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ICC Finds Ameren Smart Grid Plan Fails Customer Cost Benefit Test

The Illinois Commerce Commission Tuesday found that Ameren Illinois' Smart Grid Advanced Metering Infrastructure Plan failed to show that it would deliver a cost benefit to customers, and therefore, did not comply with the requirements of Section 16-108 (c) of the Public Utilities Act.

Section 16-108 (c) requires Ameren to prove that its Smart Grid Advanced Metering Infrastructure plan will be cost-beneficial, that is that the present value of the total benefits of the plan must exceed the present value of the total costs of the plan in order for the plan to be approved by the Commission. The Act also requires that a Smart Grid Advanced Metering Infrastructure deployment plan include a vision statement consistent with developing a cost-beneficial Smart Grid; a description of how the utility will evaluate and prioritize technology choices to create customer value; a timetable for implementation and the locations of meter deployment; annual milestones and metrics for measuring the success of the AMI plan; and a plan for consumer education.

The Commission determined that the cost/benefit analysis presented by the company relied on incomplete or speculative calculations and that regardless of those calculations, Ameren Illinois' AMI plan could not be approved because it would have to rely on either including gas meters or a compliance period longer than the ten years, neither of which is allowed in the statute.

The Commission said that Ameren's Smart Grid deployment plan was "vague and incomplete" and bordered on not being a plan at all, but rather a more of a general statement of intention to install smart meters in some parts of its service territory.

ICC Chairman Doug Scott said that "when and where the company meets its legal obligation it provided scant information. I am troubled by the inadequacy of the plan."

Commissioner John Colgan noted that while there are benefits to customers from a smart grid system, Ameren witnesses did not demonstrate any, leaving commissioners nothing to work with or modify. "I wish we had better information," he said.

Commissioner Erin O'Connell-Diaz said the Ameren AMI proposal was "very troubling to all of us. Here we see that they want to include gas customers, the time lines for implementation are outside those spelled out in the law and they have missed the cost-beneficial standard."

"I think we all look forward to reviewing a plan that meets the legislative directives," O'Connell said. "That way the entire state will be on the modernization track as envisioned by the General Assembly when it passed the new law."

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