

Regulatory Assistance Project Electric Resource Long-range Planning Survey¹
Compiled by CM LB

State: IL Date: 8/2/05

Name of Agency: Illinois Commerce Commission

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Policies

1. Is any form of long-range electrical resource and/or investment planning required?
 Yes No

If not, are there any plans to begin requiring utilities to file formal resource plans?

No

Also, if not, what type of process is used to secure resources for serving native load or to provide default/standard offer service?

Illinois has had no IRP process since 1997, when the state restructured its electricity market. The state is currently in a transition period, during which utilities are required to provide service to customers who haven't chosen a competitive provider. To date, the only customer group that has been determined to be competitive are large customers (greater than 3 MW). Most of the state's customer classes have not selected competitive providers in sufficient numbers to be declared competitive; these customers remain dependent on the default service provided by the utilities.

During restructuring, Illinois' major utilities sold their plants or transferred them to affiliates. Currently, power for default customers is supplied through purchase power agreements, generally with the new owners of each utility's respective former plants. Rates for default customers are currently bundled, with rate freezes in effect for these customers. (In the case of noncompetitive residential customers, rates were reduced up to 20% as part of restructuring.) Wires charges applicable to unbundled customers are regulated by the ICC, and utilities may file for increases or decreases as necessary. Any increases in wires charges do not affect the frozen bundled rates.. When the transition period ends in January 2007, all rates are expected to become unbundled, and Illinois' largest utilities have proposed that default supply will be acquired through a reverse auction process on

¹ All responses written from notes compiled and edited by Liz Baldwin, RAP researcher. Corrections to the draft document, suggested by the contact persons, have been incorporated.

the wholesale market. In January 2007, the Commission may approve bundled rate increases or decreases for any of the utilities.

Resource planning for default supply is the responsibility of the utilities and is not overseen by the ICC.

Transmission planning is done at the regional level by the RTO, and distribution planning is done by the utilities. In order to construct transmission, utilities must get a Certificate of Public Convenience and Necessity. The Certificate process includes showing that the project is necessary and in the public interest, and in order to obtain the Certificate, the utilities must compare various alternatives to the proposed project and demonstrate that the chosen solution has the lowest cost. Certificate processes are done by formal docket.

NOTE: Because the answer to Question 1 was "no", questions 2-34 were not asked.

2. If yes, what planning processes are going on? (Prompts, if needed: Integrated Resource Planning, Least Cost Planning, Portfolio Management, Transmission and Distribution Planning, Generation Expansion Planning, Long Range Investment Planning, Site Planning, Certificate of Need) [If there is more than one type of process, complete questions for one process at a time. Use separate T&D survey if needed.]
3. Please describe (the process). (Who files what, when, how often? Who analyzes filings? Formal docket? Who responds? Who are regular parties? How is it used?)
4. Is it statewide or utility-specific planning? What types of entities are required to participate?
5. Is there any relationship between this process and other decisions, e.g. construction permits, likelihood of inclusion or pre-approval of rate treatment for the anticipated resource investments?
6. This form of planning has been required since what date?

7. How is this process enforced, if at all? If a utility does something inconsistent with the Plan, does it have to explain itself satisfactorily to avoid a charge of imprudence? Is it routine for utilities to diverge from a Plan with an explanation? Are there any consequences for non-compliance?

8. Is anything similar required for non-electric natural gas-related planning? Yes
 No

If yes, what is that process called?

Required Elements

9. Back to (the electric resource process). Which of the following resources must be explicitly evaluated/included:

Generation

Transmission

Distribution

Energy efficiency

Load Management

Other demand side measures

Specific generation (e.g. renewable, distributed)

Others

What tests must be included/utilized?

10. Describe the analysis required by the regulatory body (what is compared to what to make decision? How are resources compared to each other? Cost with one set of resources vs another, economic, environmental?)

11. Does the process investigate how the employment of one strategy vs. another may increase the consumers' exposure to risk (e.g. natural gas prices)? If so, how?

12. Is a comparison of supply or T&D infrastructure and demand side options/resources required? Yes No

13. The plan's objectives, from the regulatory perspective:

14. The plan's objectives, from the utility perspective:

15. Are alternative scenarios analyzed as part of the plan? Yes No

Are externalities considered? If so, which ones and how are they considered?

16. What is the planning horizon?

Length of Energy and Demand forecasts

Length of Short-term Action Plan

17. How often do utilities have to file plans? Update plans? What actually happens?

18. What monitoring or other processes are used to determine consistency of investments with plans? Are there consequences for non-compliance?

19. Are environmental issues considered in the planning process? Yes No
If yes, please describe.

20. Is reduction or elimination of carbon emissions an issue? If so, how is it dealt with?

Agency Process

21. Is there a formal acceptance and/or acknowledgement process used for the resource filing? Yes No

22. Does the agency hold public hearings on draft/final utility plans? Yes No
If not, describe what does happen.
If yes, what is the duration of the public hearing process?

23. Other ways the public participates and comments on plans are:
(Prompts if needed: email or mailing lists, interactive web sites)

24. What action can the Commission take on the plan(s)?

Review it

Accept it

Approve it

Reject it

Acknowledge it

Require utility to modify and resubmit it

Other

25. Have resource acquisition decisions changed as a result of the planning process?

Yes No Not Sure

[If "Yes", get recent example (docket number, etc.)]

26. Are competitive processes used to acquire new resources? Yes No

27. If yes, do you require regulatory review and approval of the competitive solicitations used?

28. Do utilities file an energy efficiency or DSM plan? Yes No
If so, is it separate or integrated with other plans?

29. Is competitive bidding used to acquire EE resources? Yes No

30. Does the regulatory agency have open dockets, or is it considering opening a docket investigating any long-range electrical investments? Yes No

31. Citation and description:

32. Are utility plans available on-line? Yes No If so, what is the address? Is on-line publication voluntary or mandatory?

33. Citation and description of State policies (legislation, rules/regs, PUC orders) governing this planning process:

34. Do you anticipate any changes to this process in the near future? Yes No
If yes, please describe.

35. Have there been any recent settlements or orders in rate cases or other dockets that may affect resource procurement or investment incentives? Yes No
36. Does your state do performance-based regulation? Yes No
If so, please describe briefly.
37. If your state uses PBR, is successful compliance with an approved resource plan one of the areas subject to incentives or penalties? Yes No
38. Are there any regulatory incentives specifically for energy efficiency, other DSM, or renewables? Yes No (Examples: lost revenue recovery, shared savings, bonus rate of return) If so, please describe briefly.

39. Do any tariffs include a fuel/purchased power clause? Yes No
If so, how does it work?

Three of the State's smallest utilities still use a fuel adjustment clause to recover purchased power expenditures. These expenditures are reviewed in a Commission proceeding.

40. Does your state have any renewable mandates (e.g. from a legislated standard or goal, or a regulatory settlement or Order)? Yes No

If so, please describe, including how the mandate relates to power vs. RECs.
The Governor recently proposed an RPS mandate, but the Commission chose to make participation in the program voluntary.

Can EE or DSM savings be credited toward a utility's renewable mandate?

State Energy Plan

41. Is there a State Energy Plan? Yes No
42. Is it connected to the planning described above? Yes No
43. If yes, who is responsible for the Plan?

44. What is included in the Plan, apropos of long-range electrical planning?