



Ameren Illinois 2026-2029 DSM Plan
SAG Presentation
May 2024

Agenda



01 2026 – 2029 Plan Considerations & Portfolio Planning Process

02 Portfolio Planning Process & Savings Goals

03 Savings Goals & Implications

04 Expiring Savings Issue

2026 – 2029 Plan Considerations & Portfolio Planning Process

Ameren Illinois' 2026 Plan Considerations guide our planning and portfolio development.



Assist customers in reducing costs and improving comfort

Equitably achieve savings goals

Increase benefits in disadvantaged communities

Deliver a more integrated customer experience

Empower our transition to a clean energy future

2026 – 2029 Plan Considerations & Portfolio Planning Process

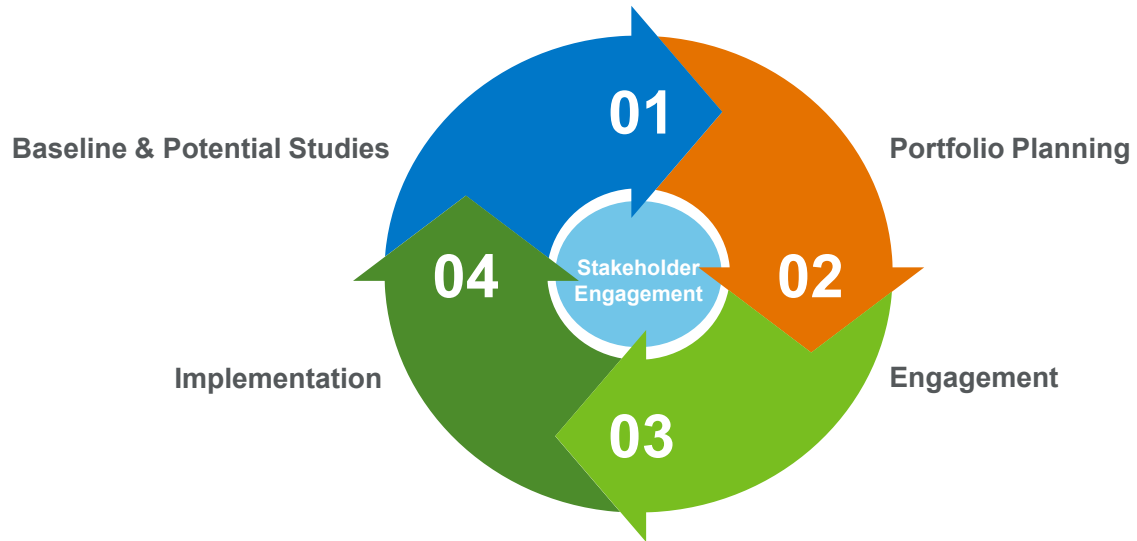


Why Savings Goals Matter

Energy Efficiency Savings Goals

- Utilities' portfolios are judged against savings goal benchmarks, which offer incentives for exceeding these goals and penalties for falling short
- Cumulative Persisting Annual Savings (CPAS) and the Applicable Annual Incremental Goal (AAIG) allow utilities to track the impact of their Energy Efficiency portfolios

Savings goals influence every stage of the EE Portfolio Lifecycle



Savings Goals & Implications

CPAS / AAIG Goals Overview



Cumulative Persisting Annual Savings (CPAS)

CPAS is focused on lifetime savings, looking to incentivize long-term persisting savings

- ◆ Long-Term Focus
- ◆ Legacy Savings and Expiration
- ◆ Savings Persist Through Lifetime

Applicable Annual Incremental Goal (AAIG)

AAIG represents the incremental savings achieved as measure savings expire

- ◆ Short-Term Focus
- ◆ Single Year Savings Snapshot
- ◆ Harsh Penalty for Expired Savings

- Each year, utilities need to produce enough savings to offset expired savings and make positive contributions to both AAIG and CPAS
- Expired savings are rapidly increasing and will severely impact AIC's ability to reach these goals in their current form
- **A business-as-usual approach will not be acceptable in this plan cycle, and a policy fix is needed**

Savings Goals & Implications

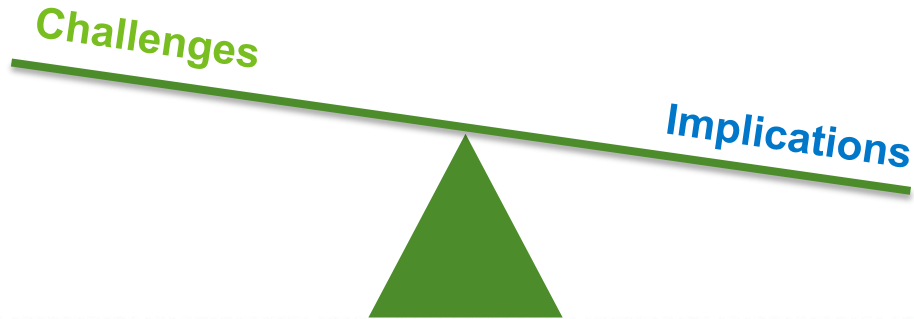
A delicate balance is needed to address plan challenges and the implications that result.

Plan Challenges

Starting in 2026 a gap develops between CPAS/AAIS Goals and projected savings and that expands significantly in 2028 and beyond

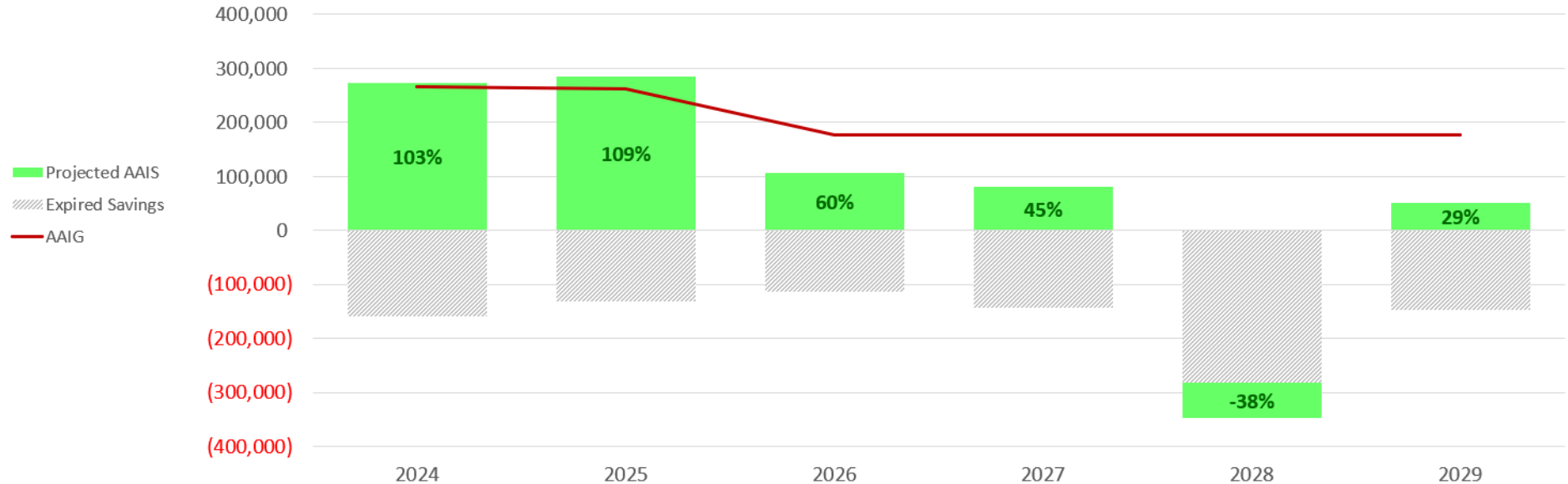
Implications

- The need to replace expiring savings limits IQ spending
- This will create a less comprehensive portfolio built on cheaper measures



AAIG Goals & Achievements

Implications for 2026 Plan – Preliminary Look

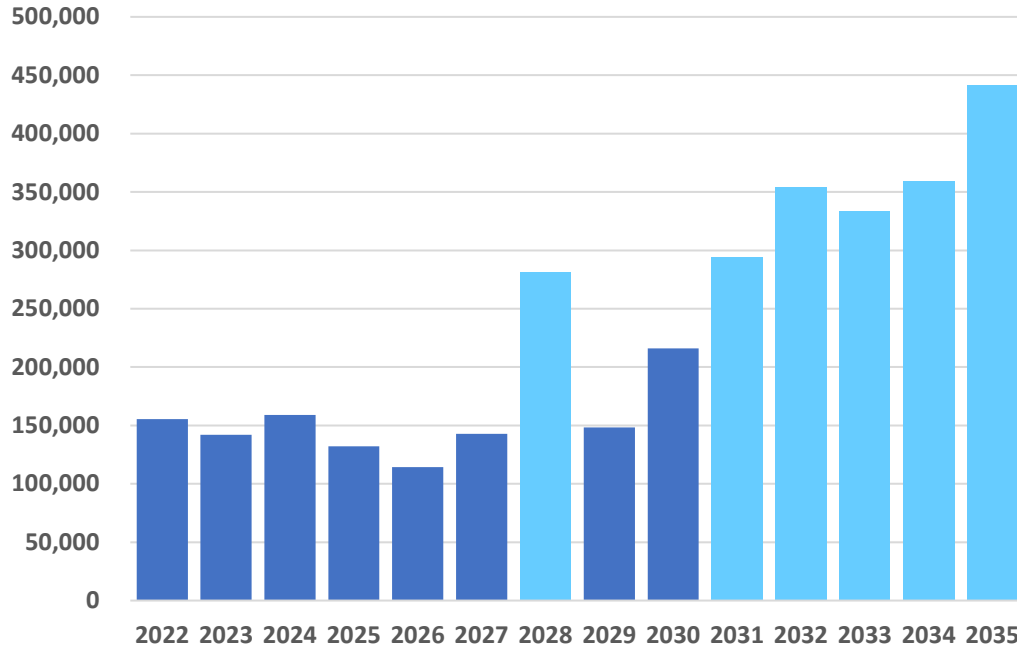


Applicable Annual Incremental Savings (AAIS) represents modeled projected savings including making up for expired savings

Expiring Savings Issue

The current goals framework is unsustainable both in this portfolio and for future planning cycles.

Historical and Projected Expired Savings



■ Indicates where expiring savings will require entire portfolios to be replaced

Key Takeaways

- This is a broader issue than just 2028
- 2028 has almost **double the expiration** than in prior years
- In 2028 and 2031+ **entire portfolios** will need to be replaced
- This will lead to portfolio implications and **adjustments to spending**
- **Putting in the work towards a solution now will pave the way for successful EE portfolios for cycles to come**

Concluding Thoughts & Key Takeaways

Due to expiring savings, Ameren Illinois will not be able to achieve its goal in the next Plan Cycle



Finding a solution now will pave the way for successful Energy Efficiency Programs in years to come



These challenges will impact not only this portfolio but future cycles as well