

**Public Counsel's Recommended Changes to
AmerenUE's Waiver Request Language for 4 CSR 240-22.050 (2)**

(1) 4 CSR 240-22.050 (2)

Current requirement:

Section 4 CSR 240-22.050(2) in its entirety specifies the required methods for calculating and allocating avoided costs.

Proposed Alternative:

As an alternative to the procedure outlined in subsections (A) – (D), AmerenUE will use a forecast of the market price of energy as avoided energy costs and use both (1) AmerenUE's forward view of the market for regulatory capacity in the first two or three years of the planning horizon and (2) MISO's Cost of New Entry (CONE) estimate as ~~thea bases~~ basis for the avoided capacity costs. Values for the avoided cost of capacity in each year will be calculated by using AmerenUE's forward view of the market value of regulatory capacity in the initial two or three years and then using the CONE value beginning in the year when the MISO region is expected to become capacity constrained and new capacity must be built in the MISO region. Values for the avoided cost of capacity in the interval between the initial years and the year when the MISO region is expected to become capacity constrained will be estimated through linear interpolation. AmerenUE shall adjust the market price of energy to account for probable environmental costs pursuant to 4 CSR 240-22.040(2)(B). AmerenUE shall include an estimate of avoided transmission and distribution costs.

In addition, AmerenUE shall describe its method for (1) grouping hourly forecasted prices into avoided cost periods to reflect significant differences in the seasonal and/or hourly variation in prices, and (2) for allocating ~~regulatory~~ capacity costs to these periods, and (3) a description of the assumptions and procedures used for avoided capacity costs including AmerenUE's forward view of the market price of regulatory capacity, the MISO CONE, the development of avoided cost estimates for transmission and distribution facilities.