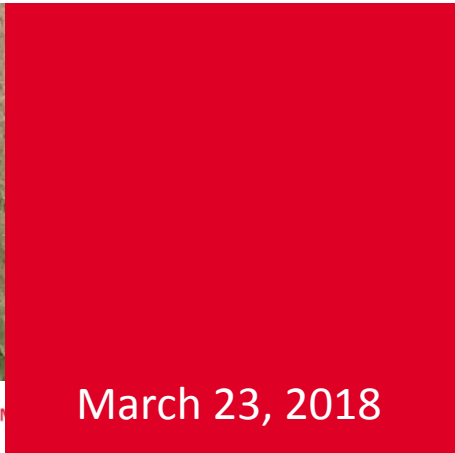




CNO UD-17-05 Settlement Conference No. 3







Agenda

- **Welcome & Safety**
- **Introductions**
- **Council Resolution R-17-622**
- **Brief Issues Recap**
- **Additional Information Provided
Following 2nd Settlement Conference**
- **Questions and Comments from Parties**

Council Resolution R-17-622

• Requirements

-  a. *By **January 12, 2018**, ENO shall conduct an initial public meeting ... ENO shall have a portal on its website for questions and comments concerning the proposed Project to be submitted until 7 days following the public meeting*
-  b. *...interested parties shall intervene in the case by **January 26***
-  c. *No later than **February 9, 2018**, ENO, the Intervenors and the Council's Advisors shall participate in a Settlement Conference*
-  d. *To allow an opportunity for discovery and for further settlement discussions between the Parties, no later than **March 5, 2018**, ENO, any Intervenors and the Council's Advisors shall participate in a second Settlement Conference*

Council Resolution R-17-622

- **Requirements**

e. *To the extent that full or partial settlement is attained between the Parties, whether contested or uncontested, ENO shall file no later than ~~March 19, 2018~~, a proposed Agreement in Principle*

April 6

f. *To the extent that the Parties are unable to reach a settlement, then each Party shall by **April 13, 2018** file for the Council's consideration comments on the DG Application including that Party's proposal for a procedural schedule for further proceedings, if any, necessary to resolve any outstanding disputes*

g. *A discovery period shall commence upon the issuance of this Resolution and run until the filing of an Agreement in Principle with the Council or until 8 days prior to the date of the Evidentiary Hearing in the event the parties are not able to reach settlement*

Issues Identified in Prior Conferences

- Cost variability due to ITC trade case/tariffs
- Cost allocation methodology
- Council monitoring and review procedures during and following completion of Project
- Accountability concerning use of local labor
- Cost of local rooftop DG project compared to remote utility scale PV projects from RFP
- Lack of quantification of benefits of local investment unique to Project
- Possible cost mitigation via 100% participant-funded community solar program

Information Provided After 2/28 Conference

- Additional Discovery Responses to Advisors and Alliance
 - Provided conservative estimate of typical bill impacts for first year of Project; estimated lifecycle costs
 - Offered conservative quantification of local investment benefits of certain components of the Project
- Additional modeling of community solar concept
 - Attempted to assess possible impacts of 2/28 Settlement Conference proposal from Advisors
 - Provided four different views of alternative program structure possibilities

Cost-Benefit Considerations

Residential Customer Bill Impacts

	NPV (\$1,000s)	
Revenue Requirement ¹	\$15,454	→ \$6.7m
Est. Residential Cost Allocation ²	47%	
Residential Share	\$7,263	
RFP Modeled Benefits	\$8,754	→ \$6.7m
Est. Residential Benefit Allocation ³	39%	
Residential Share	\$3,405	
Net Residential Cost / (Benefit)	\$3,858	
Lifetime \$/month/customer ⁴	\$0.06	

Quantification of Additional Benefits

	NPV (\$1,000s)
Property Taxes (25 yrs) ⁵	\$2,632
Sales Tax & Permits ⁶	\$500
Lease Payments (25 yrs) ⁶	\$1,041
	<u>\$1,541</u>
Installation Labor Spend ⁷	\$3,840
Employment	~65
Total Labor Income ⁸	\$5,623
Value Added	\$12,189
Output	\$23,438

Other Benefits: Future microgrid and energy storage projects; control over siting; avoid time and cost of transmission-level interconnections; partner with customers to meet their sustainability goals

¹ Excludes estimated Orleans Parish property taxes; includes 30% ITC; updated for recent Federal tax changes

² Based on last rate case (2008 Test Year)

³ Based on residential class energy sales per 2016 FERC Form 1

⁴ Assuming 1% annual residential customer count growth starting from ~178,000 (2016 FERC Form 1)

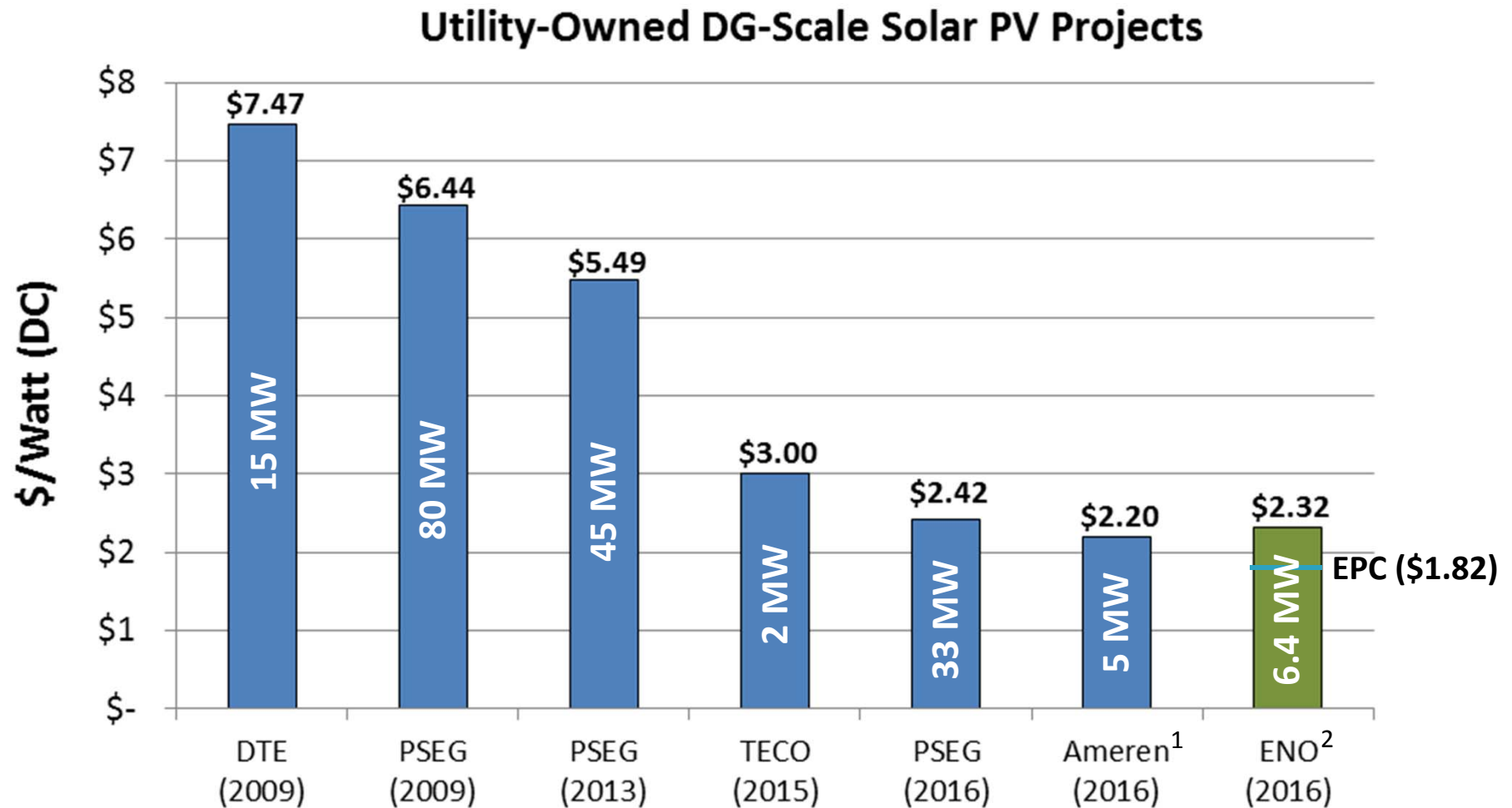
⁵ Excluded from revenue requirement

⁶ Included in revenue requirement (\$400k in sales tax and \$100k in City permit fees, which were included in \$250k of interconnection costs)

⁷ Based on EPC agreement with Brightergy Louisiana, LLC; included in revenue requirement

⁸ Based on analysis and report prepared by Dr. Nivin; includes direct, indirect, and induced; not reflected in customer impacts

Appendix: Benchmarking Costs



¹ Other costs like AFUDC, contingency, etc. may not be included in Ameren's high level cost estimate.

² Proposal submitted 9/30/16 based on ~6.4 MW_{DC} to achieve ~5 MW_{AC}; actual DC capacity to be installed may be higher.