

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

Illinois Commerce Commission)	
On Its Own Motion)	
)	23-NOI-01
Notice of Inquiry Regarding)	
Ameren Illinois RTO Cost-Benefit)	
Study)	

INITIAL COMMENTS OF COMMONWEALTH EDISON COMPANY

Commonwealth Edison Company (“ComEd”) submits these Initial Comments in response to this Notice of Inquiry (“NOI”). On July 21, 2023, in response to Commission direction in Docket No. 22-0485, Ameren Illinois (“Ameren”) filed a Regional Transmission Organization (“RTO”) Cost-Benefit Study (“Ameren Report”) analyzing benefits and costs of its continued membership in Midcontinent Independent System Operator (“MISO”) versus terminating its membership in MISO and becoming a member of PJM Interconnection, LLC (“PJM”). ComEd appreciates the opportunity to share with the Commission, Staff, and fellow NOI respondents its views on the Ameren Report and the impact on Illinois and Illinois customers that a change in Ameren’s RTO membership could have.

In sum, a change in the RTO membership of a major Illinois utility may have impacts on Illinois and on Illinois customers. The Ameren Report analyzes a ten-year period of 2025-2034 and projects that an Ameren move to PJM would result in approximately \$3.4 billion of additional net costs for electric customers in the state of Illinois over those ten years. While the question of RTO membership is ultimately FERC-jurisdictional, ComEd appreciates the efforts of the Commission to evaluate the types of costs identified by the Report.

In comparing the economic benefits and costs of the *Status Quo Case* versus the *Join PJM Case*, the Ameren Report analyzes costs and benefits falling into five categories: (1) energy trade benefits, (2) transmission expansion costs, (3) capacity costs, (4) RTO administrative costs, and (5) exit and integration fees. According to the Report, Illinois is forecasted to experience a total increase in costs of approximately \$3.4 billion from 2025-2034 if Ameren were to join PJM. Of those costs, the vast majority would be the result of increased capacity costs, totaling approximately \$3.35 billion statewide – \$2.27 billion of increased capacity costs for ComEd and \$1.07 billion for Ameren. The Ameren Report translates these net projected costs into potential customer bill impacts of an additional 0.43 cents/kWh (approximately \$37.50/year) for ComEd residential customers and 0.22 cents/kWh (approximately \$19.00/year) for Ameren residential customers. ComEd acknowledges that the economic factors analyzed, including effects on capacity markets and prices, could impose significant costs on Illinois customers, including customers in the current ComEd load zone as well as customers of Ameren.

The Report also states that the underlying forecasts indicate that “there are more renewable buildouts in [Ameren] and less in ComEd in the *Join PJM Case*,”¹ and it concludes that Illinois carbon dioxide, sulfur dioxide, and nitrous oxide “emissions decrease when [Ameren] moves to PJM due to increased generation from renewables,”² but that “ComEd ... sees increased local emissions as increased exports to [Ameren] are balanced by additional fossil generation.”³ ComEd agrees that, depending on generation dispatch and other factors, the ComEd zone could experience

¹ Ameren Report at 34.

² Id. at 31.

³ Id. at 33.

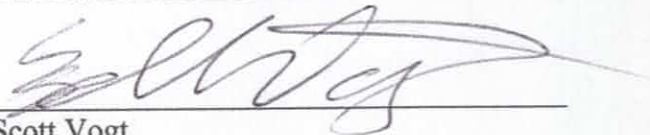
more local greenhouse gas emissions if Ameren joined PJM, which would be contrary to both ComEd goals and Illinois policy.

ComEd believes the risk of increased costs (both monetary and non-monetary) must be carefully analyzed along with the other potential qualitative benefits and considerations described in the Ameren Report. However, ComEd was neither a party to Docket No. 22-0485 nor involved in the preparation of the Ameren Report,⁴ and the Report itself does not provide sufficient information to allow ComEd to independently validate or dispute its conclusions.

ComEd is fully committed to helping the state achieve its decarbonization goals enabled by a flexible, resilient, carbon-free grid, while continuing to provide safe, reliable, and affordable energy service for every customer. ComEd supports the Commission gathering as much useful information as it can to help consider options or actions and their potential impacts, to further the State's goal of equitably transitioning to 100% clean energy.

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Respectfully submitted,
COMMONWEALTH EDISON COMPANY



Scott Vogt
Vice President, Strategy & Energy Policy
Commonwealth Edison Company
1919 Swift Drive
Oak Brook, Illinois 60523
scott.vogt@comed.com

⁴ Ameren enlisted Charles River Associates, Astrapé Consulting, and Quanta Technology, LLC to prepare the Ameren Report on its behalf.