BEFORE THE

ILLINOIS COMMERCE COMMISSION

ELECTRIC POLICY SESSION 2019

SUMMER PREPAREDNESS

Wednesday, June 26, 2019

Chicago, Illinois

Met pursuant to notice at 11:00 a.m. at 160 North LaSalle Street, Chicago, Illinois.

PRESENT:

CARRIE ZALEWSKI, Chairman

SADZI M. OLIVA, Commissioner

D. ETHAN KIMBREL, Commissioner

SADZI M. OLIVA, Commissioner

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COMMISSIONER KIMBREL: Good morning and welcome.


With me here in Chicago are Chairman Zalewski, Commissioners Oliva and Bocanegra. We have a quorum.

Our guests and panelists should be aware that a court reporter is present and that the transcript of the session will be posted on the Commission's website following this session.

Today we'll discuss the issues of summer preparedness with three panels. The first will focus on the utilities; the second, the RTOs, and for the third panel, we'll be joined by the Attorney General's Office and the Citizens Utility Board.

On behalf of the Commission, I'd like to thank today's presenters for the efforts that they put into these presentations, and I think we all look
forward to the discussions that we'll have.

I'd also like to thank my legal and policy advisors, Carrera Thibodeaux and Joseph Fallah for putting the session together and for doing the honor of moderating our panels this morning.

Okay, Carrera, it's all yours.

MS. THIBODEAUX: I'll speak loud.

So thank you, Commissioner, and welcome everybody to the ICC's 2019 Summer Preparedness Policy Session, and thank you to everyone for joining us today.

This conversation will have -- the first two panels will focus on operations, demand, and weather considerations that utilities and RTOs must take into account to ensure that there is enough reliable power and the ability to deliver it to the customers throughout the summer.

In addition, we will explore a consumer focus perspective of those same issues with our third panel, which will be the Attorney General's Office and Citizens Utility Board.

For our first panel, each utility
will have 15 minutes to speak, and Joseph Fallah will be our timekeeper. It's 3, 2, 1 and then stop, and then we'll move on to the next company.

So for our first company, for ComEd, we have Terrance R. Donnelly. He is the President and Chief Operating Officer. We have Jane Park, Senior Vice President, Customer Operations. We have David R. Perez, Vice President, Transmission and Substation.

For MidAmerican, we have Neil Hammer, Director, Market Assessment. We have Arick Sears, who is our Senior Regulatory -- their Senior Regulatory Attorney.

For Ameren, we have Brice Sheriff, who is the Director of Regulatory Affairs, and we have George Justice, Vice President, Electric Operations.

I want to make sure you have the clicker for the slides.

Okay. And whenever you're ready, please begin.

MR. DONNELLY: Thank you very much, and
good morning, everyone. I'm Terry Donnelly, President and Chief Operating Officer for ComEd.

I want to thank the Chairman of the Commission and the Commissioners for holding these hearings to indicate how important it is for reliability and resiliency as we enter the peak period time of the year, and we appreciate that.

Alongside my colleagues, David Perez, our Vice President of Transmissions and Substations, and Jane Park, Senior Vice President of Customer Operations. It's my honor and privilege to share with you the work that we have done to ensure that our system readiness is robust heading into the summer, and I will also provide an overview of our plan moving forward.

2018 highlights. Over the years, we have seen tremendous improvement in our ability to deliver sustainable and reliable service to our customers. Overall, we've seen a 60 percent improvement in reliability compared to the five years before the Energy Infrastructure Modernization Act Investment Plan began.
And for the second consecutive year, we've reached all of our, as we call it, EIMA metrics. There are many statistics on the slide that indicate the improvement -- I would highlight that ComEd and, I'm sure, all of our colleague utilities here in Illinois are pleased to play a role in helping Illinois earn second spot in the grid modernization index for the country for the fourth consecutive year, and actually, we're second to California. Tied for first in grid operations, tied with California. So we're all proud to be a part of that for that recognition for the State of Illinois.

Reliability across all metrics has improved since our work has begun. Our All in Safety, all in means all in with storms, measures the frequency of outages and CAIDI, which measures the duration of outages, which includes storms, is down 45 percent and 30 percent respectively since smart grid work started.

And last November, we see a little uptick there. We did experience the largest winter
storm since 1998. That was Winter Storm Bruce approximately interrupting 300,000 customers with an inch of ice and 12 inches of heavy, wet snow and high winds, which caused obviously very tough working conditions. And those are in those numbers there as well, but, as we can see, there's strong improvement over the years.

We continue to invest in the system to ensure its ongoing reliability and resiliency and sustainability, which are key themes on our strategy going forward.

We have continued our Community of the Future initiative in Chicago's Bronzeville neighborhood, which is very exciting. In 2018, the ICC approved our plan for the Bronzeville community microgrid, which is funded in part by the U.S. Department of Energy.

Earlier this year, we successfully completed a test of the first phase of the project, which included upgrades for resiliency, the installation of energy storage, and solar PV on the roofs of the Dearborn Homes, which is very exciting.
Actually, you can kind of see some of that if you're on a plane landing at Midway. You can actually see some of the solar panels as you go over. It's pretty dramatic. At least I think it is.

And as you can see on this slide, across the system, we've completed several projects -- I won't go into all of them -- that continue to harden the system to make us more resilient on a daily basis and during storms. This is a continuous process of targeted investment to improve our system.

For this coming summer, I would like to state for the record we are well-positioned to provide reliable service to our customers and to our communities. We anticipate a peak load of over 25,000 megawatts.

Now, we haven't seen that kind of peak in a number of years. Our last peak load was in 2011, close to that in 2012. That peak load is estimated -- and it's a 90/10 peak load, meaning one in ten years. So it's a more severe forecast in terms of having extremely hot weather, one in 10 year
type of hot weather.

As part of our strategy to continually improve our system, just under 200 transmission distribution capacity expansion projects as well as proactive system maintenance were completed by June 1st, and we're proud to report that is all complete, and we spent a lot of time to make sure that is complete and on time.

I'd now like to hand it over to Dave Perez, who will discuss summer readiness, storm response, and emergency preparedness. Thank you.

MR. PEREZ: Good morning. Can everyone hear me? Okay. Now that's much better; right?

Thanks, Jane. She's always helping me out.

Let me begin by on this next slide here highlighting two of the programs that we have available to help us manage demand on peak days.

I'll highlight two of them.

The first one is our voluntary load response program, which has roughly around 2,300 customers enrolled in this program. And that provides us with around 968 megawatts of demand that
we can call upon if needed.

The next one is our peak time savings program, which has roughly around 290,000 customers enrolled, and that provides us about 86 megawatts of demand response that we can call upon. This one has saved our customers in 2018 roughly around $3.1 million.

So these are just two of several programs that we have in place, again, to help us manage the demand response and also save some money for our customers.

Next slide, I'll cover emergency preparedness as most of us here in the utility business know that, you know, storm responses is just front and center for us in terms of the focus to make sure that we can respond adequately to any major storm events.

So in this area, you know, we're on our eighth year of our Storm Task Force Program, and this is the eighth year where we continually look at and challenge our processes, our procedures, to make sure that we're identifying any opportunities for
improvement.

So this is our eighth year on this program, on this journey to continue again to challenge ourselves, drill ourselves, run exercises to make sure that, you know, we're identifying any critical issues or flaws or opportunities for further improvement and benchmarking across the industry.

In March and April of 2018, you know, ComEd -- you know, again, we offered roughly over 400 personnel that we deployed to some of the major events out in the East Coast and Florida and also Puerto Rico.

And then in November, Winter Storm Bruce brought some blizzard-like conditions. It was one of the worst winter storms that we had experienced in awhile. It impacted roughly over 300,000 customers in our service territory.

And to assist in that restoration, we called upon our sister utilities and also some of our other utilities that we're in partnerships with through mutual agreements, mutual aid agreements. So, again, we continue to foster continuous
improvement, but as well, build stronger relationships for mutual aid assistance. Because, you know, we know that we need to support that, and we also need to call upon our sister utilities and other agencies that are in these agreements to help respond to these major events.

So that's a continuous focus for us, to continue to build those partnerships so that, you know, those resources are there when we need them and also to provide those resources for others.

The next slide. I want to highlight, obviously, you know, in that effort to strive for continuous improvement, we always like to participate in drills and exercises, and in May, we held our fourth biannual Operations Power Play statewide drill. It was a very successful drill, and that's thanks to many of you here that either participated, supported, or attended. We were very excited to have Commissioner Oliva and Chairman Zalewski join us that day.

We partnered with more than 80 other agencies across the state to drill for the exercise,
and, you know, every year we find these events get
even deeper in terms of the learnings and the things
that we can share and across all of the participants
and learn, which is very important.

We also participated in a drill with
the ICC last year, and we continue to be part of that
cohesion that was formed to share best practices
across utilities and other companies.

Next slide. I'm going to
highlight -- you know, we have solid contingency and
response plans in place for this summer season. For
contingency planning, we ensure that we have
sufficient inventory of portable equipment that we
can deploy, spare equipment, mobile transformers,
mobile substations. You know, if we were to lose
a substation, we have the equipment ready and in
place to be deployed to be able to -- you know, to
respond to any major losses in terms of major
equipment on both our transmission and our
distribution system.

So we have a very large fleet of
large generators that we can deploy across the
distribution system. And, again, storm material response kits that we have staged, ready, well-supplied to respond to any major significant event, whether it's a local community event or more of a -- you know, across our whole service territory. We go through that. We all sign up for that and make sure that we sign off on all these plans to make sure that they're there and they're available to be called upon and deployed.

    The last thing on this slide I'd like to highlight. You know, we've looked at some of our major substations, critical substations, that are in flood-prone areas. We've deployed some significant investments across five of those substations to mitigate that flooding.

    And there's another substation in 2019 that will be completed as well. So that will give us six substations that we've made some significant investments in terms of flood mitigation plans and infrastructure to help mitigate that flooding in major critical substations.

    Now I'll turn it over to Jane.
MS. PARK: Good morning, Chairman. Good morning, Commissioners. I'm going to try to fly through five slides in less than one minute given the amount of time I have left, but I'll give it a shot with everybody else's indulgence.

In terms of customer communication and engagement, all I'm really going to say on the top half is our customers experience storms in the summer through digital channels. And we've made those more robust. We've added a Google Home Alexa. I'm not sure it's the greatest thing to say. There are seven different channels on which our customers can report an outage, but that's what they have.

The one thing in the 45 seconds I have left that I do want to slow down on is the Powering People campaign. Because when we think about summer preparedness and getting our communities ready for the summer, I know we think about the grid, but summer is also a time of high energy use.

At ComEd, we've been thinking very deeply -- ever since last fall, we've been really trying to do a cross-functional analysis of how do we
reimagine what the low income experience is like for our customers. We have segments of our customers who find the summer much more challenging, and, therefore, summer preparedness takes on a completely different meaning for them.

We have worked through cross departments and brought people together to think about this. In April, we started up a Powering People Initiative. Hopefully, the Commission and others in this audience have seen some of the early fruits of that. We've pushed consumer fraud and that type of education out extensively, because honestly, a lot of that victimizes people who are underserved the most.

I also want to say that the price to compare -- the fact that this Commission recently in its final order basically empowered our CSRs to be able to help our customers. That's a fantastic initiative that we pushed through in terms of bringing it to the Commission through Powering People. That came from our CSRs.

And when I had lunch with them last
week and told a group of them that this Commission gave that final order, they burst out in spontaneous applause, because they're from the challenged communities that they serve every day, and they were grateful that they were being empowered by the Commission and by stakeholders to be able to talk to customers about what they need.

And in the fall, we'll be pushing out a supplemental arrearage program to help customers before they enter into the winter based on the high use during the summer.

So I know I'm out of time. I can see him raise that. I've got three slides left, but that's the one thing I really wanted to point out. And I'm here in case you want to hear about some of the other things on the other slides. Thank you.

COMMISSIONER KIMBREL: I think it's okay if you want to finish.

MS. PARK: Thank you, Commissioner Kimbrel.

I appreciate that indulgence.

If we can move then to the next slide, which is the Future Energy Jobs Act. So when
we think about summer preparedness in terms of the
customer side, it's not only -- you know, it's how do
we make sure that in a time of high heat we're
encouraging our customers to use less energy, and
that was the game-changing effort of the Future
Energy Jobs Act.

There are two big things we wanted to
highlight that we're doing for the summer, one on the
grid side and one on the behavioral side.

So on the grid side, we wanted to
just show you some of the progress we've done on
voltage optimization. I'm sure this Commission has
heard about it. It's really just a combo of a lot of
advanced software coupled with a ton of sensor
technology.

And when you combine that computing
power with that visibility and then you seamlessly
integrate it into the grid, what it means is that
ComEd and other utilities are able to deliver much
more optimal power to every home within the
appropriate voltage ranges, and that means that
customers without changing their behavior are
actually going to be able to use less energy which translates into a carbon environmental impact, a positive impact in our service territory.

And thanks to the efforts that our engineering team has done, we have basically provided over 66 million kilowatt hours of energy savings with the voltage optimization work we've done to date.

On the behavioral side in terms of customers, for energy efficiency, last year we invested in $350 million and reached our savings goal of 1.7 million. This year we are on track to do roughly the same. And along the way, we have been putting out additional research and development in further programs to build the pipeline and how do we build low income programs, which is a focus for us given how FEJA transitioned those low income energy efficiency program over to the utilities.

If you turn to the next slide, I always think this is funny in the sense of talking about the Future Energy Jobs Act and solar in a summer like this. We'll be lucky if we string two sunny days together, sometimes I feel like, this
summer. But we have been working hard to make sure from the perspective of our customers, as they get ready for the sun, are we prepared to serve their needs and advise them about solar, because we have a commitment to bringing more solar into our service territory.

So you'll see that we've had, like, 1500 new solar projects, which adds, like, 15 megawatts more of generation onto our system, which is fantastic. To help customers who don't know if solar might be good for them, we created a digital solar calculator and a digital solar toolkit. So if you want to find out for yourself, you can just measure your own roof's radiation and figure out if that's good for you.

We are now rolling out an improvement that you can measure any roof that you want. It doesn't have to be your actual own roof.

Then in terms of workforce development, bringing solar, bringing energy efficiency to our service territory was important,
but not if you don't grow jobs. So what you see on the last part of that slide is just our commitment to growing the solar pipeline installers, to growing the craft apprenticeship, and also to just basically growing multicultural programs with $10 million in aid.

The final story I'll tell briefly before sending it over to Terry, when we think about the summer as part of the low income efforts, we've challenged ourselves to also think about people who don't ordinarily look like the face of need. So earlier on in the year with the budget crisis, we went out and helped TSA employees behind the security lines at O'Hare and Midway, because they didn't have income, but they had to work, and we wanted to help them with their Care Assistance Programs.

It might be summer to us, but with all the rains, we learned that it was tough on our customers who are farmers. So we were approached by the Farm Bureau to go out to Freeport and help their farmers manage through this summer season. Because for them, with their high bills, but also with the
planting season that they're facing, they need assistance.

This is all my way of saying that when we think about summer preparedness for our community, we're trying to do it in a multidimensional way with all different types of customer segments we may not have focused on in the same degree before.

So I'm going to hand it back to Terry.

MR. DONNELLY: Thank you, Jane, and thank you, Dave.

That concludes our remarks for our preparations. I would conclude to say that we're ready for summer. As we've seen, our preparations have evolved from maybe just grid related to more of a broad front strategy in terms of making sure our grid is ready for extreme conditions, our workforce is ready, that we're developing our contract community, our workforce community, and we're working to address the needs of our customers' community well beyond actually reliability, and that's a key part of
our strategies going forward.

And we thank the Commission for all their support in our activities. Thank you very much.

MR. SEARS: Good morning, Commissioners.

My name is Arick Sears. I'm an attorney with MidAmerican Energy Company, and we'll be speaking with you today about our company's efforts to prepare for the upcoming summer peak season.

I'm joined today by my colleague, Neil Hammer, who is our Director of Market Assessment, and we join ComEd in thanking the Commission for convening this Summer Preparedness Policy Session and allowing the Company to talk about our efforts to prepare for the upcoming season.

So just a bit of background on MidAmerican. We are part of the Berkshire Hathaway Energy family of utilities, and we are headquartered a few hours to the west in Des Moines, Iowa. Our service territory encompasses about 10,600 square miles and covers portions of four states, including Iowa, Nebraska, South Dakota, and, of course,
Illinois where we serve the Illinois portion of the Quad Cities and the surrounding area.

In this state, we have approximately 85,000 electric customers and 66,000 natural gas customers. The Company also has approximately 11,000 megawatts of owned and contracted generation. Of that, we have allocated about 385 megawatts to serve our customers in Illinois.

And with that, I will turn it over to my colleague, Neil, who will talk about the Company's efforts to prepare for the summer season from the generation, transmission, and distribution standpoint.

MR. HAMMER: Thanks, Arick.

Good morning. I'm Neil Hammer Director of Market Assessment.

In my group, we do market modeling of the electric system to forecast energy prices, and we've worked through resource planning to ensure the future resource adequacy of the MidAmerican system.

On this first slide, I'll discuss our
summer peak coverage for the summer of 2019 where you can see here MidAmerican is well-positioned to meet the load forecast that is upon us.

Overall, on the system basis, you know, we are long capacity and energy. On the Illinois side, we are procuring a small amount of capacity through the Illinois Power Agency processes.

The first row shows our summer forecast being about 5,015 megawatts with installed capacity of 5,732. So 14 percent reserve margins. That's about 717 megawatts excess of the MISO one-day-in-ten requirement by about 482 megawatts. But then our install capacity is demand response and customer generation behind the meter through interruptible customer programs.

Extreme weather forecasts elevate our load forecast about 5377 megawatts, and under that scenario, we would be about 7 percent in excess of our load requirement. You can see the bottom table shows our all-time peak of record was 5,051 megawatts. That occurred last summer on July 12th.
As I mentioned, our Illinois service territory is now participating in the Illinois Power Agency processes. We began that in the summer of 2015 through data submittals and filings there. We allocate a portion of our historical resources to Illinois through that process.

So on an Illinois basis, we have about 447 megawatts of load forecast for the summer with 395 megawatts of install capacity comprised primarily of owned resources and then some purchases and behind the meter generation.

Overall position in Illinois is about 90 megawatts. Shortfall of that is procured through the MISO capacity auction.

Moving on to the transmission system, generally, our system is expected to perform well. We have no long-term, unplanned outages on the system for the summer, and we expect our system to perform well. We do have operating procedures in place, and we participate in drills to prepare for the summer, and for unplanned events, of course, we use MISO congestion management and transmission loading relief
procedures.

Significant for MISO is we are nearing the completion of the MISO multi-value projects, and those have been completed in Iowa as of the end of the year 2018. There are some key legs here that we're looking forward to being completed in 2019 and 2023 that should, again, improve reliability and import/export capability to and from the MidAmerican system.

For vegetation management, we perform a three-year trim cycle on our distribution system clearances. We perform annual inspections and perform remediation where it's indicated. Tree-related outages, we review those where there are significant customer events, and we've reviewed those to see if there are any additional steps that need to be taken for future safety and reliability.

For 2018, our Illinois customer outage percentage was 12.9 percent of customer outage minutes. That's excluding storm-related events. Just tree-related outages. It's 17.2 percent if you include summer events. Over a five-year period,
there's generally a decline in that, and we attribute that to increased attention to pruning and overall health of the trees.

With that, I'll turn it back over to Arick, who will complete the presentation.

MR. SEARS: Thank you.

I wanted to speak now a bit about our storm preparedness capabilities and what we have been doing in order to more proactively communicate with our customers in the event of an outage.

As you know, generally with summer season come sometimes frequent and violent storms, and, you know, with the affects of climate change, sometimes those can become even more frequent and more violent. So to that end, MidAmerican has spent considerable time and effort improving our ability to respond to those sorts of situations, and that would include our efforts to -- we've completely renovated our control center in DesMoines, and we also have the capability now to set up local and remote storm centers as well in order to prioritize our resources and deploy them most effectively during these sorts
of incidents.

We've also implemented a more proactive communication system. When customers sign up for service with MidAmerican, we've been collecting information such as phone numbers and email addresses, which allow us to communicate with our customers once we know they're affected by an outage.

We send them information related to expected time of crew arrival, expected restoration time, and once those crews are on site and have had the ability to sort of assess the situation, we also have the ability to update those customers with, you know, a more realistic outage time once they've actually looked at the situation and, also, outage cause as well.

In addition, we have, you know, our Facebook and Twitter feeds, which we use in order to communicate with customers. And in communities where there's a widespread outage, we also have through corporate communications sort of direct employees who are embedded in those communities who
communicate with local officials about restoration
time and the hierarchy of restoration for critical
infrastructure, water pumps and things of that nature
as well.

We've remodeled our control center in
DesMoines, and we're also increasing the amount of
technology that we have on our distribution system,
which will improve our restoration times. We have
approximately 50 remote line centers, which is not
the same thing as distributed automation, but it
allows us to sort of, at least, on half of a circuit
locate where a fault is. So our crews will know
where the fault is in front of them or behind them,
and that reduces the amount of searching that they
have to do in order to find the fault.

Additionally, we are beginning to
deploy distribution automation on our system through
2019 and 2020, which will automatically isolate those
faults and reroute the load in order to get customers
up more quickly as well.

And this just is also a slide that
shows how our customers can see the restoration
efforts in our area. This is available both within
the company and also customer facing as well on our
website, which shows the number of customers out in
our major service areas.

And we also have an energy efficiency
plan here in the State of Illinois. We sought an
extension, a one-year extension on our 2014 to 2018
plan because of pending legislation or actually
legislation that had just been passed in Iowa that
required us to basically revamp the plan entirely.

We do plan to file our 2020-to-2023
energy efficiency plan with the Illinois Commerce
Commission -- this is actually a little outdated now
since this was sent over. It's now going to be
during the week of July 8th. We are currently in
communication with stakeholders on that and want to
make sure that is as complete as possible before we
present it to the Commission.

Just from a high level of --
relatively similar to the plan that we currently have
with them, it will include all of the major
residential and nonresidential programs that are
currently in our program.

So those are the efforts that we have undertaken for our storm preparedness for this season, and we again thank the Commission for hosting this session, and we're around for any questions that they may have.

MR. SHERIFF: Good afternoon, Chairman Zalewski and Commissioners.

Ameren Illinois appreciates the opportunity to be here today to talk to you about our summer preparedness. My name is Brice Sheriff. I'm Director of Regulatory Affairs for Ameren-Illinois, and I'm joined today with George Justice, our Vice President of Electric Operations.

This first slide is just simply a review of what we're going to be discussing today, transmission and resource adequacy, the summer peak loads, Ameren Illinois supply portfolio, as well as information around our retail electric supply load and demand response programs along with readiness, transmission and distribution facilities, emergency preparedness and response, as well as, obviously, our
contact centers and communication strategy.

So just an overview of Ameren Illinois as a company. We're roughly 1.2 million electric customers, 46,000 miles of distribution lines. We also have 816,000 natural gas customers with roughly 18,000 miles of natural gas pipelines.

I think this point here is really the core reason we're here today, to assure the Commission that Ameren Illinois has verified that sufficient generation resources are committed to serve the Illinois load. In addition, transmission and distribution capability is adequate to provide reliable electric service to our Illinois customers during 2019.

So what does that look like? 2018, roughly our summer peak load was 7,52 megawatts. 2019 expected is around 7105 megawatts with a worst-case scenario for planning purposes of 7,567 megawatts.

To take that a step further and break it out, Ameren Illinois load versus our retail electric supply, you can see we're at 1880 megawatts
while the retail electric supplier load is 5,225, which gets us to the 7,105 megawatts of load. You'll see to the right of the column that MISO requires a 7.9 percent margin added to that, which gets us to the 7,667 capacity required for our customers.

Demand response, we have roughly 266 of interruptible load behind the meter as well as real-time pricing for residential, small commercial, industrial, and large customers greater than 150 kilowatts. Obviously, this is hourly, day ahead pricing by MISO. They have to have interval meter data. Our projected summer participation is roughly large customers 790, small commercial and industrial around 863 with real-time pricing at about 13,396 accounts.

Discussing the retail electric suppliers around transmission and resource adequacy, we do not anticipate any transmission constraints on the Ameren Illinois system that would inhibit the adequate supply to RESes. Our RESes designate their supply resources to MISO and make arrangements for transmission services.
Talk about Ameren Illinois, the transmission side of it, roughly 5,048 circuit miles of transmission. No Ameren Illinois transmission facilities are anticipated to be loaded above the 100 percent expected load levels. This is an analysis that's done through NERC and SERC and some planning standards.

A summer operating study is also conducted to test the system and to provide guidance to the operators. Ameren Illinois also participates in a MISO-wide coordinated summer assessment. The results of those studies show Ameren's system is adequate to serve summer loads.

And then our transmission vegetation management program. We have a very comprehensive management program compliant with NERC standards. It entails a minimum of annual aerial or ground patrols on everything over 100 kv and up. We also have an annual review of trimming schedules and vegetation control process by vegetation management. Our target for that is a zero preventable tree contact related to transmission outages for vegetative management.
I'll turn it over to George to talk about some of the distribution reliability side of it.

MR. JUSTICE: Good morning.

Our electric distribution system, in a word, we're ready to go. All our sub-transmission, substation, and distribution systems are expected to be loaded within applicable ratings for what we expect in our worse case peak scenarios.

On the distribution system, some of the things we're doing for the Modernization Act that we completed in 2018, some primary high voltage distribution automation projects, some substation Viper reclosures which provide better coordination, fault locating, and single-phase isolation.

Some high voltage distribution reinforcement poles, and those really increase our reliability by limiting the potential for line cascading, and that's instances where a dozen or more poles will go down in a row in a severe storm.

And we're also doing primary and high
voltage distribution line rebuilds.

Continuing that, so we've done some spacer cable rebuilds and replacements, system ties, some distribution capacity projects. And we continue to do substation animal fences to cope with all the different wildlife, the squirrels, raccoons, and all those things that like to hang out in our substations.

Our Voltage Optimization Program we just began in 2018. We expect by the year 2025 to have an estimated -- a little over a thousand circuits deployed, and our estimated reduction in energy delivered to customers is going to be on the order of 422 gigawatt hours at the end of deployment or about 1.5 percent of our yearly delivered energy.

We have 19 circuits operating just now. We just got started in 2018. And we have an additional 132 circuits that we're going to deploy in 2019 and have those ready by year end.

Talk about distribution vegetation management, of course, we're going to meet all legal
and regulatory compliance requirements. We're focusing on mowing and spraying operations along our right-of-way corridors, and that gives us better access to our facilities, but it also reduces our future trimming requirements.

We're going to utilize more aerial trimming methodologies and other mechanized equipment to improve our reliability. Our tree-related safety has dropped from .16 in 2009 to .1 in 2018. And through end of April of this year, that safety is at .03. So our efforts around trees are really starting to pay dividends. And we're going to continue educating the public on the right tree, right place concepts.

Just a quick view of a project we did in Washington Park, Illinois, which is just east of St. Louis. We had a right-of-way there that had suffered from years of illegal dumping by the public into that right of way. That caused the vegetation to overgrow, and it was virtually impossible for us to gain access with those trucks. If we had to get in there, we needed basically a bulldozer to clear a
path for us to get in there.

We launched a program late last year
to clean up the debris along that right-of-way. We
removed 200 semi-truckloads of debris, which included
all sorts of things from mattresses to roofing
shingles to tires to other things that you really
don't want to hear about, and the vegetation was
cleared from those facilities.

That was a successful clean up, and
it really will make it easier for any emergency
response that we need to do for both our electric and
our gas facilities, and it was a good project. The
community really appreciated us coming in and
cleaning up that mess that had existed for a long
time.

Our ongoing reliability improvements,
we're identifying and analyzing our worse performing
circuits and doing the remediation work required. Of
course, we're doing circuit inspections and repairs,
including pole strength testing. I talked earlier
about our storm line hardening, the use of composite
or fiberglass type poles to limit damage, and our
ongoing inspections of our typical equipment.

In terms of system operation and controls, we do the load shed drills with transmission operations and MISO. We update and review our operating guidelines within all our dispatch offices, and we monitor our system improvement construction projects to ensure those are completed before summer peak, and those are complete for this year.

In terms of our emergency response, in 2018, our emergency operation center was activated three times for electric events and totaling five days of activation. We also -- I think ComEd mentioned they had assisted in Puerto Rico. We were there as well to assist with the restoration of that island.

In 2019, so far we're had four events -- actually, we had one last night so I think it's up to five -- that totaled approximately seven days.

We continue to enhance proactive communications to stakeholders and customers focused
on estimated -- we call them safe restoration times, and we're engaged with the state emergency operations centers with local and county entities and do our best to provide critical information to statewide situational awareness.

And I'll turn it back to Brice.

MR. SHERIFF: So we'll talk quickly about our contact centers and communications. Customer service, community outreach, and public relations, we have integrated call centers throughout our service territory. We also have home agents available. Chat available Mondays through Fridays from 7:00 to 7:00.

On the community relations side, we have community resource liaisons, I'll call them, that are located within our service territory that work with the local municipal leaders, the emergency response agencies in those areas. They're there 24 hours for critical customers and questions that folks may have.

We also have a very proactive, obviously, PR and media relations, the social media, Twitter, digital customer reps. Reps respond to
inquiries on social channels.
And then also we provide safety
training for first responders for disaster safety
recovery.
So a couple of the -- this is a newer
program. I think as Jane mentioned earlier, we live
in a digital world now.
Enhanced Digital Customer Features.
This is a new program that our customers can simply
text to Ameren. You just spell out Ameren on your
phone. You can text, STAT, or if you're out of
power, then you'll get responses based on those texts
and a response.
We have to have your phone number,
and it's also an incentive to help our customers get
the phone numbers and the contact information to us.
If we have the phone numbers, you get the response.
I've got to be honest with you. I did it myself just
a little bit ago. It does work.
On the communicating with customers,
we have the bill inserts. Obviously, as any utility,
it's how do we communicate with all of our customers.
Some are in social media. Some are not. We continue the bill inserts. We have the social media. Obviously, trying to push -- you know, budget billing is always a good tool to help customers deal with increased electric charges over the summer months to spread those charges off a 12-month period.

And then our summer multimedia campaign. This is something that's new, also. So if temperatures are rising, let's say it's going to be 105 degrees, which is not uncommon in southern Illinois or certain parts of our area, if folks go to, like, the weather channel app or things like that, they will get a message from Ameren ensuring them that we're prepared to deliver energy in these extreme conditions.

So just another method in which we can communicate with our customers as well as typing in some type of Google words that will allow those messages to show up to customers as well.

Helping customers, Brighten the Block, this is a program. We have volunteers. Brighten the Blocks, certain cities in our service
territory, we put new LED bulbs up on people's porches.

The customer outreach events, these are held six times a year. These offer $150 one-time energy assistance grants to income eligible customers. Each attendee also receives a kit such as low flow shower heads, LED bulbs, a smart power strip, things of that nature.

So in summary, Ameren Illinois has acquired generation capacity and it has the transmission and distribution capability to provide reliable electric service to its customers in 2019. We're working to complete critical maintenance and system upgrades. We have crisis management, continue to improve our preparedness, 24-hour weather monitoring as well as coming up with new ways to communicate with our customers. We're always looking for new ways to improve our performance and, obviously, our customer service.

MS. THIBODEAUX: So I just wanted to thank you for your presentations.

And at this time I'd ask if the Chair
or Commissioners have any questions for our presenters?

(No response.)

MS. THIBODEAUX: Does anyone in the audience have any questions for our presenters?

(No response.)

MS. THIBODEAUX: Okay. We'll give you guys some time to move out, and we'll move onto the next one.

MR. DONNELLY: Thank you.

(WHEREUPON, a recess was had in the above matter.)

MS. THIBODEAUX: Okay. So at this time, we will resume the presentations. The second panel, we have Bob Kuzman, who is the Regional Director for Regulatory Affairs for the Central Region at MISO, and then we also have Brian Lynn, who is the Senior Trainer in the State and Member Training Department of PJM.

Whenever you're ready, please begin.

MR. KUZMAN: I take it we push the green button, and we're good to go?
Thank you, Madam Chairman and Members of the Commission. My name is Bob Kuzman, and I am the Director of State and Regulatory Affairs for MISO.

I don't think we'll take the whole 30 minutes, so we'll be happy for questions or get everybody going for the next panel and move to an early lunch.

But three things I just wanted to talk about, and the slides will cover. One, and the most important thing, is MISO has adequate resources projected to meet the 2019 expected summer peak demand. That's what we're here for, and MISO is here to meet that.

However, we must always preface things, some summer scenarios with high resource outages and high demand could have some challenges, and at that point, as you heard earlier, we may have to call on some load-modifying resources to meet that demand.

Briefly, who is MISO and what do we do? MISO is an independent, not-for-profit, unbiased
third-party grid operator in a regional transmission organization.

We have three locations. Our main location is in Carmel, Indiana, and we divide our region up in three. That's considered the central region. The north region is made up of an office in Eagan, Minnesota, and the south region is an operation in Little Rock, Arkansas. All three locations have control centers, and all three locations can carry the whole 15 states if necessary if one control center goes down.

Our makeup is roughly about 65,000 miles of high-voltage transmission. There's our generation capacity, and you can see our market capacity, which is changing every year as we continue to see the changing resource mix from coal to gas to other types of renewables in our system.

What do we do? We provide an independent transmission system access, deliver improved reliability coordination, and perform efficient market operations. Our goal at MISO is to ensure electricity is delivered reliably at the
lowest possible cost to consumer.

We work with our states through the organization MISO States and work together to make sure that we are all on the same page trying to make sure that we deliver the most efficient energy to the consumer.

So back to what we are here to talk about a little bit, as I gave the quick plug, our forecast. We forecast warmer than normal temperatures for the MISO South footprint, and small pockets of the MISO North and Central footprint may have a little more extra warmth this summer.

I was reading through our notes and chatting with PJM, they also said that precipitation is going to be normal this year. So take that as you may. That is our projection.

You can see our summer peak forecast is at 125 gigawatts, and our total capacity available is 149 gigawatts, and the all-time summer peak is 127 back in July of 2011. We are prepared to meet the demand.

This slide just shows you what
2019 -- sort of the resources that we have. Our minimum reserve requirement is 16.8 percent, and our reserves are at 19.3. So you can see we have plenty of reserves to make sure that we cover the demand forecast of 127.7, and with the reserve margin, that puts it at 149.8, and we have enough capacity to cover those demands.

I just sort of bring in the scales of justice as a retired attorney. I like to always touch that. How we sort of match the generation with load.

As we talked about, our MISO-wide 2019 reserve margin target is roughly 16.8, and our base scenario reserve margin is at 19.3.

You can see the scales are -- depending on what happens, if we have low generation, or in high load, it can move the scales. And such things that cause the scales to move is resource outages, load estimates were off, or we had warmer than normal weather, which we haven't had lately. We haven't put two days together with the sun, as we talked about earlier, so, hopefully, we'll all be
able to enjoy a little bit of sunlight around here, and resources are limited by transmission, either by transmission outages or by congestion on the transmission system.

So that causes the balance to shift a little bit. So I just used that chart to show you that we do balance the generation with a load, and some things that can cause the scenarios to change to how we adjust and what resources we utilize.

Sort of more of a breakdown of each month. You can see how we figure June, July, and August on probable generation capacity scenarios, and then low generation. You can see we do at some points dip into the load modifying resources that we need to utilize. We're seeing more of that in the shoulder months, the Septembers, the Octobers, and coming into the summers than we do in the three months in the summer. That being because of outages and repair work that needs to be done on these generators and also transmission outages during that time.

So as we continue to see that, we'll
continue to utilize our load modifying resources across our footprint to make sure that we do keep the lights on, which is our main priority.

That brings me to a slide that I'd like to touch on. I think I handed out, and the Commissioners should have sort of a one-pager that we have created, sort of the events that we go through in an emergency situation.

MISO, to get to some of our load modifying resources, you may see this come across the website, or you get emails or Staff gets emails that say, max generation alert. That is an ominous term. Everybody is thinking, oh, my, what's happening.

That is the way for MISO to get to some of our load modifying resources in our system. So that's just our operators preparing for the future. If there's going to be a problem, to put our stakeholders on notice that we may be calling on some of their load-modifying resources that both ComEd, Ameren, and MidAm talked about that they have in their system that we can utilize to reduce load.

That chart goes through that, and
there's a little explanation on the back page. I don't need to go into detail about that. That sort of summarizes what I just discussed.

Just one other thing we do as Ameren and everybody touched on, we do run on -- do have planning scenarios with our stakeholders and work through summer preparedness and also winter preparedness. We do drills, and we do -- we are now starting testing for load modifying resources coming up in the near future, which will ensure the grid is stable, ready to go, and meet all demands.

At that point, just to sum it up, MISO is prepared for this summer.

MR. LYNN: Good afternoon, everyone, Chairman, Commissioners, esteemed colleagues. My name is Brian Lynn. I'm here representing PJM. Don't let the Senior Trainor title throw you off. I spent ten years as a real-time reliability engineer down at the control center for PJM, and at PJM, we do like to send an operations representative to do these types of updates wherever we go. So all the experience and all the big numbers in these slides
mean a lot to me.

Without further ado, I'll hop right into this. Starting with the background of PJM, who we are, we have a lot of statistics on this slide. Some of these numbers are clowny large based on how big we are. Much like MISO, we have a very, very large area.

But I will draw your attention to a few of them, two in particular. Peak load and megawatts. That's our all-time peak load, 165,000 megawatts. Now, that is a very, very large number. That hasn't happened in a number of years. It happened over a decade ago.

Since then, loads have dropped off. We have had less extreme scenarios that hit these high, high peaks. But that is kind of our all-time peak.

So the next then very important number to go to is that megawatts of generating capacity. That is a current number. On this slide, it's as of January 1. You'll see a couple of changes as we go through slides, because as we go through the
year, more generators come online. That's 180,000 and change.

So even if we hit our all-time peak load for the entire footprint, the worst day we've ever seen, we have more than enough capacity available to provide power to everyone in the footprint.

So let's hop along to the next slide.

I'm going to echo exactly what Bob said from MISO here. We're seeing the exact same thing. This a slightly different vendor, I believe, for the forecast. Temperatures are looking a little bit warmer than average out east, but -- mostly normal, but a little below normal average technically for the far western part of our footprint, which includes part of Illinois. But more or less, we don't have a lot of big temperature swings or extreme temperatures expected over the entire footprint for the summer.

So going all time is interesting.

Those numbers are important for a number of reasons, but more recent data tends to be a little
bit more helpful. So let's look at this summer and what we're expecting for this summer versus last summer.

You'll see a lot of numbers on this slide and a lot of arrows saying whether the number is bigger or smaller, but when you actually look at it and based on the size of these numbers and the size of the differences, rather, the two summers are looking pretty similar when you take it across a footprint-wide basis. Most of those numbers are all going to be very, very close to each other.

To be clear, this is a 2018 projection for the summer for what we thought at the time. So how well did we do on that projection? At the bottom there -- unfortunately, it's a bit small font, but it says what our peak metered load was in 2018, and that's 150.5 thousand megawatts.

Now, we did not have to call demand response into place, so the number you're comparing that to is in the 2018 column, the 152 and change. So 150.5 versus 152, that's a pretty good guess all things considered.
So we came pretty close to projections, and we had no trouble dealing with the loads on those days. We had all this demand response, which MISO has a different name for, but it's the stuff we have in our back pocket even as part of the emergency procedures that we can use to further reduce load in the footprint under a controlled and agreed upon basis with some of our customers.

Again, pretty good on projections last year, and we are expecting similar conditions for this year's summer.

Moving right along, I don't want to take away or make it sound different from anything ComEd said, but this is a list of the very, like, top largest voltage transmission upgrades. Because ComEd did do a lot of work in their system, they continue to do a lot of work in their system, that makes an already strong system even stronger.

You can see there's only two sets of dots on this. All those other upgrades have certainly occurred, but there's only two that kind of
we draw a highlight to.

And even of those two, the one on the left on the western side of Illinois is really the only one I'm going to mention. Out there, that's kind of on our western border with MISO, there were some up rates to the 345 and some of the lines over there. The effect that could have if we needed it, if for whatever reason ComEd found itself needing to import megawatts from anywhere outside, it would strengthen their ability to do so from the western border.

From an operations standpoint, God forbid ever ComEd needed megawatts from everywhere we'll call it, you have pretty good capability to bring in megawatts from the east, the north, and the west. This just further increases the ability to bring megawatts in from the west and certainly strengthens that area.

But otherwise, we didn't really have a good reason to push ComEd to do tons and tons of major 345 kv work because their system has been operating very well, and it's been very stable for
many, many years now. That's why this list is so
small. Even what they did do wasn't completely game
changing. It just could help under certain
scenarios.

Generation, even less to talk
about. But again, we don't see the need to promote a
bunch of generation to be added to that ComEd
footprint. They're very secure, and the system runs
very, very well.

The lone green dot you see there is a
wind farm, and with all due respect to wind farms, we
don't necessarily count on their full output during
summer, so ComEd generation makes more or less the
same as far as an adding from last summer and what
resources were available in the footprint.

So let's kind of hop into some of the
peak -- the study cases for the summer. ComEd
touched on another version of this which I'll touch
upon again later. They commented on the 90/10 study.

We run any number of different
variations of study. The 50/50 nondiversified peak
load base case, a very fancy sounding word, what that
means is it's our best guess. What nondiversified means is because we have such a large footprint, we have 27 utilities, instead of taking what we think the total for that 50/50 would be for the entire footprint, we do it by individual utility.

So we give our best 50/50 guess for ComEd. We add that to our best 50/50 guess to AEP and all the others, and what that does is it actually throws out some of your economies of scale, but it gives you a more conservative guess. Your number will be higher.

So on this slide, you can see that load forecast is 157. That's higher than what I had in the previous slides. That's why. This is nondiversified.

Our installed capacity. This number now includes some of the generation that came into service since the 1st of this year. There's a lot of generation coming online. Again, in recent years, we've seen these total peak loads go down, and a lot of that, if you go to deal with them, there's a ton of transmission upgrades. We've seen a lot of energy
efficiency come in all over the footprint, including here in Illinois, and there's a lot of behind the meter generation. Even if people add solar panels to their house, they're not required to go to PJM and say, PJM, I have this generation here. If it operates, all we see it as lower load. That's all we see. But that's one of the affects that comes into play.

But that capacity number -- sorry to swoop back around, but I want to go into that. We're seeing now it's 186,000 and change, so even more than we had before and certainly with a very, very nice margin over this 50/50 value.

So the other thing we do in this study is no one ever operates perfectly the entire summer, so we take 12,000 and change for that generation, and we throw it out immediately. We just say that's not available, and we've got to make even more conservative guesses as we go through some of these things.

So what did we see? Long story longer. No reliability issues for both the base case
and the N-minus-1 analysis. I'm not sure if everyone here is familiar with N-minus-1, but basically what we run for every piece of equipment in the system -- MISO does it the exact same way. ComEd, Ameren, everyone we heard talk here today, they run the same type of analysis.

It's great to be okay right now, but we know bad things happen. So whatever the worse thing that can happen -- it's a major computer system that runs this. For any given piece of equipment, we always make sure we're okay for that happening.

And the worst piece of equipment to lose varies all over the system based on where it is, and for all of those analyses, we are A-okay for the summer. We are looking very, very good for both right now and if one of these emergencies would occur.

We do have a note there, the second bullet, some off-cost generation and re-dispatch is expected to control current issues. This is a daily occurrence. Very seldom does PJM or MISO, for that matter, get through any day without any off cost. So
that's nothing to be alarmed about.

Voltage issues are all able to be resolved with capacitors, the normal method of controlling voltages, and our additional sensitivity studies showed no additional issues either.

Again, to sum it back up, we are looking very, very good. Our studies are very optimistic for our ability to handle the summer.

Further extending a long story longer, I kind of touched on that 50/50 nondiversified case, but we do -- PJM, everyone in this room that's talked to you today, we do take summer loads very, very seriously even if they look like they're going to be easy or normal. Those terms are a little bit dangerous to hear. We take them very seriously every time they come up.

We've incorporated that study, the 50/50 in here, but there's a lot more things that go on in order for us to prepare for summer, to be sure that we're ready for it. The summer seasonal assessment contains studies of very, very extreme load studies in addition to what we've talked about.
There's tons of emergency drills that we run throughout the year, but some that concentrate on the summer.

There's all sorts of specified training just for the summertime period in addition to what they're required to get from NERC and the additional stuff PJM does on top of it. We continue to update all of these weather and forecasts and emergency outlooks daily. We don't just do this assessment just like everyone else here and throw it away.

If something changes and we now believe that we're going to get some serious thing down the line, all this stuff will be updated. We're going to make sure we're prepared for it.

Reviewing projected load and capacity is all part of that, and we coordinate with our neighbors in individual or internal utilities. It is very, very important because -- just because if MISO is hit by a terrible, terrible day or if New York or TBA, they all border us as well, it will affect how operations are done in PJM, and we might have the
ability to help them out, as they might help us out if we have a very, very bad day.

So it's very, very important to know what's going on in their areas, too, and we continued that coordination leading up to and throughout the summer.

So what did all of this prep tell us? I've kind of alluded to that already this year. In summarizing, there are a lot of words here, but basically, it is that we're confident that Illinois and the entire footprint is going to be very well-prepared and is very well-equipped to handle the summer and any expected or unexpected loads in the margin in which we study.

If there's one kind of number I want you guys to take away from this, and the one I think is most useful, it's this reserve margin that we actually have. It's very, very high this year. Bad things happen. Emergencies happens. PJM knows this. Everyone here knows this. We need to be prepared for them.

A major way we do this is enforcing
this reserve margin. So I may have all the
generation I think I need for a given timeframe.
That's great. That's fantastic. But much like MISO
said previously, we want something on top. In this
case, it's 16 percent. That number is updated. It's
not just thrown out there. We actually calculate
that every year for what we think the margin is going
to be.

This year we have 28.2 on top of
that. MISO had a few percentage points. Anything
you have over your requirement is amazing. It's
great to have. We have almost a clowny amount above
it. We have almost 75 percent more than what we
need, and that's just how the market has worked
itself out.

So we have a lot of extra capacity,
so God forbid bad things happen, we are going to be
ready. We'll be able to provide this power and move
it around a lot easier because we're going to be less
constrained.

So with that said, while I can't sit
here and tell you what emergencies may happen this
summer, I can tell you that PJM, MISO, and all of our utilities are very well-prepared, well-equipped with both the equipment out in the field and our personnel and our operators to handle them, and I thank you all for your time today.

MS. THIBODEAUX: Again, thank you for your presentations.

And, Chair, Commissioners, any questions for our presenters at the moment?

(No response.)

MS. THIBODEAUX: Does anyone in the audience have any questions for our presenters?

(No response.)

MS. THIBODEAUX: Okay. Well, we have one more panel left. We will hear from our consumer advocates, and just as before, we'll make a switch very quickly, and then we'll continue and conclude. Thank you.

(WHEREUPON, a brief recess was had.)

MS. THIBODEAUX: Okay. So representing the consumer advocates, we have the Citizens Utility
Board, which has David Kolata, who is also the Executive Director.

We also have the Office of the Illinois Attorney General represented by Susan Satter, who is the Public Utilities Policy Council. 

At this time, please begin whenever you're ready.

MR. KOLATA: Thank you, Madam Chair, Commissioners. My name is David Kolata. I'm the Executive Director of the Citizens Utility Board, and I appreciate the opportunity to speak to you today.

I think it's fair to say that reliability has generally improved since the EIMA investments. It doesn't mean that it's perfect. It doesn't mean there isn't room for further improvement, but in general, I think we're better off from a reliability point of view than we were in the mid-2000s.

Although, of course, this really shouldn't surprise us. Consumers invested billions of dollars in smart grid infrastructure and grid hardening, and so it would be a very big
problem and a very bad sign if reliability didn't improve.

And, you know, there were some reliability issues in the past. So I think the baseline we are comparing today's stats to, you can argue, is likely lower than it should have been, but I do think we are on the right path, and things are generally working as intended.

However, there are some structural issues in our energy landscape that in our opinion we need to fix in order to protect consumers, keep bills affordable, and advance reliability in the future.

With climate change, we are going to see more extreme weather events and more severe storms. Climate change is real, it's happening, and it's putting increasing stress on our electricity system.

So what do we need to do? I think ultimately there are two things, two main things. First, and most obviously, we need to continue in the direction of decarbonization. We need to move to 100
percent affordable, clean energy in Illinois as fast
as we can.

And second, we need to incorporate
more distributed energy resources into the grid, like
solar, storage, demand response, price responsive
demand, and energy efficiency. This can improve
reliability by making the grid more flexible, more
resilient, and decentralized if we have the right
policy set or framework around it.

But here I think is where we get to
the structural problem, because our energy markets,
particularly our capacity market in northern Illinois
right now is currently not structured to encourage
decarbonization and distributed energy resources. I
think honestly it's the opposite. It's set up to
kind of discourage that.

So in this going forward, I'm going
to use PJM as an example. I think it's the most
pointed, perhaps extreme. You'd have to make some
changes for MISO, but I think this issue of how do we
align our energy system with our decarbonization
goals, I think, is true across the state.
So focusing on Illinois, we would say that northern Illinois has an urgent need for capacity market reform.

Changes at the federal level mean that ComEd consumers will be forced to pay significantly more for power we don't need and pay more to actually increase carbon rather than reduce it if we as a state don't act soon.

Actually, I'm glad this slide is up there, because the 28.2 percent tells you a lot about where we are. And without being too pointed about it, that's a number that if we don't act will go significantly, significantly higher, and it will be fossil resources doing that. And that will be a significant problem if we want to pursue 100 percent clean energy, as I think we should, and if we want to protect consumers' bills, as I think we should.

So this is a very, very important issue, and I think it is something that we as a state are going to have to address.

The flipside of this -- I mean, the comments have been sort of negative so far, I
suppose, but the flipside of this is we actually have a great opportunity, I think, to continue building upon the achievements of the Future Energy Jobs Act in advancing cost effective clean energy.

If we put Illinois in charge of its own clean energy policy through taking advantage of the FRR tariff that is available at PJM, we can guarantee savings for consumers while greatly expanding renewable and distributed energy investment in the state. So we would argue that this is a big structural issue that we're going to have to deal with.

Capacity market reform, we think, is a necessary condition for advancing clean energy, but more needs to be done to secure Illinois' affordable clean energy future beyond that.

We also, I think, need to continue to align our incentive structure, the utility incentive structure, the whole energy system incentive structure with encouraging and achieving beneficial electrification incorporating cost effective distributed energy resources, and I think from a
consumer point of view, most importantly, lowering peak demand, because so much of our overall system costs and environmental costs are driven by just a few hours of the year. So if we can focus on reducing that peak, we're going to be much better off.

So all of this may seem like a tall task, but I think history suggests as a collective community we can do it. In the early mid-90s Illinois residential consumers paid the highest average electric bills in the midwest and among the highest in the country. Now, although more work needs to be done, we need to make the situation better because certainly far too many people can't afford their bills as it is, and there's also a very important caveat involving alternative suppliers that I know Sue is going to address in her presentation that we completely agree with.

But having said all of that, we have the lowest average bills in the midwest right now and sixth lowest in the country. That didn't occur by accident, we would argue. It was the result of a
series of comprehensive energy bills or strategies since 1997.

These bills weren't perfect. There were parts we liked, parts we didn't like, parts that could have been better, but I think it's fair to say overall they have worked. We have a real comparative advantage when it comes to electricity policy when compared to neighboring states.

So we look forward to working with you, the ICC staff, Governor Pritzker, the General Assembly, and all stakeholders really to continue this tradition and move Illinois towards 100 percent clean energy and secure an affordable, reliable future while we're dealing with the increasing stress of climate change.

Thank you.

MS. SATTER: Good afternoon. Thank you for having me. My name is Susan Satter. I'm with the office of the Attorney General, and thank you for having me. I will start.

I did have a presentation. I don't see it up. Do I control that here? There we go.
Thank you very much.

I'll just give you an overview of what I want to touch on.

The first, I think, is probably obvious. Illinois weather drives natural gas usage in the winter and electricity usage in the summer. So we have high gas bills in the winter and high electric bills in the summer.

The bills don't go away, so people who fall behind in the winter are trying to make that up in the summer. People who fall behind in the summer try to make it up in the winter, and some people just get caught in between.

Summertime we have a lot of light, the temperature is nice, people like to be outside. I think when I say ARES and ARGs, we all know what I mean, the independent suppliers who try to sell to consumers, take advantage of the weather and go door to door and are out in the communities. They set up stands at fairs and try to sell people independent either gas or electric supply, and I'll talk about that a little bit later.
The final important issue is summer weather means heat and storms, and people have to accommodate to those. I think that it's clear that our utilities have sufficient capacity. The problems tend to be when the storms knock out lines, trees, weather causes problems that, you know, people have to live with.

Okay. So in the summer, consumers have relief from high heating bills, but there are many consumers in Illinois who have residual debt from the winter. So just to give you a sense of magnitude, I included some numbers from our major gas company showing how many people -- how many accounts have past due bills. You can see they're in the hundreds of thousands, and it's more than 10 percent per company.

So, for example, for Nicor Gas, it's about 250,000; Peoples Gas, 227, 228,000 out of about a little less than a million customers; and Nicor, I have it as 172 deferred payment plans in 2016 out of -- I think it's about 800-something-thousand natural gas customers.
To give you an idea of some of the burdens that consumers are facing, this slide shows data from a report that the gas utilities have to file at the end of the winter moratorium and then at the beginning of the winter. So these numbers represent the number of customers who are disconnected either at the end of the winter because they haven't paid their bills, whatever, and then in September, those are the people who are still disconnected when the cold weather is coming.

And what I think is significant in these numbers is that the largest cohort of disconnects have bills over a thousand dollars, back payments over a thousand dollars. So these people have a lot of work to do to bring this number down.

LIHEAP money is available, and they rely on it to get reconnected in time for the winter, but that means that in the summer we have customers who either have no gas or warm water for heating or for cooking, and those people are kind of doing an unfortunate dance where you have your winter expenses
that kind of follow you and then you start to incur your summer expenses, and it kind of puts you in the same boat.

So what does the summer do to your electric bill? Hot weather obviously drives up electricity usage. Air conditioning is the single largest driver of electricity bills for most consumers in Illinois. If you have a pool, that can also drive your electricity bill, but for most people in northern Illinois or even, I think, throughout the state, electricity usage is the main driver.

I included the delivery charges and the supply charges for your information. And then to point out how much supply charges matter. So supply charges are either 40 or 60 percent of your usage dependent bill. So if that charge is increased from the price to compare the utility charge, that will have an effect on your total bill.

Just to give you an idea, we have seen charges as high as 14 cents a kilowatt hour, and those can more than double a consumer's bill. So
it's a big problem. The air conditioning usage can double or even triple a normal usage level.

As Dave said, supply -- suppliers are a matter that we've been concerned about. This last year, the General Assembly passed Senate Bill 651 that mandated certain disclosures in consumer protections. Unfortunately, it does not become effective until January 1st.

So that means that we can expect that suppliers will be out trying to sign customers up. And our concern -- and this goes to something that Miss Park mentioned -- is that customers don't always understand what they're buying.

If you just look at the breakdown between delivery charge and supply charge, do customers understand that? Do they understand that when they say your electric bill will be 8 cents, do they know to compare it to the supply charge, to the total charge, to the delivery charge, to the ComEd charge?

We find people don't know that, and we really do appreciate the efforts that the
utilities have made to convey to consumers what the
price to compare is, what the supply charge is, and
we are very pleased that the Commission has
authorized those disclosures on the bill, and we've
worked with the companies closely on that.

These are steps in the right
direction, but we're not convinced that we're there
yet, and I think the number of calls that the utility
customer service representatives have to answer kind
of tells you that these questions are still out
there.

So I included two slides, this one
and the next one, because I wanted to share with you
the analysis that our office has done in the city of
Chicago to show where suppliers are targeting or
where they are successful in recruiting customers.
And I think that it's noteworthy that the communities
in Chicago with the highest percentage of customers
enrolled in -- with suppliers are the lowest income
areas. That is also demonstrated on a map on the
next page.

We feel that if people understand
what they're signing up for and if they have the
proper information to do comparisons, maybe we can
bring these numbers down and relieve the stress on
people who are already stressed with energy bills by
eliminating or maybe at least protecting them from
the worst offenders.

Again, the new bill that my office
was a big proponent of takes effect January 1st. So
we're hopeful that that increased disclosure will be
helpful and will help reverse some of this disparity
that we're seeing.

So the third element of the summer
dangers are heat and storms. I think one of the most
disturbing books that I have ever picked up, and I
admit I couldn't get through it, was Eric
Klinenberg's book on the 1995 heat wave in Chicago,
and the value in that book is that it explains how
individuals reacted to the heat and the interaction
between their perception of the cost to cool and
their behaviors.

Another prior year that was a big
problem was 2011 when northeastern Illinois had a lot
of outages. More than 2 million customers were affected, some for over 24 hours. I think that after that summer, efforts were made to improve the system to minimize those kinds of experiences.

This next slide I think is interesting because it shows that summer heat is actually more deadly than floods, lightning, tornados, and hurricanes combined, and that's according to the Center For Disease Control. According to the CDC, there are 384 deaths in the country due to heat alone. So that just emphasizes the importance of people not feeling restricted in accessing summer cooling. So 2011 was a bad year.

Are fewer customers being affected by outages? Mr. Donnelly presented some statistics, and I spoke to him a little bit afterwards, and he said, yes, the numbers that he showed include all storms.

Now, as you probably know, under the EIMA law, the smart grid law, there are performance standards, and one of those performance standards is storm outage performance. Now, looking at the storm outage reports that ComEd and Ameren file under the
performance metrics, I just want you to be aware of
the fact that the utility can exclude up to nine
storms.

So as a result, what happens is the
performance is affected pretty significantly by the
number of storms that are excluded. So, for example,
in 2018, ComEd was able to exclude all the summer
storms. So ultimately, you had no storm outages.
You were looking at what we sometimes call blue sky
outages, non-storm-related outages.

But people live with storm-related
outages. If it's a long outage, if it's an hour, if
it's two hours, if it's 12 hours, if it's 24 hours,

it doesn't matter to the consumer whether it's an
excluded outage or not. But for purposes of
performance, you need to know that the utilities are
entitled to exclude those outages.

Commonwealth Edison's Annual Report
does a very good job of including this information in
an appendix.

This is an impossible-to-read slide,
but when you have it in front of you on paper, it
just gives you an idea of the exclusions. So you can see kind of the scope. How many are excluded versus how many are included, and this is for ComEd.

For Ameren, their reporting is not quite as transparent, I have to say. I had a more difficult time finding the total storms. So they report the number of excluded events, the number of customers affected, and their ultimate performance, but we don't know how many storms are included from their metrics report.

So I would just like to conclude that, as we all know, summer of 2019 is getting off to a very slow and wet start. That means our June bills are not going to be too bad. Maybe our early July bills are going to look okay. So there's less impact from air conditioning use on everybody.

Another issue related to the cooler weather is that utility revenue is weather sensitive, but due to formula rates, ComEd and Ameren can collect their total authorized return irrespective of weather.
So that means in the future while customers are saving today there will be an adjustment on their bills in the future to accommodate the cooler weather.

I think we've already talked about the effect of high heating bills, the interaction between high heating bills and high electricity bills for consumers, our concerns about ARES and ARGs, and heat and storms are a constant in the summer.

So on that note, I thank you very much for your attention, and I'd be happy to answer questions or followup on anything.

MS. THIBODEAUX: Thank you for your presentation.

As she stated, Chair, Commissioners, any questions for the presenters at the moment?

(No response.)

MS. THIBODEAUX: Does anyone in the audience have any questions for our presenters?

(No response.)

MS. THIBODEAUX: So at this time, I just want to again thank our presenters and our audience
for attending our 2019 Summer Preparedness Policy Session, and at this time, we will conclude.

    Thank you.

(WHEREUPON, the meeting was adjourned.)