

# Illinois Commerce Commission Implementation of Public Act 102-0662

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This slide deck and its contents are intended for informational and discussion purposes only and do not represent a legal interpretation or statement of policy by the ICC or its Staff.

# Outline of Presentation

- ▶ Addressed: The presentation will address selected workshops, proceedings, and other activities ongoing or upcoming at the Commission related to implementation of Public Act 102-0662.
- ▶ Not Addressed: The presentation will generally not address implementation efforts of the Illinois Power Agency, the Department of Commerce and Economic Opportunity, the Illinois Environmental Protection Agency or other state agencies even though many of these implementation activities will result in proceedings or other actions at the Commission.
- ▶ Comprehensiveness: Public Act 102-0662 introduces a broad array of both new statutory requirements and amendments to existing statutory requirements. In the interest of time, the implementation activities addressed here are not intended to be comprehensive, but rather a sample of implementation activities required by Public Act 102-0662.

# Information on ICC Implementation Efforts

- ▶ <https://www.icc.illinois.gov/programs/Public-Act-1020662-Implementation>
- ▶ This page contains information regarding:
  - ▶ Workshops
  - ▶ Staff Reports
  - ▶ Docketed Proceedings
  - ▶ Utility Reports
  - ▶ Solicitations for Work and Selected Vendors
  - ▶ Notices to Public Utilities

# Terminology

- ▶ Unless otherwise specified, Act means the Illinois Public Utilities Act
- ▶ Ameren means Ameren Illinois Company
- ▶ ComEd means Commonwealth Edison Company
- ▶ Commission means the Illinois Commerce Commission

# Performance and Tracking Metrics

- ▶ General Requirement: Section 16-108.18 of the Act provides for a performance-based structure to enhance ratemaking intended to align utility, customer, community, and environmental goals.
- ▶ Current Activity:
  - ▶ Commission Staff (Staff) held a series of workshops in October to address performance and tracking measures. The Act required these workshops to commence within 15 days of the effective date of the Act (September 30, 2021) and conclude no later than October 31, 2021.
  - ▶ A report based on the workshops will be released shortly.
  - ▶ Following release of the report parties will have the ability to file comments and reply comments on the report.
- ▶ Next Up: Pursuant to Section 16-108.18 of the Act, performance metrics are to be filed by Ameren and ComEd with the Commission by January 20, 2022.
  - ▶ The ICC must approve the performance metrics by September 30, 2022.
  - ▶ The performance period will commence on or after January 1, 2024.

# Independent Baseline Assessments

- ▶ General Requirement: Section 16-105.10 of the Act requires performance of an independent audit of the current state of Ameren and ComEd's distribution facilities and of the expenditures made by the utilities since 2012.
- ▶ Current Activities:
  - ▶ At its October 14, 2021 bench the Commission approved the selection of an auditor (Liberty Consulting Group) for both Ameren and ComEd and initiated baseline assessment audits of both utilities.
  - ▶ Liberty Consulting Group must deliver an audit report to the Commission within 180 days of initiation or by April 12, 2022.
- ▶ Next Up: Multi-Year Grid Plan Workshops (see below)

# Multi-Year Integrated Grid Plans

- ▶ **General Requirement:** Section 16-105.17 of the Act requires Ameren and ComEd to implement distribution system planning in order to accelerate progress on Illinois clean energy and environmental goals and to ensure the utilities are publicly accountable for their performance.
- ▶ **Upcoming Activities:**
  - ▶ The Commission must select a third-party facilitator to facilitate workshops.
  - ▶ Workshops must be initiated by January 1, 2022 and conclude by June 1, 2022.
  - ▶ Following the workshops stakeholders will have the opportunity to submit comments and recommendations regarding the utilities' Multi-Year Integrated Grid Plan filings.
  - ▶ The facilitator must submit a report to the Commission by July 1, 2022.
  - ▶ Stakeholders will have the opportunity to comment on the report.
- ▶ **Next Up:** Ameren and ComEd must submit Multi-Year Integrated Grid Plans to the Commission by January 20, 2023.
  - ▶ The Commission must approve the plans by December 15, 2023.
  - ▶ The first plan period will begin January 1, 2024 and end December 31, 2026 (assuming a new plan begins January 1, 2027).

# Multi-Year Rate Plans

- ▶ General Requirement: Section 16-108.18 of the Act provides Ameren and ComEd the option to adopt a plan establishing the base rates the utility shall charge for each delivery year of a 4-year period to be covered by the plan rather than through traditional rate of return based ratemaking.
- ▶ Next Up: Ameren and ComEd must, if they elect the option to do so, submit Multi-Year Rate Plans to the Commission by January 20, 2023.
  - ▶ The Commission must approve the plans by December 20, 2023.
  - ▶ The first plan period will begin January 1, 2024 and end December 31, 2027.

# Low-Income Discount Rate Study

- ▶ General Requirement: Section 9-241 of the Act requires the Commission, to conduct a comprehensive study to assess whether low-income discount rates for electric and natural gas residential customers are appropriate and the potential design and implementation of any such rates.
- ▶ Next Up: The Commission is to conduct the study by January 1, 2023.
  - ▶ The Commission must submit its findings, together with the appropriate recommendations, in a report to be provided to the General Assembly.
  - ▶ Upon completion of the study, the Commission shall have the authority to permit or require electric and natural gas utilities to file a tariff establishing low-income discount rates.

# Beneficial Electrification Plans

- ▶ **General Requirement:** Section 45 of the Electric Vehicle Act requires Ameren and ComEd to offer beneficial electrification programs that lower carbon dioxide emissions, replace fossil fuel use, create cost savings, improve electric grid operations, reduce increases to peak demand, improve electric usage load shape, and align electric usage with times of renewable generation.
- ▶ **Upcoming Activities:**
  - ▶ The Commission selected Celia Johnson Consulting to facilitate workshops.
  - ▶ The Commission initiated a workshop process at its September 30, 2021 Regular Open Meeting. Workshops must conclude by February 28, 2022.
  - ▶ The facilitator must submit a report to the Commission by March 31, 2022.
- ▶ **Next Up:** Ameren and ComEd must submit Beneficial Electrification Plans to the Commission by July 1, 2022.
  - ▶ The Commission has 45 days from filing to open an investigation.
  - ▶ The Commission has 270 days from filing to approve the plans.
  - ▶ The plans shall take effect by January 1, 2023.

# Storage Plans

- ▶ **General Requirement:** Section 16-135 of the Act 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.
- ▶ **Upcoming Activities:**
  - ▶ Commission Staff will recommend the Commission direct Staff to initiate a workshop process and to present a report to the Commission at the conclusion of the process. The report will summarize the process and request the Commission to initiate a Commission proceeding.
- ▶ **Next Up:** The Commission will open a proceeding likely in early 2022.
  - ▶ The Commission must submit recommendations for additional legislative, regulatory, or executive actions based on the findings of the proceeding to the General Assembly and Governor by May 31, 2022.
  - ▶ The Commission must also consider and recommend to the Governor and General Assembly energy storage deployment targets for Ameren and ComEd.

# Renewable Energy Access Plans

- ▶ **General Requirement:** Section 8-512 of the Act requires the Commission to open an investigation to develop and adopt a renewable energy access plan with the objective of promoting cost-effective transmission system development that ensures reliability of the electric transmission system, lowers carbon emissions, minimizes long-term costs for consumers, and supports the electric policy goals of this State.
- ▶ **Upcoming Activities:**
  - ▶ Commission Staff is seeking technical and policy experts with relevant fields of expertise to assist with this task.
  - ▶ The Commission Staff, in coordination with the technical and policy experts, will develop a draft report.
  - ▶ Once drafted there will be a 120 public comment period.
  - ▶ Within 90 days of the end of the comment period a plan will be published.
- ▶ **Next Up:** The Commission must open an investigation to develop and adopt a renewable energy access plan no later than December 31, 2022.

# Equitable Energy Upgrade Program

- ▶ General Requirement: Section 16-111.10 of the Act requires the Commission to open an investigation into and direct all electric public utilities in this State to adopt an Equitable Energy Upgrade Program that permits customers to finance the construction of energy projects through an optional tariff payable directly through their utility bill.
- ▶ Next Up:
  - ▶ The Commission must convene a workshop process by June 12, 2022 during which interested participants may discuss issues and submit comments related to the Program.
  - ▶ The Commission shall establish Program guidelines for implementation of the Program.
  - ▶ Within 120 days after the Commission releases the Program guidelines each utility subject to the requirements of this Section shall submit an informational filing to the Commission that describes its plan for implementing the Program.

# Management Audit

- ▶ **General Requirement:** Section 4-604 of the Act requires the Commission to initiate a management audit of each public utility that, on or after January 1, 2020, has been found guilty or entered a guilty plea regarding any felony offense or has entered into a Deferred Prosecution Agreement for a felony offense. ComEd entered such a Deferred Prosecution Agreement July 16, 2020.
- ▶ **Current Activities:**
  - ▶ At its October 14, 2021 Regular Open Meeting the Commission approved Staff to conduct a competitive solicitation to hire a management auditor to perform a management audit of ComEd.
- ▶ **Next Up:** The Commission must initiate a management audit of ComEd within 18 months of the effective date of the Act (December 15, 2022).

# Restitution for Misconduct

- ▶ General Requirement: Section 4-604.5 of the Act requires the Commission to initiate an investigation as to whether ComEd collected, spent, allocated, transferred, remitted, or caused in any other way to be expended ratepayer funds in connection with the conduct detailed in the Deferred Prosecution Agreement.
- ▶ Current Activities:
  - ▶ At its October 14, 2021 Regular Open Meeting the Commission initiated the investigation. The proceeding is Docket No. 21-0739 (see <https://www.icc.illinois.gov/docket/P2021-0739>).
  - ▶ The investigation shall conclude no later than 330 days following initiation (September 9, 2022).

# Excess Accumulated Deferred Income Taxes

- ▶ General Requirement: Section 16-108.21 of the Act requires the Commission to initiate a docket to provide for the refunding of excess deferred income taxes, generally related to reductions in income tax rates resulting from enactment of the Federal 2017 Tax Cut and Jobs Act, to ratepayers of Ameren and ComEd.
- ▶ Current Activities:
  - ▶ At its October 14, 2021 Regular Open Meeting the Commission initiated the investigation. The proceeding is Docket No. 21-0738 (see <https://www.icc.illinois.gov/docket/P2021-0738>).
  - ▶ The excess deferred income tax referenced in those dockets shall be fully refunded to ratepayers by the respective utilities no later than December 31, 2025.

# Contact Information

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