

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

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

REPLY COMMENTS OF
PRAIRIE POWER, INC.

Prairie Power, Inc. ("PPI") respectfully submits the following reply comments to the Illinois Commerce Commission's ("ICC") Notice of Inquiry ("NOI") regarding the Ameren Illinois RTO Cost-Benefit Study ("RTO Study").

PPI is a member-owned, not-for-profit generation and transmission electric cooperative that currently provides all-requirements wholesale electric service to its members, who are ten rural electric distribution member cooperatives located in central Illinois (the "PPI Members"). The PPI Members organized Prairie Power to provide their collective power supply and transmission requirements. The PPI Members provide retail electric service to more than 78,000 metered retail member-consumers within their local service territories. PPI owns and operates 328 MW of generating capacity and approximately 898 miles of transmission lines at 138 kV, 69 kV and 34.5 kV. PPI is a transmission owning member in MISO, based solely upon its interconnections with Ameren. PPI has no interconnections with any other facilities in any other RTOs.

Any decision made about Ameren's RTO status will have cascading effects on many other utilities and thousands of retail consumers. PPI encourages the ICC to pause

and recognize those impacts. Without Ameren, PPI, its Members, and their 78,000 retail metered consumers have no certainty to access the MISO energy markets. PPI has made long-term decisions and investments based upon the MISO market tariff and rules.

Clarification of Other Utilities Remaining in MISO

PPI would like to clarify comments of ICC Staff where it states on page 7, “the assumption that all Illinois utilities in MISO will shift over to PJM may not actually occur. Non-Ameren utilities may decide to stay in MISO.”¹ If “[n]on-Ameren utilities” means utilities not interconnected with Ameren, then the comment is correct.

However, if “[n]on-Ameren utilities” means utilities other than Ameren, then PPI respectfully disagrees with the comment. The MISO Tariff states, “[i]f any withdrawal creates a situation where an Owner’s or Owners’ transmission system is not physically interconnected with the Transmission System [of MISO], MISO shall determine if such withdrawal affects the ability of such Owner(s) to continue as an Owner(s).”²

PPI is a Transmission Owner in MISO, bound by the provisions of the MISO Tariff and Transmission Owner Agreement. PPI’s only interconnection to MISO is through Ameren. If Ameren leaves MISO, PPI will no longer be physically interconnected to MISO, and **MISO**, not PPI, will determine whether PPI can remain a transmission owning member of MISO . Therefore, the ICC Staff comment providing that it is the utility’s decision to stay in MISO is incorrect.

PPI believes it is highly unlikely that MISO will allow PPI to remain as a MISO member should Ameren exit MISO. In order to qualify as an Owner in MISO, the Owner must own, operate, or control facilities that are physically interconnected to facilities of an existing

¹ Initial Comments of ICC Staff, p. 7.

² MISO Tariff, Rate Schedule 01, MISO Transmission Owner Agreement, Article V, Section I.

Owner.³ The Bylaws provide for a waiver of this requirement on an *ad hoc* basis, however the standard is high (i.e., significant net benefit to MISO and Members). Further, approval of such waiver request is discretionary and highly unusual.⁴

Impact if Ameren Leaves MISO

a. And PPI is Forced by MISO to Leave. In the event PPI is forced to leave MISO with Ameren, there are many adverse cost implications to PPI. While the following is not an exhaustive list of items that PPI would need to address or incur, PPI notes that if it were forced to leave MISO, there would be: exit fees; integration fees; costs of new software; training on new protocols; payment for transmission projects already approved;; long term planning expenses (transmission and generation) based on RTO specific rules; stranded assets; and existing power contracts that would need to be renegotiated (priced at MISO hubs including the Illinois hub that would cease to exist). These risks represent significant costs to PPI, the PPI Members, and the retail member-consumers.

b. And PPI is Allowed by MISO to Stay. In the event Ameren leaves MISO, but PPI is allowed to stay, there are also many other complications for PPI, including, but not limited to, physical plant, infrastructure and adverse cost implications. An extensive network of brand-new transmission facilities may need to be built in order to provide a physical interconnection to another existing MISO Owner, or PPI may be required to procure transmission service across Ameren facilities within the PJM market at an unknown and ongoing cost. In addition, there will need to be training on new protocols, existing power contracts will need to be renegotiated, and there will be Transmission Service Request costs (even after existing contracts end).

³ MISO Tariff, Rate Schedule 01, Appendix F, Bylaws, Section 3.2.

⁴ *Id.*

c. No Matter What if Ameren Leaves

Regardless of whether MISO allows PPI to stay, if Ameren leaves MISO, there will be serious impacts on PPI, the PPI Members, and the retail member-consumers. All of these new costs and risks will be solely created by the movement of Ameren from MISO to PJM. Many more issues will likely arise leading to extensive cost implications, likely FERC proceedings, and additional MISO exit costs to Ameren and PPI. PPI is a not-for-profit cooperative serving rural Illinois. All the extra costs for the changes precipitated by an Ameren exit from MISO will be paid by the Illinois retail member-consumers served by PPI. PPI would look to be held harmless on these economic damages caused by the Ameren exit.

PPI co-owns a large generation asset in Illinois with owners from Illinois and other states. This asset is solely interconnected to Ameren facilities in Illinois but forms a generation base for a multi-state area. If Ameren leaves MISO, this PPI co-owned generation asset will surely be forced to leave MISO as well, as it is solely interconnected to Ameren, and the MISO based co-owners, like PPI, would face new risks and costs trying to move power between RTOs.

Currently, the differences between RTOs are decreasing, which, in turn minimize any financial advantages of moving to a different RTO. MISO has proposed utilizing a sloped demand curve like PJM.⁵ PJM recently filed capacity accreditation rules similar to MISO's.⁶ It is noteworthy that the PJM capacity market is currently seeking changes at FERC, and has experienced extreme difficulties meeting certain deadlines and schedules

⁵ FERC Docket ER23-2977.

⁶ FERC Dockets ER24-98 and ER24-99.

since 2018. PJM is currently awaiting FERC approval for additional revisions to their capacity market rules.⁷

With respect to Illinois Energy Policy, MISO currently reports 22% of its generation as renewable,⁸ while PJM reports 7% of its portfolio as renewable.⁹ MISO members are better positioned to access the large wind assets located in the western part of MISO or located just to the west of MISO. Currently, the MISO interconnection queue is overflowing with new renewable interconnection requests. This causes the queue to take time, but it is functional. PJM's transmission service request (TSR) and interconnection queues are not fully accepting applications.¹⁰

Illinois being split between two RTOs is not unique. Currently, three other states are partially located in MISO and PJM; Indiana, Kentucky, and Michigan. An additional eight states are split between MISO and Southwest Power Pool ("SPP"): Arkansas, Iowa, Louisiana, Minnesota, Missouri, North Dakota, South Dakota, and Texas.

In summary, without Ameren being a MISO member, PPI, its Members, and their 78,000 retail metered consumers have no physical connections to a MISO member, which is a requirement for PPI's guaranteed continued membership in MISO. PPI has invested in and built a long-term generation and transmission portfolio to operate within MISO. Without certainty as to MISO membership, these long-term investments are at risk and represent significant risks and costs to PPI, our ten-member distribution cooperatives, and their 78,000 retail consumers. These substantial risks and higher costs are a

⁷ *Id.*

⁸ MISO Corporate Fact Sheet <https://www.misoenergy.org/about/media-center/corporate-fact-sheet/>.

⁹ PJM 2022 Annual Report <https://www.pjm.com/about-pjm/who-we-are/annual-report>.

¹⁰ PJM Interconnection Process Reform <https://www.pjm.com/-/media/committees-groups/committees/mc/2022/20220427/20220427-item-01a-1-interconnection-process-reform-presentation.ashx>.

certainty upon a departure from MISO by Ameren. PPI does not believe these risks and costs should be the responsibility of PPI, our distribution cooperative members, or their 78,000 retail consumers.

DATED: October 31, 2023.

Respectfully submitted,

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