



State of Illinois
Illinois Commerce Commission

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Dear Mr. Kormos and Mr. Ott:

On May 29, 2014, the Illinois House of Representatives adopted House Resolution 1146 which:

- Urges the Federal Energy Regulatory Commission, PJM Interconnection, LLC, and the Mid-Continent Independent System Operator to adopt rules and policies to ensure the continued operation of nuclear power plants in Illinois;
- Urges the United States Environmental Protection Agency to adopt greenhouse gas rules with particular features for nuclear power plants;
- Urges Illinois State agencies to review federal greenhouse gas regulations and adopt associated policies to promote clean energy production;
- Urges the examination of existing policies regarding the transmission of electricity to enable Illinois to become a hub of clean energy production for other parts of the nation; and
- Urges the Illinois Commerce Commission, the Illinois Power Agency, the Illinois Environmental Protection Agency and the Illinois Department of Commerce and Economic Opportunity to prepare reports on various issues associated with clean power production and premature closure of existing Illinois nuclear power plants and to present those reports between November 15, 2014 and the adjournment sine die of the 98th General Assembly.

The resolution specifically urges “the Illinois Commerce Commission to prepare a report examining the State's and grid operators' ability to expand transmissions to allow Illinois to transport clean electricity to other parts of the nation, as well as any legislative impediments, and the impact on residential, commercial, and industrial electric rates from the premature closure of Illinois' nuclear power plants.”

Given PJM’s expertise and modeling capabilities, the ICC’s ability to complete the report requested by the Illinois House of Representatives would be greatly assisted if PJM would be willing to perform some analyses on the impacts of Illinois nuclear power plant retirements. For that reason, I would like to request that PJM perform a study, as outlined below, and that PJM make the results of this study available before October 15, 2014, if at all possible. In essence, the requested study should help Illinois policy makers better understand:

(A) the impact of unexpected nuclear power plant retirements on wholesale prices and expenditures to serve load; and

(B) the impact of such retirements, assuming that they are anticipated and accompanied by reactions of RTOs (e.g., additional investments in new transmission infrastructure) that PJM would deem likely.

If the requested study produces information pertaining to CO₂ and other power plant emissions, or information pertaining to electric service reliability and transmission adequacy, we would be very interested in receiving such information, as well.

The ICC welcomes any other information and analyses that PJM may be willing and able to offer that sheds light on the issues described in the House Resolution 1146.

Your consideration of this request is very much appreciated. Thank you for your attention.

Jonathan Feipel



Executive Director

REQUESTED STUDY

Scenarios

(A) Impact of unexpected nuclear power plant retirements:

1. A relevant base case for the calendar year 2019 (for example, the 2019 base case adopted by PJM's Transmission Expansion Advisory Committee for use in the RTEP), with all Illinois nuclear power stations assumed to be available.
2. The same base case as (A)(1), except the Byron nuclear station is assumed unavailable.
3. The same base case as (A)(1), except the Byron and Quad Cities nuclear stations are assumed unavailable.
4. The same base case as (A)(1), except the Byron, Quad Cities, and Clinton nuclear stations are assumed unavailable.
5. After completion of the B scenarios, below, to the extent to which there are time and resources available to model additional scenarios:
 - 5.1 The same base case as (A)(1), except the Clinton nuclear station is assumed unavailable.
 - 5.2 The same base case as (A)(1), except the Quad Cities nuclear station is assumed unavailable.

(B) Impact of nuclear plant retirements, assuming that they are accompanied by likely reactions of RTOs to such plant closures (e.g., investments in new transmission).

B(2) through B(4): Same as (A)(2) through (A)(4), above, but with the added assumption in each case that RTOs react to the nuclear plant retirements with new transmission investment, as deemed most likely by PJM.

Output requested for each scenario

- Assumption changes not already included in the scenario description.
- Locational Marginal Prices for the ComEd Zone and, if possible, some representation of the Ameren Illinois load zone portion of MISO.
- Zonal load for the ComEd Zone and, if possible, some representation of the Ameren Illinois load zone portion of MISO.
- Load Energy Payments for the ComEd Zone and, if possible, some representation of the Ameren Illinois load zone portion of MISO.
- Emissions of CO₂ and other power plant emissions of environmental significance.
- For scenarios A(2) through A(4), a description of the scenario's implications for transmission adequacy and the continued provision of reliable electric service.
- For scenarios B(2) through B(4), a description of the new transmission resources deemed likely to be added in response to the nuclear plant retirements and the cost of such resources.
- Other outputs that PJM is willing to produce that, in PJM's view, are likely to be of interest to the ICC or shed light on the issues described in House Resolution 1146, and are not considered to be confidential.