



SENT VIA EMAIL

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Illinois Commerce Commission Thermal Energy Workshop

Ameren Illinois Company's Round 1 Comments

Ameren Illinois Company d/b/a Ameren Illinois ("Ameren Illinois" or "AIC") appreciates the opportunity to provide its first round of comments related to the Illinois Commerce Commission's Illinois Thermal Energy Network Workshop Series held on November 15 and November 29, 2023. Specifically, at the request of Illinois Commerce Commission Staff ("Staff"), Ameren Illinois is providing comment on, " the appropriate ownership, market, and rate structures for thermal energy networks and whether the provision of thermal energy services by thermal network energy providers is in the public interest.

Ownership, Market, and Rate Structures for Thermal Energy Networks

As a dual fuel electric and natural gas utility, Ameren Illinois has considerable experience owning, planning and operating extensive electric and natural gas distribution systems in a safe, reliable and cost-effective manner. Thermal energy networks operate similar to Ameren Illinois' operation of its natural gas and electric distribution systems in that Ameren Illinois does not generate natural gas or electricity, but rather distributes the energy generated elsewhere to its customers. In addition, the work needed to build out any thermal energy networked system will require the development of infrastructure, and the engagement of the workforce and the community. Utilities are well-equipped to leverage existing partnerships with communities, vendors, and the workforce in the development of a successful thermal energy network pilot program. Accordingly, Ameren Illinois believes that existing distribution utilities are best equipped to own and operate thermal systems, and that existing utility ownership and operation of thermal systems will help Illinois efficiently and effectively meet its de-carbonization goals.

The development of a rate structure and subsequent utility cost recovery will need to be a collaborative effort between every Illinois stakeholder impacted by the adoption of this technology. We will need to balance the adoption of thermal energy networks, while ensuring that customers using natural gas as an energy source are still enjoying the benefits of safe and reliable natural gas and being cognizant of cost impacts to the natural gas customer base. Overall, Ameren Illinois has an interest in being at the forefront of customer adoption of new technologies, and we feel it is imperative that Ameren Illinois has certainty of full cost recovery ahead of making investments that will benefit our customers. We will also work openly and collaboratively with stakeholders to development an equitable rate design for both participants and non-participants of thermal network pilot demonstration projects.

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Thermal Energy Network Energy Providers, the Provision of Thermal Energy Services, and the Public Interest

Various factors dictate whether an energy source is in the public interest. Factors such as safety, reliability, resilience, and cost, among other factors, all play a role in determining whether something is in the public interest. During this process, we are tasked with discussing these factors to help inform the Illinois legislature's determination to adopt thermal energy networks. If thermal energy networks are determined to be in the public interest, Ameren Illinois, as outlined above, believes that existing utilities are best equipped to develop the necessary infrastructure and to deliver thermal energy to its customers.