
RIDER EE – ENERGY EFFICIENCY AND DEMAND RESPONSE INVESTMENT

APPLICABILITY

Rider EE – Energy Efficiency and Demand Response Investment (Rider EE) is applicable to all Customers taking service under this Electric Service Schedule as authorized by Section 8-103, and Section 8-103B of the Public Utilities Act (Act), 220 ILCS 5/1-101, *et seq*, except for those Customers identified in Section 8-103B(1). The charges calculated pursuant to this Rider shall be applicable to all kilowatt-hours (kWhs) billed by the Company except those kWhs billed by the Company to Opt-Out Customers.

PURPOSE

The purpose of this Rider is to provide for the recovery of all reasonable and prudently incurred costs, fees and charges for (i) approved Energy Efficiency and Demand-Response Measures (EDR) implemented in compliance with the Act, as set forth in Sections 8-103, 8-103B, and 16-111.5B of the Act, as applicable, (ii) providing on-bill financing described in Section 16-111.7 of the Act and (iii) offering the Public Schools Carbon-Free Assessment program undertaken in compliance with Section 8-402.2 of the Act, through a formula rate. In accordance with Subsections 8-103B(d)(2) and 8-103B(d)(3), the energy efficiency formula rate shall specify the cost components that form the basis of the rate charged to Customers with sufficient specificity to operate in a standardized manner and be updated annually with transparent information that reflects the Company's actual costs to be recovered during the applicable rate year.

In accordance with Section 8-103B(g)(4) the Company shall recover all costs associated with ICC approved third-party administered programs regardless of the success of those programs.

Allowable costs may also include the continued offering of a jointly offered energy efficiency measure or program with a gas utility under Section 8-104 of the Act including gas energy efficiency measures, in the event the gas utility discontinues funding the program.

Beginning in 2022, and in accordance with Section 8-103B (b-27), allowable costs may also include the costs incurred by the Company to offer and promote measures that electrify space heating, water heating, cooling, drying, cooking, industrial processes, and other building and industrial end uses that would otherwise be served by combustion of fossil fuel at the premises, provided that the electrification measures reduce total energy consumption at the premises.

DEFINITIONS

* **Carbon-Free Assessment Costs**

Carbon-Free Assessment Costs means the costs included, but not limited to, start-up, administrative, marketing, and evaluation costs incurred by the Company in association with the Public Schools Carbon-Free Assessment program in accordance with the provisions of Section 8-402.2 of the Act.

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Issued by R.J. Mark, President & CEO
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*Asterisk denotes change

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EDR Measure or Measures

EDR Measures (Measures) mean energy efficiency and demand response activities and programs that are developed, implemented, or administered by or for the Company, or the Illinois Department of Commerce and Economic Opportunity (DCEO), related to energy efficiency and demand response plans developed by the Company for approval by the Illinois Commerce Commission (ICC) pursuant to the Act.

Effective Period

Effective Period means the period during which the Energy Efficiency and Demand Response Amortization charge is applied to delivered kWhs. The Effective Period begins with the first monthly Billing Period after the Energy Efficiency and Demand Response Charge is filed.

EE Costs

EE Costs means costs of providing electric energy efficiency and demand-response Measures, and may include, but are not limited to

- (a) fees, charges, billings, or assessments related to the Measures;
- * (b) costs or expenses associated with equipment, devices, or services that are offered, promoted, purchased, provided, installed, operated, maintained, or monitored for the Measures;
- (c) the revenue requirement equivalent of the return of and on a capital investment associated with the Measures, based upon the most recent rate of return approved by the ICC;
- (d) all legal and consultant costs related to the Measures;
- (e) costs for wages, salaries, and benefits of Company employees, including direct and indirect incremental costs associated with such Company employees hired specifically to administer Measures, provided such costs are not otherwise recovered under Delivery Service rates;
- (f) joint portfolio level costs common to both gas and electric energy efficiency programs, where the proportion of joint costs allocated and recovered through this Rider will be based on the proportion of annual electric portfolio budget to total annual electric portfolio and gas portfolio budget;

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- (g) costs including, but not limited to, start-up, administrative, marketing, interest rate discount and evaluation incurred by the Company in association with on-bill financing programs approved by the ICC and provided in accordance with the provisions of Section 16-111.7 of the Act, but excluding bad debt expense related to costs incurred by the Company as described in Section 16-111.7(c)(6) of the Act;
- (h) costs for wages, salaries, and benefits of Company employees, including direct and indirect costs associated with Company employees, who are hired for positions related to any on-bill financing program approved by the ICC and provided in accordance with the provisions of Section 16-111.7 of the Act, provided such costs are not otherwise recovered under other effective tariffs;
- (i) joint costs common to both gas and electric on-bill financing programs, where the proportion of joint costs allocated and recovered through this Rider will be based on the proportion of maximum on-bill financing permitted for an electric utility to maximum electric on-bill financing and maximum gas utility on-bill financing, permitted pursuant to Section 16-111.7(c)(7) of the Act and Section 19-140(c)(7) of the Act, respectively or subsequently modified by the Commission; and
- (j) funds from any source other than the application of electric energy efficiency charges that the Company expects to receive that are associated with the applicable twelve (12) month period of an ICC approved energy efficiency and demand response plan, if any, directly related to the implementation of programs and not otherwise credited.

DETERMINATION OF REVENUE REQUIREMENT

- * The Company recovers its EE Costs and Carbon-Free Assessment Costs through the application of charges determined in accordance with the provisions of this tariff and Section 8-103B of the Act. The Company's overall electric EE Costs and Carbon-Free Assessment Costs are determined in accordance with the provisions of this Determination of Revenue Requirement section. Such costs are determined with sufficient specificity to operate in a standardized manner and are updated on an annual basis. Such costs are determined using transparent information that reflects the Company's actual costs to provide electric energy efficiency to Customers in the applicable rate year, as well as projected electric energy efficiency expenditures and correspondingly updated depreciation and amortization reserves and expense for which such filing is being made. Such electric EE Costs and Carbon-Free Assessment Costs are subject to review and approval, or approval as modified, by the ICC in accordance with the Annual Updates section of this tariff.

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The following cell shadings, shown with their associated meanings, are used in the spreadsheets presented in this Determination of Revenue Requirement section.

	means that the value in the cell is an internal link
	means that the value in the cell is a calculation
	means that the value in the cell is an input

Net Revenue Requirement

The Net Revenue Requirement shall be the sum of: Line 14 – Overall Revenue Requirement; Line 15 – Reconciliation with Interest; and Line 16 Revenue Balancing Adjustment as set forth in Schedule FR A-1 shown below.

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Ameren Illinois Company			Sch FR A-1
Net EE Revenue Requirement Computation		2017	Actual Data
		2018 / 2019	Projected Data
(A)		(B)	(C)
Ln	Description	Source	Amt (\$ in 000s)
Regulatory Asset Recovery			
1	Net Regulatory Asset	Sch FR B-1 Col C Ln 4	
2	Total Revenue Effect of Return	Sch FR D-1 Col C Ln 29	
3	Authorized Return Grossed Up for Taxes	(Ln 2) * (Ln 3)	
4	Regulatory Asset Amortization	Sch FR B-1 Col C Ln 5	
5	Capacity and Other Revenue Credit	Sch FR B-1 Col C Ln 6	
6	Impact Permanent Tax Differences (if any)	Sch FR C-1 Col C Ln 8	
7	Other Operating Expense and Misc Adj (if any)	Sch FR C-1 Col C Ln 9	
8	Revenue Requirement - Regulatory Asset	(Ln 3)+(Ln 4)-(Ln 5)+(Ln 6)+(Ln 7)	
Capital Asset Recovery			
9	Net Rate Base	Sch FR B-2 Col C Ln 4	
10	Total Revenue Effect of Return	Sch FR D-1 Col C Ln 29	
11	Authorized Return Grossed Up for Taxes	(Ln 9) * (Ln 10)	
12	Depreciation Expense	Sch FR B-2 Col C Ln 5	
13	Revenue Requirement - Capital Asset	(Ln 11) + (Ln 12)	

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14	Overall Revenue Requirement	(Ln 8) + (Ln 13)	
15	Reconciliation with Interest	Sch FR A-3 Ln 39	
16	Revenue Balancing Adjustment	Sch FR A-2 Ln 40	
17	Net Revenue Requirement	(Ln 14) + (Ln 15) + (Ln 16)	
18	Prior Net Revenue Requirement	Prior Yr Sch FR A-1 Ln 17	
19	Change in Net Revenue Requirement From Prior Yr	(Ln 17) - (Ln 18)	

Annual Reconciliation Computation

An annual reconciliation shall be performed to develop an adjustment to true-up the revenue requirement calculated with projected expenditures to those using actual expenditures. The reconciliation includes provisions to true-up differences between the Company's actual costs and actual revenues collected in the applicable year.

The annual reconciliation amount is computed in accordance with the provisions of this tariff and Section 8-103B of the Act as shown on Schedule FR A-1 – REC below. This amount, if any, including interest, whether positive or negative value, is included in the Net Revenue Requirement amount on Schedule FR A-1.

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Ameren Illinois Company			Sch FR A-1 - REC
Net EE Revenue Requirement Computation - Reconciliation Yr		2017	Actual Data
	(A)	(B)	(C)
Ln	Description	Source	Amt (\$ in 000s)
Regulatory Asset Recovery			
1	Net Regulatory Asset	Sch FR B-1 Col D Ln 4	
2	Total Revenue Effect of Return	Sch FR D-1 Col D Ln 29	
3	Authorized Return Grossed Up for Taxes	(Ln 1) * (Ln 2)	
4	Regulatory Asset Amortization	Sch FR B-1 Col D Ln 5	
5	Capacity and Other Revenue Credit	Sch FR B-1 Col D Ln 6	
6	Impact Permanent Tax Differences (if any)	Sch FR C-1 Col D Ln 8	
7	Other Operating Expense and Misc Adj (if any)	Sch FR C-1 Col D Ln 9	
8	Revenue Requirement - Regulatory Asset	(Ln 3)+(Ln 4)-(Ln 5)+(Ln 6)+(Ln 7)	
Capital Asset Recovery			
9	Net Rate Base	Sch FR B-2 Col D Ln 4	
10	Total Revenue Effect of Return	Sch FR D-1 Col D Ln 29	
11	Authorized Return Grossed Up for Taxes	(Ln 9) * (Ln 10)	
12	Depreciation Expense	Sch FR B-2 Col D Ln 5	
13	Revenue Requirement - Capital Asset	(Ln 11) + (Ln 12)	
14	Actual Revenue Requirement Reconciliation Yr	(Ln 8) + (Ln 13)	

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Revenue Balancing Adjustment

The revenue balancing adjustment, if any, is computed in accordance with the provisions of Section 8-103B of the Act. This amount, whether positive or negative, if any, shall be included in the Net Revenue Requirement amount on Schedule FR A-1.

Supporting Schedules and Workpapers

In developing data that is used in the spreadsheets previously presented in this section, the Company must prepare the following additional schedules and workpapers:

Schedule	Name
<u>Sch FR A-1</u>	Net EE Revenue Requirement Computation
<u>Sch FR A-1 - REC</u>	Net EE Revenue Requirement Computation - Reconciliation Yr
<u>Sch FR A-2</u>	EE Revenue Balancing Computation
<u>Sch FR A-3</u>	EE Reconciliation Computation
<u>Sch FR B-1</u>	EE Regulatory Asset and Amortization Summary Computation
<u>Sch FR B-2</u>	EE Capital Asset and Depreciation Summary Computation
<u>Sch FR C-1</u>	EE Taxes, Other Expense and Conversion Factor Computation
<u>Sch FR D-1</u>	EE Cost of Capital Computation
<u>Sch FR D-2</u>	EE Average Yield on Treasury Securities Computation

- WP 1: Regulatory Asset and Amortization
- WP 2: Capital Asset Rate Base and Depreciation
- WP 3: Common Equity and Preferred Stock
- WP 4: Long Term Debt
- WP 5: Short Term Debt and Credit Facility Fees
- WP 6: Annual Performance Modifier
- WP 7: Revenue and Revenue Requirement Reconciliation Support
- WP 8: Other Expense and Permanent Taxes, Tax Rate Support

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DETERMINATION OF ELECTRIC ENERGY EFFICIENCY CHARGES

The Net Revenue Requirement determined in accordance with the provisions of the Determination of Revenue Requirement section of this tariff, modified as applicable in accordance with Orders issued by the ICC as described in the Annual Updates section of this tariff, is used to determine electric energy efficiency charges applicable to Retail Customers. The Commission authorized spreadsheet used to determine electric energy efficiency charges applicable to Customers shall accompany the electric energy efficiency charges informational filing.

- * There are two major steps associated with the determination of electric energy efficiency charges. First the revenue allocation process consistent with the most recent approved Energy Efficiency Plan under Section 8-103B of the Act, is used to determine the revenue responsibility of each Delivery Service Rate class. Electric energy efficiency charges applicable to recovery of cost incurred reflect the expected class cost responsibility for each of the respective groups: DS-1, DS-2 & DS-5, DS-3/DS-6, and, DS-4/DS-6 (excluding Opt-Out Customers from each of those classes). The Carbon Free Assessment Costs allocation process is consistent with the most recent approved Energy Efficiency Plan under Section 8-103B of the Act, and is used to determine the revenue responsibility of each Delivery Service Rate class. Second, the revenue responsibility of each Customer group is then divided by the projected weather normalized billing determinants, in kWh, forecasted to be delivered to the applicable Customer group during the Effective Period to arrive at the Rider EE Charges (in cents per kWh, rounded to the third decimal place) applicable to each Customer group.

APPLICATION OF ELECTRIC ENERGY EFFICIENCY CHARGES

Electric energy efficiency charges are determined for each Customer group in accordance with the Determination of Electric Energy Efficiency Charges section of this tariff. Generally, electric energy efficiency charges are determined by December 15th for application beginning with the January Billing Period extending through the following December Billing Period.

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The initial projected revenue requirement for 2017 related to the amortization of expected costs to be incurred during June 2, 2017, through December 31, 2017, will not be collected from Customers through energy efficiency charges during 2017. The actual revenue requirement for 2017 related to the actual costs incurred from June 2, 2017, through December 2017 will be included in the reconciliation on the annual update due on or before June 1, 2018. The 2017 revenue requirement will then be included in the 2019 revenue requirement and collected in energy efficiency charges starting with the January 2019 Billing Period.

The electric energy efficiency charges determined in accordance with the provisions of the Determination of Electric Energy Efficiency Charges section of this tariff are applied in accordance with the provisions of the tariffs under which Customers are provided with electric service.

INFORMATIONAL FILINGS

Electric energy efficiency charges determined in accordance with the provisions of the Determination of Electric Energy Efficiency Charges section of this tariff shall be filed with the ICC for information purposes in the form of an informational sheet. The Informational Sheet filing shall be accompanied by supporting workpapers and documentation. The supporting workpapers shall include formula workpapers for the determination of revenue requirements and determination of electric energy efficiency charges.

The annual updated electric energy efficiency charges that are scheduled to be applicable with the January Billing Period and extending through the following December Billing Period shall be filed with the ICC for informational purposes no later than the earlier of 5 days following conclusion of a proceeding, initiated pursuant to the Annual Updates section, if any, or by December 15 in the year prior to the January Billing Period the charges are to become applicable. The charges will be effective with the first billing cycle of the Billing Period.

ANNUAL UPDATES

The electric energy efficiency charges determined in accordance with the provisions of this tariff, are subject to annual updates in accordance with the provisions of Section 8-103B(d)(3) of the Act.

Each year on or before June 1 the utility shall file with the ICC updates of the spreadsheets in accordance with the updated inputs to the energy efficiency formula rate for the applicable year and the corresponding new charges.

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Each year on or before June 1, the Company shall file with the ICC updates of the spreadsheets in accordance with the Determination of Revenue Requirement section of this tariff, and updates of the spreadsheets provided in the Determination of Electric Energy Efficiency Charges section of this tariff. The information used to update such spreadsheets shall be based on the final historical data reflected in the Company's most recent filed FERC Form 1 and include (a) projected energy efficiency expenditures and correspondingly updated depreciation and amortization reserves and expenses, and accumulated deferred income tax for the applicable rate year in which such filing is made; and (b) a reconciliation of the Net Revenue Requirement in effect for the prior rate year determined in accordance with the provisions of the Determination of Revenue Requirement section of this tariff, to the actual revenue requirement for such prior year as reflected in the FERC Form 1 for such prior rate year.

- * The intent of the reconciliation described in the previous paragraph is to balance the Net Revenue Requirement reflected in the Company's electric energy efficiency rates for a given year to the revenue requirement that would have been reflected in such energy efficiency rates if the Company's electric EE Costs and Carbon-Free Assessment Costs for such year had been available at the time such electric energy efficiency rates were filed. Each such reconciliation shall be certified by the Company in the same manner that the FERC Form 1 is certified.

Within 45 days after the Company files its annual update of cost inputs to the energy efficiency formula rate, the ICC shall with reasonable notice, initiate a proceeding concerning whether the projected costs to be incurred by the Company and recovered during the applicable rate year, and that are reflected in the inputs to the energy efficiency formula rate, are consistent with the Company's multi-year plan, and, whether the costs incurred in the prior rate year were prudent and reasonable.

The ICC shall enter its order no later than the earlier of 195 days after the Company's filing of its annual update of costs input to the energy efficiency formula rate or December 15. The Company's proposed return on equity calculations for both the Application Year and the Reconciliation Year shall be deemed final, approved calculation on December 15 in the year in which it is filed unless the ICC enters an order on or before December 15, after notice and hearing, that modifies such calculation.

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The ICC's determinations of prudence and reasonableness of the costs incurred, and determination of such return on equity calculation, for the applicable calendar year shall be final upon entry of the ICC's order and shall not be subject to reopening, reexamination, or collateral attack in any other ICC proceeding, case, docket, order, rule, or regulation; however, nothing shall prohibit a party from petitioning the ICC to rehear or appeal to the courts the order under the provisions of the Act.

Notwithstanding the previous provisions of this Annual Updates section, the information used to update such spreadsheets, schedules and work papers may include a balancing amount, in dollars, equal to any adjustment determined by the Company that is to be refunded to or collected from Retail Customers to correct for any difference between the amount of the Rider EDR refund total and the amount of Rider EDR refunds, as approved by the Commission.

TERMS AND CONDITIONS

Customer's bills for service under this tariff shall be rendered and payments due in accordance with the Payment of Bills and Late Payments section of the Customer Terms and Conditions.

Revenue associated with the application of Rider EE must be recorded separately by the Company.

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time and are in effect.

- * If the energy efficiency formula rate is terminated, the then current rates shall remain in effect until such time as the EE Costs and Carbon-Free Assessment Costs are incorporated into new rates that are set under Section 8-103B of the Act or Article IX of the Act, subject to retroactive rate adjustment, with interest, to reconcile rates charged with actual costs.