S&P Global
Market Intelligence

Ameren Corporation NYSE:AEE

FQ1 2025 Earnings Call Transcripts

Friday, May 2, 2025 2:00 PM GMT

S&P Global Market Intelligence Estimates

COPYRIGHT © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

Table of Contents

Call Participants	.....	3
Presentation	.....	4
Question and Answer	.....	9

COPYRIGHT © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved

Call Participants

EXECUTIVES

Andrew Kirk
Senior Director of Investor Relations & Corporate Modeling

Martin J. Lyons
President, CEO & Chairman of the Board

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

ANALYSTS

Brian J. Russo
Jefferies LLC, Research Division

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

David Alexander Paz
Wolfe Research, LLC

Jeremy Bryan Tonet
JPMorgan Chase & Co, Research Division

Paul Basch Michael Fremont
Ladenburg Thalmann & Co. Inc., Research Division

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Presentation

Operator

Greetings, and welcome to Ameren Corporation First Quarter 2025 Earnings Conference Call.

[Operator Instructions] I would now like to turn the conference over to your host, Andrew Kirk, Director of Investor Relations and Corporate Modeling for Ameren Corporation. Thank you, Mr. Kirk. You may begin.

Andrew Kirk
Senior Director of Investor Relations & Corporate Modeling

Thank you, and good morning. On the call with me today are Marty Lyons, our Chairman, President and Chief Executive Officer; and Michael Moehn, our Senior Executive Vice President and Chief Financial Officer; as well as other members of the Ameren management team.

This call contains time-sensitive data that is accurate only as of the date of today's live broadcast, and redistribution of this broadcast is prohibited. We have posted a presentation on the amereninvestors.com homepage that will be referenced by our speakers. As noted on Page 2 of the presentation, comments made during this conference call may contain statements about future expectations, plans, projections, financial performance and similar matters, which are commonly referred to as forward-looking statements. Please refer to the forward-looking statements section in the news release we issued yesterday as well as our SEC filings for more information about the various factors that could cause actual results to differ materially from those anticipated.

Now here's Marty, who will start on Page 4.

Martin J. Lyons
President, CEO & Chairman of the Board

Thanks, Andrew. Good morning, everyone. I will begin on Page 4. At Ameren, we remain steadfastly committed to our strategic plan, which continues to drive value for our customers, communities and shareholders. Our focus is clear: deliver reliable, affordable energy while making prudent investments in energy infrastructure.

In the first quarter of 2025, we made great strides. Key energy infrastructure investments are enhancing the reliability and resiliency of the system for our 2.5 million electric customers and more than 900,000 natural gas customers across our service territory, ensuring they have the energy they need when they need it and facilitating economic growth in the communities we serve. Today, we'll provide an update on first quarter performance and how execution of our strategic objectives outlined on this slide are translating into tangible benefits for customers, communities and shareholders.

Let's get started with details on our financial progress this quarter, which I will cover on Page 5. Yesterday, we announced first quarter 2025 earnings of $1.07 per share compared to adjusted earnings of $1.02 per share in the first quarter of 2024. The key drivers of these results are outlined on this slide. We continue to expect 2025 diluted earnings per share to be in the range of $4.85 per share and $5.05 per share.

Moving to Page 6. On our call in February, I highlighted some of our top priorities for 2025 as we invest strategically to benefit customers, enhance regulatory frameworks and optimize business processes.

The Ameren team's efforts during the first quarter have already begun to yield positive results, as you can see on Page 7. Starting off, ongoing investments continue to improve the reliability, resiliency, safety and efficiency of service for customers while facilitating and contributing to economic growth. And as we look ahead, more will be required. In February, we filed our analysis with the Missouri Public Service Commission, or MoPSC, supporting a change to Ameren Missouri's preferred resource plan, which calls for significant investments in dispatchable natural gas and renewable generation resources as well as battery storage to ensure reliable service for our customers over the next decade.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Enabling such investments requires collaborative efforts among key stakeholders, and we believe regulatory and legislative results this year in Missouri demonstrate a commitment to fostering a constructive environment for investment, which will allow Ameren Missouri to continue to attract capital on favorable terms in order to facilitate economic growth in the state. In April, the Missouri Commission approved a constructive settlement in our electric rate review that supports necessary grid reliability investments, while also maintaining customer rates that are well below national and Midwest averages.

And in April, the Missouri General Assembly and Governor enacted comprehensive energy legislation, signaling that investment in the state's utility infrastructure is valued and paving the way for significant economic development within our communities and further job creation. We're excited about the prospects for growth in Missouri and remain committed to creating lasting value for our customers, communities and shareholders through our strategic investments.

Before moving on, I'd like to express my sincere appreciation to our Ameren team members, who work safely and efficiently to reliably serve our customers, especially in extreme weather conditions like the cold wintery conditions we experienced in January and the wet, windy and tornadic conditions we experienced in March. And it's worth noting that the grid hardening investments we have made in recent years performed exceptionally well considering the severity of the storms.

So far in 2025, we have prevented more than 114,000 customer outages through smart switching during major storms, equivalent to more than 30 million outage minutes avoided. For context, this means that our investments in smart technology have prevented more customer outages this quarter alone than in any full year since we began tracking these statistics in 2021. We continue to focus on optimizing our operations to deliver safe, reliable, resilient and affordable energy to our customers.

Now moving to Page 8, where we provide more in terms of a Missouri legislative update. In April, the Governor signed Senate Bill 4, a wide-ranging energy bill into law. This bill includes multiple provisions that will support our ability to continue to meet the needs of our customers and maintain the state as an affordable and attractive place to do business. Some of the key provisions of Senate Bill 4 include expansion and extension of plant-in-service accounting, or PISA, a modified integrated resource planning, or IRP process, which accelerates generation project review and requires a Missouri Public Service Commission decision, authority for the commission to grant construction work in progress for qualifying generation investments and authority for the commission to approve use of a forward test year for our Missouri natural gas business.

By extending PISA for another 7 years through 2035 and expanding PISA to include new natural gas generation, our regulatory framework will continue to support investment in reliable energy for years to come, better positioning Ameren Missouri to meet the future needs of our customers and communities. Importantly, PISA's extension and expansion and the modified IRP process are expected to help key stakeholders align more quickly on generation needs and provide more certainty around future investment plans, enhancing our speed to deploy new resources for customers and communities.

Turning to Page 9 for an update on the economic development opportunities. Our team is focused on doing all we can from an energy perspective to facilitate growth in our communities. We serve a diverse regional economy that spans multiple sectors, including manufacturing, aviation and defense, food and beverage and biotechnology, among others. In the first quarter, we successfully supported nearly a dozen projects, which will bring over $700 million of capital investment from these businesses and over 1,000 jobs across both states.

In Missouri, we continue to expect approximately 5.5% compound annual sales growth from 2025 through 2029, primarily driven by increasing data center demand. Further supporting our growth opportunities, we now have signed construction agreements with data center developers, representing a total of approximately 2.3 gigawatts of future demand, up 500 megawatts from our earnings call in February. These developers have demonstrated their confidence and commitment by submitting nonrefundable payments totaling $26 million towards the cost of necessary transmission upgrades.

Subject to agreement on rate structure, potential large load customers would sign separate electric service agreements, which would specify expected ramp-up schedules among other terms. We continue to expect

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

to file for approval of the proposed rate structure with the MoPSC in the second quarter. While there's no deadline for commission approval, we are optimistic that we'll receive a decision and have an effective rate structure before the end of the year.

We're committed to working closely with regulators, customers and stakeholders to ensure we meet the evolving needs in our service territory in a responsible and sustainable manner. Our balanced approach to generation laid out in our IRP ensures reliable service to our customers, while also providing energy to serve rising customer demand and to support economic growth in our communities.

On Page 10, we provide a brief update on the 1,200 megawatts of new generation currently under development at Ameren Missouri. These projects remain on schedule and on budget. Notably, we've executed contracts to acquire all 8 turbines and other long lead time materials needed for our next 2 simple cycle natural gas energy centers expected to be in service in 2027 and 2028.

Further, for solar energy centers under construction, including Vandalia, Bowling Green and Split Rail, nearly all imported equipment needed to execute the projects was in the U.S. prior to the April 2 trade tariff announcement, thereby limiting possible exposure to higher costs associated with announced tariffs on materials imported. We continue to monitor the dynamic tariff situation and work diligently to deliver cost-effective energy resources for our customers.

Finally, we expect to file additional certificate of convenience and necessity requests with the commission in the coming months with respect to planned investments in gas generation, solar generation and battery storage.

Moving to Page 11 for an update on MISO's long-range transmission planning portfolios. We're focused on developing proposals for the Tranche 2.1 long-range transmission planning competitive projects. We will evaluate each bidding opportunity carefully and submit bids for projects where we believe we have a competitive advantage with project design, cost and execution to deliver value for customers in the MISO region. The bid process for the $6.5 billion of competitive projects in the portfolio will take place over this year and next.

Further, MISO continues its future scenario redesign efforts, which consider growing demand for energy and the effects of changing resource planning across the region. We're actively engaged in this analysis with MISO and other transmission owners and expect MISO to issue its final report on the future redesign by the end of the year. Given this time frame, we'd expect work on the identification of Tranche 2.2 projects, which will address further transmission needs in the MISO region to commence as early as December 2025.

Moving to Page 12. Looking ahead over the next decade, we have a robust pipeline of investment opportunities of more than $63 billion that will deliver significant value to all of our stakeholders by making our energy grid stronger, smarter and cleaner and powering economic growth in our communities, bringing significant tax base and jobs.

Moving to Page 13. In February, we updated our 5-year growth plan, which included our expectation of a 6% to 8% compound annual earnings growth rate from 2025 through 2029. This earnings growth is primarily driven by strong compound annual rate base growth of 9.2%, supported by strategic allocation of infrastructure investment to each of our business segments based on their regulatory frameworks.

We expect to deliver strong long-term earnings and dividend growth, resulting in an attractive total return. I'm confident in our ability to execute our investment plans and strategies across all 4 of our business segments as we have an experienced and dedicated team to get it done.

Again, thank you all for joining us today and for your continued interest in Ameren. I'll now turn the call over to Michael.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Thanks, Marty, and good morning, everyone. Turning now to Page 15 of our presentation. Yesterday, we reported first quarter 2025 earnings of $1.07 per share compared to adjusted earnings of $1.02 per share for the first quarter of 2024. The key factors that drove the increase are highlighted by segment on this page. Our infrastructure investments to strengthen the energy grid and to provide more energy resources to serve our customers continue to be the primary driver of earnings growth across the company.

Further, the economic outlook for our service territories remain strong. In fact, over the 12 trailing months ended in March, Ameren Missouri's total weather-normalized retail sales have increased by approximately 3% compared to the year ago period. We've seen continued strategic wins that highlight the strength of our service territory.

Notably, Boeing was recently awarded The Next-Generation Air Dominance contract by the federal government valued at at least $20 billion. Boeing's ongoing St. Louis campus expansion to support this contract and other defense work is expected to create a significant number of new jobs and manufacturing work and reaffirms their commitment to the St. Louis community. In addition to aerospace, we're seeing growth in other sectors of our regional economy, such as health care, education services and mining.

Turning to Page 16, I'll provide an update on our 2024 Ameren Missouri's rate review. In April, the Missouri PSC approved a constructive stipulation and agreement for $355 million annual revenue increase. As our fifth consecutive settlement of electric revenue requirements in the state, this agreement continues our strong track record of achieving win-win results for our customers, communities and shareholders. The agreement does not specify certain details, including return on equity, capital structure or rate base. The agreement provides for the continuation of key trackers and riders, including the fuel adjustment clause. New rates will be effective on June 1. Importantly, new electric rates are expected to remain well below national and Midwest averages.

Moving to Page 17. As we think about the remainder of the year, we remain confident in our 2025 guidance range and continue to expect earnings to be in the range of $4.85 to $5.05 per share, and we remain focused on delivering at the midpoint or higher. Here, we have provided the expected quarterly earnings impacts from our 2024 Missouri rate review for the remainder of the year. I encourage you to take these supplemental earnings drivers into consideration as you develop your expectations for quarterly earning results for the balance of the year.

Before moving on, I want to take a moment to discuss the trade tariffs recently proposed by the current administration. As Marty discussed, we have robust capital spending plans in 2025 and the years ahead to meet critical customer needs. Our sourcing practices are designed to ensure we have materials where we need them and when we need them at competitive prices. In light of uncertainties associated with the tariffs, we are closely examining potential impacts on our capital budget. However, as we sit here today, we expect any impacts to be very manageable. We will continue to navigate the developing environment to ensure we remain well positioned to execute on our projects on time and as affordably as possible for our customers.

Turning to Page 18, we'll provide a financing update. We continue to feel very good about our financial position and made excellent progress to date on our 2025 financing plan. In March, Ameren Illinois issued $350 million of 5.625% first mortgage bonds due 2055, and Ameren Parent issued $750 million of 5.375% senior unsecured notes due 2035. In April, Ameren Missouri issued $500 million of 5.25% first mortgage bonds due 2035. To date, we have completed over 80% of our debt financings for the year. Also, we continue to systematically layer in hedges to mitigate interest rate exposure with respect to planned future parent debt issuances.

Further, in order for us to support our credit ratings and maintain a strong balance sheet while we fund a robust infrastructure plan, we expect to issue approximately $600 million of common equity in 2025. We have sold forward approximately $535 million of equity under our at-the-market or ATM program, consisting of approximately 5.8 million shares, which we expect to issue near the end of this year.

And we expect the remainder of our equity needs for the year to be issued under our dividend reinvestment and employee benefit plans. Having utilized most of the capacity available under our existing equity sales distribution program, we expect to increase the program capacity in the coming months to

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

enable additional sales to support equity needs in 2026 and beyond. We'll continue to be thoughtful about our approach to executing our equity plan.

On the balance sheet front, in April, S&P affirmed our BBB+ credit rating, and we expect Moody's to issue its annual credit opinion update later this month. As we said before, we value our current ratings, and we continue to target credit metrics at or above agency published downgrade thresholds.

On Page 19, we provide an update on Illinois Regulatory Matters. Earlier this week, Ameren Illinois requested a $61 million revenue adjustment as part of the annual performance-based rate reconciliation proceeding under the electric multiyear rate plan. This adjustment reflects 2024 actual cost, actual year-end rate base and return on equity and common equity ratio established in the multiyear rate plan. And the Illinois Commerce Commission, or ICC, decision is expected by mid-December and rates reflecting the approved reconciliation adjustment will be effective by January 2026.

Before moving on, I'd like to briefly discuss the MISO Planning Resource Auction that took place earlier this week for the upcoming June 2025 through May 2026 planning year. Importantly, there are adequate resources available to maintain reliability across all zones and seasons. That said, new capacity additions did not keep pace with reduced accreditation, suspensions and retirements of generation and slightly reduced imports, which resulted in a notable increase in capacity prices for June through August 2025 in all MISO zones.

The results reinforce the need to invest in new regional generation capacity as demand is expected to continue to grow with new, large load customer additions and as we expect continued retirement of existing generation. That said, annualized capacity pricing for Zone 5 located in Missouri moderated since the prior year's auction due in part to its strategic infrastructure investments in the energy grid's transmission capabilities and generation resources.

Changes in energy and capacity prices do not materially affect our earnings for Ameren Missouri or Ameren Illinois as they're passed on to customers with no markup. In Zone 4, some of our Ameren Illinois customers will see increases in the energy supply component of their bill for the summer months. That will ultimately depend on if they are taking supply services from Ameren Illinois or the terms of their contract with another supplier.

Notably, we would expect prices to return to pre-auction levels in October. We remain actively engaged in discussions with key stakeholders to develop long-term solutions to benefit of our Illinois customers by ensuring system reliability, promoting regional generation development and maintaining affordability, while supporting the transition to cleaner energy in the state. We will continue to support our customers and communities by connecting them with bill assistance programs and resources where needed.

Turning to Page 20. Our Illinois natural gas rate review remains in progress with intervenor direct testimony expected next week. An ICC decision is expected by early December, with new rates effective later that month.

In summary, turning to Page 21, we're off to a strong start in 2025, and we're well positioned to continue executing our strategic plan, which will drive consistent superior value for all of our stakeholders. We continue to expect strong earnings per share growth driven by robust rate base growth, disciplined cost management and a strong customer growth pipeline. As we said before, we have the right strategy, the right team and the right culture to capitalize on these opportunities and to create value for our customers and our shareholders. We believe this growth will compare favorably with the growth of our peers. Further, Ameren shares continue to offer investors an attractive dividend. In total, we have an attractive total shareholder return story.
That concludes our prepared remarks. We now invite your questions.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Question and Answer

Operator

[Operator Instructions] Our first question comes from Jeremy Tonet with JPMorgan.

Jeremy Bryan Tonet
JPMorgan Chase & Co, Research Division

Just wanted to start off with the additions as you laid out there. It seems like a lot of activity percolating. And just wanted to see the 350 that you referenced there, I just want to make sure that's separate from the 2.3 gigawatt referenced? Or I just wanted to kind of clarify that point in the outlook there.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Jeremy, it's Michael. So again, I think the incremental change is 1.8 to 2.3. So we signed an additional 500 megawatts under construction agreements related to data centers. And so when you think about that 1.8 that we had in the fourth quarter of last year, I mean, that was inclusive of that 350. So hopefully, that's clear. So it's an incremental 500 between where we were at the fourth quarter.

Jeremy Bryan Tonet
JPMorgan Chase & Co, Research Division

Okay. Got it. And then just wondering if you could expand a bit more, I guess, as these additions continue how that looks for the need for new generation here compounds, I guess, some of the factors that you laid out earlier, just -- any other thoughts would be helpful.

Martin J. Lyons
President, CEO & Chairman of the Board

Yes, Jeremy, this is Marty. Again, thanks for joining us. When we think about the 2.3 gigawatts of data center load growth and you think about it in terms of the sales growth that we've laid out, it just gives us greater confidence in some of the sales growth estimates that we've provided. And when you went back and you look at the slide that we provided, I think it was Slide 9, we show there is an expectation of 5.5% compound annual sales growth in Missouri, and that is foundational, of course, to the resource plan that we filed, but also that resource plan that we filed has the generation that's capable of supplying up to that 2 gigawatts of load growth by 2030, that's shown in the green shaded area on that slide. And when we think about this 2.3 gigawatts of data center construction agreements, again, just gives us greater confidence with respect to that sales growth.

Now what we're going to be working on here as we mentioned in our prepared remarks is we're going to be filing with the commission a rate construct for these large load customers here in the second quarter. And then we're going to be working to develop service agreements with the hyperscalers that would use and others that would use these data centers. We expect these customers would sign these separate agreements and amongst other things, those agreements would lay out the ramp-up schedule, minimum load obligations and things like that. With that, we'll get greater clarity in terms of the ramp-up schedule for these data centers.

But if you sign 2.3 gigawatts of construction agreements, for example, you could still have at or less than 2 gigawatts of sales by 2032 depending upon the ramp-up schedule. So we'll get greater clarity over time. But I think the 2.3 gigawatts certainly gives us greater confidence with respect to the sales growth. And of course, our IRP is tied to our plans. Now I will say that as the interest in data centers grow, we continue to explore avenues to provide incremental generation, if needed, but feel like the generation plans that we laid out in that IRP would be adequate to serve this 2.3 gigawatts of load as we see it today.

Jeremy Bryan Tonet
JPMorgan Chase & Co, Research Division

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Got it. That's very helpful there. I just wanted to go back to the IRA, if you could, and granted there's a lot of uncertainty at this point. But in the market, there's a lot of attention on transferability. And if there were any changes there, if that was taken away, I guess, the impacts that might have on your plan or how you think about potential offsets there as needed?

Martin J. Lyons
President, CEO & Chairman of the Board

Yes, Jeremy, we'll kind of tag team that. It's certainly a really timely question. As you've seen in the press, House Ways and Means is expected to start marking up legislation in the next week or so. And Congress, as a whole, I know wants to have a bill on the President's desk by July 4. So a lot of work to be done here in the near term. So we're going to see in the coming weeks where compromise can be reached on the tax credits and, of course, other important provisions that will be in that legislation for our customers. And really, that's the key here. I think these tax credits are all about being able to build the generation resources our customers need in the near term at an affordable cost. For us, based on that IRP that I just referred to earlier, which as you know, sort of incorporates in all of the above portfolio of resources, calls for more gas, solar, wind, batteries and eventually, nuclear.

And so those tech neutral tax credits, they're estimated to deliver a little over $2 billion of customer bill savings to our customers over the next 10 years based on that IRP. And that value, of course, doesn't accrue to shareholders. Those credits reduce customer rates. So maintaining the credits as long as we can, let's say, into the early 2030s, with safe harbor provisions and transferability would be really great for our customers. And the transferability you mentioned is really key. We use that provision today to sell the credits as they're earned and then pass that cash on to customers. And I see it as the credits and the transferability really go hand-in-hand and are really key to that affordability picture.

And so that's what our -- that's what we've been advocating for. When I've been in D.C., it's what our industry is advocating for and what others in D.C. are advocating for. And so look, as we look out over the next few weeks, the sausage making may not be pretty as Congress has a lot to balance in terms of their priorities. But I still remain optimistic we'll get to a reasonable resolution based on the fact that this is really about -- all about energy reliability for our customers, energy dominance, if you will, and customer energy prices. And I think that's really key at the end of the day.

But I'll let Michael chime in further in terms of our specific plans.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Yes. Thanks, Marty, that's a great overview, and I share Marty's optimism. This ends up ultimately in a good spot. I think, Jeremy, a couple of things just to keep in mind, I mean, we talked about this before. I mean, we come into this in a position of strength, right? I mean I think our balance sheet is probably one of the stronger in the industry.

And so that's given us a great deal of flexibility. I think as we laid out on our fourth quarter call, we're averaging about $300 million per year over this 5-year plan with respect to credits. And I think the things that gets a bit nuanced is, I think even in some of the discussions that are going on in D.C., it's -- a lot of this is already associated with projects that are in service or have been safe harbored. And so it gets even further nuanced down from there. But I mean, you take, for example, 2025, I think we have about, I don't know, a little less than $300 million worth of credits. So we've already realized more than half of that this year, and then we'll probably realize the rest of that over the next couple of months.

But if you kind of go through scenarios and try to parse some of that back, look, I feel good about this. I think it's manageable at the end of the day, I mean even without those credits. I mean, you're going to end up with higher rate base, obviously. Unfortunately, you're going to have higher prices for customers. But I do think the cash flow piece is manageable, I think over that kind of '25 through '27 time period, kind of where we're focused on with the rating agencies. We're at or above that downgrade threshold over that period of time. So we just completed our review with S&P over the last couple of weeks. They again

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

reaffirmed our BBB+, just sit in a really strong position with respect to them. Their downgrade threshold, just as a reminder, is 13%. We've got quite a bit of cushion over that as well.

So again, I feel like we've got a lots of flexibility. Again, I share Marty's optimism. I think this thing lands hopefully in an okay spot. But I think either way, we're able to work around this in a manageable way.

Operator

Our next question comes from Julien Dumoulin-Smith with Jefferies.

Brian J. Russo
Jefferies LLC, Research Division

It's Brian Russo, on for Julien. Just to follow up on the transferability question, the $300 million per year of tax credit monetization manageable. How technically, would you offset that? I think you've got an FFO to debt target of 17% every year. Could that be done without additional equity to offset the $300 million? Is there another way for you to accomplish that?

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Absolutely. I mean, look, again, as I sit here today, and what I just said before, I do think this is really manageable. I think even without these credits. And again, it's -- I think you got to get into how much really go away, right? Because I think there is a piece associated with stuff that's already in service, stuff that's safe harbored. I really think those probably stay. And even ultimately, if some of that stuff would go away, which seems to be a really draconian way to look at it, I still think it's manageable without issuing additional equity. Again, I think over that 3-year period, we're averaging it right at that downgrade threshold.

And look, we continue to advocate with Moody's, in particular, that downgrade threshold probably should come down, too, as well. When we look at a couple of our peers, we made some arguments around that, that we think given all the progress that we've continued to make [regulatorily], legislatively in Missouri, got things stabilized in Illinois that we're being held to a higher standard, which I think also would give some flexibility. But we'll see where they ultimately go on all of that at the end of the day. But even without that, again, we feel very good about the financing plan that we have in place.

Brian J. Russo
Jefferies LLC, Research Division

Okay. Great. And then on the PRP with smart plan, I mean, how confident are you on the time line that's proposed and then the total cost of the $16.2 billion? It's a diversified mix of, like you said, renewables, gas and battery tariffs and obviously, a lot of macro uncertainty, the tariffs and supply chain. Just wanted to get your thoughts on your materials or major equipment type of procurement ahead of the ramp-up in spend.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

This is Michael, again, Brian. Yes. Look, we feel great about our plan. I think we've talked about this over the past year. So with respect to those 2 gas turbines that we have in our plan, I mean we took some early action to put contracts in place with respect to the long lead time material and just recognizing the tightness that was getting there in the market. We've made payments in excess of $100 million to that supplier to make sure those are secured, feel good about the progress that's being made there, construction started really on both sites. I think the teams feel very good, not hearing anything from the vendor that causes us any concern at all with respect to those gas turbines.

Now we're turning really our focus to the combined cycle that's out there in the kind of 2032 time frame. And I think we'll probably be in a position by the end of this year to have some contracts in place there as well. So that will give us even further confidence. From a renewable standpoint, I think we had a slide in there that talked about 400 megawatts of different projects from a solar perspective. Team has

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

been just super aggressive about getting material on site for all of those projects. I feel very good about even avoiding tariffs, most of that -- those cells, et cetera, are in the U.S., either on site or they're in warehouses, et cetera. Construction is well underway. Again, feel very good about what we see over the next few years. We'll have to continue to kind of work around all these tariff issues. But at the present moment, we feel very good about the construction schedule.

Brian J. Russo
Jefferies LLC, Research Division

Great. And then just lastly on your Missouri regulatory strategy, a constructive rate case settlement and with accelerating load growth ramping up in '26 and beyond and now with SB 4 support, do you see the cadence of your rate case filings changing? And then a follow-on to that would just be kind of the earned returns that you expect in Missouri now. I think historically, it's been more of a step-up in terms of lag relative to when you get new rates and just curious there.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Yes, you bet. Again, I think the overall settlement, as you just noted, it was constructive. I think I noted in my remarks. I think it's the fifth one. And so again, I think it's a win-win for both customers and shareholders. And I think it's just a reflection of, I think, all the progress that we've continued to make both [regulatorily] and legislatively in Missouri. And then obviously, as Marty went through some of the aspects of Senate Bill 4, again, I think it's something that's incrementally positive to how we think about regulatory lag.

Our focus has always been earning as close to that allowed as possible. Mark Birk and the team continue to do a great job there. They're very mindful of cost, very mindful of the regulatory cycle and getting things in service at the right times. As you noted, I mean, we've been on, I'd say, about every kind of 2-year cadence. We're always looking to try to stretch that out as far as we can. But just given the overall kind of super cycle of capital that we're in, it's hard to do that even with PISA. You really have to go in and kind of freshen up rates over a couple of years.

Look, I think we'll continue to step back as we -- as Marty went through some of the data center opportunities and growth. We'll evaluate that. I mean it gives us some more flexibility. Obviously, we want to do that. A lot will depend sort of on the ramp schedules, et cetera, when this stuff comes into place. The longest you can ever stay out of Missouri is 4 years because of the FAC. So it's some place between that 2- and 4-year cycle, but that's sort of what's on our mind and how we kind of think about it today.

Operator

Our next question comes from Carly Davenport with Goldman Sachs.

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

Maybe to start, just as we think about the macro environment and the higher degree of uncertainty, is there anything that you're seeing or hearing from your customers, particularly on the commercial or industrial side giving any early indications of any potential pockets of slowdown or changes in plans for future load?

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

This is Michael. No, not at all. I mean I think even I tried to note this in the remarks, if you kind of step back, and it's difficult when you're kind of looking on a quarter-by-quarter basis. But if you look at the last trailing 12 months, I mean, the overall growth has still been very, very strong. I noted 3%, it's across all classes. Again, residential, up 1%; commercial, up a little bit less and industrial, up a strong 2%. So seeing growth in all areas that's coming off of a strong year, as we noted in 2024, we ended up 2% there as well.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Again, I noted the Boeing opportunity, which I think is tremendous for the country, tremendous for St. Louis, State of Missouri in terms of that F-47 being built here. I think it's got a lot of long-term benefits. Marty noted a number of other folks seem to be kind of weathering the storm, if you will.

Marty, anything to add from your perspective?

Martin J. Lyons
President, CEO & Chairman of the Board

No, that's exactly right. I would just say when we look ahead at the sales growth opportunities we have, really, the big thing driving that is this potential data center load, hyperscaler interest. And that interest is just continued, evidenced obviously by the 500 megawatts of additional [Technical Difficulty]. Still there?

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

Sorry, the line cut out there for a second for me. Can you guys still hear me?

Martin J. Lyons
President, CEO & Chairman of the Board

We can now, yes.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Hopefully, you can hear us.

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

Great. I missed the last maybe 10 to 15 seconds, Marty, of your kind of...

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

It was really important...

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

I know you started out on the data center piece, and then I lost you for the last bit there.

Martin J. Lyons
President, CEO & Chairman of the Board

Yes. Sorry about that. Yes, I was just underscoring that with respect to -- because I know there have been some questions out in the market about the hyperscaler interest in data centers. And I just want to underscore, we're still having very positive, constructive conversations there and moving forward at a steady pace. It's underscored by obviously the 500 megawatts of additional construction agreements we had signed. But I know your question was about the overall economy, but when we look at some of the sales growth ahead, obviously, foundational to that is this data center demand, this hyperscaler interest. And that continues to be just sort of rock solid in terms of how we're moving forward with those conversations.

Carly S. Davenport
Goldman Sachs Group, Inc., Research Division

Great. Appreciate it. And then maybe just a quick follow-up on the broader capital plan. I know you had some high-level comments in the prepared on tariffs being manageable. Is there any quantification you can provide on the exposure of the overall capital plan to tariffs? And if there's any particular vertical that maybe is driving that exposure?

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

You bet. Yes. I mean I think when you kind of step back and look at the overall plan. I mean, just think about it in terms of the $26 billion. And so Carly, from that, about 65% is labor related, right? So we're not talking about any tariffs with respect to that at the moment. So 35% is sort of on the material side. And then from there, historically, about 85% or so of that is domestically sourced. I mean the team has really done a nice job over the years developing kind of a robust, diverse supply chain. So I feel very, very good about that.

As we kind of look through where we potentially have some exposure, I think, on average, we think over that $26 billion, it could be about 2%. And that's really before any mitigation, and the team will continue to look at it. Most of that's going to be honestly tied up through some of the battery projects, where we haven't made final decisions yet.

The team is kind of working through some final RFP pieces this year. And I think there's some ability to pivot, if we need to, to have some more of that domestically sourced. But also, we may decide to leave it there at the end of the day, if it makes more sense from a reliability standpoint, the quality of the product, et cetera.

So again, that 2%, I think, is a very manageable number. I mean, it's on top of that $26 billion plan that's over that 5 years. These are capital projects that we're talking about. Again, I think we'll look for ways to try to mitigate that. I don't want to minimize. Every dollar matters here, right? We don't want to pass on any more costs than we absolutely have to. So the team will continue to look for ways to pivot and try to bring that down wherever possible. But I think at the highest level, the number is fairly manageable.

Hopefully, that gives you some context.

Operator

[Operator Instructions] Our next question comes from Paul Fremont with Ladenburg Thalmann.

Paul Basch Michael Fremont
Ladenburg Thalmann & Co. Inc., Research Division

I guess, is there a cost estimate just on the Castle Bluff 800-megawatt plant now that you procured the turbines?

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Yes. I think $900 million is the number that I think we disclosed in the end of the fourth quarter. So still feel good about that estimate even as we've kind of gone through and freshened up everything from a contract perspective.

Paul Basch Michael Fremont
Ladenburg Thalmann & Co. Inc., Research Division

Great. And then if you were to choose to build additional gas-fired generation, do you have a sense of what the cost would be and how long it would take for you to line up the equipment?

Michael L. Moehn
Senior EVP, CFO & President of Ameren Services

Well, we do have another 800-megawatt gas plant that's in the plan there, the following year. And again, and -- I've made some previous comments about this and again, have secured the turbines there, I feel good about it. I'd say the costs were a little bit higher, but generally in the range. And more importantly, just feel good about being able to get the project done in that time frame from a reliability standpoint.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

And then the next one out there is this combined cycle plant, and I alluded to this a couple of minutes ago. I mean the team is in active RFP process in the moment going through and looking at potential turbine vendors, et cetera. And so we'll have that locked down, I would say, by the end of this year.

And so look, obviously, you're seeing some tightness in the market. We'll see what that ultimately produces from a cost perspective, but very focused on getting this generation online in the time frame that we've laid out there because of all the things that Marty talked about from the data center economic development, just general reliability perspective.

Operator

Our next question comes from David Paz with Wolfe Research.

David Alexander Paz
Wolfe Research, LLC

Just, I guess, quickly, just as -- and I appreciate the update, thorough as always. But as you stand today, do you see your EPS growth in the second half of your planning period towards that upper end of 6% to 8%?

Martin J. Lyons
President, CEO & Chairman of the Board

The answer is yes. David, it does. No change there. As we talked about on our year-end call, certainly, we've given guidance of 6% to 8% EPS CAGR for '25 to '29. In the short term, we expect to be at or above the midpoint and meaning this year and next year. But as we see some of this load tick up, which we expect to see that load growth in late '26 and into 2027, as we talked about in February, we have some of this big CapEx that's in our IRP that Michael just talked about goes into service in 2027, 2028, it goes into rate base.

In those periods, yes, we expect to deliver near the upper end of the range in that middle to latter part of that 5-year plan. And so -- and look, I'm pleased with the performance this quarter. We talked about the additional construction agreements for data centers, which is giving us added confidence with respect to some of that load growth that we're seeing. I'll be honest with you, David. I was just pleased overall with the company's performance here in the first quarter.

I think the Ameren team did a great job making progress on a lot of the strategic goals that we had set for ourselves in Q1 and additionally performed very well operationally despite some weather challenges. And obviously, we delivered solid earnings and growth over last year. So real pleased about all that. We covered a lot of that in prepared remarks, so I won't tick through at all.

But the key is that those things, like the IRP filing, like the constructive rate review settlement in Missouri, Senate Bill 4 in Missouri, the financings that our team completed in this quarter, both debt and equity financings, the incremental data center construction agreements, all of the ongoing cost management across the company and the business process improvement efforts that we've got underway, all of these things give me greater optimism about the future and confidence that we're going to be able to invest and grow our economies and deliver great value for our customers, communities and shareholders. So as I sit here today, I think we had a very strong quarter and feel very good about the guidance that we provided back in February.

Operator

We have reached the end of the question-and-answer session. I'd now like to turn the call back over to Marty Lyons for closing comments.

Martin J. Lyons
President, CEO & Chairman of the Board

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Great. Well, thank you all for joining us today. We look forward to seeing many of you at the AGA Financial Forum, which is coming up in a few weeks. And with that, thank you. Have a great day and a great weekend.

Operator
This concludes today's conference. You may disconnect your lines at this time, and we thank you for your participation.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.

Copyright © 2025 by S&P Global Market Intelligence, a division of S&P Global Inc. All rights reserved.

These materials have been prepared solely for information purposes based upon information generally available to the public and from sources believed to be reliable. No content (including index data, ratings, credit-related analyses and data, research, model, software or other application or output therefrom) or any part thereof (Content) may be modified, reverse engineered, reproduced or distributed in any form by any means, or stored in a database or retrieval system, without the prior written permission of S&P Global Market Intelligence or its affiliates (collectively, S&P Global). The Content shall not be used for any unlawful or unauthorized purposes. S&P Global and any third-party providers, (collectively S&P Global Parties) do not guarantee the accuracy, completeness, timeliness or availability of the Content. S&P Global Parties are not responsible for any errors or omissions, regardless of the cause, for the results obtained from the use of the Content. THE CONTENT IS PROVIDED ON "AS IS" BASIS. S&P GLOBAL PARTIES DISCLAIM ANY AND ALL EXPRESS OR IMPLIED WARRANTIES, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE OR USE, FREEDOM FROM BUGS, SOFTWARE ERRORS OR DEFECTS, THAT THE CONTENT'S FUNCTIONING WILL BE UNINTERRUPTED OR THAT THE CONTENT WILL OPERATE WITH ANY SOFTWARE OR HARDWARE CONFIGURATION. In no event shall S&P Global Parties be liable to any party for any direct, indirect, incidental, exemplary, compensatory, punitive, special or consequential damages, costs, expenses, legal fees, or losses (including, without limitation, lost income or lost profits and opportunity costs or losses caused by negligence) in connection with any use of the Content even if advised of the possibility of such damages. S&P Global Market Intelligence's opinions, quotes and credit-related and other analyses are statements of opinion as of the date they are expressed and not statements of fact or recommendations to purchase, hold, or sell any securities or to make any investment decisions, and do not address the suitability of any security. S&P Global Market Intelligence may provide index data. Direct investment in an index is not possible. Exposure to an asset class represented by an index is available through investable instruments based on that index. S&P Global Market Intelligence assumes no obligation to update the Content following publication in any form or format. The Content should not be relied on and is not a substitute for the skill, judgment and experience of the user, its management, employees, advisors and/or clients when making investment and other business decisions. S&P Global Market Intelligence does not act as a fiduciary or an investment advisor except where registered as such. S&P Global keeps certain activities of its divisions separate from each other in order to preserve the independence and objectivity of their respective activities. As a result, certain divisions of S&P Global may have information that is not available to other S&P Global divisions. S&P Global has established policies and procedures to maintain the confidentiality of certain nonpublic information received in connection with each analytical process.

S&P Global may receive compensation for its ratings and certain analyses, normally from issuers or underwriters of securities or from obligors. S&P Global reserves the right to disseminate its opinions and analyses. S&P Global's public ratings and analyses are made available on its Web sites, www.standardandpoors.com (free of charge), and www.ratingsdirect.com and www.globalcreditportal.com (subscription), and may be distributed through other means, including via S&P Global publications and third-party redistributors. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.
© 2025 S&P Global Market Intelligence.

Copyright © 2025 S&P Global Market Intelligence, a division of S&P Global Inc. All Rights reserved.