
RIDER CSESC – COAL TO SOLAR AND ENERGY STORAGE CHARGE

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APPLICABILITY

Rider CSESC – Coal to Solar and Energy Storage Charge (Rider CSESC) is applicable to all Retail Customers.

PURPOSE

The purpose of Rider CSESC is to implement the Coal to Solar and Energy Storage Initiative Charge and to provide for the full recovery of costs the Company incurs in connection with subsection (c-5) of Section 1-75 of the Illinois Power Agency Act (IPA Act), under the provisions of subsection (i-5) of Section 16-108 of the Public Utilities Act (Act).

The collections through this Rider shall be sufficient to collect the Company's estimated payment obligations to suppliers for the upcoming Delivery Year for contracts for purchase of renewable energy credits entered into pursuant to subsection (c-5) of Section 1-75 of the IPA Act. The collections through this Rider shall also be sufficient to collect the Company's estimated obligations to the Department of Commerce and Economic Opportunity (DCEO) for the upcoming Delivery Year for grant contracts entered into pursuant to subsection (c-5) of Section 1-75 of the (IPA Act). The DCEO shall utilize the collections through this Rider remitted to the State Treasurer in the Coal to Solar and Energy Storage Fund for grants to support the installation of energy storage facilities at sites that meet the criteria set forth in Section 1-75 (c-5) (9) (C) of the IPA Act. Collections through this Rider to satisfy contracts for the purchase of renewable energy credits shall be remitted to the appropriate suppliers according to contracts executed under provisions of subsection (c-5) of section 1-75 of the IPA Act. In addition to collections of estimated payment obligations for the upcoming Delivery Year, the costs recovered through this Rider will also incorporate adjustments as described in the Annual Reconciliation section of this Rider, if applicable. These adjustments are due to over or under collections of prior estimated payment obligations as required by subsection (c-5) of Section 1-75 of the IPA Act. Such adjustments determined in the Annual Reconciliation shall be incorporated according to the Determination of Coal to Solar and Energy Storage Charge section of this Rider.

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DEFINITIONS

Generally, definitions of terms used in this Rider are provided in the Definitions section of Customer Terms and Conditions of the Company's Schedule of Rates. The following definitions are for use in this Rider:

Delivery Year

Delivery Year means each consecutive 12-month period beginning June 1 and ending May 31 of the following year, beginning in 2023 and annually thereafter. For purposes of the Annual Reconciliations, the first Delivery Year will begin January 1, 2023 and end May 31, 2024.

Remittance Year

Remittance Year means each consecutive 12-month period beginning February 1 and ending January 31 of the following year, beginning in 2023 and annually thereafter.

Recovery Year

Recovery Year means the consecutive 12 monthly Billing Periods beginning January and ending December, beginning with the January 2023 Billing Period, and repeating annually thereafter in which the Coal to Solar and Energy Storage Charge is applied to delivered kWhs for the recovery of costs incurred under this Rider.

DETERMINATION OF THE COAL TO SOLAR AND ENERGY STORAGE CHARGE

On or before November 1 each year as required by Section 16-108 (i-5) of the Public Utilities Act, the Department of Commerce and Economic Opportunity (DCEO) will:

- (1) Notify the Company of the amount of the DCEO's estimated payment obligations for grant payments during the Delivery Year beginning the following June 1 pursuant to grant contracts entered into pursuant to 1-75(c-5) of the IPA Act;
- (2) Determine and provide to the Company, based on the kilowatt-hour deliveries for the 12 months ending on the immediately preceding May 31, the Company's fractional portion of the DCEO's estimated payment obligations (in dollars).

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The Coal to Solar and Energy Storage Charge (or CSESC) for all applicable Billing Periods shall be determined in accordance with the following formula:

$$\text{CSESC} = [((\text{RECC} + \text{ESC}) / \text{U}) \times 100\text{¢}/\$1] + \text{ARA} + \text{ORA}$$

Where:

CSESC = Coal to Solar and Energy Storage Charge, in cents (¢) per kWh rounded to the nearest thousandths of a cent, applied as a charge or credit to the kilowatt-hours (kWhs) delivered to all Retail Customers. CSESCs will be applied during each applicable Billing Period after the CSESC informational sheet is filed for the applicable effective period. CSESC shall be presented as a separate line item on Retail Customer bills.

RECC = Renewable Energy Credit Costs, in dollars (\$), equal to the sum of the total expenditures the Company expects to incur during the upcoming Delivery Year in connection with the procurement of renewable energy credits required under subsection (c-5) of Section 1-75 of the IPA Act, including but not limited to the estimated payment obligations for contracts entered into by the Company for purchase of renewable energy credits and reasonable costs the Company expects to incur as part of the renewable energy procurement process and to implement and comply with Illinois Commerce Commission (ICC) and IPA processes.

ESC = Energy Storage Costs, in dollars (\$), equal to the amount provided by the DCEO by November 1 prior to the applicable Recovery Year. Energy Storage Costs are equal to Company's fractional portion of the DCEO's total estimated payment obligations for the upcoming Delivery Year, necessary to make grant payments from the Coal to Solar and Energy Storage Initiative Fund pursuant to grant contracts entered into pursuant to paragraph 10, subsection (c-5) of Section 1-75 of the IPA Act.

U = Usage equal to the kWhs forecasted to be delivered to all Retail Customers during the Recovery Year.

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ARA = Automatic Reconciliation Adjustment, in cents (¢) per kWh, shall be calculated by the Company annually by August 1 beginning in 2024, shall apply to Retail Customer bills over the 6-month period beginning with the October Billing Period, and shall be determined in accordance with the following equation:

$$ARA = \frac{((AC - AR) + RA) \times (1 + i)}{UR} \times 100¢/\$1$$

Where:

AC = Actual Costs, in dollars (\$), including but not limited to the following: (1) for the prior Delivery Year, the actual expenses incurred for contracts entered into by the Company for purchase of renewable energy credits pursuant to subsection (c-5) of Section 1-75 of the IPA Act, and reasonable costs the Company expects to incur as part of the renewable energy procurement process and to implement and comply with ICC and IPA processes, and (2) for the Remittance Year, actual payments made by the Company to the DCEO pursuant to the Terms and Conditions section of this Rider for grant contracts executed pursuant to subsection (c-5) Section 1-75 of the IPA Act. For purposes of the ARA calculation, Actual Costs may be adjusted to reflect the amount of actual remittances from Ameren to DCEO, consistent with the Terms and Conditions of the Rider.

AR = Actual Recoveries, in dollars (\$), equal to the revenues billed by the Company due to the application of the CSESC during the prior Recovery Year.

RA = The dollar amount due to Company (+RA) or Retail Customers (-RA) arising from adjustments under this Rider that were under-billed or over-billed in the prior Recovery Years.

i = Interest, in decimal format, as established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) from the end of the applicable Delivery Year to the date in which the ARA is included in the Informational Filing.

UR = Usage equal to the kWhs forecasted to be delivered to Retail Customers during the October Billing Period in the current Recovery Year through the March Billing Period in the following Recovery Year.

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ORA = Ordered Reconciliation Adjustment, in cents (¢) per kWh, is equal to an amount ordered by the ICC to be refunded to or collected from Retail Customers divided by the estimated kWhs to be billed to Retail Customers during the number of Billing Periods specified in the Commission's Order. Such amounts include interest charged at the rate established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) and will commence from the end of the applicable Delivery Year to the ICC Order date in the reconciliation proceeding.

The initial CSESC will be effective on and after January 1, 2023 and will remain in effect until replaced with a subsequent CSESC Informational Filing.

INFORMATIONAL FILING

The first informational filing shall be filed no later than December 20th of 2022 to be effective for kWh's delivered on and after January 1, 2023. The second informational filing shall be filed no later than November 15, 2023 to be effective with the January 2024 Billing Period. Thereafter, CSESC shall be shown on an informational filing supplemental to this Rider and filed with the ICC at least twice annually. The first annual required filing for the CSESC shall not be filed later than November 15th of each year preceding a Recovery Year. The second annual required filing for the incorporation of the ARA shall not be filed later than September 20th to be effective with the October Billing Period. An informational filing submitted after these dates, but prior to the effective date of the filing, will be accepted only if it corrects an error or errors from a timely filed informational sheet for the same effective date. Any other informational sheet submitted after that date for the two required annual filings shall be accepted only if submitted as a special permission request under the provision of Section 9-201(a) of the Act. The informational filing shall be accompanied by work papers showing the calculation of the CSESC.

If the Company determines that it is appropriate to revise the CSESC to better match revenues with costs incurred or expected to be incurred, the Company may, from time to time, calculate a revised CSESC to become effective at the beginning of any monthly Billing Period, provided the Informational Sheet is filed by the 20th of the month prior to the CSESC taking effect.

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ANNUAL AUDIT AND RECONCILIATION

Annual Audit Report

Annually, subsequent to the completion of a Delivery Year and determination of the ARA component of the Determination of the Coal to Solar and Energy Storage Charge section of this Rider, the Company must conduct an audit of its Actual Costs (AC) and Actual Recoveries (AR) from operating this Rider. The audit shall determine if 1) the CSESCs are properly billed to Retail Customers; 2) costs recovered through the Coal to Solar and Energy Storage Rider are properly reflected in the calculation of the CSESC; 3) costs recovered through the Coal to Solar and Energy Storage Charge are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of costs through Rider CSESC; and 5) costs recovered through this Rider are properly reflected in the Annual Reconciliation. The above list of determinations does not limit the scope of the audit. A report on such audit must be submitted to the ICC in an informational filing, with copies of such report provided to the Commission at ICC.AccountingMgr@illinois.gov. The audit shall be submitted no later than October 1st following the completion of a Delivery Year. Such report must be verified by an officer of the Company.

Annual Reconciliation

The Company shall provide to the ICC a reconciliation report of the actual revenues billed to Retail Customers and the costs incurred under this Rider, as discussed in the ARA component of the Determination of Coal to Solar and Energy Storage Charge section of this Rider. Such ARA reconciliation report shall be filed with the ICC no later than August 1st of each year, starting in 2024, as a petition seeking initiation of an annual reconciliation hearing. The petition shall include testimony and schedules that support the accuracy and prudence of the components of the Coal to Solar and Energy Storage Charge. Such reconciliation report must be verified by an officer of the Company. Any Company-determined adjustment as a result of such reconciliation shall be included in the ARA component of the CSESC calculation for six months beginning with the October Billing Period.

At the conclusion of such proceeding, the ICC shall determine the amount and timing of an ORA, if any, to include in the determination of subsequent CSESCs. The ORA, if applicable, shall be determined in accordance with the provisions of the Determination of the Coal to Solar and Energy Storage Charge section of this Rider and shall be applied on a cents (¢) per kWh basis during the Billing Periods specified in the Order by the Commission.

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TERMS AND CONDITIONS

Customer's bills for service under this tariff shall be rendered and payments due in accordance with the Payment of Bills and Late Payments section of the Customer Terms and Conditions.

Revenue associated with the application of Rider CSESC must be recorded separately by the Company.

Beginning with February of each Recovery Year, the Company shall remit on a monthly basis to the State Treasurer, for deposit in the Coal to Solar and Energy Storage Initiative Fund, one-twelfth of the estimated payment obligation as provided to the Company by the DCEO by November 1 prior to a Recovery Year. Each year by July 1, the DCEO shall notify the Company if the actual grant payments made by the DCEO pursuant to grant contracts entered into pursuant to subsection (c-5) of Section 1-75 of the Illinois Power Agency Act were different than estimated payment obligations previously provided to the Company by November 1. If the amount of actual grant payments made by the Company to the DCEO during a Remittance Year were different than the amount of the grant payments made by DCEO to grantees in the applicable Delivery Year, the Company may adjust future remittances to the DCEO accordingly. During the final Remittance Year, in addition to notifying the Company of actual grant payments made in the prior Delivery Year, the DCEO shall also notify the Company in its July 1 notice whether any adjustments should be made to the remaining remittances scheduled in the final Remittance Year. If notified as such, the Company shall adjust any remaining future remittances accordingly in order to prevent any over or under remittances by the Company to the DCEO in the final Remittance Year.

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time and are in effect.

This Rider will continue to operate after expiration contracts executed pursuant to Subsection (c-5) of Section 1-75 of the IPA Act in order to ensure cost recovery of all actual costs, including actual amounts remitted to DCEO, or to refund to Customers any over collections, incurred by the Company as provided through this Rider.