# Q1 2021 Earnings Call

## Company Participants

- Andrew Kirk, Investor Relations Director
- Martin J. Lyons, Chairman and President, Ameren Missouri
- Michael L. Moehn, Executive Vice President, Chief Financial Officer, Ameren Corporation, President, Ameren Services
- Warner L. Baxter, Chairman, President and Chief Executive Officer

## Other Participants

- Durgesh Chopra, Evercore ISI
- Insoo Kim, Goldman Sachs
- Jeremy Tonet, J.P. Morgan
- Julien Dumoulin-Smith, Bank of America Merrill Lynch
- Paul Patterson, Glenrock Associate
- Shahriar Pourreza, Guggenheim
- Stephen Byrd, Morgan Stanley

## Presentation

### Operator

Greetings, and welcome to Ameren Corporation's First Quarter 2021 Earnings Conference Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. (Operator Instruction)

It is now my pleasure to turn the conference over to your host Andrew Kirk, Director of Investor Relations for Ameren Corporation. Thank you, Mr.Kirk, you may begin

### Andrew Kirk {BIO 20578297 <GO>}

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

Warner and Mike will discuss our earnings results and guidance as well as provide a business update, then we will open the call for questions. Before we begin let me cover a few administrative details. 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. To assist with our call this morning, we have posted a presentation on the amereninvestors.com homepage that will be referenced by our speakers.

As noted on Page 2 of this presentation, comments made during this conference call may contain statements that are commonly referred to as forward-looking statements. Such statements include those about future expectations, beliefs, plans, projections, strategies, targets, estimates, objectives, events, conditions and financial performance.

We caution you that various factors could cause actual results to differ materially from those anticipated. For additional information concerning these factors, please read the forward-looking statements section in the news release we issued today and the forward-looking statements and risk factors section in our filings with the SEC. Lastly, all per-share earnings amounts discussed during today's presentation, including earnings guidance are presented on a diluted basis, unless otherwise noted.

Now here's Warner.

## Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Andrew. Good morning, everyone, and thank you for joining us. I hope you, your families and colleagues are safe and healthy. Before I begin our discussion of our first quarter results and related business matters, want to begin with a few comments on COVID-19. It is hard to believe that we have been addressing the challenges associated with this pandemic for over a year now. Needless to say, much has changed. However, one thing that has not changed is our a relentless focus on delivering safe, reliable, cleaner and affordable electric and natural gas service for the millions of people in Missouri and Illinois that are depending on us.

As I said during our year-end conference call in February, despite the significant challenges presented by COVID-19, I look to the future with optimism. In part, this was due to the aggressive distribution of vaccines throughout our country. I'm pleased to say that we are beginning to see the fruits of the incredible efforts by so many in the healthcare, government, public and private sectors. COVID-19 cases are down significantly from earlier in the year and restrictions have lessened. As a result, we are clearly seeing signs that the economy is improving in our service territory and across the country.

Optimism was also driven by our co-workers have consistently stepped up and addressed a multitude of challenges and capitalized on opportunities, and the strong execution of our strategy that is delivering value to our customers, communities and shareholders. Together, these factors contributed to our ability to get off to a strong start in 2021. This brings me to a discussion of our first quarter results starting on Page 4.

Yesterday, we announced first quarter 2021 earnings of $0.91 per share, compared to earnings of $0.59 per share in the first quarter of 2020, a year-over-year increase of $0.32 per share, reflecting increased infrastructure investments across all of our business segments that will drive significant long-term benefits for our customers. Key drivers of first quarter results are outlined on this slide.

I'm also pleased to report that we continued to effectively execute our strategic plan and remain on track to deliver within our 2021 earnings guidance range of $3.65 per share to $3.85 per share. Michael will discuss our first quarter earnings, 2021 earnings guidance and other related items in more detail later.

Moving to Page 5, here we reiterate our strategic plan. First pillar of our strategy stresses investing in and operating our utilities in a manner consistent with existing regulatory frameworks. This has driven our multi-year focus on investing in energy infrastructure for the long-term benefit of customers. As a result and as you can see on the right side of this page, during the first three months of this year, we invested significant capital in each of our business segments, including our investment in wind generation. Regarding regulatory matters in late March, Ameren Missouri filed a request for a $299 million increase in annual electric service revenue with the Missouri Public Service Commission.

In addition, Ameren Missouri filed a request for $9 million increase in annual natural gas revenue with the PSC. Michael will discuss the details of their question in moment, I'd like to briefly touch on some of the key benefits our electric and natural gas customers in Missouri are seeing as results for new investments reflected in these rate requests. We are now in the third year of Ameren Missouri's Smart Energy Plan, which is focused on strengthening the grid through infrastructure upgrades, adding more renewable generation and creating programs to stimulate economic growth for communities across the state.

Our grid modernization investments incorporate smart technology, including outage detection and restoration switches as well as smart meters, which allow customers to take advantage of new rate options. These investments are delivering results through improved reliability and resiliency. For example, on circuits with new smart technology upgrades, we have seen up to a 40% improvement in reliability. Of course, we also remain committed through a clean energy transition for our customers and state. This was demonstrated to our recent acquisitions of wind generation facilities located in Northern Missouri, totaling 700, megawatts.

In addition, our investments are stimulating economic opportunities across state. I'm pleased to say that 57% of Ameren Missouri's suppliers in 2020 were Missouri based, and 32% of its source-able capital spend was with diverse suppliers, and we're doing all these things while keeping our customers' electric rates approximately 20% below the average in other Midwest states and across the country.

At the same time, we remained very disciplined in managing our costs. As a result, if approved, the new electric rate request will represent a 5.4% total increase over almost five year period, a yearly average of approximately 1%. We will remain disciplined in managing our costs while we build a stronger, smarter and cleaner energy system for our customers now and in the future.

Moving now to Ameren Illinois regulatory matters. In January, we received a constructive rate order from the ICC that resulted in a $76 million annual increase in gas distribution rates. New rates went into effect in late January. In our Illinois Electric business, we made our required annual electric distribution rate filing, requesting a $64 million base rate increase. This filing was only the second requested increase in delivery service rates in six years. While Michael will touch on the details of our filing a bit later, I think it is important to note that, for years, our

Illinois customers have realized the benefits of our significant investments in energy infrastructure.

Since performance-based ratemaking began in 2012, liability has improved by 20%, and over 1,400 jobs have been created. At the same time, electric rates are among the lowest in the country and Midwest, approximately 3% below 2012 levels. This performance based framework has been a win-win for our customers the State of Illinois. That is why we continue to strongly advocate for a performance-based regulatory framework in the Illinois legislature. Which brings me to our discussion on the second pillar of our strategy, enhancing regulatory frameworks and advocating for responsible energy and economic policies on Page 6?

As I discussed on our conference call in February, an enhanced version of the Downstate Clean Energy Affordability Act legislation was filed earlier this year, which, in the past, would apply to both the Ameren Illinois electric and natural gas distribution businesses. This legislation would allow Ameren Illinois to make significant investments in solar energy, battery storage and electric and gas infrastructure to continue to enhance safety and reliability as well as in transportation electrification in order to benefit customers and the economy across central and southern Illinois. This important piece of legislation would also require diverse supplier spend reporting for all electric renewable energy providers. Another key component of the Downstate Clean Energy Affordability Act is that it would allow for performance-based ratemaking for Ameren Illinois' natural gas electric distribution businesses through 2032.

The proposed performance metrics ensure investments are aligned with and are contributing to the safety and reliability of the energy grid and natural gas systems as well as the state's vision for the transition to clean energy. Further, this legislation will modify the allowed return on equity methodology in each business to align with the average returns being earned by other gas and electric utilities across the nation.

And as I noted the moment ago, this legislation builds on Ameren Illinois average to invest in critical energy infrastructure into a transparent and stable regulatory framework that is supporting significant investment, improved safety and reliability and created significant new jobs, all while keeping electric rates well below the Midwest and national averages. This bill would also move to State of Illinois closer to reaching its goal of 100% clean energy by 2050.

With all of these benefits in mind, we are focused and we're working with key stakeholders to get this important legislation passed. Today, the Downstate Clean Energy Affordability act has received strong bipartisan support from members of the Senate and House. Currently, House Bill 1734 has 49 sponsors and Senate Bill 311 has 21 sponsors.

As I'm sure you know, there are also several other energy related bills unconsidered by the legislature. We will continue to be actively engaged with key stakeholders throughout the legislative session on these important energy policy matters. The spring session is currently set to end May 31st.

Turning to Page 7 for an update on FERC regulatory matters. In April, FERC issued the supplemental notice of proposed rulemaking on the electric transmission return on equity incentive adder for participation in the regional transmission organization, or RTO. In the supplemental notice, the FERC proposes to limit the duration of the 50 basis point ROE incentive adder for companies that join an RTO to three years. The FERC also proposes to eliminate the adder for utilities that have a part of an RTO for three years or more, which would include Ameren Illinois and ATXI.

Without this incentive adder, Ameren Illinois and ATXI would earn the current allowed base ROE of 10.02%. For perspective, every 50 basis point change and our FERC ROE impacts annual earnings per share by approximately $0.04. Needless to say, we are disappointed with the direction the FERC has taken in the supplemental notice and strongly oppose the removal of the adder. From our perspective, the RTO participation adder is needed to compensate companies for assuming risk associated with turning over operational control of assets to the RTO.

The proposal is also inconsistent with the FERC's stated policy goals and the intent of existing law to encourage RTO participation. We will continue to advocate for the RTO incentive adder and other project incentive adders proposed in the March 2020 NOPR. We will file comments on the supplement NOPR by the May 26 deadline. Of course, we are unable to predict the ultimate outcome or timing of this matter, as the FERC is under no timeline to issue a decision.

Moving now to Page 8. FERC policy managers are important because transmission investment is going to play a critical role in our country's clean energy transition. As we have discussed before, MISO and other key stakeholders, including Ameren, have been carefully assessing the transmission needs in the MISO footprint to ensure the overall reliability and resiliency if the energy grid is maintained while companies execute the clean energy transition plans.

Recently, MISO published several reports with outline some of the preliminary thoughts on MISO's transmission needs in the future. This page summarizes a recent study that outlines the potential roadmap to transmission projects 2039. Taking in the consideration to rapidly evolving generation mix that includes significant levels of renewable generation based on announced utility integrated resource plans, state mandates, engulfs the clean energy and our carbon emission reductions, among other things. I'd also note that MISO and the Southwest Power Pool are also working together to develop a similar valuation for transmission needed to support the transition across both regions.

The bottom line is that significant regional and local transmission investments will be needed for the clean energy transition over the next 10 to 20 years. For example, under MISO's Future 1 scenario, which is a scenario that resulted in an approximate 60% carbon emission reduction below 2005 levels by 2039? MISO estimates future transmission investment could amount to an estimated $30 billion in the MISO footprint. Further, Future 3 resulted in an approximate 80% reduction in carbon emission levels below 2005 levels by 2039. MISO has estimated Future 3 could result in an estimated $100 billion in transmission investment in the MISO footprint.

To provide some context to this, during MISO's last regional transmission planning process approximately $6.5 billion of multi-value project investments were made over the last 10 years or so. In light of the continued focus on the clean energy transition in our country, we are actively working with MISO and other key stakeholders to move the assessment and project approval process along with an appropriate sense of urgency to ensure we maintain a safe, reliable and resilient energy grid and do so in an affordable fashion.

Given our past scenario in executing large regional transmissions projects, we believe we're well-positioned to plan and execute potential projects in the future for the benefit of our customers and country. We believe certain projects outlined in Future 1 will be included in this year's MISO transmission planning process which is scheduled to be completed in fourth quarter of 2021. We look forward to working with MISO and key stakeholders on this important plan process.

Speaking of clean energy transitions, let's move now to Page 9 for an update on our $1.1 billion wind generation investment, planned to achieve compliance with Missouri's renewable energy standard through the acquisition of 700 megawatts new wind generation at two sites in Missouri. Ameren Missouri closed on the acquisition of its first wind energy center, a 400 of megawatt project in Northeast Missouri, in December. In January, Ameren Missouri acquired its second wind generation project, the 300 megawatt Atchison Renewable Energy Center located in Northwest Missouri. Approximately half the megawatts of the Atchison Renewable Energy Center are in service. We expect remaining megawatts to be placed in service by September 30th.

Turning now to Page 10, and update on Ameren Missouri's Callaway Energy Center. During its return to full power, it's part of as 24 to be fueling and maintenance outage in late December, 2020, Callaway experienced a non-nuclear operating issue related to its generator. At their own investigation into this matter was conducted, and the decision was made to rewind the generator stator and rotor in order to safely and sustainably return the Energy Center to service. The project is going well, but we continue to expect the capital project to cost approximately $65 million.

I'm also pleased to report that the insurance claims for the capital project and replacement power have been accepted by our insurance carrier, which will mitigate the impacts of this outage for our customers. We expect the Callaway Energy Center to return to service in July. As we have said previously, we do not expect this matter to have a significant impact on Ameren's financial results.

Turning to Page 11, we are focused on delivering a sustainable energy future for our customers, communities and our country. This page summarizes our strong sustainability value proposition for environmental, social and governance matters, and it's consistent with our vision leading the way to a sustainable energy future. I have discussed several elements of our strong sustainability value proposition with you in the past; so in the interest of time, I will not go through all of these points again this morning.

Having said that, and moving to Page 12, you should know that we have already made significant progress in our sustainability efforts in 2021. Here, we highlight several key achievements to-date this year. Beginning with environmental stewardship last September, Ameren announced its transformational plan to achieve net-zero carbon emissions by 2050 across all of our operations in Missouri and Illinois. This plan includes strong in-line carbon emission reduction targets of 50% and 85% below 2005 levels in 2030 and 2040 respectively.

This plan is also at the heart of our updated Chronic Risk Report, which is based on the recommendations of the Task Force on Climate-Related Financial Disclosures, which we issued last week. I am pleased to report, our plan is consistent with the objectives of the Paris Agreement and limiting global temperature rise to 1.5 degrees Celsius.

In terms of social impact, I am very excited to say that our efforts in this area continue to be recognized by leading organizations. Last week, DiversityInc announced Ameren is once again named one on the Top Utilities list for diversity and inclusion, a list we have been proudly a part of since 2009. DiversityInc also ranked Ameren second on the top 10 regional countries, and is a top company for ESG among all industries. In addition for the fifth year in a row, we've been certified by a Great Place to Work. Finally, we are recognized as the Best Place to Work for LGTBQ by the Human Rights Campaign.

Moving to governance, our Board and Management have established covenant structures that enable a focus on the ESG matters that drive Ameren's strategy, mission and vision, including the addition of ESG metrics into our executive compensation programs. In particular, our Board of Directors refined our executive compensation program by adding workforce and supplier diversity metrics to our short-term incentive plan for 2021.

In addition, we recently issued several social impact policies. Since our call in February, we have also issued several reports reflecting our sustainability efforts and advances. Just last week, we posted our 2021 Sustainability Report, which expands on ESG and sustainability topics, and of course, the 2020 ESG sustainability template. And for the first time, we published information using the Sustainability Accounting Standards Board reporting framework and mapped our business activities to the United Sustainable Development Goals. I encourage you to take some time to read more about our strong sustainability value proposition. You can find all of our ESG related reports at amereninvestors.com.

Turning now to Page 13. Environmental stewardship, social impact and governance are three pillars of our strong sustainability value proposition. Our final pillar is sustainable growth. Looking ahead, we have a strong, sustainable growth proposition, which will be driven by our robust pipeline of investment opportunities of over $40 billion over the next decade that will deliver significant value to all of our stakeholders by making our energy grid stronger, smarter and cleaner.

Importantly, these investment opportunities exclude any new regionally beneficial transmission projects that I described earlier, all of which would increase the reliability and resiliency of the energy grid, as well as enable additional renewable generation projects. In addition, we expect to see greater focus from a policy perspective, on infrastructure investments to support the electrification of the transportation sector.

Our outlook through 2030 does not include significant infrastructure investments for electrification at this time either. Of course, our investment opportunities will not only create a stronger and cleaner energy grid to meet our customers' needs and exceed their expectations, but they will also create thousands of jobs for our local economies. Maintaining constructive energy policies that support robust investment in energy infrastructure and the transition to a cleaner future in a safe, reliable and affordable fashion will be critical to meeting our country's future energy needs and delivering on our customers' expectations.

Moving to Page 14, to sum up our value proposition, we remain firmly convinced that the execution of our strategy in 2021 and beyond was that we're superior value to our customers, shareholder and the environment. In February, we issued our five year growth plan which included our expectation of a 6% to 8% compound annual earnings growth rate from 2021 through 2025. This earnings growth is primarily driven by strong rate based growth and compares very favorably with our regular utility peers.

Importantly, our five year earnings and rate based growth projections do not include 1,200 megawatts of incremental renewable investment opportunities outlined in Ameren Missouri's Integrated Resource Plan. Our team continues to assess several renewable generation proposals from developers. We expect to file this year with the Missouri PSC for Certificate of Convenience and Necessity for a portion of these planned renewable investments.

I'm confident in our ability to execute our investment plans and strategies across all four of our business segments, as we have an experienced and dedicated team to get it done. That fact coupled with our sustained past execution of our strategy on many fronts, has positioned us well for future success. Further, our shares continue to offer investors a solid dividend, which we expect to grow in-line with our long-term earnings per share growth guidance. Simply put, we believe our strong earnings and dividend growth outlook results in a very attractive total return opportunity per shareholders.

Again, thank you all for joining us again, and I will now I'll turn the call over to Michael.

## Michael L. Moehn {BIO 5263599 <GO>}

Thanks Warner, and good morning, everyone. Turning now to Page 16 of our presentation. Yesterday, we reported first quarter 2021 earnings of $0.91 per share, compared to $0.59 per share for the year ago quarter. Earnings at Ameren Missouri are largest segment increased $0.22 per share due to several favorable factors. The earnings comparison reflected new electric service rates effective April 1, 2020, which increased earnings by $0.10 per share. In addition, earnings benefited from lower operations and maintenance expenses which increased earnings $0.07 per share. This was primarily driven by the absence of an unfavorable market returns that occurred in 2020 on the cash surrender value of our company-owned life insurance, as well as disciplined cost management Earnings also benefited by approximately $0.04 per share from higher electric retail sales, driven by near-normal winter temperatures compared to milder than normal winter temperatures in the year ago period.

We've included on this page the year-over-year weather normalized sales variances for the quarter that show total sales to be comparable with Q1 2020, which was largely unaffected by COVID-19. We continue to see improvements in sales as schools and businesses reopen and begin to increase their levels of operation.

Earnings were positively impacted by the timing of income tax expense, which we do not expect to impact full-year results, as well as the absence of charitable donations that were made pursuant to the Missouri Rate Review settlement in March, 2020. Finally, these favorable factors were partially offset by the amortization of deferred expenses related to the fall 2020 Callaway Energy Center scheduled refueling and maintenance outage.

Moving to other segments, earnings for Ameren Illinois Natural Gas were up $0.08, reflecting higher delivery service rates that were effective January 25, 2021, incorporating a change in rate design as well as the increased infrastructure investments and a lower allowed ROE. The first quarter 2021 benefit from the change in rate design is not expected to impact full-year results.

Ameren Illinois Electric Distribution earnings increased $0.03 per share, which reflected increased infrastructure investments and a higher allowed ROE under performance-based ratemaking of approximately 8.15%, compared to 7.45% for the year ago quarter. Ameren Transmission earnings were comparable year-over-year, which reflected increased infrastructure investments that were offset by an unfavorable $0.03 impact of a March, 2021 FERC order. This order related to an intervener challenge regarding the historical recoveries of material and supplies inventories and rates, and will have no impact on the current formula rate calculation prospectively. Finally, Ameren Parent and Other results were down $0.01 per share compared to the first quarter of 2020, due to increased interest expense, resulting from higher long-term debt outstanding, offset by the timing of income tax expense which is not expected to impact full-year results. Finally, 2021 earnings per share reflected higher weighted average shares outstanding.

Before moving on, I'll touch on the sales trends for Ameren Illinois Electric Distribution in the quarter. Weather-normalized kilowatt hour sales to Illinois residential customers increased 1.5%, and weather-normalized kilowatt hour sales to Illinois commercial and industrial customers decreased 1.5% and 2.5% respectively. Recall that changes in electric sales in Illinois, no matter the cause do not affect our earnings since we have full revenue decoupling.

Turning to Page 17. I would now like to briefly touch on key drivers impacting our 2021, and earnings guidance. We're off to a strong start in 2021, and as Warner stated, we continue to expect 2021 diluted earnings to be in the range of $3.65 to $3.85 per share. Select earnings considerations for the balance of the year listed on this page, and they're supplemental to the key drivers and assumptions discussed in our earnings call in February. I'll note that our second quarter earnings comparison will be negatively impacted due to a seasonal rate design change effective for 2021 at Ameren Missouri as part of the March 2020 electric rate order. This order called for winter rates in May, and summer rates in September, rather than the blended rates used in both months in 2020.

The second quarter results were also being negatively impacted by the absence of the impact of the 2020 FERC order approving the MISO allowed base ROE at Ameren Transmission. Together, these two -- are expected to reduce second quarter earnings by approximately $0.25 year-over-year. I encourage you to take this into consideration as you develop your expectations for our second quarter earnings results.

Turning now to Page 18, here we outlined a more detail our recently filed Missouri electric rate review that Warner mentioned earlier. This reflects many benefits, including major upgrades to the electric system reliability and resiliency for customers, as well as investments to support the transition to cleaner energy for the benefit of customers and local communities.

Now, let me take a moment to go through the details of this filing. The request includes a 9.9% return on equity, a 51.9% equity ratio, and a September 30, 2021 estimated rate base of $10 billion. This includes a test year ended December 31, 2020 with certain pro-forma adjustments through September 30th, 2021. The request includes a continuation of the existing FAC and other regulatory mechanisms, along with a request to recover certain costs associated with the Meramec Energy Center, which is expected to retire in 2022 over a five-year period from the date that the new rates become effective.

As outlined on this page, the key drivers of our $299 million annual rate increase include: increased infrastructure investments made under Ameren Missouri's Smart Energy Plan, impact of the transition to a cleaner generation portfolio; decreased weather-normalized customer sales volumes and a higher pension, OPEB and tax amortization expenses, partially offset by lower operation and maintenance expenses.

Moving to Page 19 for an update on other Ameren Missouri regulatory matters. In March, 2021, we also filed a natural gas rate review. The details for the $9 million annual revenue increase request are outlined on this page. We expect the Missouri PSC decisions in both our electric and natural gas rate reviews by February, 2022, with new rates expected to be effective by March.

Further, last October, we filed a request with the Missouri PSC to track and defer, in a regulatory asset, certain COVID related costs incurred net of any COVID related cost savings. In March 2021, the Missouri PSC approved this request. $9 million of net costs were incurred through March 31, 2021. We recognized $5 million in the first quarter of this year and expect the remaining portion relating to late fees to be recognized when realized in rates beginning in early 2022. The timing of the recovery the costs will be determined as part of our pending electric and gas rate reviews.

Moving now to Page 20 for an update on Ameren Illinois regulatory matters. Last month, we made our required annual electric distribution performance-based rate update filing requesting a $64 million base rate increase. Under Illinois' performance-based ratemaking Ameren Illinois is required to make annual rate updates to systematically adjust cash flows over time for changes in cost of service and to true up any prior period over or under recovery of such costs. Since this constructive framework began, Ameren Illinois has made prudent investments to strengthen the grid and reduce outages and continues to do so.

Major investments included in the request are the installation of outage avoidance and detection technology, integration of storm hardening equipment, adoption of clean technologies and the implementation of new energy efficiency measures, including mobile-enhanced communications and assessment capabilities for electric field workers. The ICC will review our request in a months ahead with a decision expected in December of this year and new rates effective in January of next year.

Turning to Page 21 for a financing and liquidity update. We continue to feel very good about our liquidity and financial position. In February, Ameren Corporation issued $450 million of 1.75% senior unsecured notes due in 2028. The proceeds were used for general corporate purposes, including to repay short-term debt. We also expect both Ameren Missouri and Ameren Illinois to issue long-term debt in 2021.

In addition, as we mentioned on the call in February, during the quarter, we physically settled the remaining shares under our forward equity sales agreement to generate approximately $115 million. In order for us to maintain our credit ratings and a strong balance sheet while we fund our robust infrastructure plan, we expect to issue approximately $150 million of additional common equity during the balance of 2021, which is consistent with the guidance we provided in February.

To that end, in May, we expect to establish an at-the-market, or ATM, equity program to support our equity needs through 2023. These future equity issuances will enable us to maintain a consolidated capital structure consisting of approximately 45% equity over time. The incremental natural gas and power purchases incurred due to the extreme cold mid-February of this year did not have a significant impact on our liquidity or our ability to fund our future operations and investment. Ameren's available liquidity as of April 30 was approximately $1.3 billion, which includes $2.3 billion of combined credit facility capacity, net of approximately $1 billion of commercial paper borrowings at the end of the month.

Finally, turning to Page 22, we're well-positioned to continue executing on our plan. We're off to a solid start and we expect to deliver strong earnings growth in 2021 as we continue to successfully execute our strategy. As we look to the longer-term, we continue to expect strong earnings per share growth driven by robust rate based growth and disciplined cost management. Further, we believe this growth will compare favorably with the growth of our regulated utility peers, and Ameren shares continue to offer investors an attractive dividend. In total, we have an attractive total shareholder return story that compares very favorably to our peers.

That concludes our prepared remarks, we now invite your questions.

# Questions And Answers

## Operator

(Question And Answer)

(Operator Instructions) Our first question comes from Jeremy Tonet with J.P. Morgan. Please proceed with your question.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Hi, good morning.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning, Jeremy. How are you doing?

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Good, good. Thank you for all the colors today, very helpful. Maybe just starting off with regards to Illinois legislative session here. Do you have any sense for the relative priority of utility issues within the overall clean energy legislation discussions, and do you see any potential for a grand bargain here to be reached on energy?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks Jeremy. A couple things there; one, I do think clean energy legislation is a focus for the legislature. I think just by the fact that you see so many bills that are being discussed out there, and rightfully so. The clean energy transition is obviously very important, not just for Illinois, but across the country. Certainly, as I said in my prepared remarks, there's no doubt that there are several bills that are being considered. Whether there's a grand bargain if you will or whether these bills were put together, look, it's just too early to say.

The only thing I can say is this, is that we are at the table with key stakeholders trying to find a solution and to advocate for the Downstate Clean Energy Affordability Act, because, as you heard me say many times, that Act, those provisions, our performance-based ratemaking approach has really delivered significant benefits for our customers in the entire state of Illinois. We have until the end of the month to try and get something across the finish line. Richard Mark and his team have been working tirelessly at that and I'll say their tireless work and the work that we've been doing for many years has already elicited strong bipartisan support. We're hopeful to get the proper provisions and a final piece of legislation.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Got it. That's very helpful. Thanks.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Sure.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Maybe pivoting over to transmission, it seems like an exciting time for transmission if you will. Do you have any sense of the magnitude of specific projects that could be identified by MISO before year end or in the not too distant future, and what do you see separately as the potential for large scale HVDC transmission opportunities outside or beyond the MISO process? Then finally, I guess with transmission trying to scale the opportunity set here, I was wondering if you could help us think through roughly how much CapEx did Ameren deploy over the years where MISO brought renewable penetration from very little to the high level that it is today? Is there any rule any comment, 8%, 10%, just trying to scale the opportunity set here.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Jeremy, lots to unpack here. Let me see if I'll try to respond to those things and Michael and Andrew will help me if I haven't hit a point, but certainly come back on. Let me answer your first question -- your last question perhaps first. As I said in my prepared remarks, there's about $6.5 billion of regional transmission projects that really were deployed across the MISO footprint over the last decade if you will. We did about $2 billion of that.

Now, that doesn't mean that was a different time, different place, but obviously we did 25%, 30% almost of those. It's because of our location in the MISO footprint, so that's number one. Two, what you said at the outset, I agree with. It is a very exciting time to be in the transmission business, and especially one in the MISO footprint when you're sitting in the center of the country. What MISO does with its transmission is integral to the clean energy transition for our country. What you're seeing today, obviously, is a preliminary list of projects that they were informed, certainly, by stakeholder conversations, as well as Integrated Resource Plans and state energy policies among many other things.

It's hard to say just exactly what will ultimately come out of, let's just call it the transmission plan that will be filed later this year. But the way we look at it, we look at that Future 1 which we showed on that slide, we think that there are a lot of projects in -- contained in that, that we think are really kind of no regrets types of projects. It's premature to put a number on it and which projects to go, because what MISO does now that they've put out this roadmap, they are basically looking for input from stakeholders. You can expect, throughout 2021, stakeholders will be providing input into that roadmap, and with that input, MISO will ultimately prepare their long-range plan, their MTEP is what they call it. We expect that to be filed in the fourth quarter.

Ultimately, that process from there, Jeremy, is then there's some more input. But ultimately, the MTEP is put before the MISO Board of Directors for vote and hopefully approval by the end of the year. It's not too far away, but that Future 1 is, I would say, the first step. But then as you look beyond that, as we've said, in Future 3, obviously those investments continue to grow over time. As we said, they range from $30 billion; to $100 billion, those are MISO's preliminary estimates that will continue to be refined. So hopefully that gives you some of the sense. I'm not sure if that addressed all of your questions in there, but I think I got them all there.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

I think that's very helpful, but maybe just a follow up: anything on that HVDC front where Ameren might have a bit more leverage?

## A - Warner L. Baxter {BIO 1858001 <GO>}

It's a little premature to say that. These are things we look at. Obviously, there's some opportunities that we're looking at even in connection with that Missouri Integrated Resource Plan, so a little early to be making those kind of judgment calls, but stay tuned.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Got it. And if I could just do one quick last one as far as what's coming out of the Biden Infrastructure Plan? Early stages here, but is there anything that you're focused on and do you see investment upside or benefits from lower ratepayer costs or anything else that could really get things moving with the transmission permitting, planning process here?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Sure. Well, I will say one thing that we are encouraged by, in terms of what the Biden administration has done. Number one, they're very focused on providing significant funding for new clean energy technologies, which we think is going to be so important for our industry, for our country, to get to a net zero carbon future by 2050, which is certainly our goal. I think the other thing that you're seeing is Senator Biden put out a bill that really had some, I think, some very good incentives to invest in clean energy technologies. Those incentives range from tax credits, they range from tax normalization policies to give opt-out provisions. They include cash credits, also for transmission.

And so if you look at the provisions of that bill, and I won't go through all the details there. That bill will really have a direct impact on the overall cost to our customers, and so we're obviously very encouraged and enthused about that. A lot going on in Washington D.C. We are at the table working with stakeholders and we are hopeful that we'll continue to see progress and incentives for clean energy technologies here in the next several months.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

Great. That's all super helpful. I'll stop there. Thank you.

## A - Warner L. Baxter {BIO 1858001 <GO>}

All right. Thanks, Jeremy. Have a good day.

## Q - Jeremy Tonet {BIO 15946844 <GO>}

You too.

## Operator

Our next question is from Shar Pourreza with Guggenheim Partners. Please proceed with your question.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning, Shar. How are you doing?

## Q - Shahriar Pourreza {BIO 15145095 <GO>}

Hey, good morning, guys. Good morning, Warner, how are you doing?

## A - Warner L. Baxter {BIO 1858001 <GO>}

I'm good, man.

## Q - Shahriar Pourreza {BIO 15145095 <GO>}

Good, excellent. Just a quick follow up on Illionois. If something doesn't pass in the next couple of weeks. Warner, do you sort of intend to push over the summer-what are your thoughts on getting something done with the veto session? I know there is obviously a lot of competition interest, there's a lot of bills, you highlighted that, some of them are outside of that energy is new legislators and politicians. So there is also a question, Mark, with many, if energy's even a priority right now. Just trying to get a bit of a sense if something doesn't get done in two weeks, how do we sort of price in their veto session?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Sure. And Shar, one of the things that you talk about, veto session in Illinois -- and Illinois is a bit unique perhaps compared to other states whereby the veto session isn't really just there to address bills that have been voted, but also can address bills that have been presented during the regular session. To be clear, I'll say this first, we are very focused on trying to get something across the finish line for the benefit of our customers and the State of Illinois and energy policy here by May 31. But your question is, what if it doesn't happen in the several weeks? Well, then it could be brought up in the veto session. And our approach should be very much of what we've been doing. We will continue to strongly advocate for the Downstate Clean Energy Affordability Act, and the reason why we'll continue to advocate for it is because has strong bipartisan support.

We have house bills and senate bills with strong bipartisan as supporters well from the North and the South part of the state. We're going to continue to push for that, because we strongly believe it's the best policy going forward for the State of Illinois. And it isn't just because we believe it, it's because it's been delivering results for almost a decade now; so that's why we're going to continue to advocate for it. I do think people say, "Well, it's a priority", I will tell you, there are a lot of conversations going on in the State of Illinois around energy policy, so I know they have other priorities that they have to balance, but I do believe energy policy is one of them.

## Q - Shahriar Pourreza {BIO 15145095 <GO>}

Got it, terrific, that's helpful, Warner. And just lastly shifting maybe South, obviously it's not a major priority for you guys or essential to the growth plan that obviously you're re-highlighting today, but any thoughts on securitization legislation as it makes its way through the Chambers, any sort of expectations you can provide as we get to the home stretch?

## A - Warner L. Baxter {BIO 1858001 <GO>}

You bet. Well, we're in the home stretch in the State of Missouri at the end of this week, and Martin Lyons and his team have been working hard on that and they're provided some perspectives. But Marty, you've been in the middle of that, I am just going to turn it over to you and maybe give the latest update if you don't mind.

## A - Martin J. Lyons {BIO 4938648 <GO>}

Yes, sure, Warner. Yes, you're absolutely right. Securitization isn't something that we see as required to be able to carry out our Integrated Resource Plan, but we do think, it would be a good tool to have in the toolbox with the Commission, especially as crafted in Missouri. You're right, there have been versions going through the House and Senate. They're very, very similar at this point. Last night, actually the Senate passed the House Securitization Bill, which is HP734, and they did make some slight modifications to that, so now that goes back to the house to the Fiscal Review Committee, and we'll see whether that can be then voted on in the House. We may see, actually, some action as early as today.

But in any event, what has to happen over the remainder of the week is that the language needs to get conformed between the two, the Senate Bill and the House Bill. Like I said, they're very, very similar at this point and ultimately needs to be passed by the end of the week. As Warner indicated, the legislative session ends on May 14 this Friday afternoon. In any event, we're very close, can't predict whether it'll actually get done, but it's really positioned pretty well for success, so we'll keep our fingers crossed for the remainder of this week.

## Q - Shahriar Pourreza {BIO 15145095 <GO>}

And then just, Marty -- just assuming you get securitization, obviously this is the message is you don't need it for the IRP, but curious if you get securitization, is there an acceleration of the plan under the IRP, or any opportunities to potentially accelerate the plan?

## A - Martin J. Lyons {BIO 4938648 <GO>}

No, there's really no change to the Integrated Resource Plan. When we filed that last September, we filed it believing that it was the most affordable process and most reliable process for transitioning our fleet over time, so we stand by the Integrated Resource Plan that we filed. Of course, we've been getting comments on that. We expect that ultimately the Commission will rule on whether that process that we went through was appropriate; we certainly believe it was. And it would only be through consideration of changes that might occur over time that would cause us to modify the IRP. We still believe that the preferred plan that we filed is the appropriate path. If securitization passes, there would not be any immediate impact on the Integrated Resource Plan, though like I said, conditions change through times and we do believe having securitization in the toolkit of the Commission would be a good thing to have.

## Q - Shahriar Pourreza {BIO 15145095 <GO>}

Terrific. Thank you, guys. I'll pass it to someone else. Congrats.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Shar. I appreciate it.

## Operator

Our next question comes from Julien Dumoulin-Smith with Bank of America. Please proceed with your question.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Hey, good team. Thanks for taking the time.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Good morning, Julien. How are you?

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Good, quite well. Thank you. You guys have a lot on your plate, and congrats on continued success in de-risking.

## A - Warner L. Baxter {BIO 1858001 <GO>}

You bet.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

I would say, I mean, Warner, you made some interesting comments on transmission earlier. I would ask, obviously Future 1, Future 2 and 3 have big numbers, long time lines, and you've already tried to piece them apart, but how would you characterize this current MTEP best as you see it coming together against some of those bigger projects? How much would you be expecting here, right, if you want to just sort of start to set expectations initially here considering that, obviously, these things have long fuses.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Yes. Julien, a couple comments there. It is really premature to really say exactly which of those projects will ultimately show up in the MTEP. MISO did a fine job of putting together this long range plan which gives us collectively an opportunity to weigh in on it and to try and keep, really, a finger on the pulse of all the things that are going on around the country, not just in the states, but around the country. It just is too premature, but I will say this, that we as well as MISO and other stakeholders, there is a sense of urgency to address these matters, because we see the clean energy transition coming and we know that transmission is critical to its success. Consequently, well, there is a significant amount of interest, a significant amount of work being done, so we're not too far away from really hearing what that it's going to be. The fourth quarter, for all practical purposes, is right around the corner.

And as you know, some of these projects, as you said, they take time to plan, get approval and ultimately execute. Again, as we see these, and I've said this in the past, it's really just the study really is consistent with what we've been talking about really for the last several years. We see significant transmission opportunities. And should they come in the form of this MTEP or otherwise, we think they're probably, if there are any, they'll come towards the back end of our five-year current capital expenditure plan. But especially in the second half of this decade, you'll see some of these transmission projects really come to fruition, and as I said before, we are well positioned to execute on many of those projects, so we're looking forward to it.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Got it, excellent. Sorry to follow up on legislation very narrowly here. How do you see the potential of moving to June versus end of May? I know there is some latitude you mentioned. Then also, more importantly, the contrast of a grand bargain would be potentially carving out this issue and to sunset a question on the utility front separately from anything bigger. Is that achievable in your mind, or does this need to be a bigger deal, as far as you're concerned? What you (Multiple Speakers)

## A - Warner L. Baxter {BIO 1858001 <GO>}

Hey, Julien, Michael here. I'm not sure we caught your whole question. You're talking about moving from outside of the May 31st, ending the session into June, so it's like a special session?

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Yes, yes, exactly. I was -- my specific question --

## A - Warner L. Baxter {BIO 1858001 <GO>}

Okay, you're talking about the Illinois legislature.

## A - Martin J. Lyons {BIO 4938648 <GO>}

Illinois legislature.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Sorry, it was a little faint. Look, like everything else, we certainly can't predict whether there would be a special session of sorts in Illinois legislature. As I said before, we're focused on the spring session in May 31. And should that not bear fruit, but then we'll see where the next steps are and then we talked a little bit earlier about the veto session, so premature to speculate whether a special session would be called.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Fair enough, but you don't need to necessarily get this grand deal to get this sunset addressed

## A - Warner L. Baxter {BIO 1858001 <GO>}

No, I'm sorry. Thank you. No, at the end of the day, so just to be clear, this expires in 2022, so this is not a piece of legislation that has to be done this year. It expires in 2022, and let's not forget that the overall regulatory framework that we have, which would go to, there's some things in there that are solid. It has a forward test year, it has decoupling, bad debt riders and all these other things, and return on equity that would be done in the normal course of return on equity setting and by the Illinois Commerce Commission.

And so bottom line is this: we strongly believe that the Downstate Clean Energy Affordability Act and all the provisions in there are clearly in the best interest of our customers in the State of Illinois. We're going to continue to advocate for that, but it doesn't have to be done here in the next week or the veto session, but having said that, we think having that certainty and sustainability is the right way to go. That's why we're pushing for it.

## Q - Julien Dumoulin-Smith {BIO 15955666 <GO>}

Excellent. Thank you, guys.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Julien.

## Operator

Our next question comes from Durgesh Chopra with Evercore ISI. Please proceed with your question.

## Q - Durgesh Chopra {BIO 20053859 <GO>}

Hey, good morning team. Great quarter. Thank you for taking my question.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Durgesh.

## Q - Durgesh Chopra {BIO 20053859 <GO>}

Thank you. Michael, a quick clarification on the equity. In Q4, you guys said $300 million a year through 2025. The ATM goes through 2023. Is still $300 million per year a good sort of number to model through 2025?

## A - Michael L. Moehn {BIO 5263599 <GO>}

Yes, I appreciate the question. So if you go back to February, the same metrics that we gave we're doing $150 million here in 2021, and then $300 million in 2022 through 2025. All of those assumptions still stand today. And this ATM is going to allow us to execute against that.

## Q - Durgesh Chopra {BIO 20053859 <GO>}

Got it. So thank you. And then maybe just, I want to get into a little bit of detail on the Missouri securitization. Clearly, you're saying it doesn't impact your IRP. Could your assets be at risk? I'm thinking about early retirement of coal plants, capacity factors of your generation assets, and whether the legislation now sort of accelerates the recovery of coal plants and impacts your rate based growth profile? Any color there would be great. Thank you, Warner.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Yes, thanks, Durgesh. I'll have Marty weigh in a moment. As we've said before, we're very fortunate. We have a strong base load coal fleet that runs, that runs a lot, and it's because of some of the actions and things we've done, really, over the past several years, decades, frankly. We laid out our Integrated Resource Plan and you see that systematically, we are retiring our coal-fired energy centers over time. It is because, number one, we think it's in the best interest of our customers from a reliability and affordability perspective. As Marty said, we don't see that changing; but conditions could change, whether it's at a state level or federal level. Securitization is not going to drive us to do anything different, other than add some changes that may happen, as I said, from a policy perspective or otherwise, but it is a good tool to have in our toolbox, should those changes occur. Our coal plants are valuable assets to us today, over time, we will retire them, but we don't see any near-term changes to how we plan on operating or, certainly, risks to those assets. Marty, would you have anything to add to that?

## A - Martin J. Lyons {BIO 4938648 <GO>}

Well, first, I firmly agree with everything that you conveyed. And when you look at the Integrated Resource Plan that we filed, we've got four coal-fired energy centers. As Warner said, we've got very efficient coal plants. They operate very well. With that said, in our Integrated Resource Plan, we did lay out that we're retiring our Meramec facility here in 2022. We expect that, that will be fully recovered at that point in time. We did propose the accelerated closure of both the Sioux and the Rush Island plants; Sioux by about 5 years and Rush Island by about six years. Sioux would close in 2028, Rush Island in 2039, and then Labadie, which is our largest plant, and most efficient plant would close in two stages in 2036 and 2042.

So again we've accelerated the expected closure of two of our plants, and those accelerations and the recovery of those are actually reflected in the rate review filing that we made here in March, so we're looking to accelerate the recovery of those plants. Then of course, the rates are also positively impacted by the expectation of Meramec closing. Those things are reflected there; that's historically the way we've handled things in Missouri. Again, as Warner said, when we filed the IRP, we made a host of assumptions conditions can change and vary from the assumptions that we made through time, for a variety of reasons. As I said before, securitization is not going to change the Integrated Resource Plan, preferred plan that we have today; but if conditions change versus the assumptions we've made through time, again, securitization will be a good tool to have in the toolbox.

## Q - Durgesh Chopra {BIO 20053859 <GO>}

Understood. Appreciate the color. It sounds like it's more of an opportunity than a risk for you guys. Thanks for taking my questions.

## A - Warner L. Baxter {BIO 1858001 <GO>}

You bet, thank you.

## Operator

Our next question comes from Stephen Byrd with Morgan Stanley. Please proceed with your question.

## Q - Durgesh Chopra {BIO 20053859 <GO>}

Good morning, Stephen, how are you doing?

## Q - Stephen Byrd {BIO 15172739 <GO>}

Doing great, doing great. Thanks so much for your time. Lot has been covered in Q&A. I guess I was stepping back and thinking about kind of key areas of growth upside for you all over -- I mean, you have a very impressive growth plan as it is. But just thinking especially about incremental renewables, elements of your IRP, but just other dynamics, and just wanted to step way back and think about those kind of key categories of additional growth upside and wondered if you could just comment on that.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Well, I think there are a couple of them more than a couple frankly, there are several. One, we talked quite a bit about already today, and that's transmission. As you know, we present investment opportunities through 2030 of $40 billion plus of investment opportunities, and one of the reasons we put that plus there is because transmission. That $40 billion number that we have investment opportunities, does not include any of the regional transmission projects that we spend quite a bit of time talking about already. Stephen, that would be, certainly, one meaningful upside to our investment profile that we have prospectively.

A second one and another one that we've talked about, and again, I've mentioned this a little bit earlier is electrification and the infrastructure that has to go for the greater electrification, especially of the transportation sector in our country. Our long-term plan has really no meaningful investments associated with the electrification of the transportation sector. As you listen to the policymakers discuss the needs for a cleaner energy transition in this country and lower carbon emission as well. The transportation sector is the greatest carbon emitter in our country today, so you've heard, certainly, the automakers and others continue to lean further in; well, we're going to lean further in too, and we have been. I think that too is a significant opportunity. But I'll tell you, just to be clear. We're not done with all of our investments in grid modernization. We need to continue to continue to make investments in the grid, both in Missouri and Illinois to make sure that the grid continues to be reliable and resilient. As we look at those investment opportunities which could also include greater levels of renewable energy over time, we have quite a bit in there; but times, as we've said, could change if policies change. Those two can be investment opportunities. Now, I didn't put a specific number on those, but they're sizable. They are sizable, and so we see our robust infrastructure plan that we have already today continuing for some time.

## Q - Stephen Byrd {BIO 15172739 <GO>}

Really helpful. And then maybe just one additional question on transmission. A lot of questions already on this, but thinking about FERC and FERC has their objective to eliminate barriers to executing on transmission. How do you see that factoring into the existing RTO processes? Is that more of a just a long-term objective of FERC, or could that yield particular impacts to the outlook for transmission growth?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Steve. I would say it's a bit too early to say to what extent FERC will get more engaged in the RTO processes, which have obviously been very well defined over the years. Whether FERC will engage in that, it's just premature to say. What I will say is that, certainly, the clean energy transition and the importance of policies to support that clean energy transition are important issues for we, certainly, as transmission owners but also for FERC. I think Chairman Glick and the commissioners there recognize that, and I think you're going to continue to see greater levels of attention and focus at FERC on things that they can do to accelerate safe, reliable and affordable transmission build around the country.

## Q - Stephen Byrd {BIO 15172739 <GO>}

Very good. That's all I had. Thanks so much.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Stephen. Take care.

## Operator

Our next question comes from Paul Patterson with Glenrock Associate. Please proceed with your question.

## Q - Paul Patterson {BIO 1821718 <GO>}

(inaudible) Good morning.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Hey, Paul, how are you?

## Q - Paul Patterson {BIO 1821718 <GO>}

(inaudible) So a quick technical question for Marty. The Missouri securitization bill, it sounded to me, and I've been following it, the House version that's been amended in the Senate and now is in the House and Committee. If it passes out of the House without any changes, does it go straight to the Governor? It was a little confusing to me, or would there have to be some changes does it have to go back to the Senate? Assuming there's no changes made in the House.

## A - Martin J. Lyons {BIO 4938648 <GO>}

Yes. If there are no changes made in the House, then it'll go to the Governor. If the Senate voted it out last night and the House makes no changes and votes it out, then it will be done and off to the Governor.

## Q - Paul Patterson {BIO 1821718 <GO>}

Okay, that would be nice. And then, with respect to the Illinois legislation, and I know this doesn't pertain specifically to you guys but is sort of an element, I think, potentially, is the PJM auction. Do you think that's going to play any role in the timing here, because as you know that's coming up a little bit sooner than the at least it's beginning a little sooner than the end of the month.

## A - Martin J. Lyons {BIO 4938648 <GO>}

Hi, Paul, this is Warner. I simply can't predict that, I really don't know. Obviously, you're right, it's not something that's directly correlated to us, but obviously we keep an eye on all things that could have an impact, so it wouldn't be appropriate for me to comment on that.

## Q - Paul Patterson {BIO 1821718 <GO>}

Okay. I'll leave that one alone, the crystal ball question. Just moving on very quickly on the MISO issue and the ROE means you're being part of an RTO, if FERC takes action that you perceive to be negative with respect to the transmission, ROE and being part of an RTO, is there anything we should think as being potentially an outcome from that, that you guys might take? Or how should we I mean, I just noticed you guys bringing that up in the slide presentation and I just wanted to I'm just wondering, are you guys -- is there any, how should we think about that, if they do reverse the specification at this points or do other action, it might lower the ROE?

## A - Warner L. Baxter {BIO 1858001 <GO>}

The mean the reason we bring it up, certainly in our prepared remarks is because we believe that the potential direction that FERC is taking is inconsistent with FERC policy. I think it's inconsistent with the intention of the law. And we think right now is the time where FERC should be doing everything it can to incent companies to join and remain in RTOs. And so we bring that up simply because of that, and certainly we think that the 50 basis point adder is absolutely positively appropriate for us to have, because we've given them control of our system. I think that's in the first interest. We're not trying to be any more specific than that. We are going to work very hard here between now at the end of the month and put together our comments, like others in the industry, to state our position very clearly to FERC.

## Q - Paul Patterson {BIO 1821718 <GO>}

Okay cool. Thanks so much. Have a great one.

## A - Warner L. Baxter {BIO 1858001 <GO>}

You bet, Paul.

## Operator

Our next question comes from Insoo Kim with Goldman Sachs. Please proceed with your question.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Hello, Insoo, how are you?

## Q - Insoo Kim {BIO 19660313 <GO>}

Good. Hey, Warner. Just one question from me and just wanted your update on the latest on the Clean Air Litigation. You know, regarding the Rush Island plant and I think Labadie as well. I think you are expecting a ruling from the appeal court sometime this year, is that still your expectation? I guess depending on what comes out of that, if it goes against you on the appeal side, how do you think about the next steps as it relates to the timing of potential CapEx or just the state of these plans?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Sure. A couple things, just to refresh everyone's memory. Our argument was held in December of last year, and so that case, the New Source Review case is simply before the appellate court now. We've said we expected a decision this year, but I'll tell you that the appellant court has no timeline in terms of when they must issue a decision, but we would think in the normal course, we would expect to see something this year, so we simply don't know.

Look, if the question is whether we get an unfavorable ruling, I'll start with this. We believe we presented a very strong case to the courts in this matter in December. And should they ultimately rule against this, we'll step back and assess what actions we need to take at that time. Insoo, it'd be really premature to speculate on what actions we would take and what impact it might have on our overall plan. If and when we'll come to that, we'll address that in due course. So stay tuned is probably the best message here.

## Q - Insoo Kim {BIO 19660313 <GO>}

Got it. I guess in terms of in relation to the current securitization bill, perhaps do you think that could provide one avenue that could help you navigate through this matter?

## A - Warner L. Baxter {BIO 1858001 <GO>}

Certainly, as Marty stated before, securitization is a tool for several things, whether it would be something that would apply here, we'll just have to wait and see. But first things first; we're focused on winning that case before the appellant court, and then continuing to execute the plan that we laid out before the Missouri Public Service Commission in our Integrated Resource Plan.

## Q - Insoo Kim {BIO 19660313 <GO>}

Understood. Thank you so much.

## A - Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Insoo.

## Operator

We have reached the end of the question-and-answer session. At this time, I'd like to turn the call back over to Andrew Kirk for closing comments.

## A - Andrew Kirk {BIO 20578297 <GO>}

Thank you for participating in this call. A replay of this call will be available for one year on our website. If you have questions, you may call the contacts listed on our earnings release. Financial analysts' inquiries should be directed to me, Andrew Kirk. Media should call Tony Paraino. Again, thank you for your interest in Ameren, and have a great day.

## Operator

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