



Illinois Energy Legislation

September 13, 2021



Cautionary Statements



Forward-looking Statements

Statements in this presentation not based on historical facts are considered "forward-looking" and, accordingly, involve risks and uncertainties that could cause actual results to differ materially from those discussed. Although such forward-looking statements have been made in good faith and are based on reasonable assumptions, there is no assurance that the expected results will be achieved. These statements include (without limitation) statements as to future expectations, beliefs, plans, projections, strategies, targets, estimates, objectives, events, conditions, and financial performance. In connection with the "safe harbor" provisions of the Private Securities Litigation Reform Act of 1995, Ameren is providing this cautionary statement to identify important factors that could cause actual results to differ materially from those anticipated. In addition to factors discussed in this presentation, Ameren's Annual Report on Form 10-K for the year ended December 31, 2020, and its other reports filed with the SEC under the Securities Exchange Act of 1934 contain a list of factors and a discussion of risks that could cause actual results to differ materially from management expectations suggested in such "forward-looking" statements. All "forward-looking" statements included in this presentation are based upon information presently available, and Ameren, except to the extent required by the federal securities laws, undertakes no obligation to update or revise publicly any "forward-looking" statements to reflect new information or current events.

Illinois Energy Legislation



Enhancing regulatory frameworks and advocating for responsible energy and economic policies

Ameren Illinois Electric Distribution

- **SB 2408 passed by General Assembly; will be sent to Governor for signature**
 - Electric utility may opt-in to four-year rate plan (Multi-Year Plan) for rates effective beginning in 2024; if not opt-in default to traditional ratemaking with a future test year
 - Existing formula ratemaking available through 2023
 - Four-year rate plan
 - Allowed ROE determined by ICC applied to year-end rate base; unchanged during plan
 - Performance metrics may impact allowed ROE by +/- 20 to 60 basis points
 - Year-end capital structure includes equity ratio of up to and including 50% is considered prudent and reasonable; higher equity ratio must be approved by ICC
 - Requires revenue decoupling
 - Actual annual revenue requirement may not exceed 105% of the revenue requirement for the annual period approved in the Multi-Year Plan (True-up Cap)
 - True-up Cap excludes variations from forecasted costs associated with major storms, new business and facility relocations, changes in timing of expenditures or investments which move the expenditure or investment into or out of the applicable calendar year, changes in interest rates, taxes (including income taxes and taxes other than income taxes), pension/OPEB and amortization of certain regulatory assets
 - True-up Cap excludes costs recovered through riders such as purchased power, transmission and bad debts



Illinois Energy Legislation, Cont'd



Enhancing regulatory frameworks and advocating for responsible energy and economic policies

Ameren Illinois Electric Distribution

- Four-year rate plan, cont'd
 - Rate impact to customers upon opt-in mitigated through ability to phase-in rates
 - At least 50% of first year's approved rate increase must be reflected in rates in year 1
 - Remaining portion recorded as regulatory asset (earns WACC) and recovered in rates beginning within 12 months after year 2 rates are effective over period not to exceed 24 months; revenues are recognized when amounts are expected to be collected from customers within two years from the end of an applicable year
- Allows for two utility-owned solar and battery storage pilot projects to be located near Peoria or East St. Louis at a cost not to exceed \$20 million each
- Allows for utility investments and incentives to support transportation electrification, subject to ICC approval



Illinois Energy Legislation, Cont'd



Enhancing regulatory frameworks and advocating for responsible energy and economic policies

	Current Performance-Based Rates	Traditional Framework (Future Test Year)	Legislation
ROE	5.80% + average of 30-year treasury rate each calendar year	ICC determined	ICC determined
Earned vs. Allowed	Allowed	Potential for regulatory lag in non-test years	Allowed, if within True-up Cap ¹
Equity ratio	Up to 50%; higher ratio must be approved by ICC	Subject to ICC approval	Up to 50%; higher ratio must be approved by ICC
Rate Base	Year-end	Average	Year-end
True-ups	Annual, not capped	None	Annual, capped at 105% with significant exclusions ¹
Sales Decoupled	Yes	Yes (rider)	Yes (rider)
Performance Metrics	Yes, penalties up to 38 bps	No	Yes, +/- 20 to 60 bps; symmetrical incentives and penalties
Plan Filed	None	One year	Four years

¹ True-up Cap excludes variations from forecasted costs associated with major storms, new business and facility relocations, changes in timing of expenditures or investments which move the expenditure or investment into or out of the applicable calendar year, changes in interest rates, taxes (including income taxes and taxes other than income taxes), pension/OPEB and amortization of certain regulatory assets. True-up Cap excludes costs recovered through riders such as purchased power, transmission and bad debts.

Glossary of Terms and Abbreviations

bps – Basis points

EV – Electric vehicle

ICC – Illinois Commerce Commission

OPEB – Other post-employment benefits

ROE – Return on equity

SB – Senate Bill

SEC – Securities and Exchange Commission

WACC – Weighted average cost of capital