

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)	
)	

REPLY COMMENTS OF SOUTHERN ILLINOIS POWER COOPERATIVE

Southern Illinois Power Cooperative ("SIPC") 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").

SIPC is jointly owned and governed by its seven electric distribution cooperatives ("Members"), and these electric distribution members are owned and governed by their end-use, retail customers. These member cooperatives, in turn, distribute electric power to over 84,000 metered customers throughout southern Illinois, estimated to be representing 193,000 people. SIPC owns and operates, including Power Purchase Agreements for a total of 523 MWs of generating capacity and approximately 1,100 miles of high voltage transmission lines and multiple substations. SIPC is a transmission owning member in MISO, with interconnections to Ameren and Big Rivers Electric Corporation ("BREC"). SIPC 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. SIPC encourages the Commission to pause and recognize those impacts. Without Ameren, SIPC, its Members,

and their retail metered consumers will have limited access the MISO energy markets. SIPC has made long-term decisions and investments based upon the MISO market tariff and rules.

Clarification of Other Utilities Remaining in MISO

SIPC 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 fully interconnected with Ameren, then the comment is correct.

However, if "[n]on-Ameren utilities" means utilities other than Ameren, then SIPC 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

SIPC is a Transmission Owner in MISO, bound by the provisions of the MISO Tariff and Transmission Owner Agreement. SIPC has interconnection to MISO through BREC as well as through Ameren. If Ameren leaves MISO, then SIPC will potentially be split as 4 Members will no longer be physically interconnected to MISO, and **MISO**, not SIPC will determine whether SIPC can stay. Therefore, the comment that the utility has the decision to stay in MISO is incorrect.

SIPC believes it is highly unlikely that MISO will allow it 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 (significant net benefit to MISO and Members) and approval is uncertain as the request is highly unusual.⁴

Impact if Ameren Leaves MISO

a. And if SIPC is Forced by MISO to Leave. In the event SIPC is forced to leave MISO along with Ameren, there are many cost implications. While not an exhaustive list, there are 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 will need to be renegotiated (priced at MISO hubs including the Illinois hub that would cease to exist). These risks represent significant costs to SIPC, the Members, and the retail member-consumers. Particularly since SIPC may then have a split system (4 Members in PJM and 3 Members in MISO).

b. And if SIPC is Allowed by MISO to Stay. In the event Ameren leaves MISO, but SIPC is allowed to stay, there are also many physical and cost implications. An extensive network of new transmission facilities may need to be built in order to increase the physical interconnection BREC. 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 SIPC to stay, if Ameren leaves MISO, there will be serious impacts on SIPC, the SIPC 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 SIPC. All the extra costs for the changes precipitated by an Ameren exit from MISO will be paid by the southern Illinois retail member-consumers served by SIPC, and they would look to be held harmless on these damages caused by the Ameren exit.

SIPC 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 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 SIPC, would face new risks and cost trying to move power between RTOs.

The differences between RTOs are decreasing, which minimize any financial advantages of moving to a different RTO. MISO proposed utilizing a sloped demand curve like PJM.⁵ PJM filed capacity accreditation rules similar to MISO's.⁶ The PJM capacity market is currently seeking changes at FERC and has failed to run on schedule since 2018. PJM is currently awaiting FERC approval for additional revisions to their capacity market rules.⁷

⁵ FERC Docket ER23-2977.

⁶ FERC Dockets ER24-98 and ER24-99.

⁷ *Id.*

With respect to Illinois Energy Policy, MISO currently reports 22% of their generation as renewable,⁸ while PJM reports 7% of their 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. 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 split between MISO and PJM: Indiana, Kentucky, and Michigan. An additional eight states are split between MISO and SPP: Arkansas, Iowa, Louisiana, Minnesota, Missouri, North Dakota, South Dakota, and Texas.

Without Ameren being a MISO member, SIPC, its Members, and their retail metered consumers will have limited physical connections to a MISO member. Without certainty on MISO membership, long-term investments are at risk and represent significant risks and costs to SIPC, our member distribution cooperatives, and their retail consumers. These risks and costs will have to be addressed upon a departure from MISO by Ameren. SIPC does not believe these risks and costs should be the responsibility of SIPC, our distribution cooperative members, or their retail consumers.

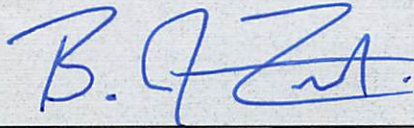
⁸ MISO Corporate Fact Sheet <https://www.misoenergy.org/about/media-center/corporate-fact-sheet/>.

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>.

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Respectfully submitted,



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