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## RISING ENERGY PRICES IMPACTING AMEREN ILLINOIS CUSTOMERS

Significant global events, including the conflict in eastern Europe, an increase in post-pandemic demand, increasing natural gas prices which are strongly correlated with power prices, and the nationwide transition away from fossil fuel generation to renewable generation sources are driving higher costs for the power and natural gas Ameren Illinois delivers to heat, cool, and power homes and businesses in Downstate Illinois. In addition, the federal energy grid operator serving Downstate Illinois has indicated the possibility of a shortage of power needed to meet demand on the hottest days this summer.

- **How much more will customers pay for power supply?**
  - Ameren Illinois is projecting that the customers who take their energy supply from Ameren Illinois **could pay as much as \$500 more** for power supply compared to last year. Beginning in June, increases in wholesale electricity and capacity prices could add as much as \$41 more per month to energy bill of the typical customer who receives their supply from Ameren Illinois.
- **How is wholesale power procured for Ameren Illinois customers?**
  - In 2007, state lawmakers shifted the responsibility for planning, development, implementation of power procurement to the Illinois Power Agency (IPA), a state agency that procures more than 60% of the power Ameren Illinois serves customers who choose the default supply service.
  - Ameren Illinois is required to implement the IPA's pricing contracts, deliver the power, and pass the supply costs directly to customers. Ameren Illinois does not control the cost of power supply.
- **Why are power supply prices going up?**
  - Along with global market pressures, renewable generation – solar and wind – has not kept pace with the generation capacity that has been lost as fossil fuel plants have retired. This has created a capacity shortage in the region that covers Ameren Illinois customers, driving up the capacity portion of the supply bill by approximately forty-seven times.
- **Should we be concerned about power availability?**
  - The regional grid operator, MISO, said regions without sufficient generation to cover their load plus their required reserves face an increased risk of temporary, controlled outages to maintain system reliability.
  - Currently, Ameren Illinois is confident that our delivery system is stable and reliable and power will be there when it is needed this summer. However, even hearing MISO suggest the possibility of having to implement controlled power outages is a sincere concern.

***IMPORTANT: Ameren Illinois does not profit from energy supply. The cost of energy supply makes up about one-half to two-thirds of a customer's energy bill and are passed directly, dollar-for-dollar, with no mark-up.***

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