

Ameren calls for stimulus money

By **Adriana Colindres**
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SPRINGFIELD — The Ameren Illinois Utilities, which provide electricity to much of downstate Illinois, are asking the federal government for \$45 million in economic stimulus money to help pay for projects designed to improve the power system.

Eventually, Ameren Illinois customers could wind up paying part of the cost, too, through what the company calls a "small charge to customer bills."

Ameren Illinois is proposing a "smart grid" initiative with an estimated price tag of \$83 million. The "smart grid" technologies would help customers manage their electricity usage better, said Ron Pate, Ameren Illinois' vice president of regional operations. Company workers also would be able to restore service more quickly after power outages, he said in a news release Thursday.

Of the \$83 million project cost, \$75 million is eligible for a 50 percent federal match of \$37.5 million.

In addition, Ameren Illinois is seeking federal funding to pay half the cost of a related project, the \$15 million advanced distribution management system. The system, which deals with monitoring power distribution, will be the foundation of the "smart grid" initiative, the company said.

Key aspects of the Ameren project include upgrading more than 100 electrical substations and installing technology to help Ameren quickly identify equipment problems and fix them before customer service is interrupted.

"The benefits are going to be real and genuine," Ameren Illinois spokesman Leigh Morris said.

Chicago-based Commonwealth Edison has filed a similar application with the federal government, asking for \$175 million in economic stimulus money for investments in "smart grid" technology. Com Ed provides electricity to the Chicago area and much of northern Illinois.

The U.S. Department of Energy is expected to decide later which projects will receive grants.

While a combined \$45 million of the Ameren Illinois projects would be eligible for federal funding, the company still would have to put up more than \$50 million to pay for the remainder.

To recover those costs, Ameren Illinois intends to ask the ICC to approve a mechanism for adding a new charge on customers' bills.

It's too soon to say exactly how much the charge would be, but the ICC first would have to approve it, Morris said. The amount would vary, depending on customers' consumption of electricity, he added.

David Kolata, executive director of the watchdog organization Citizens Utility Board, said CUB still is reviewing the Ameren Illinois and ComEd "smart grid" proposals.

ComEd's plan looks "significantly better," he said, because the Ameren plan doesn't go far enough in giving consumers greater control over their energy usage.

"We would have like to see a better, more consumer-friendly proposal from Ameren," Kolata said.

The Ameren Illinois Utilities provide electricity to about 1.2 million customers in the southern two-thirds of the state through AmerenCIPS, AmerenIP and AmerenCILCO.

Ameren Illinois presently has a case pending in front of the ICC that asks for a \$226 million delivery rate hike for electricity and natural gas customers. The case likely won't be resolved until next year.

Under the Ameren proposal, the size of the increases would depend on the amount of electricity and natural gas customers use and whether they're served by AmerenCIPS, AmerenIP or AmerenCILCO. For residential customers who use 10,000 kilowatt-hours of electricity a year, the increase would range from \$59 to \$97 annually.

Adriana Colindres can be reached at (217)782-6292 or adriana.colindres@sj-r.com

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