

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22

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

SULLIVAN REPORTING COMPANY
BY: JO ANN KROLICKI, CSR
License No. 084-002215

1 COMMISSIONER KIMBREL: Good morning and
2 welcome.

3 Pursuant to the Illinois Open
4 Meetings Act, I now call to order the Illinois
5 Commerce Commission 2019 Summer Preparedness Policy
6 Session.

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

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

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

20 On behalf of the Commission, I'd like
21 to thank today's presenters for the efforts that they
22 put into these presentations, and I think we all look

1 forward to the discussions that we'll have.

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

6 Okay, Carrera, it's all yours.

7 MS. THIBODEAUX: I'll speak loud.

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

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

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

22 For our first panel, each utility

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

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

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

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

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

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

22 MR. DONNELLY: Thank you very much, and

1 good morning, everyone. I'm Terry Donnelly,
2 President and Chief Operating Officer for ComEd.

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

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

16 2018 highlights. Over the years, we
17 have seen tremendous improvement in our ability to
18 deliver sustainable and reliable service to our
19 customers. Overall, we've seen a 60 percent
20 improvement in reliability compared to the five years
21 before the Energy Infrastructure Modernization Act
22 Investment Plan began.

1 And for the second consecutive year,
2 we've reached all of our, as we call it, EIMA
3 metrics. There are many statistics on the slide that
4 indicate the improvement -- I would highlight that
5 ComEd and, I'm sure, all of our colleague utilities
6 here in Illinois are pleased to play a role in
7 helping Illinois earn second spot in the grid
8 modernization index for the country for the fourth
9 consecutive year, and actually, we're second to
10 California. Tied for first in grid operations,
11 tied with California. So we're all proud to be a
12 part of that for that recognition for the State of
13 Illinois.

14 Reliability across all metrics has
15 improved since our work has begun. Our All in
16 Safety, all in means all in with storms, measures the
17 frequency of outages and CAIDI, which measures the
18 duration of outages, which includes storms, is down
19 45 percent and 30 percent respectively since smart
20 grid work started.

21 And last November, we see a little
22 uptick there. We did experience the largest winter

1 storm since 1998. That was Winter Storm Bruce
2 approximately interrupting 300,000 customers with an
3 inch of ice and 12 inches of heavy, wet snow and high
4 winds, which caused obviously very tough working
5 conditions. And those are in those numbers there as
6 well, but, as we can see, there's strong improvement
7 over the years.

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

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

18 Earlier this year, we successfully
19 completed a test of the first phase of the project,
20 which included upgrades for resiliency, the
21 installation of energy storage, and solar PV on the
22 roofs of the Dearborn Homes, which is very exciting.

1 Actually, you can kind of see some of that if you're
2 on a plane landing at Midway. You can actually see
3 some of the solar panels as you go over. It's pretty
4 dramatic. At least I think it is.

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

12 For this coming summer, I would like
13 to state for the record we are well-positioned to
14 provide reliable service to our customers and to our
15 communities. We anticipate a peak load of over
16 25,000 megawatts.

17 Now, we haven't seen that kind of
18 peak in a number of years. Our last peak load was in
19 2011, close to that in 2012. That peak load is
20 estimated -- and it's a 90/10 peak load, meaning one
21 in ten years. So it's a more severe forecast in
22 terms of having extremely hot weather, one in 10 year

1 type of hot weather.

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

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

12 MR. PEREZ: Good morning. Can everyone
13 hear me? Okay. Now that's much better; right?
14 Thanks, Jane. She's always helping me out.

15 Let me begin by on this next slide
16 here highlighting two of the programs that we have
17 available to help us manage demand on peak days.
18 I'll highlight two of them.

19 The first one is our voluntary load
20 response program, which has roughly around 2,300
21 customers enrolled in this program. And that
22 provides us with around 968 megawatts of demand that

1 we can call upon if needed.

2 The next one is our peak time savings
3 program, which has roughly around 290,000 customers
4 enrolled, and that provides us about 86 megawatts of
5 demand response that we can call upon. This one has
6 saved our customers in 2018 roughly around
7 \$3.1 million.

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

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

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

1 improvement.

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

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

13 And then in November, Winter Storm
14 Bruce brought some blizzard-like conditions. It was
15 one of the worst winter storms that we had
16 experienced in awhile. It impacted roughly over
17 300,000 customers in our service territory.

18 And to assist in that restoration, we
19 called upon our sister utilities and also some of our
20 other utilities that we're in partnerships with
21 through mutual agreements, mutual aid agreements.
22 So, again, we continue to foster continuous

1 improvement, but as well, build stronger
2 relationships for mutual aid assistance. Because,
3 you know, we know that we need to support that, and
4 we also need to call upon our sister utilities and
5 other agencies that are in these agreements to help
6 respond to these major events.

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

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

21 We partnered with more than 80 other
22 agencies across the state to drill for the exercise,

1 and, you know, every year we find these events get
2 even deeper in terms of the learnings and the things
3 that we can share and across all of the participants
4 and learn, which is very important.

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

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

21 So we have a very large fleet of
22 large generators that we can deploy across the

1 distribution system. And, again, storm material
2 response kits that we have staged, ready,
3 well-supplied to respond to any major significant
4 event, whether it's a local community event or more
5 of a -- you know, across our whole service territory.
6 We go through that. We all sign up for that and make
7 sure that we sign off on all these plans to make sure
8 that they're there and they're available to be called
9 upon and deployed.

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

16 And there's another substation in
17 2019 that will be completed as well. So that will
18 give us six substations that we've made some
19 significant investments in terms of flood mitigation
20 plans and infrastructure to help mitigate that
21 flooding in major critical substations.

22 Now I'll turn it over to Jane.

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

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

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

20 At ComEd, we've been thinking very
21 deeply -- ever since last fall, we've been really
22 trying to do a cross-functional analysis of how do we

1 reimagine what the low income experience is like for
2 our customers. We have segments of our customers who
3 find the summer much more challenging, and,
4 therefore, summer preparedness takes on a completely
5 different meaning for them.

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

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

22 And when I had lunch with them last

1 week and told a group of them that this Commission
2 gave that final order, they burst out in spontaneous
3 applause, because they're from the challenged
4 communities that they serve every day, and they were
5 grateful that they were being empowered by the
6 Commission and by stakeholders to be able to talk to
7 customers about what they need.

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

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

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

19 MS. PARK: Thank you, Commissioner Kimbrel.
20 I appreciate that indulgence.

21 If we can move then to the next
22 slide, which is the Future Energy Jobs Act. So when

1 we think about summer preparedness in terms of the
2 customer side, it's not only -- you know, it's how do
3 we make sure that in a time of high heat we're
4 encouraging our customers to use less energy, and
5 that was the game-changing effort of the Future
6 Energy Jobs Act.

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

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

16 And when you combine that computing
17 power with that visibility and then you seamlessly
18 integrate it into the grid, what it means is that
19 ComEd and other utilities are able to deliver much
20 more optimal power to every home within the
21 appropriate voltage ranges, and that means that
22 customers without changing their behavior are

1 actually going to be able to use less energy which
2 translates into a carbon environmental impact, a
3 positive impact in our service territory.

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

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

18 If you turn to the next slide, I
19 always think this is funny in the sense of talking
20 about the Future Energy Jobs Act and solar in a
21 summer like this. We'll be lucky if we string two
22 sunny days together, sometimes I feel like, this

1 summer.

2 But we have been working hard to
3 make sure from the perspective of our customers, as
4 they get ready for the sun, are we prepared to serve
5 their needs and advise them about solar, because we
6 have a commitment to bringing more solar into our
7 service territory.

8 So you'll see that we've had, like,
9 1500 new solar projects, which adds, like, 15
10 megawatts more of generation onto our system, which
11 is fantastic. To help customers who don't know if
12 solar might be good for them, we created a digital
13 solar calculator and a digital solar toolkit. So if
14 you want to find out for yourself, you can just
15 measure your own roof's radiation and figure out if
16 that's good for you.

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

20 Then in terms of workforce
21 development, bringing solar, bringing energy
22 efficiency to our service territory was important,

1 but not if you don't grow jobs. So what you see on
2 the last part of that slide is just our commitment to
3 growing the solar pipeline installers, to growing the
4 craft apprenticeship, and also to just basically
5 growing multicultural programs with \$10 million in
6 aid.

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

17 It might be summer to us, but with
18 all the rains, we learned that it was tough on our
19 customers who are farmers. So we were approached by
20 the Farm Bureau to go out to Freeport and help their
21 farmers manage through this summer season. Because
22 for them, with their high bills, but also with the

1 planting season that they're facing, they need
2 assistance.

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

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

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

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

1 our strategies going forward.

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

5 MR. SEARS: Good morning, Commissioners.
6 My name is Arick Sears. I'm an attorney with
7 MidAmerican Energy Company, and we'll be speaking
8 with you today about our company's efforts to prepare
9 for the upcoming summer peak season.

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

16 So just a bit of background on
17 MidAmerican. We are part of the Berkshire Hathaway
18 Energy family of utilities, and we are headquartered
19 a few hours to the west in DesMoines, Iowa. Our
20 service territory encompasses about 10,600 square
21 miles and covers portions of four states, including
22 Iowa, Nebraska, South Dakota, and, of course,

1 Illinois where we serve the Illinois portion of the
2 Quad Cities and the surrounding area.

3 In this state, we have approximately
4 85,000 electric customers and 66,000 natural gas
5 customers. The Company also has approximately 11,000
6 megawatts of owned and contracted generation. Of
7 that, we have allocated about 385 megawatts to serve
8 our customers in Illinois.

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

14 MR. HAMMER: Thanks, Arick.

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

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

22 On this first slide, I'll discuss our

1 summer peak coverage for the summer of 2019 where you
2 can see here MidAmerican is well-positioned to meet
3 the load forecast that is upon us.

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

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

16 Extreme weather forecasts elevate
17 our load forecast about 5377 megawatts, and under
18 that scenario, we would be about 7 percent in
19 excess of our load requirement. You can see the
20 bottom table shows our all-time peak of record was
21 5,051 megawatts. That occurred last summer on July
22 12th.

1 As I mentioned, our Illinois service
2 territory is now participating in the Illinois Power
3 Agency processes. We began that in the summer of
4 2015 through data submittals and filings there. We
5 allocate a portion of our historical resources to
6 Illinois through that process.

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

12 Overall position in Illinois is about
13 90 megawatts. Shortfall of that is procured through
14 the MISO capacity auction.

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

1 procedures.

2 Significant for MISO is we are
3 nearing the completion of the MISO multi-value
4 projects, and those have been completed in Iowa as of
5 the end of the year 2018. There are some key legs
6 here that we're looking forward to being completed in
7 2019 and 2023 that should, again, improve reliability
8 and import/export capability to and from the
9 MidAmerican system.

10 For vegetation management, we perform
11 a three-year trim cycle on our distribution system
12 clearances. We perform annual inspections and
13 perform remediation where it's indicated.

14 Tree-related outages, we review those where there are
15 significant customer events, and we've reviewed those
16 to see if there are any additional steps that need to
17 be taken for future safety and reliability.

18 For 2018, our Illinois customer
19 outage percentage was 12.9 percent of customer outage
20 minutes. That's excluding storm-related events.
21 Just tree-related outages. It's 17.2 percent if you
22 include summer events. Over a five-year period,

1 there's generally a decline in that, and we attribute
2 that to increased attention to pruning and overall
3 health of the trees.

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

6 MR. SEARS: Thank you.

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

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

1 of incidents.

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

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

17 In addition, we have, you know, our
18 Facebook and Twitter feeds, which we use in order
19 to communicate with customers. And in communities
20 where there's a widespread outage, we also have
21 through corporate communications sort of direct
22 employees who are embedded in those communities who

1 communicate with local officials about restoration
2 time and the hierarchy of restoration for critical
3 infrastructure, water pumps and things of that nature
4 as well.

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

16 Additionally, we are beginning to
17 deploy distribution automation on our system through
18 2019 and 2020, which will automatically isolate those
19 faults and reroute the load in order to get customers
20 up more quickly as well.

21 And this just is also a slide that
22 shows how our customers can see the restoration

1 efforts in our area. This is available both within
2 the company and also customer facing as well on our
3 website, which shows the number of customers out in
4 our major service areas.

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

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

19 Just from a high level of --
20 relatively similar to the plan that we currently have
21 with them, it will include all of the major
22 residential and nonresidential programs that are

1 currently in our program.

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

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

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

15 This first slide is just simply a
16 review of what we're going to be discussing today,
17 transmission and resource adequacy, the summer peak
18 loads, Ameren Illinois supply portfolio, as well as
19 information around our retail electric supply load
20 and demand response programs along with readiness,
21 transmission and distribution facilities, emergency
22 preparedness and response, as well as, obviously, our

1 contact centers and communication strategy.

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

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

15 So what does that look like? 2018,
16 roughly our summer peak load was 7,52 megawatts.
17 2019 expected is around 7105 megawatts with a
18 worst-case scenario for planning purposes of 7,567
19 megawatts.

20 To take that a step further and break
21 it out, Ameren Illinois load versus our retail
22 electric supply, you can see we're at 1880 megawatts

1 while the retail electric supplier load is 5,225,
2 which gets us to the 7,105 megawatts of load. You'll
3 see to the right of the column that MISO requires a
4 7.9 percent margin added to that, which gets us to
5 the 7,667 capacity required for our customers.

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

16 Discussing the retail electric
17 suppliers around transmission and resource adequacy,
18 we do not anticipate any transmission constraints on
19 the Ameren Illinois system that would inhibit the
20 adequate supply to RESEs. Our RESEs designate their
21 supply resources to MISO and make arrangements for
22 transmission services.

1 Talk about Ameren Illinois, the
2 transmission side of it, roughly 5,048 circuit miles
3 of transmission. No Ameren Illinois transmission
4 facilities are anticipated to be loaded above the 100
5 percent expected load levels. This is an analysis
6 that's done through NERC and SERC and some planning
7 standards.

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

14 And then our transmission vegetation
15 management program. We have a very comprehensive
16 management program compliant with NERC standards. It
17 entails a minimum of annual aerial or ground patrols
18 on everything over 100 kv and up. We also have an
19 annual review of trimming schedules and vegetation
20 control process by vegetation management. Our target
21 for that is a zero preventable tree contact related
22 to transmission outages for vegetative management

1 group.

2 I'll turn it over to George to talk
3 about some of the distribution reliability side of
4 it.

5 MR. JUSTICE: Good morning.

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

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

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

22 And we're also doing primary and high

1 voltage distribution line rebuilds.

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

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

17 We have 19 circuits operating just
18 now. We just got started in 2018. And we have an
19 additional 132 circuits that we're going to deploy in
20 2019 and have those ready by year end.

21 Talk about distribution vegetation
22 management, of course, we're going to meet all legal

1 and regulatory compliance requirements. We're
2 focusing on mowing and spraying operations along our
3 right-of-way corridors, and that gives us better
4 access to our facilities, but it also reduces our
5 future trimming requirements.

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

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

1 path for us to get in there.

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

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

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

1 ongoing inspections of our typical equipment.

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

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

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

21 We continue to enhance proactive
22 communications to stakeholders and customers focused

1 on estimated -- we call them safe restoration times,
2 and we're engaged with the state emergency operations
3 centers with local and county entities and do our
4 best to provide critical information to statewide
5 situational awareness.

6 And I'll turn it back to Brice.

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

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

20 We also have a very proactive,
21 obviously, PR and media relations, the social media,
22 Twitter, digital customer reps. Reps respond to

1 inquiries on social channels.

2 And then also we provide safety
3 training for first responders for disaster safety
4 recovery.

5 So a couple of the -- this is a newer
6 program. I think as Jane mentioned earlier, we live
7 in a digital world now.

8 Enhanced Digital Customer Features.
9 This is a new program that our customers can simply
10 text to Ameren. You just spell out Ameren on your
11 phone. You can text, STAT, or if you're out of
12 power, then you'll get responses based on those texts
13 and a response.

14 We have to have your phone number,
15 and it's also an incentive to help our customers get
16 the phone numbers and the contact information to us.
17 If we have the phone numbers, you get the response.
18 I've got to be honest with you. I did it myself just
19 a little bit ago. It does work.

20 On the communicating with customers,
21 we have the bill inserts. Obviously, as any utility,
22 it's how do we communicate with all of our customers.

1 Some are in social media. Some are not. We continue
2 the bill inserts. We have the social media.
3 Obviously, trying to push -- you know, budget billing
4 is always a good tool to help customers deal with
5 increased electric charges over the summer months to
6 spread those charges off a 12-month period.

7 And then our summer multimedia
8 campaign. This is something that's new, also. So if
9 temperatures are rising, let's say it's going to be
10 105 degrees, which is not uncommon in southern
11 Illinois or certain parts of our area, if folks go
12 to, like, the weather channel app or things like
13 that, they will get a message from Ameren ensuring
14 them that we're prepared to deliver energy in these
15 extreme conditions.

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

20 Helping customers, Brighten the
21 Block, this is a program. We have volunteers.
22 Brighten the Blocks, certain cities in our service

1 territory, we put new LED bulbs up on people's
2 porches.

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

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

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

22 And at this time I'd ask if the Chair

1 or Commissioners have any questions for our
2 presenters?

3 (No response.)

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

6 (No response.)

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

10 MR. DONNELLY: Thank you.

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

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

20 Whenever you're ready, please begin.

21 MR. KUZMAN: I take it we push the green
22 button, and we're good to go?

1 Thank you, Madam Chairman and Members
2 of the Commission. My name is Bob Kuzman, and I am
3 the Director of State and Regulatory Affairs for
4 MISO.

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

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

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

21 Briefly, who is MISO and what do we
22 do? MISO is an independent, not-for-profit, unbiased

1 third-party grid operator in a regional transmission
2 organization.

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

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

18 What do we do? We provide an
19 independent transmission system access, deliver
20 improved reliability coordination, and perform
21 efficient market operations. Our goal at MISO is to
22 ensure electricity is delivered reliably at the

1 lowest possible cost to consumer.

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

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

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

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

22 This slide just shows you what

1 2019 -- sort of the resources that we have. Our
2 minimum reserve requirement is 16.8 percent, and our
3 reserves are at 19.3. So you can see we have plenty
4 of reserves to make sure that we cover the demand
5 forecast of 127.7, and with the reserve margin, that
6 puts it at 149.8, and we have enough capacity to
7 cover those demands.

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

12 As we talked about, our MISO-wide
13 2019 reserve margin target is roughly 16.8, and our
14 base scenario reserve margin is at 19.3.

15 You can see the scales are --
16 depending on what happens, if we have low generation,
17 or in high load, it can move the scales. And such
18 things that cause the scales to move is resource
19 outages, load estimates were off, or we had warmer
20 than normal weather, which we haven't had lately. We
21 haven't put two days together with the sun, as we
22 talked about earlier, so, hopefully, we'll all be

1 able to enjoy a little bit of sunlight around here,
2 and resources are limited by transmission, either by
3 transmission outages or by congestion on the
4 transmission system.

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

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

22 So as we continue to see that, we'll

1 continue to utilize our load modifying resources
2 across our footprint to make sure that we do keep the
3 lights on, which is our main priority.

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

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

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

22 That chart goes through that, and

1 there's a little explanation on the back page. I
2 don't need to go into detail about that. That sort
3 of summarizes what I just discussed.

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

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

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

1 mean a lot to me.

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

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

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

18 So the next then very important
19 number to go to is that megawatts of generating
20 capacity. That is a current number. On this slide,
21 it's as of January 1. You'll see a couple of changes
22 as we go through slides, because as we go through the

1 year, more generators come online. That's 180,000
2 and change.

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

8 So let's hop along to the next slide.
9 I'm going to echo exactly what Bob said from MISO
10 here. We're seeing the exact same thing. This a
11 slightly different vendor, I believe, for the
12 forecast. Temperatures are looking a little bit
13 warmer than average out east, but -- mostly normal,
14 but a little below normal average technically for the
15 far western part of our footprint, which includes
16 part of Illinois. But more or less, we don't have
17 a lot of big temperature swings or extreme
18 temperatures expected over the entire footprint for
19 the summer.

20 So going all time is interesting.
21 Those numbers are important for a number of
22 reasons, but more recent data tends to be a little

1 bit more helpful. So let's look at this summer and
2 what we're expecting for this summer versus last
3 summer.

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

12 To be clear, this is a 2018
13 projection for the summer for what we thought at the
14 time. So how well did we do on that projection? At
15 the bottom there -- unfortunately, it's a bit small
16 font, but it says what our peak metered load was in
17 2018, and that's 150.5 thousand megawatts.

18 Now, we did not have to call demand
19 response into place, so the number you're comparing
20 that to is in the 2018 column, the 152 and change.
21 So 150.5 versus 152, that's a pretty good guess all
22 things considered.

1 So we came pretty close to
2 projections, and we had no trouble dealing with the
3 loads on those days. We had all this demand
4 response, which MISO has a different name for, but
5 it's the stuff we have in our back pocket even as
6 part of the emergency procedures that we can use to
7 further reduce load in the footprint under a
8 controlled and agreed upon basis with some of our
9 customers.

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

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

20 You can see there's only two sets of
21 dots on this. All those other upgrades have
22 certainly occurred, but there's only two that kind of

1 we draw a highlight to.

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

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

19 But otherwise, we didn't really have
20 a good reason to push ComEd to do tons and tons of
21 major 345 kv work because their system has been
22 operating very well, and it's been very stable for

1 many, many years now. That's why this list is so
2 small. Even what they did do wasn't completely game
3 changing. It just could help under certain
4 scenarios.

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

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

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

20 We run any number of different
21 variations of study. The 50/50 nondiversified peak
22 load base case, a very fancy sounding word, what that

1 means is it's our best guess. What nondiversified
2 means is because we have such a large footprint, we
3 have 27 utilities, instead of taking what we think
4 the total for that 50/50 would be for the entire
5 footprint, we do it by individual utility.

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

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

16 Our installed capacity. This number
17 now includes some of the generation that came into
18 service since the 1st of this year. There's a lot of
19 generation coming online. Again, in recent years,
20 we've seen these total peak loads go down, and a lot
21 of that, if you go to deal with them, there's a ton
22 of transmission upgrades. We've seen a lot of energy

1 efficiency come in all over the footprint, including
2 here in Illinois, and there's a lot of behind the
3 meter generation. Even if people add solar panels to
4 their house, they're not required to go to PJM and
5 say, PJM, I have this generation here. If it
6 operates, all we see it as lower load. That's all we
7 see. But that's one of the affects that comes into
8 play.

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

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

21 So what did we see? Long story
22 longer. No reliability issues for both the base case

1 and the N-minus-1 analysis. I'm not sure if everyone
2 here is familiar with N-minus-1, but basically what
3 we run for every piece of equipment in the system --
4 MISO does it the exact same way. ComEd, Ameren,
5 everyone we heard talk here today, they run the same
6 type of analysis.

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

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

18 We do have a note there, the second
19 bullet, some off-cost generation and re-dispatch is
20 expected to control current issues. This is a daily
21 occurrence. Very seldom does PJM or MISO, for that
22 matter, get through any day without any off cost. So

1 that's nothing to be alarmed about.

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

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

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

17 We've incorporated that study, the
18 50/50 in here, but there's a lot more things that go
19 on in order for us to prepare for summer, to be sure
20 that we're ready for it. The summer seasonal
21 assessment contains studies of very, very extreme
22 load studies in addition to what we've talked about.

1 There's tons of emergency drills that we run
2 throughout the year, but some that concentrate on the
3 summer.

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

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

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

1 ability to help them out, as they might help us out
2 if we have a very, very bad day.

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

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

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

22 A major way we do this is enforcing

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

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

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

21 So with that said, while I can't sit
22 here and tell you what emergencies may happen this

1 summer, I can tell you that PJM, MISO, and all of our
2 utilities are very well-prepared, well-equipped with
3 both the equipment out in the field and our personnel
4 and our operators to handle them, and I thank you all
5 for your time today.

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

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

10 (No response.)

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

13 (No response.)

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

19 (WHEREUPON, a brief recess
20 was had.)

21 MS. THIBODEAUX: Okay. So representing the
22 consumer advocates, we have the Citizens Utility

1 Board, which has David Kolata, who is also the
2 Executive Director.

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

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

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

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

19 Although, of course, this really
20 shouldn't surprise us. Consumers invested
21 billions of dollars in smart grid infrastructure
22 and grid hardening, and so it would be a very big

1 problem and a very bad sign if reliability didn't
2 improve.

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

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

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

19 So what do we need to do? I think
20 ultimately there are two things, two main things.
21 First, and most obviously, we need to continue in the
22 direction of decarbonization. We need to move to 100

1 percent affordable, clean energy in Illinois as fast
2 as we can.

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

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

17 So in this going forward, I'm going
18 to use PJM as an example. I think it's the most
19 pointed, perhaps extreme. You'd have to make some
20 changes for MISO, but I think this issue of how do we
21 align our energy system with our decarbonization
22 goals, I think, is true across the state.

1 So focusing on Illinois, we would say
2 that northern Illinois has an urgent need for
3 capacity market reform.

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

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

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

21 The flipside of this -- I mean, the
22 comments have been sort of negative so far, I

1 suppose, but the flipside of this is we actually have
2 a great opportunity, I think, to continue building
3 upon the achievements of the Future Energy Jobs Act
4 in advancing cost effective clean energy.

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

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

17 We also, I think, need to continue to
18 align our incentive structure, the utility incentive
19 structure, the whole energy system incentive
20 structure with encouraging and achieving beneficial
21 electrification incorporating cost effective
22 distributed energy resources, and I think from a

1 consumer point of view, most importantly, lowering
2 peak demand, because so much of our overall system
3 costs and environmental costs are driven by just a
4 few hours of the year. So if we can focus on
5 reducing that peak, we're going to be much better
6 off.

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

19 But having said all of that, we have
20 the lowest average bills in the midwest right now and
21 sixth lowest in the country. That didn't occur by
22 accident, we would argue. It was the result of a

1 series of comprehensive energy bills or strategies
2 since 1997.

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

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

16 Thank you.

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

21 I did have a presentation. I don't
22 see it up. Do I control that here? There we go.

1 Thank you very much.

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

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

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

14 Summertime we have a lot of light,
15 the temperature is nice, people like to be outside.
16 I think when I say ARES and ARGS, we all know what I
17 mean, the independent suppliers who try to sell to
18 consumers, take advantage of the weather and go door
19 to door and are out in the communities. They set up
20 stands at fairs and try to sell people independent
21 either gas or electric supply, and I'll talk about
22 that a little bit later.

1 The final important issue is summer
2 weather means heat and storms, and people have to
3 accommodate to those. I think that it's clear that
4 our utilities have sufficient capacity. The problems
5 tend to be when the storms knock out lines, trees,
6 weather causes problems that, you know, people have
7 to live with.

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

17 So, for example, for Nicor Gas, it's
18 about 250,000; Peoples Gas, 227, 228,000 out of about
19 a little less than a million customers; and Nicor, I
20 have it as 172 deferred payment plans in 2016 out
21 of -- I think it's about 800-something-thousand
22 natural gas customers.

1 To give you an idea of some of the
2 burdens that consumers are facing, this slide
3 shows data from a report that the gas utilities
4 have to file at the end of the winter moratorium and
5 then at the beginning of the winter. So these
6 numbers represent the number of customers who are
7 disconnected either at the end of the winter
8 because they haven't paid their bills, whatever,
9 and then in September, those are the people who
10 are still disconnected when the cold weather is
11 coming.

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

17 LIHEAP money is available, and they
18 rely on it to get reconnected in time for the winter,
19 but that means that in the summer we have customers
20 who either have no gas or warm water for heating or
21 for cooking, and those people are kind of doing an
22 unfortunate dance where you have your winter expenses

1 that kind of follow you and then you start to incur
2 your summer expenses, and it kind of puts you in the
3 same boat.

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

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

20 Just to give you an idea, we have
21 seen charges as high as 14 cents a kilowatt hour, and
22 those can more than double a consumer's bill. So

1 it's a big problem. The air conditioning usage can
2 double or even triple a normal usage level.

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

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

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

21 We find people don't know that, and
22 we really do appreciate the efforts that the

1 utilities have made to convey to consumers what the
2 price to compare is, what the supply charge is, and
3 we are very pleased that the Commission has
4 authorized those disclosures on the bill, and we've
5 worked with the companies closely on that.

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

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

22 We feel that if people understand

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

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

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

21 Another prior year that was a big
22 problem was 2011 when northeastern Illinois had a lot

1 of outages. More than 2 million customers were
2 affected, some for over 24 hours. I think that after
3 that summer, efforts were made to improve the system
4 to minimize those kinds of experiences.

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

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

18 Now, as you probably know, under the
19 EIMA law, the smart grid law, there are performance
20 standards, and one of those performance standards is
21 storm outage performance. Now, looking at the storm
22 outage reports that ComEd and Ameren file under the

1 performance metrics, I just want you to be aware of
2 the fact that the utility can exclude up to nine
3 storms.

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

11 But people live with storm-related
12 outages. If it's a long outage, if it's an hour, if
13 it's two hours, if it's 12 hours, if it's 24 hours,
14 it doesn't matter to the consumer whether it's an
15 excluded outage or not. But for purposes of
16 performance, you need to know that the utilities are
17 entitled to exclude those outages.

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

21 This is an impossible-to-read slide,
22 but when you have it in front of you on paper, it

1 just gives you an idea of the exclusions. So you
2 can see kind of the scope. How many are excluded
3 versus how many are included, and this is for
4 ComEd.

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

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

18 Another issue related to the cooler
19 weather is that utility revenue is weather sensitive,
20 but due to formula rates, ComEd and Ameren can
21 collect their total authorized return irrespective of
22 weather.

1 So that means in the future while
2 customers are saving today there will be an
3 adjustment on their bills in the future to
4 accommodate the cooler weather.

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

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

13 MS. THIBODEAUX: Thank you for your
14 presentation.

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

17 (No response.)

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

20 (No response.)

21 MS. THIBODEAUX: So at this time, I just
22 want to again thank our presenters and our audience

1 for attending our 2019 Summer Preparedness Policy
2 Session, and at this time, we will conclude.

3 Thank you.

4 (WHEREUPON, the meeting was
5 adjourned.)

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22