinois)
- Commonwealth Edison Company (ComEd)
- MidAmerican Energy Company (MidAmerican)
- Mt. Carmel Public Utility Company (Mt. Carmel)

Municipal systems and electric cooperatives also provide electric service in Illinois; these municipal systems and electric cooperatives are not subject to regulation by the Commission.<sup>8</sup>

A detailed presentation of the 2022 sales statistics presented below can be found in the Commission’s “Comparison of Electric Sales Statistics for Calendar Years 2022 and 2021” at <https://www.icc.illinois.gov/icc-reports/report/comparison-of-electric-sales-statistics>.

*a) Northern Illinois*

Two investor-owned public utilities provide electric service in northern Illinois: ComEd and MidAmerican. ComEd serves 4,111,174 customers in northern Illinois, including the Chicago metropolitan area. MidAmerican serves 85,622 customers in northwestern Illinois.

For 2018 through 2022, these two utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

*TABLE 2-1  
AVERAGE PRICES PER KWH FOR BUNDLED AND FULL REQUIREMENTS SERVICE (CENTS)*

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>ComEd</b>	11.88	11.86	12.03	12.79	13.50
<b>MidAmerican</b>	7.98	7.60	7.19	7.79	7.86

*b) Central Illinois and Southern Illinois*

Two investor-owned public utilities provide electric service to central and southern Illinois: Ameren Illinois and Mt. Carmel. Ameren Illinois serves 1,229,379 customers in central and southern Illinois. Mt. Carmel serves 5,252 customers in southeastern Illinois.

For 2018 through 2022, these utilities charged the following average prices, shown in cents per kWh, for bundled service and full requirements service customers:

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<sup>8</sup> Data concerning quality, availability, and price for these municipal electric systems and electric cooperatives are not reported to the Commission and are not included in this report.

TABLE 2-2  
AVERAGE PRICES PER KWH FOR BUNDLED AND FULL REQUIREMENTS SERVICE (CENTS)

	2018	2019	2020	2021	2022
<b>Ameren Illinois</b>	9.00	8.64	9.16	10.46	14.72
<b>Mt. Carmel</b>	14.66	14.45	14.32	14.58	16.29

The bundled service price of electricity sold by these electric utilities varied between utilities and within utilities depending upon the class of customer served.

*c) Electric Reliability*

Pursuant to Section 16-125 of the PUA and the Commission’s electric reliability rules found in 83 Ill. Adm. Code 411, each of the electric utilities under the Commission’s jurisdiction files an annual electric reliability report summarizing the utility’s reliability performance, its actions to maintain or improve its reliability, and other electric system reliability issues that may be specific to the utility. Ameren Illinois, ComEd, MidAmerican, and Mt. Carmel filed annual electric reliability reports in 2023 for the calendar year 2022. The annual electric reliability reports can be found on the Commission’s website at [www.icc.illinois.gov/electricity/utilityreporting/ElectricReliability.aspx](http://www.icc.illinois.gov/electricity/utilityreporting/ElectricReliability.aspx).

The following table presents the annual Customer Average Interruption Duration Index (CAIDI) each utility reported for the years 2018 through 2022. CAIDI, expressed in minutes, provides the average duration of interruptions that customers of each of the reporting electric utilities experienced. CAIDI is calculated by dividing the annual sum of all customer interruption durations by the total number of customer interruptions.

TABLE 2-3  
CAIDI (MINUTES)

	2018	2019	2020	2021	2022
<b>Ameren Illinois</b>	189	149	204	168	155
<b>ComEd</b>	150	105	440	134	104
<b>MidAmerican</b>	117	150	794	96	82

<b>Mt. Carmel</b>	94	77	91	66	288
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The following table presents the annual System Average Interruption Frequency Index (SAIFI) each utility reported for the years 2018 through 2022. SAIFI provides the average number of electric service interruptions that customers of each of the reporting electric utilities experienced. SAIFI is calculated by dividing the total number of customer interruptions that occurred on the utility’s system by the total number of customers that the utility served (as with CAIDI, a lower value means better reliability).

*TABLE 2-4  
SAIFI (INTERRUPTIONS)*

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Ameren Illinois</b>	1.10	1.20	1.10	1.16	1.05
<b>ComEd</b>	0.74	0.72	0.76	0.70	0.55
<b>MidAmerican</b>	1.09	1.56	2.85	1.43	1.32
<b>Mt. Carmel</b>	2.98	1.88	1.14	1.34	3.43

## 2. Natural Gas

Nine investor-owned gas public utilities currently provide natural gas service in Illinois:

- Ameren Illinois Company (Ameren Illinois)
- Consumers Gas Company (Consumers Gas)
- Illinois Gas Company (Illinois Gas)
- Liberty Utilities (Midstates Natural Gas) Corp. (Liberty Utilities)
- MidAmerican Energy Company (MidAmerican)
- Mt. Carmel Public Utility Company (Mt. Carmel)

- Northern Illinois Gas Company (Nicor Gas)
- North Shore Gas Company (North Shore Gas)
- Peoples Gas Light and Coke Company (Peoples Gas)

Municipal gas systems and gas cooperatives also provide natural gas service in Illinois; these municipal gas systems and gas cooperatives are not subject to regulation by the Commission.<sup>9</sup>

During 2023, natural gas service was available without major interruption to all firm customers served by these nine Illinois gas utilities. A considerable number of commercial and industrial customers chose to purchase gas directly from wholesale suppliers and use the local gas utility as a transporter. Additionally, residential customers served by Nicor Gas, North Shore Gas, and Peoples Gas are allowed to purchase gas directly from wholesale suppliers. During 2024, sufficient supplies of natural gas are expected to be available to all customers.

A detailed presentation of the 2022 sales statistics presented below can be found in the Commission's "Comparison of Gas Sales Statistics for Calendar Years 2022 and 2021" at [www.icc.illinois.gov/icc-reports/report/comparison-of-gas-sales-statistics](http://www.icc.illinois.gov/icc-reports/report/comparison-of-gas-sales-statistics).

*d) Northern Illinois*

Four public utilities distribute and sell natural gas in northern Illinois:

- MidAmerican Energy Company (MidAmerican)
- Northern Illinois Gas Company (Nicor Gas)
- North Shore Gas Company (North Shore Gas)
- Peoples Gas Light and Coke Company (Peoples Gas)

Nicor Gas is the largest gas distribution company in the State and provides service to 2,041,179 customers in northern Illinois. Peoples Gas, which serves the City of Chicago, has 826,496 customers. North Shore Gas serves 150,766 customers in communities north of the Chicago area. Finally, MidAmerican serves 65,584 customers in northwestern Illinois.

As with the price of electricity, the price of gas varies among utilities and is generally determined by the suppliers of natural gas that serve the local distribution company.

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<sup>9</sup> Data concerning quality, availability, and price for these municipal gas systems and gas cooperatives are not reported to the Commission and are not included in this report.

For 2018 through 2022, these four utilities charged the following average prices shown in cents per therm:

*TABLE 2-5  
AVERAGE PRICES PER THERM (CENTS)*

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2021</b>
<b>MidAmerican</b>	53.90	47.08	44.74	84.41	82.39
<b>Nicor Gas</b>	53.59	54.91	54.88	77.60	113.66
<b>North Shore Gas</b>	72.01	68.47	65.37	84.17	101.80
<b>Peoples Gas</b>	96.77	92.56	93.71	123.26	142.75

*e) Central and Southern Illinois*

Ameren Illinois provides gas service to 804,860 customers in central and southern Illinois, making it the third largest gas utility in the State. Liberty Utilities provides service to 21,065 customers in a number of distinct service areas in central and southern Illinois. Additionally, southern Illinois is served by the following three smaller distribution companies: Consumers Gas, Illinois Gas, and Mt. Carmel. Illinois Gas serves 9,353 customers in the Lawrenceville-Olney area. Consumers Gas serves 5,183 customers in the Carmi area. Finally, Mt. Carmel serves 3,402 customers in the Mt. Carmel area.

For 2018 through 2022, these five utilities charged the following average prices shown in cents per therm:

*TABLE 2-6  
AVERAGE PRICES PER THERM (CENTS)*

	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
<b>Ameren Illinois</b>	91.90	88.49	90.22	116.13	134.12
<b>Consumers Gas</b>	70.15	67.98	65.91	82.01	99.71

<b>Illinois Gas</b>	70.75	68.72	61.95	76.64	99.75
<b>Liberty Utilities</b>	97.04	103.75	83.91	94.99	126.58
<b>Mt. Carmel</b>	101.86	102.49	95.55	109.04	133.93

The price of gas sold by the gas utilities varied between utilities and within utilities depending upon the class of customer served. A major portion of the price per therm of gas is determined by the suppliers of natural gas that serve the local distribution company. The table below shows detailed 2022 revenue in cents per therm information, excluding sales for resale and interdepartmental sales, for all gas utilities under the Commission’s jurisdiction.



TABLE 2-7

ILLINOIS GAS UTILITIES

REVENUE IN CENTS PER THERM BY CLASS OF SERVICE AND BY COMPANY 2022

	Ameren Illinois	Consumers Gas	Illinois Gas	Liberty Utilities	Mid- American	Mt. Carmel	Nicor Gas	North Shore Gas	Peoples Gas
<b>Residential Sales</b>	144.61	105.68	107.56	129.40	98.98	139.47	115.90	104.57	153.00
<b>Small (or Commercial) Sales</b>	126.20	101.00	100.10	124.58	84.81	124.50	108.27	89.54	119.31
<b>Large (or Industrial) Sales</b>	62.31	91.19	84.93	111.50	64.55	-	90.06	99.05-	98.46
<b>Other Sales to Public Authorities</b>	106.15		-	-	-	126.75-	-	-	-
<b>Total Sales to Ultimate Customers</b>	<b>134.12</b>	<b>100.95</b>	<b>99.75</b>	<b>126.58</b>	<b>92.43</b>	<b>133.93</b>	<b>113.66</b>	<b>101.80</b>	<b>142.75</b>

### 3. Water and Sewer Utilities

#### a) Overview

The Commission currently regulates four water, one sewer, and three combined water and sewer investor-owned utilities. While the number of investor-owned utilities is a small percentage of the 1,757 community public water suppliers and 850 public sanitary sewage systems with treatment facilities in the state of Illinois, these investor-owned utilities provide water service to approximately 379,000 customers and sewer service to approximately 98,000 customers. Investor-owned water utilities serve 8.3 percent of all persons in Illinois receiving water service from community public water supplies. These investor-owned water and sewer utilities serve customers in 42 counties and are primarily concentrated in the Chicago, East St. Louis, Peoria, and Champaign metropolitan area. The number of water and sewer customers served by each investor-owned utility ranges from 24 to 367,213. Only three investor-owned water utilities and three investor-owned sewer utilities serve more than 1,000 customers. See Table 2-8 for a comparison of bills for investor-owned water utilities providing service to 1,000 customers or more. The Commission continues to pursue the reduction of the number of small investor-owned utilities. These small utilities often lack the financial and technical expertise and capabilities to effectively and efficiently provide safe drinking water and/or proper wastewater services. The Commission has found that, in most cases, customers receive better water and sewer service from larger utilities due to the economies of scale. Therefore, the Commission has encouraged acquisitions or

mergers of small systems by larger municipal and investor-owned utilities. Larger investor-owned utilities that are pursuing growth opportunities often seek to acquire these small water and sewer utilities where such an acquisition is practical. Subsequent to such acquisitions, the large acquiring utilities typically invest in these systems to enhance the adequacy, reliability, efficiency, and safety of service provided to the customers of the acquired utility.

In addition, many small, non-investor owned, water and sewer utilities have issues similar to those suffered by small investor-owned utilities and have difficulty in providing safe and proper water and service. These issues are due to or exacerbated by increasing regulatory demands and costs, and a political climate adverse to utility rate increases. Larger investor-owned utilities are pursuing the acquisition of these small utilities. This type of activity was evident during 2023:

- In February 2023, the Commission approved Prairie Path Water Company's (Prairie Path) application to acquire the wastewater system of Forestview Utilities, an investor-owned utility in Woodford County (Docket No. 22-0385.)
- In March, the Commission approved Aqua Illinois, Inc.'s (Aqua Illinois), application to acquire the water and wastewater systems of Timber Ridge Estates, a subdivision currently served by the Village of Frankfort in Will and Cook Counties (Docket No. 22-0554).
- In April, Illinois-American Water filed a petition to acquire the wastewater treatment system of the City of Granite City in Madison County (Docket No. 23-0304).
- In May, the Commission approved Illinois-American Water's application to acquire the water and wastewater systems of the Village of Tolono in Champaign County (Docket No. 22-0536).
- In May, Prairie Path filed a petition to acquire the water system of Bahl Water Corporation, an investor-owned utility in Jo Daviess County (Docket No. 23-0423).
- In May, Illinois-American Water filed an application to acquire the water and wastewater systems of City of Mounds in Pulaski County (Docket Nos. 23-0425 and 23-0693).
- In June, the Commission approved Illinois-American Water's application to acquire the water system of the Village of Broadlands in Champaign County (Docket No. 22-0537).
- In August, Aqua Illinois filed a petition to acquire the wastewater system of the Westfield Homeowner's Association in Cook County (Docket No. 23-0588).

*b) Regulatory Activities*

In December 2022, the Commission issued an order in response to Illinois-American Water request for a general increase in water and sewer rates for all of its service areas (Docket No. 22--0210). The order authorized an overall increase in revenues of 30.4% or \$85.4 million, which is \$2 million less than the original request. In November 2023, the Commission approved a water rate increase for Powers Water Company, a public utility serving less than 100 customers in Kane County, using the simplified rate case process.

Some investor-owned utilities continue to use purchased water and sewage treatment surcharges and qualifying infrastructure plant surcharges. Purchased water and sewage treatment surcharges allow utilities to pass their cost of purchasing water or sewage treatment directly to the end-use customers. Qualifying Infrastructure Plant (QIP) surcharges allow utilities to recover the cost of replacement mains, services, meters, and hydrants until such time that those investments are placed into rate base through the rate setting process. Currently, Illinois-American Water has purchased sewage treatment surcharges; Aqua Illinois, Illinois-American Water, and Prairie Path have purchased water surcharges; and Aqua Illinois, Illinois-American Water, and Prairie Path have QIP surcharges.

*c) Discussion of Water and Sewer Utilities*

Water supplies for investor-owned water utilities were generally adequate in 2023.

Three of the larger investor-owned water utilities serve municipalities adjacent to the State's major rivers; these utilities use the rivers as their source of water supply. River supplies are generally adequate. When treated, the river water meets the standards established by the Illinois Environmental Protection Agency (EPA).

Most of the smaller investor-owned water utilities serve unincorporated residential developments, often a single subdivision, and are typically located in the northern half of the state. Wells serve as the source of water supply for all small systems. Well water quality varies considerably, and well water can contain undesirable minerals such as iron, manganese, and calcium; these minerals, while not unsafe to health, do cause aesthetic problems. Aesthetic problems have caused several well systems located in the Chicago metropolitan area to obtain and supply their systems with Lake Michigan water instead of using water sourced from wells.

Bills for water service typically reflect a flat meter charge and a volumetric charge. Utilities that incorporate multiple volumetric charges use a declining block rate structure. Two of the large investor-owned water utilities charge for providing fire protection service. The water rates vary considerably and depend on many factors, including the age of the water treatment plant and treatment process, the source of the water supply, and the need for infrastructure improvements. Overall, water bills for residential customers average \$50 to \$55 per month.

Of the four investor-owned utilities that provide sewer service, three utilities provide service to more than 1,000 customers. Due to the prohibitive cost of constructing new sewage treatment plants for a limited number of customers, the smallest sewer systems have, where possible, sought treatment from nearby regional plants. For example, sewer utilities located within the boundaries of the Metropolitan Water Reclamation District of Greater Chicago (MWRD) discharge their wastewater to the MWRD for treatment. The investor-owned sewer utilities provide sewer service primarily to residential customers and serve a very limited number of commercial and industrial customers.

Bills for sewer service typically reflect flat rate charges or volumetric charges based on water usage, since metering of sewage flow is uneconomical and impractical for residential customers. The sewer rates vary considerably and depend on many factors, including the age of the sewage treatment plant and treatment criteria for the receiving stream. Overall, sewer bills for residential customers average \$40 to \$45 per month.

The table below presents a comparison of monthly bills for residential customers of investor-owned water utilities providing service to areas with 1,000 customers or more.

*TABLE 2-8  
ILLINOIS WATER UTILITY RATE AREAS SERVING 1,000 OR MORE CUSTOMERS  
COMPARISON OF MONTHLY BILLS — RESIDENTIAL CUSTOMERS WITH 5/8 INCH METERS  
BASED UPON RATES IN EFFECT ON NOVEMBER 30, 2023*

Area of State/Utilities/Service Areas	Total Number of Customers	Bill Comparison Based upon Water Usage		
		1,000 Gallons	5,000 Gallons	10,000 Gallons
<b>NORTHERN</b>				
<i>Aqua Illinois</i>				
Candlewick	1,826	\$ 35.06	\$ 71.64	\$ 117.37
Kankakee	31,358	35.57	73.31	120.49
North Maine	4,771	27.71	64.29	110.03
Peotone	1,598	36.59	74.68	122.31

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University Park	2,611	35.06	71.64	1127.37
Hawthorn Woods	1,147	35.97	73.47	120.33
<b><i>Illinois-American Water</i></b>				
<b>Chicago Metro</b>				
Well Water	1,623	34.56	75.94	127.67
<b>Lake Water</b>				
Chicago Suburban	4,394	31.27	41.09	53.38
DuPage County	6,392	36.06	83.45	142.68
Fernway	2,035	35.70	81.29	138.28
Santa Fe /Bolingbrook/Homer Glen	31,649	37.71	91.71	159.20
South Beloit	2,943	34.84	73.78	122.45
Sterling	6,596	34.56	75.94	127.67
Streator	7,750	34.56	75.94	127.67
<b><i>Prairie Path</i></b>				
Galena Territory	2,290	33.46	106.42	197.61
Lake Holiday	1,880	33.46	106.42	197.61
Whispering Hills	2,376	33.46	106.42	197.61
<b>CENTRAL</b>				
<b><i>Aqua Illinois</i></b>				

Vermilion	19,503	35.27	72.71	119.50
<b><i>Illinois-American Water</i></b>				
Champaign	57,894	34.96	76.35	128.08
Lincoln	5,804	35.12	76.50	128.23
Pekin	14,106	30.48	51.11	76.89
Peoria	54,732	34.56	75.94	127.67
Pontiac	4,535	34.56	75.94	127.67
<b>SOUTHERN</b>				
<b><i>Illinois-American Water</i></b>				
Alton	18,434	34.74	76.13	127.86
Interurban	67,753	34.69	76.08	127.81
Jerseyville	3,969	28.94	70.33	122.06

## Financial Health of the Utility Industry in Illinois

Credit ratings are the single most comprehensive and widely accepted measure of the financial condition of a business enterprise. Several independent financial research firms provide rating services, which categorize corporate debt issues based on default risk. All but one of the major electric and natural gas utilities serving Illinois have ratings assigned to their debt issues.

There is no formula for determining credit ratings. In assigning ratings to a firm's debt, rating agencies consider both qualitative and quantitative factors. For a public utility, rating agencies review financial information, which can be separated into six categories: debt leverage, construction and asset concentration risks, earnings protection, financial flexibility and capital attraction, cash flow adequacy, and accounting quality. Non-financial rating criteria include service territory characteristics, fuel supply and generating capacity, operating efficiency, regulatory treatment, and management.

Standard and Poor’s defines its highest long-term issuer credit ratings as follows:

**AAA:** An obligor rated 'AAA' has extremely strong capacity to meet its financial commitments. 'AAA' is the highest issuer credit rating assigned by S&P Global Ratings.

**AA:** An obligor rated 'AA' has very strong capacity to meet its financial commitments. It differs from the highest-rated obligors only to a small degree.

**A:** An obligor rated 'A' has strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.

**BBB:** An obligor rated 'BBB' has adequate capacity to meet its financial commitments. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor’s capacity to meet its financial commitments. (Source: Standard & Poor’s, “S&P Global Ratings Definitions,” November 10, 2021, pp. 4-5.)

The following table shows the average credit ratings for the nationwide electric utility industry, as well as the ratings for the three major electric utilities serving the State of Illinois. The majority of the operations of MidAmerican are in other states.

TABLE 2-9  
STANDARD AND POOR'S ELECTRIC UTILITY ISSUER CREDIT RATINGS  
NOVEMBER 2019 THROUGH NOVEMBER 2023

	2019	2020	2021	2022	2023
<b>Electric Utility Industry Avg.</b>	BBB+	BBB+	BBB+	BBB+	BBB+
<b>Ameren Illinois</b>	BBB+	BBB+	BBB+	BBB+	BBB+
<b>ComEd</b>	A-	A-/BBB+	BBB+	BBB+	A-
<b>MidAmerican</b>	A	A	A	A	A-
ComEd was upgraded on 7/26/23. MidAmerican was downgraded on 11/20/23.					

The next table presents the average credit ratings for the nationwide natural gas distribution industry and the credit ratings for the four major natural gas distribution utilities serving the State.

*TABLE 2-10  
STANDARD AND POOR'S GAS UTILITY ISSUER CREDIT RATINGS  
NOVEMBER 2019 THROUGH NOVEMBER 2023*

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Gas Distribution Industry Avg.</b>	A-	A-	A-	A-	A-
<b>Ameren Illinois</b>	BBB+	BBB+	BBB+	BBB+	BBB+
<b>Nicor Gas</b>	A	A	A-	A-	A-
<b>North Shore Gas</b>	N/A	N/A	N/A	N/A	N/A
<b>Peoples Gas</b>	A-	A-	A-	A-	A-

None of the water utilities serving Illinois has its own issuer credit rating. Illinois-American Water, the largest water utility serving the State, raises debt through a financing affiliate, American Water Capital. The next table presents the average credit ratings for the nationwide water utility industry and credit ratings for American Water Capital.

*TABLE 2-11  
STANDARD AND POOR'S WATER UTILITY ISSUER CREDIT RATINGS  
NOVEMBER 2019 THROUGH NOVEMBER 2023*

	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>
<b>Water Industry Average</b>	A	A	A	A	A
<b>American Water Capital</b>	A	A	A	A	A

## Section 3 | A Discussion of Energy Planning

*(3) A Specific Discussion of the Energy Planning Responsibilities and Activities of the Commission and Energy Utilities Including:*



- (a) The extent to which conservation, cogeneration, renewable energy technologies and improvements in energy efficiency are being utilized by energy consumers, the extent to which additional potential exists for the economical utilization of such supplies, and a description of existing and proposed programs and policies designed to promote and encourage such utilization;*
- (b) A description of each Energy Plan filed with the Commission pursuant to the Provisions of this Act and a copy or detailed summary of the most recent energy plans adopted by the Commission.*
- (c) a discussion of the powers by which the Commission is implementing the planning responsibilities of Article VIII, including a description of the staff and budget assigned to such function, the procedures by which Commission staff reviews and analyzes energy plans submitted by the utilities, the Department of Natural Resources, and any other person or party; and*
- (d) a summary of the adoption of solar photovoltaic systems by residential and small business consumers in Illinois and a description of any and all barriers to residential and small business consumers' financing, installation, and valuation of energy produced by solar photovoltaic systems; electric utilities, alternative retail electric suppliers, and installers of distributed generation shall provide all information requested by the Commission or its staff necessary to complete the analysis required by this paragraph.*
- 

Section 8-402 of the PUA, which set forth the Commission's resource planning responsibilities, was repealed by P.A. 90-561, effective December 16, 1997. Since 2007, however, the General Assembly has enacted several laws concerning electricity planning and procurement, renewable energy, distributed generation, and energy efficiency. The Commission's activities related to these topics are discussed below.

## **Electricity Planning and Procurement**

Since 2008, the IPA annually prepares a plan for the acquisition of electricity needed to serve retail customers supplied by ComEd and Ameren Illinois. Other utilities may request inclusion in the IPA's electric procurement plans; and, in 2015, MidAmerican requested that the IPA develop plans to acquire a portion of MidAmerican's total supply. These plans are subject to the approval of the Commission.

Approved procurement plans may call for the IPA to conduct procurement events on behalf of a utility, which are generally in the form of requests for proposal (RFP), where sealed bids from potential suppliers are solicited and evaluated by an IPA-hired procurement administrator. Such events are overseen by a Commission-hired procurement monitor, and the selection of winning bids by the

procurement administrator is subject to the approval of the Commission. Each winning bidder then enters a paid-as-bid contract with the utility company. In 2023, the IPA conducted the following procurement events on behalf of Ameren (AIC), ComEd, and MidAmerican (MEC):

*TABLE 3-1  
IPA ENERGY AND CAPACITY PROCUREMENT EVENTS CONDUCTED IN 2023 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS*

<b>Bid Day</b>	<b>ICC Approval</b>	<b>Product Type</b>	<b>Delivery Period</b>	<b>Buyer(s)</b>
4/16/2023	4/23/2023	Seasonal Zonal Resource Credits	2023 - 2024	AIC
4/17/2023	4/20/2023	Standard Energy Blocks	2023-2026	AIC, ComEd, MEC
6/09/2023	6/15/2023	Seasonal Zonal Resource Credits	2024-2025	AIC
9/04/2023	9/14/2023	Standard Energy Blocks	2023-2026	AIC, ComEd, MEC
9/15/2023	9/21/2023	Seasonal Zonal Resource Credits	2024-2026	AIC

Note: More information concerning Commission-approved IPA procurement events can be found on the Commission’s website (<https://www.icc.illinois.gov/programs/electricity-procurement-process>) and the IPA’s RFPs website ([www.ipa-energyrfp.com](http://www.ipa-energyrfp.com)). The IPA does not necessarily conduct procurement events for all elements of its procurement plans. For example, the utilities manage the hourly balancing of energy supply and load through direct sales and purchases with Regional Transmission Organizations (RTOs). The utilities also directly procure energy efficiency and demand response programs without the aid of the IPA.

### **Renewable Energy Standard, Clean Coal Standard, Zero Emission Portfolio Standard, Carbon Mitigation Credit Program and Coal-to-Solar Program**

The IPA and the PUA include special requirements for the acquisition by the State, electric utilities, and RES of electricity from “clean coal facilities” and “renewable energy resources.” To date, there have been no successful acquisitions of electricity from “clean coal” facilities. However, there have been significant purchases of renewable energy resources since 2008.

P.A. 99-0906, effective June 1, 2017, revised Illinois’ Renewable Portfolio Standards (RPS). Under the prior Illinois RPS, compliance and planning depended on how a customer’s supply requirements were met, with three separate compliance methods for load service by default utility supply service, hourly-pricing customers, and load served by RES. Changes to the RPS through P.A. 99-0906 transitioned the State’s RPS to a streamlined, centralized planning and procurement process, with RPS targets and available budgets determined based on an electric utility’s load for all retail customers. P.A. 99-0906 requires the IPA to develop a Long-Term Renewable Resources Procurement Plan (LTRRPP), the first of which was approved by the ICC in April of 2018. Updated plans were approved by the Commission in February 2020 and July 2022. In 2023, the IPA conducted the following competitive renewable procurements to procure Renewable Energy Credits (RECs):

*TABLE 3-2  
IPA RENEWABLE ENERGY PROCUREMENT EVENTS CONDUCTED IN 2023 ON BEHALF OF THE ELECTRIC UTILITIES AS BUYERS*

<b>Bid Day</b>	<b>ICC Approval</b>	<b>Product Type</b>	<b>Delivery Period</b>	<b>Buyer(s)</b>
6/23/2023	6/29/2023	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/27 (although extensions are possible)	AIC, ComEd, MEC
12/08/2023	12/14/2023	Indexed Renewable Energy Credits	A 20-Year Period Beginning No Later Than 5/31/28 (although extensions are possible)	AIC, ComEd, MEC

In addition to revising Illinois’ renewable portfolio standards, P.A. 99-0906 created a new zero emission standard (ZES). The ZES requires the IPA to create a plan, which sets out the provisions for procurement of Zero Emission Credits (ZECs). ZECs recognize the environmental benefits of nuclear-fueled generation resources that do not emit carbon dioxide and other key pollutants. The IPA submitted its ZES plan to the Commission, which the Commission approved in September of 2017. The initial ZES procurement, which procured ZECs for the 2017 – 2027 delivery period, took place in early 2018. While the payments continued to previously procured zero emission resources, there were no new ZES procurements in 2023.

Additionally, P.A. 102-0662, required the IPA to develop a carbon mitigation credit (CMC) procurement plan to include carbon mitigation credits generated from carbon-free energy resources sufficient to achieve standards specified in the Act. The IPA submitted its plan to the ICC September 29, 2021, and the Commission approved it November 10, 2021. The carbon mitigation procurement event was held November 23, 2021, and the Commission approved the procurement administrator’s selection of

winning carbon-free energy resources December 1, 2021. The initial CMC procurement procured CMCs for the 2022 – 2027 delivery period. While the payments continued to previously procured carbon-free energy resources, there were no new CMC procurements in 2023.

P.A. 102-0662 further required the IPA to procure, through the Coal-to-Solar Program, RECs to support the development of new renewable energy facilities installed at or adjacent to the sites of electric generating facilities that burn or burned coal as their primary fuel source. The IPA was to procure no more than 625,000 annual RECs at a price of \$30 per REC. Of the 625,000 RECs to be procured, no less than 400,000 RECs and no more than 580,000 RECs were to be procured in this first procurement event, held between March 14 and April 13, 2022. Selected projects were required to be at least 20 MW but no more than 100 MW and include an energy storage facility with capacity of at least 2 MW but no larger than 10 MW. A total of six projects were selected as these six projects met the requirements of the IPA Act. The sum of the annual quantities associated with all six projects is 464,564 RECs. The REC contracts have a term of 20 years. The IPA conducted a second procurement event between September 9 and October 11, 2022, but received no proposals. There were no new Coal-to-Solar REC procurements in 2023.

## Distributed Generation

Distributed generation (DG) refers to electric generating resources owned or operated by or for retail customers, primarily to meet some or all of their own energy needs. It may include cogeneration, roof-top solar, or other renewable or non-renewable technologies.

With respect to solar-powered generation, P.A. 99-107, effective July 22, 2015, directs the Commission to provide a summary of the adoption of solar photovoltaic (PV) systems in Illinois among residential and small business customers (customers with an annual usage of less than 15,000 kWh). The summary is provided in the following table.

As of the end of 2023, a quantity of 63,684 residential customers installed PV systems in the service territories of the four electric utilities regulated by the Commission. The total capacity of residential PV systems is close to 502 Megawatts (MWs). About 559 small business customers had installed PV systems; the total capacity of these systems is about 6 MWs.

*TABLE 3-3  
ADOPTION OF PV SYSTEMS BY RESIDENTIAL AND SMALL BUSINESS CUSTOMERS IN ILLINOIS, BY ELECTRIC UTILITY SERVICE TERRITORY,  
2023 (NUMBER OF CUSTOMERS AND MW CAPACITY OF PV SYSTEMS)*

	Residential Customers		Small Business Customers		Community Solar	
	Number of Customers	Capacity of PV System (MW)	Number of Customers	Capacity of PV System (MW)	Number of Subscribers	Subscribed Capacity of PV

						System (MW)
<b>Ameren Illinois</b>	16,002	157.712	341	4.1	8,316	80.773
<b>ComEd</b>	47235	339.741	186	1.888	22544	158.454
<b>MidAmerican</b>	406	3.658	23	0.224	0	0
<b>Mt. Carmel</b>	41	0.4568	9	0.2203	0	0
<b>Total</b>	<b>63,684</b>	<b>501.568</b>	<b>559</b>	<b>6.432</b>	<b>30,860</b>	<b>239.227</b>

The adoption rate of solar PV systems may be affected by a prospective customer’s estimate of the economic cost of installing and operating a PV system. The cost estimate may be influenced by a number of factors, including Federal and State tax credits and rebates.

Additionally, the IPA administers a bidding process for the procurement of RECs from PV systems. P.A. 99-0906, through the Adjustable Block and Illinois Solar for All programs, has provided, and continues to provide, additional incentives for the development of distributed PV generation. The Commission has approved a large number of REC contracts for new PV systems since the program began and continued to do so in 2023. The programs are, going forward, likely to increase PV system deployment relative to the numbers shown in the table above.

## Cogeneration

### 4. Commission Rule

The rules for the transfer of electric power between independent generating facilities and regulated electric utilities in Illinois are established by 83 Ill. Adm. Code 430. All utilities operating in Illinois must abide by these rules except for cooperatives and municipal utilities, both of which are not regulated by the Commission.

Pursuant to the rules, a utility must purchase cogenerated power at a price commensurate with the utility's avoided cost. The 2023 avoided costs as filed by Illinois electric utilities pursuant to 83 Ill. Adm. Code 430.110 are:

*TABLE 3-4  
ILLINOIS ELECTRIC UTILITIES AVOIDED COST RATE STRUCTURE FOR 2023 (CENTS PER KWH)*

	Summer Rates		Winter Rates	
	On-Peak	Off-Peak	On-Peak	Off-Peak
<b>Ameren Illinois (through August 14, 2023)</b>	13.616	8.195	9.926	8.295
<b>Ameren Illinois (beginning August 15, 2023)</b>	6.216	3.765	5.306	4.775
<b>ComEd (through May 31, 2023)</b>	5.992	4.491	5.440	4.356
<b>ComEd (beginning June 1, 2023)</b>	4.873	3.353	4.596	3.793
<b>MidAmerican (through August 14, 2023)</b>	2.930	1.750	1.940	1.090
<b>MidAmerican (beginning August 15, 2023)</b>	4.520	2.570	2.910	0.990
<b>Mt. Carmel</b>	4.493	4.493	4.493	4.493

In the table above, the time differentiated rate pricing is shown at transmission or subtransmission levels where possible; additional credits may be available at lower voltages, loads, and times. See each utility filing for exact avoided energy costs under specific conditions.

## 5. Special Rates

Cogeneration/self-generation displacement and deferral rates can be in the form of special contracts or designed as tariffs. In each case, the Commission's position has been to promote economic cogeneration or self-generation, while avoiding uneconomic bypass of a utility's system. When the cogeneration or

self-generation discount rate brings a customer's individual rate closer to the utility's marginal cost of providing service, uneconomic bypass is less likely to occur.

## Energy Efficiency Programs

**Sections 8-103, 8-103B, and 8-104** of the PUA respectively require electric and gas utilities and the Department of Commerce and Economic Opportunity (DCEO) to submit multi-year energy efficiency.

plans for Commission approval. P.A. 99-0906 changed the timing of these plans. Prior to January 1, 2018, utilities submitted three-year plans based upon June 1 – May 31 delivery years. P.A. 99-0906 required plans of varying durations with the first plans covering the four calendar years between and including 2018 and 2021. P.A. 102-0662 fixed plan terms at four calendar years. Section 8-408 of the PUA authorizes MidAmerican to offer voluntary energy efficiency plans. The status of recent Commission proceedings initiated to consider these energy efficiency plans is summarized in the table below.

*TABLE 3-5*  
ENERGY EFFICIENCY PROGRAM PLANNING

Docket	Utility	Planning Period	Initiated	Status
<b>21-0158</b>	Ameren Illinois	2022, 2023, 2024, 2025	3/1/2021	Closed
<b>21-0155</b>	ComEd	2022, 2023, 2024, 2025	3/1/2021	Closed
<b>21-0154</b>	Nicor Gas	2022, 2023, 2024, 2025	3/1/2021	Closed
<b>21-0159</b>	Peoples/North Shore Gas	2022, 2023, 2024, 2025	3/1/2021	Closed
<b>19-0734</b>	MidAmerican	2020, 2021, 2022, 2023	7/11/2019	Closed
<b>23-0600</b>	MidAmerican	2024, 2025, 2026, 2027, 2028	8/30/2023	Closed

**Sections 8-103, 8-103B, and 8-104** of the PUA require determinations to be made concerning energy savings goal compliance.

The results of Commission proceedings initiated to make determinations concerning energy savings goal compliance are summarized in the table below.

TABLE 3-6  
ENERGY EFFICIENCY SAVINGS 2008-2021

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
10-0519	Ameren Illinois	2008-2009	89,955 MWh	Yes	8/30/2010	6/6/2012
	Ameren Illinois	2009-2010	129,748 MWh	Yes	8/30/2010	6/6/2012
11-0592	Ameren Illinois	2010-2011	263,374 MWh	Yes	8/23/2011	11/25/2014
	DCEO (Ameren Territory)	2010-2011	26,536 MWh	No	8/23/2011	11/25/2014
14-0594	Ameren Illinois	2011-2012	353,664 MWh	Yes	9/30/2014	9/8/2016
	DCEO (Ameren Territory)	2011-2012	37,396 MWh	No	9/30/2014	9/8/2016
	Ameren Illinois	2011-2012	5,771,819 therms	Yes	9/30/2014	9/8/2016
	DCEO (Ameren Territory)	2011-2012	1,157,810 therms	Yes	9/30/2014	9/8/2016
14-0595	Ameren Illinois	2012-2013	366,726 MWh	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	34,724 MWh	No	9/30/2014	1/10/2018
	Ameren Illinois	2012-2013	6,914,780 therms	Yes	9/30/2014	1/10/2018
	DCEO (Ameren Territory)	2012-2013	1,836,138 therms	Yes	9/30/2014	1/10/2018
20-0585	Ameren Illinois	June 2014 - Dec. 31, 2017	768,479 MWh	Yes	7/20/2020	1/20/2021
	Ameren Illinois	June 2014 - Dec. 31, 2017	22,167,694 therms	Yes	7/20/2020	1/20/2021
17-0311	Ameren Illinois	2018-2021	377,776 MWh	Yes	6/30/2017	9/11/2017



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Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
<b>22-0778</b>	Ameren Illinois	2018-2021	7,353,769 therms	Yes	12/20/2022	6/1/2023
<b>10-0520</b>	ComEd	2008-2009	163,717 MWh	Yes	8/30/2010	5/16/2012
	DCEO (ComEd Territory)	2008-2009	18,636 MWh	No	8/30/2010	5/16/2012
	ComEd	2009-2010	472,132 MWh	Yes	8/30/2010	5/16/2012
	DCEO (ComEd Territory)	2009-2010	34,038 MWh	No	8/30/2010	5/16/2012
<b>11-0593</b>	ComEd	2010-2011	626,715 MWh	Yes	8/23/2011	3/5/2014
	DCEO (ComEd Territory)	2010-2011	54,130 MWh	No	8/23/2011	3/5/2014
<b>13-0078</b>	ComEd	2011-2012	944,111 MWh	Yes	1/24/2013	1/20/2016
	DCEO (ComEd Territory)	2011-2012	107,640 MWh	No	1/24/2013	1/20/2016
<b>14-0075</b>	ComEd	2012-2013	942,061 MWh	Yes	1/23/2014	2/23/2017
	DCEO (ComEd Territory)	2012-2013	98,944 MWh	No	1/23/2014	2/23/2017
<b>15-0274</b>	ComEd	2013-2014	977,911 MWh	Yes	4/8/2015	8/15/2017
	DCEO (ComEd Territory)	2013-2014	86,439 MWh	No	4/8/2015	8/15/2017
<b>20-0486</b>	ComEd	June 2014 - Dec. 31, 2017	2,563,468 MWh	Yes	5/28/2020	12/16/2020

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Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
<b>15-0297</b>	Nicor Gas	2011-2014	49,218,260 therms	Yes	4/22/2015	9/28/2016
	DCEO (Nicor Territory)	2011-2014	4,559,873 therms	No	4/22/2015	9/28/2016
<b>20-0407</b>	Nicor Gas	June 2014 - Dec. 31, 2017	43,448,921 therms	Yes	4/21/2020	8/12/2020
<b>15-0298</b>	North Shore Gas	2011-2014	3,895,802 therms	Yes	4/22/2015	9/22/2016
	DCEO (N. Shore Territory)	2011-2014	676,653 therms	No	4/22/2015	9/22/2016
	Peoples Gas	2011-2014	21,586,878 therms	Yes	4/22/2015	9/22/2016
	DCEO (Peoples Territory)	2011-2014	6,405,466 therms	Yes	4/22/2015	9/22/2016
<b>20-0448</b>	North Shore Gas	June 2014 - Dec. 31, 2017	5,441,047 therms	Yes	5/11/2020	11/18/2020
	Peoples Gas	June 2014 - Dec. 31, 2017	28,375,556 therms	Yes	5/11/2020	11/18/2020
<b>19-0684</b>	DCEO (Ameren Territory)	2014-2017	93,147 MWh	No	6/18/2019	9/18/2019
	DCEO (Ameren Territory)	2014-2017	3,143,320 therms	Yes	6/18/2019	9/18/2019
	DCEO (ComEd Territory)	2014-2017	287,406 MWh	No	6/18/2019	9/18/2019
	DCEO (Nicor Territory)	2014-2017	6,185,037 therms	No	6/18/2019	9/18/2019
	DCEO (N. Shore Territory)	2014-2017	469,266 therms	No	6/18/2019	9/18/2019
	DCEO (Peoples Territory)	2014-2017	4,529,796 therms	Yes	6/18/2019	9/18/2019

Docket	Utility Service Territory	Compliance Period June 1 - May 31	First-Year Net Savings Achieved	Savings Goal Achieved?	Initiated	Closed
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TABLE 3-7  
ENERGY EFFICIENCY SAVINGS 2018-2022

Docket	Utility	Compliance Period	CPAS* Achieved	CPAS Goal Achieved?	Annual Achieved Incremental Savings**	AAIG Achieved?	Initiated	Closed
19-0632	Ameren	2018	1,996,596 MWh	Yes	154,490 MWh	Yes	5/31/2019	11/14/2019
19-0580	ComEd	2018	6,418,624 MWh	Yes	1,230,975 MWh	Yes	5/23/2019	11/26/2019
20-0477	Ameren	2019	2,166,595 MWh	Yes	169,999 MWh	No	5/26/2020	12/2/2020
20-0475	ComEd	2019	7,514,026 MWh	Yes	1,095,402 MWh	Yes	5/21/2020	12/2/2020
21-0467	Ameren	2020	2,410,405 MWh	Yes	243,809 MWh	Yes	5/27/2021	12/1/2021
21-0472	ComEd	2020	8,676,070 MWh	Yes	1,162,045 MWh	Yes	6/1/2021	11/18/2021
22-0369	Ameren	2021	2,626,966 MWh	Yes	216,561 MWh	Yes	6/1/2022	12/1/2022
22-0362	ComEd	2021	9,655,890 MWh	Yes	981,633 MWh	No	5/25/2022	10/27/2022
23-0430	ComEd	2022	11,017,253 MWh	Yes	1,359,550 MWh	Yes	5/26/2023	11/28/2023
23-0440	Ameren	2022	2,998,024 MWh	Yes	301,996 MWh	Yes	5/31/2023	11/28/2023

\*CPAS=Cumulative Persisting Annual Savings

\*\*Annual Achieved Incremental Savings is first-year savings that can be counted toward the utility's Applicable Annual Incremental Goal (AAIG), after first making up for savings that have expired.

Table 3-8 below summarizes the amount of money spent on energy efficiency by the utilities in Illinois.

*TABLE 3-8  
ENERGY EFFICIENCY SPEND (IN THOUSANDS)*

<b>Program Year</b>	<b>Ameren Illinois</b>	<b>ComEd</b>	<b>Nicor Gas</b>	<b>North Shore Gas</b>	<b>Peoples Gas</b>	<b>MidAmerican</b>	<b>Statewide Energy Efficiency Spend</b>
6/1/08-5/31/09	\$14,120	\$34,306	n/a	n/a	n/a	\$3,876	\$52,302
6/1/09-5/31/10	\$31,223	\$63,543	n/a	n/a	n/a	\$4,875	\$99,641
6/1/10-5/31/11	\$47,362	\$104,350	n/a	n/a	n/a	\$5,074	\$156,786
6/1/11-5/31/12	\$62,553	\$141,723	\$21,109	\$1,274	\$7,059	\$4,768	\$238,486
6/1/12-5/31/13	\$66,977	\$140,952	\$41,307	\$2,948	\$20,482	\$4,059	\$276,726
6/1/13-5/31/14	\$72,488	\$185,129	\$79,261	\$6,051	\$28,292	\$5,169	\$376,389
6/1/14-5/31/15	\$94,352	\$201,128	\$37,692	\$4,067	\$20,818	\$9,196	\$367,253
6/1/15-5/31/16	\$87,589	\$218,099	\$29,699	\$3,847	\$19,250	\$10,851	\$369,334
6/1/16-12/31/17	\$154,522	\$337,672	\$62,894	\$6,830	\$37,362	\$18,053	\$617,334
2018	\$119,197	\$352,988	\$29,053	\$4,035	\$24,625	\$9,393	\$539,291
2019	\$111,103	\$351,382	\$41,137	\$3,956	\$26,621	\$6,157	\$540,356
2020	\$113,376	\$346,480	\$43,780	\$3,710	\$29,348	\$4,333	\$541,027
2021	\$114,499	\$351,038	\$45,163	\$4,348	\$28,691	\$3,589	\$547,328

2022	\$119,502	\$399,377	\$40,901	\$3,342	\$25,006	\$4,180	\$592,308
2023*	\$135,134	\$423,304	\$45,705	\$4,099	\$29,049	\$5,490	\$654,781
2024*	\$135,326	\$423,304	\$45,705	\$4,099	\$29,049	\$6,881	\$656,364
2025*	\$135,402	\$423,304	\$45,705	\$4,099	\$29,049	\$7,033	\$653,592

*Sources:* Utility Quarterly Reports filed in ICC Docket Nos. 21-0154, 21-0155, 21-0158, and 21-0159. Orders filed in Docket Nos. 10-0682, 12-0404, 15-0140, 15-0141, 16-0031, 16-0032, 17-0020, 18-0181, 22-0369, and 22-0362. Plan documents and annual reports filed in Docket Nos. 13-0423/13-0424, 19-0734, and 23-0600.

*Notes:* These costs relate to the statutory energy efficiency programs offered pursuant to Sections 8-103, 8-103B, 8-104, 16-111.5B, and 8-408 of the Illinois Public Utilities Act, and on bill financing administrative costs. These costs shown here are those recovered through the energy efficiency riders; there may be other energy efficiency costs that are not recovered through the energy efficiency riders and those costs are not included here. These costs include those spent by the IL Department of Commerce and Economic Opportunity.

\*Plan budgets.

## Section 4 | Availability of Utility Services

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*(4) A discussion of utility services available to Illinois customers of investor-owned public utilities during 2023 including:*

*(a) a list of existing rules and laws designed to promote and preserve the availability of utility services.*

*(b) financial Impact of Uncollectible Expenses*

*(c) availability of consumer education regarding customer electric and natural gas choice*

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### Existing Rules and Laws

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*(4-a) a list of existing rules and laws designed to promote and preserve the availability of utility services.*

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Recent mandates and long-standing rules and regulations help ensure the availability and affordability of residential utility services. The Commission continues to refine its rules regarding utility credit and collection activities to help Illinois utility consumers make timely payments on their obligations to utility companies and avoid termination of utility service. The following discussion is a synopsis of current regulations designed to promote and preserve the availability and affordability of residential utility services.

#### 1. Temperature-based Termination of Service

If gas or electric service is the only source of space heating or if electricity is used to control the only space heating equipment, such as an electric blower fan on a gas furnace, these services may not be disconnected on any day when the National Weather Service forecasts that the temperature for the next 24 hours will be 32 degrees or below, or on a day before a holiday or weekend when the weather is forecasted to be 32 degrees or below any time before the next business day.

If gas or electricity is used as the only source of space cooling or to control or operate the only space cooling equipment at a residence or master-metered apartment building, then a utility with over 100,000 residential customers may not terminate gas or electric utility service to the residential user,

including all tenants of master-metered apartment buildings on a day when the National Weather Service forecasts that the temperature for the next 24 hours will be 95 degree or above, or on a day before a holiday or weekend when the weather is forecasted to be 95 degrees or above any time during the holiday weekends. Effective January 1, 2024, the temperature changes from 95 degrees to 90 degrees and adds protection from disconnection when the National Weather Service issues excessive heat alerts.

## **2. Disconnection of Service to Military Personnel on Active Duty**

Utilities are prohibited from disconnecting gas and electric service to military personnel in military service for non-payment.

## **3. Disconnection of Service to Customers Receiving LIHEAP funds**

During the winter heating season (December 1 through March 31) residential customers who receive Low Income Home Energy Assistance Program (LIHEAP) funds may not be disconnected if the services are used as the primary source of heating or to control or operate the primary source of heating.

## **4. Disconnection of Service to Certain Electric Space-Heating Customers**

During the winter heating season (December 1 through March 31) a public utility serving more than 100,000 electric customers may not disconnect electric service to a residential space heating customer for non-payment.

## **5. Initial Credit and Deposit Requirements**

Utilities defer credit and deposit requirements for 60 days for a residential customer who is a victim of domestic violence. Electric and natural gas utilities are prohibited from collecting a deposit from low-income applicants and customers (except in cases of tampering).

## **6. Preferred Payment Date**

Current residential customers who receive certain types of benefit checks out of cycle with their utility bills are allowed up to ten days subsequent to the customer's regular due date to make payment without penalty. This has benefited the low-income, elderly, and unemployed customers since they are able to avoid late payment charges and, in many cases, avoid paying a deposit to the utility.

## **7. Deferred Payment Arrangement**

This arrangement allows a customer who owes the utility for a past due bill to maintain utility service by paying the past due amount in installments over a period of four to twelve months while continuing to

pay current bills as they become due. Depending on the outstanding amount, the amount of the current bills, and the customer's income, this rule helps many customers, but it falls short of assisting those customers who simply have utility bills that are greater than their income can afford. Commission rules do allow for reinstatement after default and renegotiation of the payment agreement if the customer's financial circumstances change for the worse.

## **8. Reconnection**

This rule provides that residential customers disconnected prior to the winter heating season and those customers disconnected during the winter heating season (December 1 through March 31) may be reconnected upon the payment of one-third of the amount due to the company. If financial inability to pay this amount is shown, one-fifth of the amount owed may be paid. The customer then must enter into a payment plan to pay the balance of the outstanding amount owed to the utility. It should be noted that in many cases the amounts paid to have service restored are obtained through grants from community organizations or through the LIHEAP administered by DCEO.

The reconnection rule further states that this provision is available between November 1 and April 1 of the current heating season; that reconnection under this provision cannot be used in two consecutive years; that the former customer must have paid at least one-third of the amount billed subsequent to December 1 of the prior year; and that the program is not available if evidence of tampering with the meter is discovered.

## **9. Financial Assistance**

ICC-regulated electric and natural gas utilities participate in the Low-Income Home Energy Assistance Program (LIHEAP), administered by DCEO. Subject to the availability of funds, LIHEAP provides a one-time per year grant to eligible low-income customers and reconnection assistance.

The Percentage of Income Payment Plan (PIPP) was implemented effective September 2011 and became available for LIHEAP eligible households who are customers of the following utilities: Ameren Illinois,

ComEd, Nicor Gas and Peoples Gas/North Shore Gas. Under PIPP, a customer pays a percentage of income and receives a monthly benefit towards his or her utility bill and arrearage reduction for every on-time payment the customer makes. DCEO administers this program.

## **10. Late Payment Fees**

Electric and natural gas utilities are prohibited from assessing late payment fees to low-income applicants and customers.

## **11. Credit Card Convenience Fees**

Credit card convenience fees are prohibited for utility payments.



## 12. Utility Reporting Requirements

Specific disconnection and credit and collections reporting is required to be provided by electric, natural gas, water, and sewer utilities to assist the Commission in understanding issues and policy making.

### Financial Impact on Utilities and Other Ratepayers

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*(4-b) an analysis of the financial impact on utilities and other ratepayers of the inability of some customers or potential customers to afford utility service, including the number of service disconnections and reconnections, and cost thereof and the dollar amount of uncollectible accounts recovered through rates.*

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Uncollectible expenses for utilities represent revenue billed but not received for services rendered. Efforts are made to recover such revenue, but, after a certain period of time and effort, unpaid amounts are charged as an expense and recovered in the regular rates charged to all customers.

P.A. 96-0033 (SB 1918), signed into law on July 10, 2009, added Sections 16-111.8 (concerning electric utilities) and 19-145 (concerning gas utilities) to the PUA. These sections provide that an electric or gas utility shall be permitted to recover through an automatic adjustment clause the incremental difference between its actual uncollectible amount and the uncollectible amount included in rates. Ameren Illinois, ComEd, Peoples Gas, North Shore Gas, Liberty Utilities, MidAmerican Energy, and Nicor Gas have tariffs on file with the Commission to enact the uncollectible automatic adjustment clauses.

### Consumer Education Activities

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*(4c) Consumer education regarding customer electric and natural gas supplier choice*

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#### 1. Electric Customer Choice — “Plug in Illinois”

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 restructured the State's electric utility industry. Section 16-117 of the PUA requires the ICC to maintain a consumer education program to provide residential and small commercial retail customers with information to help them understand their service options, rights, and responsibilities.

The ICC “Plug In Illinois” website, located at [www.pluginillinois.gov](http://www.pluginillinois.gov), is updated as information changes and contains an overview of customer choice, guidelines for choosing an electric supplier including residential prices to compare for Ameren Illinois and ComEd customers, a listing of ARES offers for comparison and a list of municipalities pursuing aggregation programs.

## 2. Natural Gas Choice

In some parts of Illinois, natural gas utilities voluntarily offer their residential and small retail commercial customers the opportunity to choose their supplier of natural gas. Alternative Gas Suppliers (AGS) offering service to these customers must be certified by the ICC. In accordance with Section 19-125 of the PUA, the Commission web site includes consumer education information to help residential and small commercial customers understand their gas supply options and their rights and responsibilities. The educational information includes choices available, guidance for selecting an AGS, comparisons of the prices and terms of products offered by alternative suppliers and procedures for consumers to address complaints.

## Section 5 | Implementation of the Commission's Statutory Responsibilities

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*(5) A detailed description of the means by which the Commission is implementing its new statutory responsibilities under this Act, and the status of such implementation, including specifically:*

*(5-a) Commission reorganization resulting from the addition of an Executive Director and hearing examiner qualifications and review.*

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### Commission Reorganization

No reorganization actions were taken during 2023.

*(5-b) Commission responsibilities for construction and rate supervision, including construction cost audits, management audits, excess capacity adjustment, phase-ins of new plant and the means and capability for monitoring and reevaluating existing or future construction projects.*

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### Construction Audits

#### 1. Statutory Requirements

Section 8-407(b) and 9-213 of the 1986 PUA grants the Commission the authority to conduct construction audits. Pursuant to Section 8-407(b), the Commission, after granting a certificate of public convenience and necessity (CPCN) for the construction of a new electric generating facility, is authorized

to perform construction cost audits at any time during construction whenever the Commission has cause to believe that such an audit is necessary or beneficial to the efficiency or economy of construction.

Section 9-213 requires the Commission to perform an audit of the cost of new electric utility generating plants and significant additions to electric utility generating plants to determine if the cost is reasonable prior to including such construction costs in rate base.

Sections 8-407 (b) and 9-213 both establishes the Commission's authority to engage independent consultants to perform these audits. If engaged, the cost will be borne initially by the utility, but shall be recoverable as an expense through normal ratemaking procedures.

## **2. Commission Responsibilities**

To comply with the PUA, the Commission must monitor the major construction activities of all electric utilities within the State to assure that such construction is efficient and economical. The Commission is required (Sec. 8-407(a)) to reevaluate the propriety and necessity of each certificate of necessity issued for the construction of a new electric generating facility at least every three years.

### **3. Section 8-407 (b) Activities**

No actions were taken during 2023.

### **4. Section 9-213 Activities**

No actions were taken during 2023.

## **Management Audits**

### **1. Statutory Requirements**

Under Section 8-102 of the PUA, the Commission is authorized to conduct management audits of public utilities. The Commission may choose to conduct the audits with its own staff or contract with independent consultants. The Commission may initiate an audit only when it has reasonable grounds to believe an audit is necessary or likely to be cost-beneficial.

The statute allows for the costs associated with the use of independent consultants to be borne by the utilities with recovery provided through the normal ratemaking process.

### **2. Commission Responsibilities**

Prior to initiating a management audit or investigation of a utility, the Commission must have "reasonable grounds to believe that such audit or investigation is necessary to assure that the utility is

providing adequate, efficient, reliable, safe, and least-cost service and charging only just and reasonable rates therefore, or that such audit or investigation is likely to be cost beneficial in enhancing the quality of such service or the reasonableness of rates therefore." The Commission shall "issue an order describing the grounds for such audit or investigation and the appropriate scope and nature of such audit or investigation."

### **3. Section 8-102 Activities**

In Docket Nos. 12-0511/0512 (Cons.), the Commission adopted a two-phase investigation of Peoples Gas Light and Coke Company's System Modernization Program (SMP, formerly known as the AMRP). The Commission engaged The Liberty Consulting Group (Liberty) to conduct this investigation on May 5, 2014. Liberty's investigation involved two phases. The first phase involved Liberty's investigation of SMP planning and execution. Specifically, Liberty investigated Peoples Gas' management, control, and oversight of the SMP and how these key obligations affect costs and schedule. Phase 2 involved Liberty overseeing Peoples Gas' implementation of the recommendations from the Phase 1 report. The Commission received Liberty's Final Report for phase one of the investigation on May 5, 2015, which contained 95 recommendations for improvement of the SMP. The second phase of the investigation ended in May 2017. The Second Phase required Liberty to provide quarterly reports. The Commission received the eighth and final quarterly Second Phase report in December of 2017.

The Commission initiated Docket No. 16-0376 to investigate the cost, scope, schedule, and other issues related to the Peoples Gas' SMP and establish program policies and practices pursuant to Section 8-501. The Commission entered an Order in Docket No. 16-0376 on January 10, 2018. This Order provides for a consultant pursuant to Section 8-102 of the Public Utilities Act to assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings. The Executive Director, on October 17, 2019, signed a contract to engage Liberty to assist the Commission in reviewing SMP costs contained in QIP reconciliation proceedings. Liberty's work is ongoing.

Subsection (g) of new Section 4-604 of the PUA, which was added to the PUA by P.A. 102-0662, requires the Commission to perform a management audit of each public utility that has entered into a Deferred Prosecution Agreement (DPA) for a felony offense and authorizes the ICC to select a third-party auditor to conduct said audit. ComEd entered a DPA on July 17, 2020. The initiation of the management audit must occur no later than 18 months after September 15, 2021. At its Regular Open Meeting on October 14, 2021, the Commission directed Staff to conduct a competitive solicitation to hire a management auditor to perform a management audit of ComEd pursuant to subsection (g) of Section 4-604 of the PUA. At the Regular Open Meeting on August 11, 2022, the Commission authorized the Executive Director to execute a contract for The Liberty Consulting Group to conduct a management audit of Commonwealth Edison Company as required by Section 4-604(g) of the Public Utilities Act. On July 17, 2023, Liberty Consulting Group submitted to Staff its audit report, entitled "Management Audit of Commonwealth Edison Company Ethics and Compliance." The report was presented to the Commission at its August 3, 2023, Regular Open Meeting.

## Excess Capacity, Used, and Useful

Section 9-215 of the PUA gives the Commission the "power to consider, on a case-by-case basis, the status of a utility's capacity and to determine whether or not such utility's capacity is in excess of that reasonably necessary to provide adequate and reliable electric service". The Commission is authorized to adjust rates if a finding of excess capacity is made. This section conditions this authority for generating units whose construction programs started prior to the effective date of the current Act, January 1, 1986. That is, any such findings of excess capacity and adjustment of rates for generating units whose construction started prior to the effective date of the current Act, will be subject to the law in effect prior to 1986.

No actions were taken during 2023.

## Rate Moderation Plan

The PUA authorizes the Commission to consider the adoption of a rate moderation plan that would lessen rate impacts associated with new power plants coming into service. No new power plants were placed into service by public utilities in Illinois during 2023.

No actions were taken during 2023.

## Cost-Based Rates

The PUA considers cost-based rates an important component of equity for ratepayers. Specifically, the Act states that the cost of supplying public utility services should be allocated to those who cause the costs to be incurred [Section 1-102(d)(iii)]. Equity is the fair treatment of public utility consumers and investors. Under the PUA, the Commission can consider other factors besides cost to determine whether rates are just and reasonable [Section 1-102(d)(iv)]. The need to base rates on costs has increased as the utility environment becomes more competitive. A close relationship between rates and costs will discourage uneconomic bypass of the utility system by ratepayers. Uneconomic bypass is costly to the utility, ratepayers, and society as a whole.

The Commission made consistent progress toward the establishment of cost-based rates in utility rate cases that were handled in 2023. The following is a list of the gas and electric rate cases handled by the Commission in 2023 (See Section 2 for list of water and sewer rate cases handled in this period).

### 5. Gas

In August 2022, Illinois Gas filed a gas rate case (Docket No. 22-0572). The Commission entered a final order February 23, 2023.

In January 2023, Nicor filed a gas rate case (Docket No. 23-0066). The Commission entered a final order on November 16, 2023.

In January 2023, Ameren Illinois filed a gas rate case (Docket No. 23-0067). The Commission entered a final order on November 16, 2023.

In January 2023, North Shore Gas and Peoples Gas filed gas rate cases (Docket Nos. 23-0068 and 23-0069 Consolidated). The Commission entered a final order on November 16, 2023.

## **6. Electricity**

### *Sec. 16-108.5 Electric Formula Rate Cases & Reconciliations*

The PUA was amended in 2011. P.A. 97-0616 included a new provision under Sec. 16-108.5 that enables participating electric utilities to file performance-based formula rates and provide annual updates and reconciliations of those rates.

In April 2023, ComEd filed its formula rate update (Docket No. 23-0345) for its distribution delivery services. The Commission entered an order on November 30, 2023.

In April 2023, Ameren Illinois filed its formula rate update (Docket No. 23-0320) for its distribution delivery services. The Commission entered an order on November 30, 2023.

### *Sec. 16-108.18 Electric Multiyear Rate Plans & Reconciliations*

The PUA was amended in 2021. P.A. 102-662 included a new provision under Sec. 16-108.18 that enables electric utilities to elect Multiyear Rate Plans and to provide annual reconciliations of those rates.

In January 2023, ComEd filed its Multiyear Rate Plan (Docket No. 23-0055) for its distribution delivery services. The Commission entered an order on December 14, 2023.

In January 2023, Ameren Illinois filed its Multiyear Rate Plan (Docket No. 23-0082) for its distribution delivery services. The Commission entered an order on December 14, 2023.

## **Mergers**

In June 2022, in Docket No. 22-0385, Prairie Path Water requested that the Commission: (1) approve the sale of Forestview Utilities Corporation's (Forestview) wastewater utility assets to Prairie Path pursuant to Sections 7-204, 7-204A, and 7-102(b) of the PUA; (2) grant Prairie Path a Certificate of Public Convenience and Necessity to provide wastewater utility service in the service area now served by Forestview; (3) approve application of rates and accounting treatment for the transaction; and (4)

authorize Forestview to discontinue operations as an Illinois public utility. The Commission issued a final order on February 9, 2023.

In May 2023, in Docket No. 23-0423, Prairie Path Water requested that the Commission (1) approve the Proposed Transaction by which Prairie Path acquires substantially all the Illinois assets of Quality Water, Inc. under Sections 7-204 and 7-204A of the Public Utilities Act, 220 ILCS 5/7-204, 220 ILCS 5/7-204A; (2) issue Prairie Path a certificate of public convenience and necessity, under Section 8-406 of the Public Utilities Act, 220 ILCS 5/8-406(a)-(b), authorizing Prairie Path to provide water service and to construct, operate, and maintain a water public utility system in the Certificated Area in Jo Daviess County, Illinois; (3) transfer the existing certificate of Bahl to Prairie Path; (4) approve Prairie Path's proposed ratemaking rate base, water service rates and accounting entries, per the System Viability Act; (5) authorize Bahl Water Corporation's to discontinue operations as an Illinois public utility; and (6) granting such other and further relief as the Commission deems just and appropriate. The docket is ongoing.

## Asset Transfers or Sales

There were no assets sales approved in 2023.

## Informational Filings

There were no informational notices filed with the Commission during 2023.

## Decommissioning

During 2023, no Illinois electric utility billed its customers any charges for nuclear decommissioning. The last billing of decommissioning charges by any Illinois electric utility ceased on December 31, 2006 (Docket No. 00-0361).

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*(5-c) Promulgation and application of rules concerning ex parte communications, circulation of recommended orders and transcription of closed meetings.*

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The Commission's rules concerning ex parte communications (83 Ill. Adm. Code 200.710) and the circulation of recommended orders (83 Ill. Adm. Code 200.820) remained in effect in 2023 and were applied throughout the year. There were no closed meetings in 2023.

## Section 6 | Appeals from Commission Orders

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*(6) A description of all appeals taken from Commission orders, findings or decisions and the status and outcome of such appeals.*

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This section includes pending appeals filed in 2023; previously filed appeals pending further action as of December 31, 2022, and/or appeals in which judicial decisions were received in 2023. Included in this section are judicial reviews of Illinois Commerce Commission decisions arising under 47 U.S.C. § 252(e)(6) involving telecommunication carriers. Excluded from this section are appeals involving motor carriers, rail carriers, or other regulated transportation and all other judicial actions, such as enforcement and collection actions, employment suits, or federal administrative and judicial actions, in which the Commission may have participated as plaintiff, defendant, intervenor, or amicus.

### I. Appeals Involving Public Utilities Filed in 2023 Pending in The Appellate or Circuit Courts Without Decision

#### A. Under the Public Utilities Act (“PUA”), 220 ILCS 5/101, et seq.

##### 1. The People of the State of Illinois, *ex rel.* Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Comm’n, *et al.*

ICC Nos. 22-0432 consol. With 22-0442

Appellate Nos. 2-23-0020 consol. With 23-0193

**Nature of the Appeals:** Appeals from an interim order and a final order issued by the Commission in the consolidated dockets related to Commonwealth Edison’s (“ComEd”) Beneficial Electrification Plan (“BE Plan”) filed pursuant to the Electric Vehicle Act (“EVA”), 20 ILCS 627/45. (In late 2022, ComEd appealed the interim order issued on November 10, 2022, but this appeal was subsequently dismissed. *See* Section II.A., *infra*). On November 10, 2022, the Commission entered an interim order eliminating certain rebates from the BE Plan. On March 23, 2023, in its final order, the Commission found ComEd’s BE Plan as modified to be reasonable and approved a \$77 million beneficial electrification annual budget. On May 4, 2023, it denied all applications for rehearing, and on May 8, 2023, issued a clarifying order. On June 7, 2023, the People filed a petition for review from the final order.

**Issues:** (Interim Order) Whether the Commission properly found that certain electric vehicle and charging station rebates should not be part of ComEd’s BE Plan as such rebates are administered by the



Illinois Environmental Protection Agency. (Final Order) 1) Whether the Commission properly interpreted the statutory rate cap in the EVA; 2) whether substantial evidence supports the Commission’s approval of a \$77 million beneficial electrification annual budget; and 3) whether ComEd’s beneficial electrification plan adequately coordinates with existing incentives.

Status: The People filed motions to extend the time for briefing and the schedule currently is: Appellant People’s brief is due January 2, 2024, Appellees’ briefs are due February 6, 2024, People’s reply brief is due February 20, 2024.

**2. The People of the State of Illinois, *ex rel.* Kwame Raoul, Attorney General of the State of Illinois v. Illinois Commerce Comm’n, *et al.***

ICC Nos. 22-0431 consol. With 22-0441

Appellate No. 4-23-0491

Nature of the Appeal: Appeal from the Commission’s final order in the consolidated dockets related to Ameren Illinois Company’s (“Ameren”) Beneficial Electrification Plan (“BE Plan”) filed pursuant to the Electric Vehicle Act (“EVA”), 20 ILCS 627/45. On March 23, 2023, the Commission approved Ameren’s BE Plan as modified, on May 4, 2023, it denied all applications for rehearing, and on May 8, 2023, issued a clarifying order. On June 7, 2023, the People filed a petition for review from the final order.

Issues: The issues include whether: 1) the Commission’s correctly interpreted the EVA regarding the term “total annual revenue requirement;” 2) Ameren’s BE budget exceeds the retail rate cap; 3) Ameren’s proposed rebates are within the exclusive jurisdiction of the Illinois Environmental Protection Agency; 4) Ameren’s programs will reduce barriers to electric vehicle adoption; and 5) the Commission properly found that Ameren’s BE Plan is cost beneficial.

Status: The People filed motions to extend the time for briefing and the schedule currently is: Appellant People’s brief is due February 21, 2024, Appellees’ briefs are due March 27, 2024, People’s reply brief is due April 10, 2024.

**3. GridLiance Heartland LLC v. Illinois Commerce Comm’n, *et al.***

ICC No. 20-0363

Appellate No. 5-23-0073

Nature of the Appeal: This is an appeal from an interim order issued by the Commission on November 17, 2022, finding that GridLiance Heartland LLC (“GridLiance”) is a “public utility” as defined by section 3-105 of the Public Utilities Act. On January 5, 2023, the Commission denied GridLiance’s application for rehearing, and on February 9, 2023, GridLiance filed a petition for review with the Appellate Court.

Issues: 1) Whether the Commission properly found GridLiance was a public utility; 2) whether the Commission correctly found that a 1991 decision by the Sangamon County Circuit Court did not support the application of *res judicata* to preclude its current determination; and 3) whether the Commission properly directed GridLiance to obtain a certificate of public convenience and necessity after finding GridLiance was a public utility.

Status: The parties briefed all issues and on August 14, 2023, the court held oral argument. The parties await the court's decision.

**4. Concerned Citizens & Property Owners Association, et al. v. Illinois Commerce Commission, et al.**

ICC No. 20-0363

Appellate No. 5-23-0073

Nature of the Appeal: This is an appeal from a Commission order granting Grain Belt Express, LLC ("GBX") a certificate of public convenience and necessity to construct and operate a high voltage direct current transmission line across Illinois. Five parties, Concerned Citizens and Property Owners Association, the Illinois Agricultural Association (the Illinois Farm Bureau), Concerned Peoples Alliance, York Township Irrigators and Nafsica Zotos collectively sought rehearing on April 7, 2023, which the Commission denied on April 20, 2023. All five parties filed petitions for review.

Issues: 1) Whether Section 8-406(b-5) of the Public Utilities Act is a constitutional exercise of the General Assembly's police powers or is unconstitutional special legislation; 2) whether the Commission properly awarded GBX a certificate of public convenience and necessity based on substantial evidence; 3) whether the Commission correctly memorialized GBX's commitment not to seek cost allocation from ratepayers; and 4) whether the Commission's authorization of GBX to commence construction within five years was correct under Section 8-406.1(i).

Status: The parties completed briefing in November 2023 and await oral argument or decision.

**5. North Shore Gas Company, et al. v. Illinois Commerce Commission, et al.**

ICC. No. 20-0363 and 20-0666

Appellate No. 2-23-0229

Nature of the Appeal: This is an appeal from the Commission's final order entered on May 18, 2023, concerning North Shore Gas Company ("North Shore") & Peoples Gas Light and Coke Company's ("Peoples Gas") (together "Appellants") petitions for approval of uncollectible costs incurred during calendar year 2018 and recovery of those costs through Rider UAE. The Appellants filed a joint

application for rehearing on June 20, 2023, which the Commission denied on June 29, 2023. The Appellants filed a joint petition for review on July 11, 2023.

Issues: 1) Whether the Commission lawfully determined that the Appellants' 2017 actions relating to disconnections and uncollectibles were unreasonable and imprudent for purposes of the 2018 reconciliation proceeding; 2) whether the Commission lawfully disallowed 40% of the Appellants' requested uncollectible write-off and required that amount to be refunded to customers; and 3) whether the Commission's findings regarding the format of and practices related to disconnection notices and record retention of CSR records (to the extent those findings constitute a binding ICC order rather than a recommendation) are supported by substantial evidence.

Status: The current briefing schedule: Appellants' brief is due December 18, 2023, Appellees' briefs are due January 22, 2024, Appellants' reply brief is due February 5, 2024.

**6. Northern Illinois Gas Company d/b/a Nicor Gas Company v. Illinois Commerce Commission, et al.**

ICC. No. 20-0330

Appellate No. 3-23-0388

Nature of the Appeal: This is an appeal from the Commission's June 15, 2023, order, as amended on August 3, 2023, wherein the Commission denied Northern Illinois Gas Company's ("Nicor") request to recover \$32 million as part of its qualified infrastructure plant (QIP) rider as unreasonable expenses that were not prudently incurred. Following the Commission's denial of Nicor's application for review, Nicor appealed on August 24, 2023.

Issues: 1) Whether the Commission's findings that many of Nicor's QIP expenditures were imprudently incurred were supported by substantial evidence when analyzed under the appropriate prudence review; 2) whether the Commission misapplied the prudence standard and utilized hindsight when evaluating the reasonableness of Nicor's expenses; 3) whether the Commission appropriately applied the burden of proof to Nicor's request; whether the Commission's decision is arbitrary and capricious and constitutes an unjustified departure from past practice; and 4) whether the Commission's order contains sufficient findings and analysis to allow for informed judicial review.

Status: Appellant Nicor filed its brief on December 7, 2023, Appellees' briefs are due January 11, 2024, and Nicor's reply brief is due January 25, 2024.

**B. Under Other Utility-Related Acts**

None

## **II. Appeals Dismissed In 2023 Without Decision on the Merits and with No Further Action Expected**

### **A. Under the Public Utilities Act**

#### **1. Commonwealth Edison Co. v. Illinois Commerce Comm’n, et al.**

ICC Nos. 22-0432 consol. with 22-0442

Appellate No. 2-22-0444

Nature of the Appeal: Appeal from an interim order issued by the Commission on November 10, 2022, in the consolidated dockets related to Commonwealth Edison’s (“ComEd”) Beneficial Electrification Plan (“BE Plan”) filed pursuant to the Electric Vehicle Act (“EVA”), 20 ILCS 627/45.

Status: On July 7, 2023, the court granted ComEd’s motion to voluntarily dismiss the appeal.

### **B. Under Other Utility-Related Acts**

None.

## **III. Appeals Decided In 2023 but Petitions for Rehearing or Petitions for Leave to Appeal to the Illinois Supreme Court or to the United States Supreme Court Remained Pending at the Time of the 2023 Annual Report**

### **A. Under the Public Utilities Act, 220 ILCS 5/101 et seq.**

None

### **B. Under Other Utility-Related Acts**

None

## **IV. Appeals Decided by Opinion of the Court or by an Order Issued Under Supreme Court Rule 23 in 2023. (A rule 23 order decides a case on its merits but has limited effect as precedent in other cases.)**

### **A. Under the Public Utilities Act, 220 ILCS 5/101 et seq.**

#### **1. Save Our Illinois Land, et al. v. Illinois Commerce Commission, et al.**

ICC No. 19-0673

1st Appellate No. 4-21-0008

2nd Appellate No. 4-22-1038

Nature of the Appeal: On September 15, 2022, the Commission issued an Order on Remand authorizing Dakota Access, LLC and Energy Transfer Crude Oil Company, LLC (“Joint Petitioners”) to install additional pumping station facilities on their existing certificated common carrier pipelines in Illinois pursuant to Section 8-503 of the Public Utilities Act. On December 1, 2022, following the denial of their application for rehearing, Save Our Illinois Land and William Klingele (collectively “Appellants”) filed a petition for review of this order.

Issues: In this second appeal, Appellants argued: 1) the Commission misread and misapplied the Appellate Court’s directive regarding the scope of the “public” need, which respondents argue should be limited to Illinois *unless* mandated by the Dormant Commerce Clause to expand to national interests; 2) the Commission erroneously neglected to find public “need” was satisfied, as properly construed under the PUA; and 3) no record evidence supported a finding of public need anyway.

Status: On June 13, 2023, the court affirmed the Commission’s Order on Remand and issued the mandate on July 19, 2023.

## **2. Pembroke Environmental Justice Coalition, et al. v. Illinois Commerce Commission, et al.**

ICC No. 21-0698

Appellate No. 3-22-0108

Nature of the Appeal: Appeals filed by Pembroke Environmental Justice Coalition, Blacks in Green, Green Power Alliance and Environmental Defense Fund from the Commission’s order granting Nicor Gas’ petition requesting a Certificate of Public Convenience and Necessity (“CPCN”) to construct, operate, and maintain gas distribution facilities, within certain portions of Kankakee County, Illinois.

Issues: (1) Whether the Commission correctly applied the standards of Section 8-406.2 of the Act (220 ILCS 5/8-406.2), which governs the Commission’s issuance of CPCNs in “designated hardship areas” to Nicor Gas’ proposed construction of additional facilities; and (2) whether the Commission was also required to find Nicor Gas met the requirements in sections 8-406(b) and (d) of the Act which govern CPCNs generally.

Status: The court issued an opinion on April 12, 2023, affirming the Commission’s decision and issued the mandate on May 24, 2023.

### **B. Under Other Utility-Related Acts**

None

## Section 7 | Studies and Investigations Required by State Statutes

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*(7) A description of the status of all studies and investigations required by this Act, including those ordered pursuant to Sections 4-305, 8-304, 9-242, 9-244, and 13-301 and all such subsequently ordered studies or investigations.*

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### Section 4-305: Emission Allowance Reports

Section 4-305 of the PUA was repealed by Public Act 100-840, effective August 13, 2018. No actions were taken in 2023, and no further actions are anticipated.

### Section 8-304: Estimated Billing Practices

This section, added September 19, 1985, required the Commission to perform a comprehensive study of estimated billing practices and policies of the major regulated public utilities providing natural gas and/or electric services. The study was conducted in 1987. No actions were taken in 2023, and no further actions are anticipated.

### Section 9-223: Evaluation of the Fire Protection Charge

Section 9-223(b) directs the Commission to evaluate the purpose and use of each fire protection charge imposed under Section 9-223. Section 9-223(b) was added to the PUA as part of P.A. 94-0950 with an effective date of June 27, 2006. The Commission submitted a report containing its findings to the General Assembly prior to the last day of the 2008 veto session. No actions were taken in 2023 and no further actions are anticipated.

### Section 9-242: Promotional Rates for Encouraging Consumption

Section 9-242 was repealed by Public Act 100-840, effective August 13, 2018. No actions were taken in 2023, and no further actions are anticipated.

### Section 9-244: Alternative Rate Regulation

Section 9-244(d) allows the Commission upon its own motion or complaint to open an investigation into whether a utility is implementing an approved alternative rate regulation in accordance with the Commission order approving the program. No company was subject to an alternative rate regulation program in 2023 and no action was taken.

## **Section 13-301: Universal Service Support**

Section 13-401 requires the Commission to investigate the necessity of and, if appropriate, establish a universal service support fund to provide support to certain providers of telephone services in high-cost areas. The Commission initially established a fund pursuant to Section 13-301 through several orders in Docket Nos. 00-0233/00-0335 (consolidated). Over time, the Commission has ordered several updates to the fund, including the most recent update ordered in Docket No. 16-0378 in April 2017. Implementation of the fund continued in 2023 pursuant to the Commission's April 2017 order.

## **Section 8-103: Electric Energy Efficiency and Demand Response Program Spending Limits**

Section 8-103 of the PUA sets forth requirements for electric utilities to create and implement ratepayer-funded energy efficiency and demand response programs. The statute provides for a limitation on the amount of spending on such programs, if the result of the spending would be to increase retail rates of retail customers by more than certain prescribed percentages. Subsection (d) of Section 8-103 concludes by stating:

No later than June 30, 2011, the Commission shall review the limitation on the amount of energy efficiency and demand response measures implemented pursuant to this Section and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of energy efficiency and demand response measures.

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission's website in the Reports section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further activities are anticipated.

## **Illinois Power Agency Act, Section 1-75(c): Renewable Energy Resource Procurement Spending Limits**

Subsection (c) of Section 1-75 of the IPAA sets forth a RPS pertaining to electric utilities whom on December 31, 2005, provided electric service to at least 100,000 customers in Illinois and electric utilities for which the IPA procures power and energy. The statute provides for a limitation on the amount of renewable energy resources that shall be purchased, if the result of such purchases would be to increase retail rates of eligible retail customers by more than certain prescribed percentages. Paragraph 2 of 1-75(c) required the Commission to review the limitation on the amount of renewable energy resources procured pursuant to this subsection (c) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective renewable energy resources.

The report was sent to the General Assembly on June 29, 2011. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further activities are anticipated.

### **Illinois House Resolution 1146: Potential Nuclear Plant Closing in Illinois**

Illinois House Resolution 1146 adopted on May 29, 2014, requested the Illinois Commerce Commission, the Illinois Power Agency, the Illinois Environmental Protection Agency and the Illinois Department of Commerce and Economic Opportunity to prepare reports addressing issues related to the premature closure of nuclear power plants.

The report was sent to the General Assembly on January 5, 2015. It is available on the Commission's website at [www.icc.illinois.gov/programs/Potential%20Nuclear%20Plant%20Closing%20in%20Illinois](http://www.icc.illinois.gov/programs/Potential%20Nuclear%20Plant%20Closing%20in%20Illinois). No actions were taken in 2023 and no further actions are anticipated.

### **Illinois Power Agency Act, Section 1-75(d): Clean Coal Resources Procurement Spending Limits**

Subsection (d) of Section 1-75 of the IPAA sets forth a Clean Coal Portfolio Standard pertaining to electric utilities in Illinois. The statute provides for a limitation on the amount of clean coal resources purchased through sourcing agreements, if the result of such purchases would be to increase retail rates of eligible retail customers by more than certain prescribed percentages. Paragraph 2 of 1-75(d) required the Commission to review the limitation on the amount of clean coal resources procured pursuant to this subsection (d) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective clean coal resources.

The report was sent to the General Assembly in June 2015. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further actions are anticipated.

### **Sections 16-11.7 and 19-140: On-Bill Financing Programs**

Public Act 96-0033, which took effect July 10, 2009, added Sections 16-111.7 and 19-140 to the PUA. These new sections require, respectively, electric utilities or gas utilities serving more than 100,000 customers on January 1, 2009, to provide on-bill financing ("OBF") programs. The OBF programs allow utility customers to purchase cost-effective energy efficiency measures with no required initial upfront payment, and to pay the cost of those products and services over time on their utility bill. Included in each OBF Section of the PUA is a requirement that an independent evaluation of utilities' OBF programs be conducted after three years of program initiation and completed to evaluate the effects of the measures implemented pursuant to the program and the overall operation of the program. The OBF Sections further directed the Illinois Commerce Commission to submit a report to the Governor and



General Assembly summarizing the results of the information contained in the evaluation as well as recommending whether to continue the program in its current form, continue the program with modification, or discontinue the program.

The report was sent to the General Assembly in October 2016. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further actions are anticipated.

### **Section 8-104: Coordination of Natural Gas and Electric Energy Efficiency Programs**

Subsection (k) of Section 8-104 of the Public Utilities Act required the Illinois Commerce Commission to develop and solicit public comment on a plan to foster statewide coordination and consistency between statutorily mandated natural gas and electric energy efficiency (EE) programs to reduce program or participant costs or to improve program performance and to issue a report to the General Assembly containing its findings and recommendations.

The report was sent to the General Assembly on August 30, 2013. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further actions are anticipated.

### **Section 16-108.5: Infrastructure Program and Performance-Based Formula Rate**

The Energy Infrastructure Modernization Act (EIMA) consisted of changes and additions made to the Public Utilities Act through Public Act 97-616 and through several subsequent updates. EIMA provided a framework whereby a participating utility could elect to recover its delivery services costs through a performance-based formula rate if it also committed to undertake specified infrastructure investment and customer assistance programs. Section 16-108.5(h) of the Public Utilities Act directed the Illinois Commerce Commission to prepare and file with the General Assembly a report on EIMA implementation and, in particular, the change in the average amount per kilowatt-hour paid by residential customers between June 1, 2011, and May 31, 2017.

The report was sent to the General Assembly on December 14, 2017. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No actions were taken in 2023 and no further actions are anticipated.

### **Illinois Power Agency Act, Section 1-75(d-5): Zero Emission Credit Procurement Spending Limits**

Subsection (d-5) of Section 1-75 of the IPAA sets forth a Zero Emission Standard pertaining to electric utilities whom on June 1, 2017, provided electric service to at least 100,000 customers in Illinois and

electric utilities for which the IPA procures power and energy. The statute provides for a limitation on the amount of zero emission credits that shall be purchased, if the result of such purchases would be to increase retail rates of eligible retail customers by more than certain prescribed percentages. Paragraph 2 of 1-75(d-5) required the Commission to review the limitation on the amount of zero emission credits procured pursuant to this subsection (d-5) and report to the General Assembly its findings as to whether that limitation unduly constrains the procurement of cost-effective zero emission credits.

The report was sent to the General Assembly in August 2019. It is available on the Commission's website in the Reports Section: [www.icc.illinois.gov/reports](http://www.icc.illinois.gov/reports). No further actions are anticipated.

### **Section 16-135: Energy Storage Program**

Public Act 102-0662 added Section 16-135 to the PUA. 16-135 requires the Commission, in consultation with the Illinois Power Agency, to initiate a proceeding to examine specific programs, mechanisms, and policies that could support the deployment of energy storage systems. The Commission initiated a proceeding in March 2022, in Docket No. 22-0237, to consider the specific programs, mechanisms, and policies that support the deployment of energy storage systems. The Commission adopted a Final Order and Energy Storage Program report on May 25, 2022.

The report was sent to the General Assembly in May 2022. It is available on the Commission's website at <https://www.icc.illinois.gov/informal-processes/energy-storage-program>. No further actions are anticipated.

### **Section 9-241: Low-Income Discount Rates**

Public Act 102-0662 amended Section 9-241 of the PUA. 9-241 requires the Commission conduct a study of low-income discount rates and determine whether the implementation of such rates is appropriate for electric and natural gas residential customers.

The study was submitted to the Commission in December 2022. It is available on the Commission's website at <https://www.icc.illinois.gov/informal-processes/Low-Income-Discount-Rates-for-Electric-and-Natural-Gas-Residential-Customers>. No further actions are anticipated.

## Section 8 | Impacts of Federal Activity on State Utility Service

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*(8) A discussion of new or potential developments in federal legislation, and federal agency and judicial decisions relevant to State regulation of utility service*

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### Commission Policy and Actions in FERC Proceedings

The Federal Energy Regulatory Commission (FERC) regulates, among other things, the rates for wholesale electricity sales by public utilities and transmission of electricity in interstate commerce, the transmission and sale of natural gas for resale in interstate commerce, and the transportation of natural gas by interstate pipelines. The primary goal of the ICC's Federal Policy Program is to ensure that the rules, policies, rates, and terms and conditions of service that the FERC establishes for electric transmission service, wholesale power sales and natural gas pipeline transportation are just and reasonable for Illinois energy consumers.

### Developments in the Natural Gas Industry

Much of the FERC's current policy regarding interstate natural gas pipeline transportation service stems from the Order 636 open access rules adopted by the FERC in 1992. In recent years, the FERC's focus in the natural gas arena has been to hone its interstate natural gas transportation policy through incremental modifications. The FERC's natural gas policy continues to focus on improving the efficiency and transparency of the natural gas market, encouraging the development of new natural gas storage capacity and infrastructure, increasing competition, and protecting consumers against excessive pipeline transportation rates. The increased frequency of severe winter weather events and the increased reliance on natural gas as an electricity generation fuel, has spurred the FERC to continue its efforts to improve coordination between the natural gas and electricity industries. To that end, the FERC has issued several orders addressing the scheduling practices of the natural gas and electric industry in order to better ensure the reliable and efficient operations of interstate natural gas pipelines and electricity generators.

Since 2005, the ability of producers to extract natural gas from shale and tight formations have driven prices down, spurring growth in consumption and net exports of natural gas. Spurred by low gas prices, natural gas-fired generation capacity has been increasing in recent years, replacing retiring coal-fired capacity. In 2020, natural gas accounted for roughly 40 percent of all power generation, nearly equal to the shares of coal and nuclear, the next two largest sources, combined. However, in 2020 due to reduced demand (COVID-19) and warmer than normal weather, the nearly 15-year trend of increased natural gas production reversed itself with the number of rigs drilling for natural gas eventually reaching a record low. In 2021, global demand for natural gas increased, with newly added liquefied natural gas (LNG) export capacity and price increases in foreign natural gas/LNG markets pushing natural gas exports to record levels. 2021 also saw an increase in pipeline exports of natural gas.

Spurred by increased global demand for natural gas and LNG, the U.S. Energy Information Administration (EIA) projects that by 2050 domestic natural gas production will increase by almost 52 percent – most of which reflects a 152 percent increase in demand for LNG. Nevertheless, the EIA expects domestic wholesale natural gas prices to average less than \$5 per MMBtu, with some cases projecting prices as low as \$3 per MMBtu. In spite of the increase in natural gas production and lower domestic wholesale prices, the trend for new natural gas-fired generation continues to fall, with the decline resulting from increased renewable resources displacing fossil fuels due to declining renewable technology costs and rising subsidies for renewable power. Nevertheless, the increase in natural gas-fired generation over the last decade has resulted in an increasing interdependence of natural gas pipelines and electricity markets. The FERC has recognized the challenges to the reliable and efficient operation of both systems that this interdependence represents and has initiated numerous proceedings intended to improve the coordination between the natural gas and electricity industries, with particular emphasis on ensuring that any outages and/or reliability problems are not due to a lack of coordination between the electricity and gas industries.

As one would expect, the increase in natural gas production and changes to traditional supply sources have led to expansions and upgrades to existing pipeline capacity. The FERC has recognized this trend and implemented policies that allow interstate natural gas pipelines to recover certain capital expenditures made to modernize and upgrade pipeline system infrastructure in a manner that enhances system reliability, safety, and efficient operation of the pipeline systems.

## **Developments in the Electric Power Industry**

Much of the FERC's current electric policy stems from several sweeping reforms concerning the regulation of the transmission grid that were initiated in the late 1990s. In particular, Order 888 opened the nation's transmission grid through open access transmission tariffs. Order 2000 called for the voluntary creation of RTOs which are intended to bring about increased efficiency through both improved grid management and increased access to competitive power supplies by end-users. The FERC has spent a significant amount of time and resources trying to improve the efficiency and transparency of electricity markets through the implementation of the Energy Policy Act of 2005 and Orders 890, 890-A, and 890-B. Order No. 1000 reforms the FERC's electric transmission planning and cost allocation requirements for public utility transmission providers by building on the reforms of Order No. 890 and addressing lingering deficiencies with respect to transmission planning processes and cost allocation methods.

The generation of renewable energy in the U.S. continues to grow, with the EIA projecting the share of U.S. power generation from renewables to increase from 21 percent in 2021 to 44 percent by 2050. This increase in renewable energy mainly consists of new wind and solar generation. In Illinois, the Climate and Equitable Jobs Act that was signed into law in 2021 contains numerous new policies regarding the regulation and funding of renewable generation resources, decarbonization, electric vehicles, energy storage, energy efficiency, utility rates and operations. Accordingly, the production and transmission of

renewable energy continues to be a major topic of emphasis for both the FERC and Illinois. As renewable energy resources have the potential to be a cost-effective means of reducing greenhouse gas emissions and increasing the diversity of generating unit types, the ICC generally supports the integration of renewable energy resources into established wholesale electricity markets, and transmission will be critical to that integration.

Renewable resources can often require the construction of high voltage transmission facilities to move renewable energy from distant production areas to consumers – mostly to the east of Illinois – and to address reliability concerns associated with the increased use of intermittent resources. Some high voltage projects are constructed for the purpose of addressing transmission constraints in the South/East, and some east coast states are launching offshore wind projects. Both MISO and PJM have initiated long-range transmission planning initiatives intended to address the transmission necessary to enable the increase in renewable generation resources. The manner in which the costs of these transmission projects are allocated continues to present concerns for Illinois. Given the continued push for solar, wind and battery resources to supplant existing fossil fuel plants and an increasing need for new transmission capabilities, there will be a need for the ICC to continue its participation, both in front of the FERC and in the RTO stakeholder processes for the coming years.

As it has been since their inception, seams issues between PJM, MISO and the adjoining RTOs continue to be a concern for Illinois. The RTOs continue to discuss how to best address inter-RTO market and planning-related items such as cross-border transmission planning and cost allocation, pseudo-tied generators, and the deliverability of capacity across the seam, coordination of generator interconnection, market settlement process and interface pricing. Notably, the lack of interregional transmission projects has come to the fore, with the FERC launching an initiative to examine establishing a minimum requirement for transfer capability between RTOs and public utilities. Given the complexity, volume and difficulty of the issues related to RTO seams, it is likely that the FERC, the RTOs and their members will continue to address these issues well into the future.

The integration of distributed energy resources (DERs) in the organized markets for electric energy, capacity and ancillary services operated by RTOs continues to be an issue. DERs such as electric storage resources, distributed generation, demand response, energy efficiency, thermal storage and electric vehicles would be aggregated into a larger, single resource that would compete with more conventional resources in the RTO markets. DER aggregations have the potential to be financed and deployed quickly to meet existing or emerging opportunities, as well as create more value for existing DERs, such as consumer-located batteries, rooftop solar arrays, electric vehicles, and other emerging technologies. The FERC issued Order 2222 in 2020 which was intended to address the obstacles of integrating DERs into energy markets. Notably, Order 2222 has the potential to create jurisdictional issues between the states and the FERC, as the order requires most distribution utilities to allow DERs on their systems to participate in wholesale markets through DER aggregations. Fully realizing the promise of Order No. 2222 will require coordination between the FERC, public utility commissions, RTOs, and distribution utilities. To that end, the FERC is requiring RTOs to adopt rules setting forth a process for distribution

utility review of DERs, operational coordination, data sharing, etc. Both PJM and MISO spent much of 2022-23 making numerous compliance filings with the FERC in response to Order 2222.

The interconnection of new generation resources to the existing transmission grid has been a concern for both Illinois and RTO stakeholders. It is not uncommon for projects to take several years to reach commercial operation or for projects in the queues to be withdrawn after the RTOs have performed numerous reliability/interconnection studies. Moreover, supply chain and permitting issues often cause approved projects to remain unbuilt. Given the significant number of resource retirements that are pending or on the horizon and gigawatts of generation effectively stuck in the queues, the FERC and RTO stakeholders have recognized the need for interconnection queue reform. On July 28, 2023, the FERC unanimously approved Order No. 2023, which is designed to streamline the interconnection process. Both MISO and PJM have made compliance filings. It is not uncommon for an Order of this magnitude to receive a large number of requests for rehearing and for FERC to issue an order on rehearing altering and/or clarifying some of the provisions of the Order. Nonetheless, Order 2023 should lead to significant changes in interconnection processes in many regions and expedite the interconnection of new generation resources to the grid.

The FERC continues to evaluate issues regarding price formation in the energy and ancillary services markets operated by RTOs/ISOs. These potential issues include offer-price mitigation and price caps, scarcity and shortage pricing and the use of uplift payments, all of which impact the ability of an RTO to send proper signals to market participants regarding the cost of serving load and minimizing the need to recover costs through out-of-market uplift payments. Efficient price formation is critical because Illinois' retail market relies on a competitive wholesale market to discipline electricity supply prices.

The use of capacity markets to ensure resource adequacy continues to be an issue for RTOs and their members. In the case of PJM, stakeholder groups focused on issues such as procurement of clean resource attributes, reliability risk drivers, performance assessments of capacity resources, seasonal resource adequacy and mitigation of supply-side market power. With respect to MISO, stakeholders spent much of 2023 undertaking capacity market initiatives that include the adoption of a downward-sloping demand curve and a seasonal resource adequacy construct. These issues/proceedings should have a significant impact on Illinois' policies regarding renewable and nuclear generation resources, as well as reliability of the transmission grid. Accordingly, the ICC continues to be an active participant in these proceedings, including ongoing discussions with other states participating in PJM and MISO about how to best support renewable resources in the capacity market.

The Illinois Electric Service Customer Choice and Rate Relief Law of 1997 (220 ILCS 5/16-101, et seq.), enacted on December 16, 1997, introduced the concept of delivery services, and required Illinois utilities to provide open access to delivery services on a phased-in basis. However, in adopting that statute, the Illinois General Assembly recognized that certain components of delivery service may be subject to FERC jurisdiction. Therefore, the statute states:

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*An electric utility shall provide the components of delivery services that are subject to the jurisdiction of the Federal Energy Regulatory Commission at the same prices, terms and conditions set forth in its applicable tariff as approved or allowed into effect by that Commission [FERC]. The Commission [ICC] shall otherwise have the authority pursuant to Article IX to review, approve, and modify the prices, terms and conditions of those components of delivery services not subject to the jurisdiction of the Federal Energy Regulatory Commission.*

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(220 ILCS 5/16-108(a)) Furthermore, Section 16-101A(d) of the PUA mandates:

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*The Illinois Commerce Commission should act to promote the development of an effectively competitive electricity market that operates efficiently and is equitable to all consumers.*

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Accordingly, the ICC continues to be actively engaged at the FERC, working to ensure that the components of delivery service for which the FERC has regulatory oversight responsibility are provided at rates, terms, and conditions that are appropriate for Illinois' retail direct access program. Similarly, the ICC has been advocating for transparent wholesale electricity markets because transparent wholesale markets are key for Illinois' open access retail program to provide greater benefits to retail customers. All of the issues discussed in the previous sections have the potential to impact the price and reliability of electric service in Illinois. As such, the ICC has been, and will continue to be, engaged in the processes before the FERC to ensure that Illinois' interests are adequately represented.

## Section 9 | Recommendations for Proposed Legislation

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*(9) All recommendations for appropriate legislative action by the General Assembly.*

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The Commission's legislative agenda for the 103<sup>rd</sup> General Assembly is currently being formulated. A detailed discussion of specific proposals currently under consideration would be premature at this time.



## Appendix A | Summary of Significant Commission Decisions

### CASE SUMMARIES FOR 2023 ANNUAL REPORT

#### 1. Electric

**18-1540 Illinois Commerce Commission**

**On Its Own Motion**

**-vs-**

**LifeEnergy, LLC**

#### **Investigation of compliance with 83 Ill. Adm. Code 412, Obligations of Retail Electric Suppliers**

On May 27, 2020, the Commission issued a Final Order against LifeEnergy, LLC (“LifeEnergy”) determining LifeEnergy violated 83 Ill. Adm. Code 412 (“Part 412”) of the Commission’s rules for Alternative Retail Electric Suppliers. This Final Order assessed a penalty of \$1 million to LifeEnergy and ordered LifeEnergy to refund customers who enrolled and received service during the sales violation period. On December 14, 2021, the Illinois Appellate Court for the Second Judicial District entered a final judgment affirming in part and vacating in part the Commission’s decision. On June 14, 2023, LifeEnergy filed a Verified Petition to Reopen this proceeding. LifeEnergy states that it voluntarily ceased operating in Illinois on October 18, 2018, and surrendered its Certificate of Service Authority on September 12, 2019. In its Order on December 14, 2023, consistent with LifeEnergy and Staff’s recommendations, the Commission permitted the Company to pay the \$1 million penalty and \$34,178.20 in total customer refunds to the Commission.

**20-0499 Environmental Law & Policy Center**

**-vs-**

**CleanChoice Energy, Inc.**

#### **Complaint as to violations of Part 412 of the Illinois Commerce Commission’s Regulations, the Public Utilities Act, and the Consumer Fraud and Deceptive Business Practices Act.**

On May 29, 2020, the Environmental Law and Policy Center (“ELPC”) filed a verified Formal Complaint against CleanChoice Energy, Inc. (“CleanChoice”) alleging violations of the Public Utilities Act (“Act”), Part 412 of the Commission’s rules, and the Consumer Fraud and Deceptive Business Practices Act. Staff, CleanChoice, ELPC, and Citizens Utility Board filed a Joint Motion for Approval of a Settlement Agreement, setting forth terms of

a Settlement Agreement and Release. The Commission approved the Settlement Agreement on May 23, 2023.

**21-0362 Illinois Commerce Commission**

**On Its Own Motion**

**-vs-**

**Liberty Power Holdings, LLC**

**Investigation into sales, solicitation, and marketing practices, policies, and procedures, and customer call center operations and compliance with reporting requirements.**

On April 15, 2021, the Commission initiated a docket to “investigate and determine whether Liberty Power Holdings LLC’s (“Liberty Power”) sales, solicitation, and marketing practices, policies, and procedures have complied with and continue to comply with the requirements of Part 412, 83 Ill. Adm. Code 410 (“Part 410”), 83 Ill. Adm. Code 465, Article XVI of the Act, and Section 2EE of the Consumer Fraud and Deceptive Business Practices Act. In an Order dated August 3, 2023, the Commission found Liberty Power violated Parts 410 and 412 and Section 16-115B of the Act. The Commission assessed \$227,238 in penalties and revoked Liberty Power’s Certificate of Service Authority.

**21-0363/ Illinois Commerce Commission**

**22-0060 On Its Own Motion**

**(Consol.) -vs-**

**Switch Energy LLC**

**Investigation into customer call center operations, sales, solicitation, and marketing practices, policies and procedures, and compliance with reporting requirements.**

**Rescission of Certificate of Service Authority to Operate as an ARES in Illinois.**

On April 15, 2021, the Commission initiated a proceeding against Switch Energy LLC (“Switch Energy”) to determine whether Switch Energy violated Parts 410 and 412 and Article XVI of the Act. On January 20, 2022, the Commission initiated an investigation against Switch to determine whether Switch defaulted on its Regional Transmission Organization membership in violation of 83 Ill. Adm. Code 451.740(h). The dockets were consolidated. In an Order dated October 5, 2023, the Commission determined Switch Energy violated Parts 410 and 412 and Section 16-115B of the Act and assessed \$2,157,400 in penalties and revoked Switch Energy’s Certificate of Service Authority.

**22-0063 Ameren Illinois Company d/b/a Ameren Illinois**

**Petition for Approval of Performance and Tracking Metrics pursuant to 220 ILCS 5/16-108.18(e).**

On September 27, 2022, the Commission entered a Final Order related to Ameren Illinois Company d/b/a Ameren Illinois' ("Ameren") performance metrics docket. The Final Order adopted a component of Ameren's peak load reduction metric (Performance Metric 2) that the Natural Resources Defense Council ("NRDC") proposed. That component of Performance Metric 2 requires measured Peak Load Reduction attributable to demand response programs that will result in offsetting Ameren's resource adequacy needs. On November 14, 2022, the Commission granted rehearing on Performance Metric 2. Ameren and NRDC reached an agreement regarding revisions to the Performance Metric 2 appendix to Ameren's Metrics Manual and corresponding revisions to the Company's exemplar tariff, Rider PBR-M, which resolved the issues on rehearing. On March 8, 2023, the Commission entered an Order on Rehearing which approved the parties' proposed language regarding Performance Metric 2's resource adequacy component baseline and amended the Final Order accordingly.

**22-0067 Commonwealth Edison Company**

**Petition for the Establishment of Performance Metrics Under Section 16-108.18(e) of the Public Utilities Act.**

On April 5, 2023, the Commission entered an Order on Rehearing (Amendatory Order May 18, 2023) approving Commonwealth Edison Company's ("ComEd") Peak Load Reduction incentive targets. The Order on Rehearing adopted the linear approach to the assessment of its penalty/incentive basis point ("bps") adjustment and approved the following Peak Load Reduction incentive targets: -6 to -1 bps for up to 49.9 MWs of reductions, 0 bps for 50 to 59.9 MWs of reductions, and 1 to 6 bps for 60 to 150 MWs of reductions. The Order on Rehearing detailed the bps calculation for each plan year. The Order on Rehearing achieved resolution on several tracking metrics, adopting the retention, clarification, and/or removal of those areas in which the parties' reached consensus.

**22-0208 Illinois Commerce Commission**

**On Its Own Motion**

**-vs-**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Investigation of Net Metering Tariffs.**

The Commission initiated an investigation to determine whether all the behind-the-meter provisions of Ameren’s Rider NM – Net Metering and Rider NM 2 – Net Metering 2 were just and reasonable. On March 8, 2023, the Commission entered an Order approving a revised Rider NM and two new riders: Rider NMOS – Net Metering for On-Site Generation, and Rider NMCS – Net Metering for Community Solar. The Commission further directed that Ameren withdraw Rider NM 2.

**22-0431 Ameren Illinois Company d/b/a Ameren Illinois**

**22-0443**

**(Consol.) Petition for Approval of Beneficial Electrification Plan pursuant to Section 45 of the Electric Vehicle Act.**

**Illinois Commerce Commission**

**On Its Own Motion**

**-vs-**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Investigation into Ameren Illinois Company's Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45.**

On June 30, 2022, Ameren filed a Petition with the Commission under the Electric Vehicle Act (“EV Act”) (20 ILCS 627/45) to approve Ameren’s proposed Beneficial Electrification (“BE”) Plan. As required by Section 45(d) of the EV Act, the Commission initiated a proceeding for the purpose of considering whether Ameren’s BE Plan serves the public interest, is cost beneficial, and whether the BE Plan meets the objectives and contains the information required by the EV Act. The Commission entered an Order in these consolidated dockets modifying Ameren’s proposed BE plan in order to achieve the statutory objectives, and to be cost beneficial and in the public interest.

**22-0432/ Commonwealth Edison Company**

**22-0442**

**(Consol.) Petition for Approval of Beneficial Electrification Plan under the Electric Vehicle Act, 20 ILCS 627/45 and New EV Charging Delivery Classes under the Public Utilities Act, Article IX.**

**Illinois Commerce Commission**

**On Its Own Motion**

**-vs-**

**Commonwealth Edison Company**

**Investigation into Commonwealth Edison Company Beneficial Electrification Plan Filing pursuant to 20 ILCS 627/45.**

On July 1, 2022, ComEd filed a Petition with the Commission under the EV Act (20 ILCS 627/45) to approve ComEd's proposed BE Plan. As required by Section 45(d) of the EV Act, the Commission initiated a proceeding for the purpose of considering whether ComEd's BE Plan serves the public interest, is cost beneficial, and whether the BE Plan meets the objectives and contains the information required by the EV Act. The Commission entered an Order in these consolidated dockets approving a BE Plan intended to achieve the statutory objectives, that is cost beneficial, and in the public interest. The Commission approved a budget of \$77 million per year for the three years of the BE Plan.

**22-0486/ Illinois Commerce Commission**

**23-0055 On Its Own Motion**

**(Consol.) -vs-**

**Commonwealth Edison Company**

**Order Requiring Commonwealth Edison Company to file an Initial Multi-Year Integrated Grid Plan and Initiating Proceeding to Determine Whether the Plan is Reasonable and Complies with the Public Utilities Act.**

**Commonwealth Edison Company**

**Verified Petition for Approval of a Multi-Year Rate Plan under Section 16-108.18 of the Public Utilities Act.**

Pursuant to Public Act ("P.A.") 102-0662, ComEd put forth a multi-year integrated grid plan ("MYIGP") and multi-year rate plan ("MYRP") for the Commission's consideration. On December 14, 2023, the Commission issued an Order rejecting the MYIGP finding that ComEd failed to comply with several requirements of P.A. 102-0662. The Commission

directed the Company to refile an MYIGP in three months. Because the MYRP is intrinsically linked to the MYIGP, the Commission adopted an alternative methodology to establish a rate base and revenue requirement for each test year that is reasonable and prudent. The Commission approved a rate of return on rate base of 6.571%, 6.595%, 6.665% and 6.704%, respectively, for each of the four test years. This rate of return on rate base includes a return on equity of 8.905%. The Company's rate base will be revisited upon approval of the refiled MYIGP.

**22-0487/ Illinois Commerce Commission**

**23-0082 On Its Own Motion**

**(Consol.) -vs-**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Order Requiring Ameren Illinois Company to file an Initial Multi-Year Integrated Grid Plan and Initiating Proceeding to Determine Whether the Plan is Reasonable and Complies with the Public Utilities Act.**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Petition for Approval of a Multi-Year Rate Plan pursuant to 220 ILCS 5/16-108.18.**

Pursuant to P.A. 102-0662, Ameren put forth a MYIGP and MYRP for the Commission's consideration. On December 14, 2023, the Commission issued an Order rejecting the MYIGP finding that Ameren failed to comply with several requirements of P.A. 102-0662. The Commission directed the Company to refile an MYIGP in three months. Because the MYRP is intrinsically linked to the MYIGP, the Commission adopted an alternative methodology to establish a rate base and revenue requirement for each test year that is reasonable and prudent. The Commission approved a rate of return on rate base of 6.484%, 6.551%, 6.570% and 6.594%, respectively, for each of the four test years. This rate of return on rate base includes a return on equity of 8.72%. The Company's rate base will be revisited upon approval of the refiled MYIGP.

**22-0499 Grain Belt Express LLC**

**Application for an Order Granting Grain Belt Express LLC, as a Qualifying Direct Current Applicant, a Certificate of Public Convenience and Necessity pursuant to Sections 8-406(b-5) and 8-406.1 of the Public Utilities Act to Construct, Operate and Maintain a High Voltage Direct Current Electric Service Transmission Line as a Qualifying Direct Current Project and to Conduct a Transmission Public Utility Business in Connection Therewith and Authorizing Grain Belt Express LLC Pursuant to Sections 8-503 and 8-**

**406.1(i) of the Public Utilities Act to Construct the High Voltage Direct Current Electric Transmission Line.**

On March 8, 2023, the Commission entered an Order granting Grain Belt Express LLC a Certificate of Public Convenience and Necessity pursuant to Sections 8-406.1, 220 ILCS 8/406(1) and 8-503 of the Act, 220 ILCS 5/8-503, authorizing Grain Belt Express to construct, operate and maintain a high voltage direct current electric service transmission line as a qualifying direct current project and to conduct a transmission public utility business in connection therewith and to construct a high voltage direct current electric transmission line in Illinois. The Order found that based on the record Grain Belt Express LLC should be granted a Certificate of Public Convenience and Necessity in accordance with Section 8-406.1 and grants authority for construction under Section 8-503 of the Act.

**22-0586**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406 of the Illinois Public Utilities Act, and an Order pursuant to Section 8-503 of the Public Utilities Act, to Construct, Operate and Maintain a New High Voltage Electric Service Line and Related Facilities in LaSalle County, Illinois.**

On August 31, 2023, the Commission entered an Order granting Ameren a Certificate of Public Convenience and Necessity to construct, operate, and maintain a new, approximately 11-mile, 138 kilovolt transmission line in LaSalle County, Illinois. The new transmission line will connect Ameren's Corbin Substation and its North Utica Substation.

**23-0162**

**Ameren Illinois Company d/b/a Ameren Illinois**

**Petition for a Certificate of Public Convenience and Necessity, pursuant to Section 8-406 of the Illinois Public Utilities Act, and an Order pursuant to Section 8-503 of the Public Utilities Act, to Construct, Operate and Maintain a New High Voltage Electric Service Line and Related Facilities in Peoria County, Illinois.**

On August 16, 2023, the Commission entered an Order pursuant to Section 8-406 and 8-503 of the Act granting Ameren a Certificate of Public Convenience and Necessity to construct, operate and maintain the Alta-Pioneer Transmission Line in Peoria County. The Order found that based on the record, Ameren demonstrated that the Project is necessary to provide adequate, reliable, and efficient service to Ameren's customers and is the least cost means of satisfying the service needs of Ameren customers. The Order concluded that Ameren is capable of efficiently managing, supervising, and financing the Project.

**23-0320 Ameren Illinois Company d/b/a Ameren Illinois**

**Rider MAP-R Modernization Action Plan – Reconciliation.**

On November 30, 2023, the Commission approved Ameren’s charges to be recovered beginning with the first billing group of the January 2024 billing period and to remain in effect through the last billing group of the December 2024 billing period pursuant to the Act and Rider MAP-R. The Commission approved a 50% common equity ratio reaffirming that Section 16-108.5(c)(2) of the Act establishes a safe harbor under which a participating electric utility’s common equity ratio of up to and including 50% is deemed reasonable; however, any common equity ratio exceeding the 50% safe harbor must be found to be prudent and reasonable.

**23-0321 Commonwealth Edison Company**

**Annual Update to DG Rebate Revenue Requirement and Determination of DG Adjustments Pursuant to Section 16-107.6(h) of the Public Utilities Act.**

On November 30, 2023, the Commission entered an Order approving ComEd’s reconciliation of actual costs as to 2022 Net Distributed Generation (“DG”) Rebate Revenue Requirement and updated DG Rebate Adjustments applicable to customer bills for the 2024 Application Year under Rider DG Rebate Adjustment and pursuant to Section 16-107.6 of the Act. The Commission further approved an overall Net Revenue Requirement for the 2024 Application Year of \$22,725,000.

**23-0345 Commonwealth Edison Company**

**Verified Petition for Annual Revenue Requirement Reconciliation under Delivery Service Pricing Reconciliation Rider**

On November 30, 2023, the Commission entered an Order which authorized ComEd to place into effect tariff sheets to implement a Delivery Reconciliation Adjustment of \$259,157,000. The Order rejected ComEd’s proposed common equity ratio of 50.02% and adopted a common equity ratio of 50.00%. Updated charges are applicable to delivery services provided by ComEd beginning in January 2024.

**23-0430 Commonwealth Edison Company**

**Annual Energy Efficiency Formula Rate Update and Revenue Requirement Reconciliation Pursuant to Section 8-103B of the Public Utilities Act.**

On November 30, 2023, the Commission entered an Order approving ComEd’s updated cost inputs for the Rider Energy Efficiency (“EE”) Pricing and Performance formula rate and the Company’s reconciliation and revenue requirement. ComEd achieved 11,017,253



megawatt hours (“MWh”) of cumulative persisting annual savings, which is 35,721 MWh above the applicable cumulative persisting annual savings goal of 10,981,533 MWh, or 100.3% and 1,359,550 MWh of savings toward the calendar year 2022 applicable annual incremental goal of 1,089,770 MWh, which is 124.8% of such goal. ComEd’s EE rate base is \$1,054,174,000 for the 2022 Reconciliation Year Revenue Requirement and the rate of return the Company should be allowed on its EE rate base is 7.47% and 6.48%.

**23-0440 Ameren Illinois Company d/b/a Ameren Illinois**

**Petition for Approval of Annual Update to Cost Inputs for Rider EE – Energy Efficiency and Demand Response Investment pursuant to 220 ILCS 5/8-103B(d).**

On November 30, 2023, the Commission entered an Order approving Ameren’s updated cost inputs for the 2022 Rider EE – Energy Efficiency and Demand Response Investment reconciliation and the 2024 energy efficiency formula rate update. Ameren’s revenue requirement will be \$100,278,000 for this program and the approved changes to Rider EE will go into effect with the January 2024 billing period.

**23-0665 Illinois Power Agency**

**Verified Petition for Approval of the Illinois Power Agency’s 2024 Electricity Procurement Plan Pursuant to 220 ILCS 5/16-111.5(d)(4).**

On December 14, 2023, the Commission entered an Order approving the Illinois Power agency’s 2024 Power Procurement Plan. The Commission found the 2024 Plan and load forecasts were appropriate and 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. The approved 2024 Plan’s energy hedging strategy is consistent with the strategy used for the 2023 Plan.

**2. Gas**

**20-0330 Northern Illinois Gas Company d/b/a Nicor Gas Company**

**Petition pursuant to Rider QIP of Schedule of Rates for Gas Service to Initiate a Proceeding to Determine the Accuracy and Prudence of Qualifying Infrastructure Investment**

On March 20, 2020, Northern Illinois Gas Company d/b/a Nicor Gas (“Nicor Gas”) filed a Petition requesting that the Commission initiate a proceeding to affirm the accuracy and prudence of qualifying infrastructure investment that Nicor Gas recovered through its Rider QIP – Qualifying Infrastructure Plant (“Rider QIP”) for calendar year 2019, pursuant to Section 9-220.3 of the Act and Part 556.100 of the Commission’s Rules (83 Ill. Adm.

Code 556.100). In an Order dated June 15, 2023 (Amendatory Order August 3, 2023), the Commission approved Nicor Gas' Rider QIP investments for the 2019 reconciliation year with an adjusted disallowance of approximately \$32 million in Rider QIP investments. The Order set forth additional filing requirements, including a report that describes the impact of the adopted plant disallowance on ongoing and future QIP reconciliations and rate cases.

**22-0572 Illinois Gas Company**

**Proposed General Rate Increase and Revisions to other Terms and Conditions of Service. (tariffs filed on August 29, 2022)**

On February 23, 2023, the Commission entered an Order approving Illinois Gas Company's increase in gas service rates as stipulated by the parties. The Commission found that the Stipulation's revenue increase of \$867,688 is fair and reasonable to Illinois Gas Company based on the substantial evidence in the record.

**22-0778 Ameren Illinois Company d/b/a Ameren Illinois**

**Verified Petition for Review and Approval of Gas Energy Savings Docket.**

On June 1, 2023, the Commission entered an Order approving the cumulative gas energy savings for Ameren's four-year electric and gas energy efficiency plan. The Commission found that Ameren exceeded its statutory natural gas energy savings goal in a cost-effective manner for program years 2018 through 2021 as set forth in Section 8-104 of the Act.

**23-0066 Northern Illinois Gas Company d/b/a Nicor Gas Company**

**Proposed General Rate Increase in Rates and Revisions to other Terms and Conditions of Service. (tariff filed January 3, 2023)**

On November 16, 2023, the Commission disallowed \$96.99 million of Nicor Gas' rate request for its natural gas delivery services resulting in a rate increase of approximately \$223 million. The Commission rejected Nicor Gas' request for a return on equity of 10.35% and instead found a return on equity of 9.51% to be just and reasonable and supported by the evidentiary record. The Commission approved a common equity ratio of 50.00%. Additionally, the Commission authorized the initiation of a Future of Gas Proceeding to better define infrastructure spending by the State's natural gas utility companies and to lay the framework for how gas system operations will help meet the State's clean energy goals. The Commission further established a new low-income discount rate for eligible customers whose incomes are up to 300 percent of the Federal Poverty Level. The

Commission required Nicor Gas to file a Long-Term Infrastructure Plan every two years to enhance Commission oversight and transparency.

**23-0067 Ameren Illinois Company d/b/a Ameren Illinois**

**Proposed General Increase in Rates and Revisions to other Terms and Conditions of Service. (tariff filed January 6, 2023)**

On November 16, 2023, the Commission entered an Order setting natural gas rates for Ameren. The Commission found that a common equity ratio of 50% is appropriate and supported by the record. As to cost of common equity, the Commission adopted a return on equity of 9.440%. The Commission adopted the Attorney General’s proposal for a low-income adjustment rider, which creates a five-tiered discount system based on federal poverty levels, finding that proposal will provide relief to low-income customers who are not Low-Income Home Energy Assistance Program or Percentage of Income Payment Plan eligible. Finally, the Commission found that there exists a need for a Future of Gas proceeding, and accordingly directed Staff to develop a plan for a Future of Gas proceeding that will include a timeline for workshops and a formal proceeding.

**23-0068/ North Shore Gas Company**

**23-0069**

**(Consol.) Proposed General Increase in Rates and Revisions to Service Classifications, Riders and Terms and Conditions of Service. (tariff filed January 6, 2023)**

**The Peoples Gas Light and Coke Company**

**Proposed General Increase in Rates and Revisions to Service Classifications, Riders and Terms and Conditions of Service. (tariff filed January 6, 2023)**

On November 16, 2023, the Commission entered an Order authorizing North Shore Gas Company’s annual base gas revenue of \$422,113,000 which represents an increase of \$11,012,000 or 11.58% increase. The Commission authorized The Peoples Gas Light and Coke Company’s (“Peoples Gas”) annual base gas revenue of \$4,193,962,000 which represents an increase of \$302,794,000 or 43.24%. The Commission authorized the initiation of a Future of Gas Proceeding to establish infrastructure spending by the natural gas utilities and how gas system operations will help meet the State’s clean energy goals. The Order established a new low-income discount rate for eligible customers whose incomes are up to 300 percent of the Federal poverty level. The Commission ordered Peoples Gas to suspend its System Moderation Plan concerning the pipeline replacement plan of the Company and ordered a new investigation into how the project is being managed. The new rates will go into effect with the January 2024 billing period.

**23-0364 Northern Illinois Gas Company d/b/a Nicor Gas Company**

**Verified Petition for Order Directing an Extension of the Rate 81 Interconnection Eligibility Period.**

Nicor Gas filed a Petition requesting the Commission direct Nicor Gas to modify existing Rate 81 and make a compliance filing extending the two-year eligibility deadline for prospective renewable natural gas producers to enter an interconnection agreement under that rate. The Commission entered an Order on July 13, 2023, denying the Petition, finding that there is sufficient data to analyze the renewable natural gas pilot program in a Section 9-244(c) proceeding without extending the eligibility deadline throughout the pendency of that proceeding.

**23-0709 Illinois Commerce Commission**

**-vs-**

**Ameren Illinois Company d/b/a Ameren Illinois, Commonwealth Edison Company, The Peoples Gas Light and Coke Company, North Shore Gas Company, and Northern Illinois Gas Company d/b/a Nicor Gas Company**

**Approval of the Illinois Statewide Technical Reference Manual for Energy Efficiency.**

On December 14, 2023, the Commission entered an Order approving the Illinois Statewide Technical Reference Manual for Energy Efficiency (“IL-TRM”) Version 12.0. The purpose of the IL-TRM is to provide a transparent and consistent basis for calculating energy and capacity savings generated by the State’s utility administered energy efficiency programs. Pursuant to the IL-TRM Policy Document approved in Docket No. 22-0005, the IL-TRM must be updated annually to keep pace with the dynamic technology and markets to maintain reliable savings estimates and avoid obsolescence. The IL-TRM reflects compromise agreements reached among stakeholders through discussions at the IL-TRM Technical Advisory Committee (“TAC”) and various TAC Working Group meetings that comprised this year’s IL-TRM Update Process.

**3. Water & Sewer**

**22-0210 Illinois-American Water Company**

**Proposed Rate Increases for Water and Sewer Service. (tariffs filed February 10, 2022)**

The Commission entered a Final Order on December 15, 2022, approving increases to Illinois-American Water Company’s (“IAWC”) water and sewer rates. The Commission granted rehearing on February 2, 2023, to determine whether IAWC’s compliance filing is consistent with the Final Order. The Commission’s June 29, 2023, Order on Rehearing affirms IAWC’s, Staff’s, and the Office of the Illinois Attorney General’s interpretation of

the Final Order to adopt Staff’s proposed rate design for Customer Charges and approves cost-based rates.

#### **4. Telecommunications**

**21-0857**

**Illinois Commerce Commission**

##### **On Its Own Motion**

##### **Amendment of 83 Ill. Adm. Code 736.**

On January 5, 2023, the Commission entered an Order adopting amendments to 83 Ill. Adm. Code 736 – Service Quality Requirements Applicable to Wireless Eligible Telecommunications Carriers (“Part 736”). The amendments to Part 736 give wireless eligible telecommunications carriers (“WETCs”) the option of defining their service areas on the basis of census blocks. The Order notes that the Federal Communications Commission increasingly allocates funds based on census block geographic conventions. WETCs were previously required to define their service areas according to local telephone exchange geographic conventions.

**22-0428**

**AmeriMex Communications Corp. d/b/a SafetyNet Wireless**

##### **Application for Eligible Telecommunications Carrier for Lifeline Support Only.**

On June 29, 2023, the Commission entered an Order pursuant to Section 214(e)(2) of the Telecommunications Act of 1996, 47 U.S.C. 151 *et seq.*, and Section 54.201 of the Federal Communications Commission rules at 47 C.F.R. Section 54 authorizing AmeriMex Communications Corp. d/b/a SafetyNet Wireless (“SafetyNet Wireless”) as an eligible telecommunications carrier (“ETC”) under the provisions of Section 54.201(d) to receive federal universal service support. SafetyNet Wireless received an ETC designation to receive Lifeline support from the federal Universal Service Fund throughout the service areas served by AT&T and T-Mobile. The Staff of the Commission worked with SafetyNet Wireless and determined it complied with all of the requirements to receive an ETC designation. The Commission found that the designation of SafetyNet Wireless as a Lifeline-only ETC is consistent with the public interest, convenience, and necessity to serve low-income consumers.

## 5. Miscellaneous

### 22-0238 Illinois Commerce Commission

#### On Its Own Motion

##### **Amendment of 83 Ill. Adm. Code 288.**

On March 23, 2022, the Commission initiated a rulemaking proceeding to amend 83 Ill. Adm. Code 288 (“Part 288”), Rate Case Expense. P.A. 102-0662 amends Section 9-229 of the Act, which directs the Commission to create a Consumer Intervenor Compensation Fund (“Fund”). The stated purpose of the Fund is to increase public engagement, encourage additional transparency, expand the information available to the Commission, and improve decision-making. The second notice of the proposed rulemaking was submitted to the Joint Committee on Administrative Rules (“JCAR”), which considered the rulemaking at its March 2023 meeting. JCAR issued a certification of no objection at that time, ending the second notice period for the rulemaking. The Commission adopted the amended Part 288 on April 5, 2023.

### 22-0497 Navigator Heartland Greenway LLC

#### **Application pursuant to the Carbon Dioxide Transportation and Sequestration Act (220 ILCS 75/1 et seq.) for a Certification of Authority to Construct and Operate a Carbon Dioxide Pipeline and when Necessary to take Interests in Property as Provided by the Law of Eminent Domain.**

On July 25, 2022, Navigator Heartland Greenway LLC (“Navigator”) filed an application to install a carbon dioxide pipeline through portions of Illinois. After testimony was filed by Navigator and intervenors, Navigator filed a Motion to Withdraw its application. The Commission granted the Motion to Withdraw on February 23, 2023.

### 23-0161 Navigator Heartland Greenway LLC

#### **Application pursuant to the Carbon Dioxide Transportation and Sequestration Act (220 ILCS 75/1 et seq.) for a Certificate of Authority to Construct and Operate a Carbon Dioxide Pipeline and when Necessary to take Interests in Property as Provided by the Law of Eminent Domain.**

On July 24, 2023, Navigator filed its second application to install a carbon dioxide pipeline through portions of Illinois. Similar to its first application, and after testimony was filed by Navigator and intervenors, Navigator filed a Motion to Withdraw its application. The Commission granted the Motion to Withdraw on November 16, 2023.

## Appendix C | Acronyms

AAIG - Applicable Annual Incremental Goal  
ADIT – Accumulated Deferred Income Tax  
AG – Office of the Attorney General  
AGS – Alternative Gas Suppliers  
AIC – Ameren Illinois Company  
AMRP – Accelerated Main Replacement Program  
ANOPR – Advanced Notice of Proposed Rulemaking  
ARES – Alternative Retail Electric Supplier (also referred to as RES - Retail Electric Supplier)  
BPs – Base points  
CAIDI – Customer Average Interruption Duration Index  
CEJA – Climate and Equitable Jobs Act  
CGC – Customer Generation Charge  
CGR – Customer Generation Rebates  
CMC - Carbon Mitigation Credit  
CPCN – Certificate of Public Convenience and Necessity  
CSESC – Coal to Solar and Energy Solar Storage Charge  
CTS – Coal to Solar  
CUB – Citizen’s Utility Board  
CWIP-Related ADIT – Construction Work in Progress related to Accumulated Deferred Income Tax  
DCEO – Department of Commerce and Economic Opportunity  
DERs – Distributed Energy Resources  
DG – Distributed Generation  
DPA – Deferred Prosecution Agreement  
DSPR – Delivery Service Pricing Reconciliation  
EDIT – Excess Deferred Income Taxes  
EDITA – Excess Deferred Income Tax Adjustment  
EDIT-ARAM – Excess Deferred Income Taxes - Average Rate Assumption Method  
EE – Energy Efficiency  
EIA – U.S. Energy Information Administration  
EIMA – Energy Infrastructure Modernization Act  
EPA – Environmental Protection Agency  
ETCO – Energy Transfer Crude Oil  
EV – Electric Vehicle  
FERC – Federal Energy Regulatory Commission  
FRU – Formula Rate Update  
GMI – Grid Modernization Index  
GW – Gigawatts  
HEAT – Home Energy Affordability and Transparency  
IAWC – Illinois-American Water Company  
ICC – Illinois Commerce Commission  
ICEA – Illinois Competitive Energy Association

IIJA – Infrastructure Investment and Jobs Act  
IL-TRM – Illinois Statewide Technical Reference Manual  
IPA – Illinois Power Agency  
IPAA – Illinois Power Agency Act  
IPARERF – Illinois Power Agency Renewable Energy Resources Fund  
ISO – Independent System Operator  
JCAR – Joint Committee on Administrative Rules  
kV – kilovolt  
kWh – Kilowatt Hour  
LIHEAP – Low Income Home Energy Assistance Program  
LNG – Liquefied Natural Gas  
LTPP – Long-Term Procurement Plan  
LTRRPP – Long-Term Renewable Resources Procurement Plan  
MCPU – Mt. Carmel Public Utility Company  
MEC – MidAmerican Energy Company  
MISO – Midcontinent Independent System Operator (a regional RTO)  
MOPR – Minimum Offer Price Rule  
MWH – Megawatt Hour  
MWRD – Metropolitan Water Reclamation District  
MWs – Megawatts  
NARUC – National Association of Regulatory Utility Commissioners  
NM – Net Metering (Rider NM)  
NOI – Notice of Inquiry  
OBF – On-bill financing  
ORMD – Office of Retail Marketing Development  
P.A. – Public Act  
PIPP – Percentage of Income Payment Plan  
PJM – PJM Interconnection (a regional RTO)  
POGCS – Parallel Operation of Retail Customer Generating Facilities Community Supply  
POGNM – Parallel Operation of Retail Customer Generating Facilities with Net Metering  
PORCB – Purchase of Receivables with Consolidated Billing  
PTC – Price to Compare  
PUA – Public Utilities Act  
PV – Photovoltaic  
QIP – Qualifying Infrastructure Plant  
REAP – Renewable Energy Access Plan  
RECs – Renewable Energy Credits  
RES – Retail Electric Supplier (also referred to ARES - Alternative Retail Electric Supplier)  
RESA – Retail Energy Supply Association  
RFP – Request for Proposals  
RNG – Renewable Natural Gas  
ROE – Return on Equity



RPS – Renewable Portfolio Standards  
RTO – Regional Transmission Organizations  
SAIFI – System Average Interruption Frequency Index  
SMP – System Modernization Program  
TCJA – Tax Cut and Jobs Act  
UDS – Uniform Disclosure Statement  
UDAP – Utility Disconnection Avoidance Program  
USS – Utility-Owned Solar and Storage  
ZEC – Zero Emission Credits  
ZES – Zero Emission Standard