Q2 2021 Earnings Call

Company Participants

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

Other Participants

- Jeremy Tonet, JP Morgan
- Julien Dumoulin-Smith, Bank of America Merrill Lynch
- Paul Patterson, Glenrock Associates

Presentation

Operator

Greetings, welcome to Ameren Corporation Second Quarter 2021 Earnings Call. At this time, all participants are in a listen-only mode. A question-and-answer session will follow the formal presentation. (Operator Instructions) Please note this conference is being recorded.

It is now my pleasure to introduce 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 and 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 Michael will discuss our earnings results and guidance as well as provide a business update, and 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 sections 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, who will start on Page 4 of our presentation.

Warner L. Baxter {BIO 1858001 <GO>}

Thanks, Andrew. Good morning, everyone, and thank you for joining us. This morning, I'll begin with the statement that I've been making for quite some time now. Simply put, our team continues to effectively execute our strategic plan across all of our businesses, which includes making significant investments in our energy infrastructure to enhance the reliability and resiliency of the energy grid, as well as transition to a cleaner energy future in a responsible fashion. These investments coupled with our continued focus on disciplined cost management, delivering significant value to our customers, communities, and shareholders.

Moving now to our second quarter earnings results. Yesterday, we announced second quarter 2021 earnings $0.80 per share. Earnings were down $0.18 per share from the same time period in 2020, primarily due to a change in the seasonal electric rate design at Ameren Missouri, to reduced earnings $0.19 per share. The impact of this change in make design will reverse in the third quarter 2021, it is not expected to impact full-year results.

Michael will discuss the other key drivers of our second quarter earnings results a bit later. Due to the continued strong execution of our strategy, I am pleased to report that we remain on track to deliver within our 2021 earnings guidance range, a $3.65 per share to $3.85 per share.

Speaking the execution of our strategy, let's move the Page 5, where we reiterate our strategic plan. The 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 our customers. As a results and as you can see on the right side of this page, during the first six months of this year, we invested significant capital in each of our business segments, including wind generation in Ameren Missouri, which I'll discuss later. These investments are delivering value to our customers.

As I said before, our energy grid is stronger, more resilient, and more secure, because the investments we're making in all four business segments. Consistent with the Missouri Smart Energy plan, we have made significant investments to harden the energy grid which is reduced outages installed nearly 300,000 electric smart meters for customers. These smart meters will help customers better manage their usage, and control their overall energy costs.

In Illinois, we continue to execute on our electric distribution and gas monetization action plans. The plans include investments to strengthen electric power poles, replace gas transmission pipelines and compression coupled cement, soils are implement new efficiency measures, including mobile enhanced communications and assessment capabilities for our crews.

These improvements, along with our investments in outage detection technology, resulting in improvements in system reliability and millions of dollars in savings for customers.

Moving now to regulatory matters. In late March, Ameren Missouri filed a request for a $299 million increase in annual electric service revenues and a $9 million increase in annual natural gas revenues with the Missouri Public Service Commission.

In our Illinois Electric business, we requested a $60 million base rate increase in our required annual electric distribution rate filing. These proceedings are all moving along on schedule. We'll be able to provide you information on these proceedings as they develop (inaudible) this summer and into the fall.

Finally, we have remained relentlessly focused on continuous improvement and disciplined cost management, including the chain [ph] meaning of the cost savings, that we realize in 2020, through the exit [ph] we took to mitigate the impacts of COVID-19.

Moving to Page 6, and the second pillar of our strategy, enhancing regulatory frameworks and advocating for responsible energy and economic policies.

Starting in Missouri, in May, Missouri legislature passed a bill, allowing for securitization in the state. This constructive legislation, which is trying by governor passing in July, gives us another important regulatory tool to facilitate a transition to a cleaner energy future and a cost-effective manner for our customers.

However, as we have stated in the past, a robust integrated resource plan does not rely on securitization to be successful. Our flexible and responsible plan, which includes approximately $8 million of investments in renewable energy through 2040. The retirement of all of our coal-fired energy centers and extending the life of our carbon-free Callaway Nuclear Energy Center focuses on getting the energy we provide to our customers as clean as we can, as fast as we can without compromising on reliability, customer affordability in the evolution of New Clean Energy Technologies. These I will touch on later. I am pleased to say that we are already taking steps to implement that's important plan for our customers, the state of Missouri, and our country.

Moving now to Illinois. Last month, the Illinois Commerce Commission approved Ameren Illinois' electric vehicle charging program. Under this program, we are able to support the development of a network of charging infrastructure in Central and Southern Illinois, as well as implement special time-based delivery service rates and other incentives to help encourage the use of electric vehicles. We are excited about this new program because it will drive greater electrification of the transportation sector as well as help the state of Illinois move towards its clean energy goals.

Moving to Illinois legislative efforts, as many of you know, we've been working to enhance the regulatory framework for our Illinois electric business. The performance-based regulatory framework in place today has delivered strong value for customers and shareholders over the years. However, the framework is scheduled to sunset in 2022. As a result, we've been working with key stakeholders to develop constructive long-term regulatory policies that support the important investments in energy infrastructure, while enabling us to earn fair returns on those investments.

As you know, throughout the regular legislative session, which ended late May. We advocated for the Downstate Clean Energy Affordability Act, which would largely extend the existing framework until 2032 while putting in place provisions that would set the Ameren Illinois electric distribution ROE at the national average. At the same time, any other energy-related legislative proposals from other stakeholders were proposed during the legislative session, including proposals from Governor Pritzker, labor and environmental groups to address the parental [ph] closure of nuclear plants in the states, Illinois clean energy transition, and the electric distribution framework going forward.

For months stakeholders of minute discussion, seeking to find an appropriate compromise to all these proposals. What progress we've made in these issues. Regular legislative session ended on May 31, with no energy legislation being put before the Senate and House of Representatives for our vote. A special session is called in mid-June to probably discuss (inaudible) energy legislation, the mobile was filed, no action taken. Needless to say, we will continue to work with key stakeholders to find a constructive solution to this important matter.

Turning to Page 7 for an update on FERC regulatory matters. In April FERC issued a supplemental Notice of Proposed Rulemaking or NOPR. On the electric transmission return on equity incentive adder for participation in the regional transmission organization or RTO. As you may recall under the NOPR, the RTO incentive adder would be removed for utilities that have been members of the RTO for three years or more.

Back to [ph] Ameren Illinois in ATXI. We have been very clear that we disagree with FERC's proposed recommendation in this matter for a number of reasons, and recently filed comments strongly opposing the removal of the adder. 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.

In addition, in June, the FERC issued an order establishing a Joint Federal-State Task Force on electric transmission. This order establishes, a first of its kind task force to explore with State commissions, transmission-related issues, (inaudible) how to plan and pay for transmission facilities. Recognizing that federal and state regulators share authority over different aspects of these transmission-related issues. The task force will be comprised of the FERC commissioners and representatives nominated by the National Association of Regulatory Utility Commissioners from 10 state commissions. The first public meeting is expected to be held this fall. Also, last month, the FERC issued in advance notice of proposed rulemaking, related to regional transmission planning and cost allocation processes, including critical long-term planning practice paid a future generation needs. We continue to assess the manage raised in the advanced NOPR and expect file comments with the FERC this fall. Again, we are unable to predict the ultimate timing or outcome of this matter is for presented no timeline to issue a decision.

Speaking of plans for future transmission needs, please turn to Page 8. As I discussed in the call in May, MISO completed a study, outlining a potential roadmap of transmission projects through 2039. Taking into consideration the rapidly evolving generation mix that includes significant additions renewable generation based on announced utility Integrated Resource Plans, state mandates, and goals for clean energy or carbon emission reductions among other things.

On a MISO's Future 1 scenario, which is the scenario that resulted in an approximate 60% carbon emission reduction below 2005 levels by 2039. MISO estimates approximately $30 billion for future transmission investment in the MISO footprint.

Further, MISO's Future 3 scenario resulted in an 80% reduction in carbon emissions below 2005 levels by 2039. Under this scenario, MISO estimates approximately $100 million of transmission investment in the MISO footprint would be needed. It is clear that investment and transmission is going to play a critical role in the clean energy transition. And we are well-positioned to plan and execute potential projects in the future for the benefit of our customers and country.

We continue to work with MISO, and other key stakeholders, and believe certain projects outline in Future 1 are likely to be included in this year's MISO's transmission planning process, which is currently scheduled to be completed in the fourth quarter of 2021. However, it is possible to process could go into the first going to the first quarter 2022.

Moving now to Page 9 for an update on our $1.1 billion wind generation investment related to the acquisition of 700 megawatts of new wind generation at two sites in Missouri.

Ameren Missouri closed on the acquisition of its first Wind Energy Center, the 400 megawatts project in Northeast Missouri in December. And January, Ameren Missouri acquired a second wind generation project, the 300 megawatts Atchison Renewable Energy Center located in Northwest Missouri. I am pleased to report that as of the end of the second quarter, the Atchison Renewable Energy Center is now in service. With both facilities now operating, it marks a key milestone as we continue to transition our energy portfolio towards a cleaner energy future.

Turning now to Page 10 and an update on Ameren Missouri's Callaway Energy Center. As we previously discussed during his return to full power as part of his 24th refueling and maintenance (inaudible) in late December 2020. Callaway experienced a non-nuclear operating issue related to its generator. A thorough investigation of this matter was conducted, and the decision was made to rewrite the generator stator and rotor in order to safely and sustainably return to energy center to service. I am pleased to report that the generator project was executed very well and at the energy center returned to service on August 4. The completion of this project positions Callaway for sustainable long-term future. The cost of the capital project was approximately $60 million.

As we have said previously, 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. In addition, 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 is consistent with our vision in a way to a sustainable energy future.

Beginning with Environmental stewardship last September, Ameren announces transformation plan to achieve net zero carbon emissions by 2050, across all of our operations in Missouri and Illinois. This plan includes interim carbon emission reduction targets of 50% and 85% below 2005 levels in 2030 and 2040 respectively. And it's consistent with the objectives for Paris agreement and limiting global temperature rise to 1.5 degrees Celsius. We also have a strong have a strong long-term commitment to our customers and communities to be socially responsible and economically impactful.

Finally, our strong corporate governance is led by a diverse Board of Directors, focused on strong oversight that's aligned with ESG matters and our executive compensation practices include performance metrics that are tied to sustainable long-term performance, diversity, equity and inclusion, and progress towards a cleaner, sustainable energy future. 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 12. Looking ahead, we have a strong sustainable growth proposition, which will be driven by our robust pipeline and investment opportunities over $40 billion over the next decade, that will deliver significant value to all of our stakeholders and making our energy grid stronger, smarter, and cleaner.

Importantly, these investment opportunities exclude any new regionally beneficial transmission projects. Including the potential roadmap, (inaudible) MISO transmission projects I discussed earlier. All of which would increase the reliability and resiliency of the energy grid, as well as enable our country's transition to a cleaner energy future. In addition, we expect to see greater focus from a policy perspective and 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. Of course, our investment opportunities not only create stronger and cleaner energy grid to meet our customers needs and exceed their expectations. But they would also create thousands of jobs for our local economies. Maintaining constructive any constructive energy policies that support robust investment and energy infrastructure and a transition to a cleaner energy future and 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 13. To sum up our value proposition, we remain firmly convinced that the execution of our strategy in 2021 and beyond will deliver superior value to our customers, shareholders, and the environment. In February, we issued our five-year growth outlook, which included a 6% to 8% compound annual earnings growth rate from 2021 to 2025. This earnings growth is primarily driven by strong rate base growth and compares very favorably with our regulated utility peers. Importantly, our five-year earnings and rate base growth projections do not include 1,200 megawatts of incremental renewable investment opportunities, outline in Ameren Missouri's integrated resource plan.

Our team continues to assess several renewable generation proposals from developers. We expect to file this year but the Missouri PSC for certificates of convenience and necessity for a portion of these plan renewable investments. I am 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 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 for shareholders.

Again, thank you all for joining us today. I will now turn the call over to Michael.

Michael L. Moehn {BIO 5263599 <GO>}

Thanks, Warner, and good morning, everyone. Turning now to Page 15 of our presentation. Yesterday, we reported second quarter 2021 earnings of $0.80 per share compared to $0.98 per share for the year-ago quarter. Earnings in Illinois and Missouri, our largest segment decreased $0.18 per share driven primarily by a change in seasonal electric rate design, resulting from the March 2020 rate order, which provided for winter rates in May, and summer rates in September, rather than the blended rate used in both months in 2020. The rate design chains decreased on a $0.19 per share and is not expected to impact full-year results. Earnings are also impacted by the timing of income tax expense, which decrease our earnings $0.03 per share and is not expected to impact full-year results.

As Warner mentioned, during the quarter, we have remained relentlessly focused on continuous improvement and disciplined cost management has been able to largely maintained the level operations and maintenance savings this quarter that we experienced during the year-ago period which was significantly affected by COVID-19.

The increase in other operations and maintenance expenses, which decreased earnings $0.02 per share was primarily due to more favorable market returns in the cash surrender value of company-owned life insurance in the year-ago period.

As you can see, we have worked hard this year to control costs where we can. The amortization of deferred expenses related to the fall 2020 Callaway Energy Center schedule refueling and maintenance outage and higher interest expense primarily due to higher long-term debt balances -- also decreased earnings $0.02 per share. These factors were partially offset by increasing earnings of $0.05 per share, due to increased investments in infrastructure and wind generation, eligible for plan service accounting, and the renewable energy standard rate adjustment mechanism or RESRAM.

Higher electric retail sales also increased earnings by approximately $0.04 per share, largely due to continued economic recovery initiatives second quarter, compared to the unfavorable impacts of COVID-19 in the year-ago period.

We've included on this page, the year-over-year weather-normalized sales variances for the quarter. Overall, weather-normalized sales are largely consistent with our expectation outline in our call in February. As we still expect total sales be [ph] approximately 2% in 2021 compared to 2020.

Moving to other segments. In our transmission earnings declined $0.03 per share over year, which reflected the absence of the prior-year benefit from the May 2020 third quarter addressing the allowed base return on equity, which more than offset earnings on increased infrastructure investment.

Earnings for Ameren Illinois natural gas decreased $0.01 per share. Increase delivery service rates that became effective in late January 2021. We're offset by a change of rate design, which is not expected to impact full-year results. Ameren Illinois electric distribution earnings increased $0.02 per share, which reflected increased infrastructure investment in a higher allowed ROE underperformance base rate making. Ameren parents and other results were also up $0.02 per share, compared to the second quarter of 2020, primarily due to the timing of income tax expense, which is not expected to impact full-year results. And finally, 2021 earnings per share reflected higher weighted average shares outstanding.

Before moving on, I'll touch on year-to-date sales trends for Ameren Illinois Electric Distribution. Weather-normalized kilowatthour sales to the Illinois residential customers decreased 1%. And weather-normalized kilowatthour sales to Illinois Commercial and Industrial customers increased 2.5% and 2%, 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 16. Now, I'd like to briefly touch on key drivers impacting our 2021 earnings guidance. We are up to a strong first half in 2021, and as Warner stated, we continue 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 are listed on this on this page and our supplement of the key drivers and assumptions discussed on earnings call in February. I will know that our third quarter earnings comparison will be positively impacted by approximately $0.19 per share due to the seasonal electric rate design changes effective in 2021 at a Missouri that we discussed earlier.

Moving now to Page 17 for an update on regulatory matters. Starting with Ameren Missouri, as you recall on March 31, we filed for a $299 million electric revenue increase with the Missouri Public Service Commission. The request includes a 9.9% return on equity a 51.9% equity ratio in a September 30, 2021, estimated rate base of $10 billion. Intervenors customer, we filed an early September with Rebuttal Testimony (inaudible) October 15. Evidentiary hearings are scheduled to begin in late November. In addition, on March 31, we filed for a $9 million natural gas revenue increase with the Missouri PSC. The request includes a 9.8% return on equity, a 51.9% equity ratio, and in September 30, 2021, estimated rate base of $310 million. A Missouri PSC decision both rate reviews expected by early February with the new rates expect to be effective by late February.

Moving to Illinois Regulatory Manners. In April, we made our required annual electric distribution rate update filing, under Illinois performance-based rate making, these annual rate updates systematically adjust cash flows over time for changes in cost of service and true of any prior period over or under recovery associated costs.

In late June, ICC staff have to recommended the $54 million base rate increase, compared to our request of a $60 million base rate increase. And ICC decision is expected in December with new rates expected to be effective in January 2022.

Moving to Page 18, in early June, Ameren published the sustainability financing framework becoming one of the first utilities in the nation to do so. Under this framework, Ameren and its issuing subsidiaries may elect a finance or refinance in new and existing projects that have environmental or social benefits from green bonds, social bonds, sustainability bonds, green loans or other financial instruments.

Given the amount of investment activity in Ameren, and that utilities of subsidiaries are pursuing that have environmental or social benefits. We expect to be and relatively frequent issuer under sustainability financing framework.

Turning the Page 19. For financing on liquidity update. We continue to feel very good about our liquidity and financial position. I just mentioned in (inaudible) Missouri near me, Illinois, issued green bonds with the net proceeds and be allocated to sustainable projects being certain eligibility requirements under the sustainability financing framework. Additional debt issuance are outlined on this page. Further, -- earlier this year, we physically sell the remaining shares under our forward equity (inaudible) proceeds of approximately a $115 million.

In order for us to maintain our credit ratings and a strong balance sheet while we fund our robust infrastructure plan, we expected to issue a total of approximately a $150 million of common equity in 2021. Under the aftermarket or ATM program, established in May. This is consistent with prior guidance provided in February and May. And today at approximately a $122 million of equity has been issued through this program. Our $750 million ATM equity program is expected to support our equity needs through 2023. Finally, Ameren's available liquidity as of July 30 was approximately $1.8 billion.

Lastly, turning to Page 20, we're well-positioned to continue to execute on our plan. We continue to expect to deliver strong earnings growth in 2021, as we successfully execute our strategy. And as we look to the longer term, we 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 peers. Ameren's shares continue to offer investors an attractive dividend. In total, we have a strong total shareholder returns through that compare very favorably to our peers.

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

Questions And Answers

Operator

(Question And Answer)

At this time, we would be conducting a question-and-answer session. (Operator Instructions) Our first question is from Jeremy Tonet with JP Morgan. Please proceed with your question.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Good morning.

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

Good Morning. How are you doing, sir?

Q - Jeremy Tonet {BIO 15946844 <GO>}

Good. Good. Thank you. Just want to see how you think about the Missouri securitization legislation as a tool for transitioning the fleet. Just wondering if any thought you have there. Are there any particular reasons, it could be more or less attractive for you to use versus kind of other considerations we should be thinking about?

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

Thanks, Jeremy. Look, as we've said before, we've said securitization is -- it is a great regulatory tool, and one that we don't see is necessary to execute an integrated resource plan, but certainly, a great regulatory tool. So, in the big picture, as we go down the path, if we see changes in policies, change in economic conditions or really the overall economics for renewables. Perhaps, we'll look at securitization as a tool to use. But right now, we're very comfortable and like our integrated resource plan. And I'll compliment Marty Lyons and his team, really did a nice job working with stakeholders to get that across the finish line. And so, Marty watch a come on in and see if you have any additional comments on the securitization tool that we have available to us.

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

Yes, Warner, well you describe it very well, and Jeremy, thanks for the question. We outlined on Slide 25, our transition over time, it's the integrated resource plan that we filed last fall, and as Warner mentioned, that plan and the execution of that plan will not depend utilization of securitization. And really what you see there is our plan as it stands today is that these are low-cost reliable call it -- foundation to bring in more renewables over time and provide reliable power to our customers. But as Warner said, to extent situations change and require adjustments with this plan, it could be with securitization, it would be very good tool to have in our toolbox, to perhaps make this transition more swiftly, and do it in the way that provides affordable rates to our customers. So, I think a very good tool to have in your toolbox, but again not needed today as we're looking through the integrated resource plan.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Great. That's a really helpful color there. Maybe just kind of shifting gears here. Have you seen any developments in MISO as work progresses toward year-end project updates there? Just wondering if you might be able to expand a bit more, I guess, your thoughts there and what that could mean for Ameren?

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

Sure. Thanks, Jeremy. And look, as we discussed really on our last quarter call, and as we talked about in our prepared remarks. We really see transmission investment as being critical for our country's transition to a cleaner energy future, and certainly MISO being right in the middle of the country, it's going to play an integral role. And obviously, we have a big footprint in MISO.

And so, as we looked at it, MISO has really done a fine job from our perspective. And we're really looking out to see what some of those long-range transmission projects might be. They're not definitive yet, but they've laid out a real nice plan for us to really think about and work with key stakeholders. And that's exactly what we've been. Working with other key stakeholders and say, okay, what are these projects that we need to move forward with. I will say, MISO is still in the middle of that process with us and so many others. And as you know, they'll take that long-range plan that we outlined in our slides, and they're going to put and include aspects of that of our thinking, and MISO's transmission expansion plan, which is a process that we'll hopefully see move forward by the end of this year.

So, beyond that, I would say, the I would say, the conversations, the analysis continues. The only thing I will say is that we believe we are well position to execute any of those projects. And we believe, if you look at that future, one, that some of those projects are going to likely be in this -- that comes out here, in this year or perhaps maybe in the early next year. Because those are some no regrets projects that are in there that we need to move forward on not just in the Mid-West but for our country, so we can move forward on this clean energy transition. So, nothing specific yet. But needless to say, there is a lot of work going on around with the teams, to try and move forward on this important aspect of the clean energy transition. So, stay tuned. More to come.

Q - Jeremy Tonet {BIO 15946844 <GO>}

Got it. That's very helpful. Thanks for that I'll leave it there.

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

Thanks, Jeremy. Have a good weekend.

Q - Jeremy Tonet {BIO 15946844 <GO>}

You too.

Operator

Our next question is from Paul Patterson with Glenrock Associates. Please proceed with your question.

Q - Paul Patterson {BIO 1821718 <GO>}

Hi, good morning.

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

Good morning Paul. Good morning. How are you? And we're all good here.

Q - Paul Patterson {BIO 1821718 <GO>}

Good to here. So, just a follow-up on Jeremy's question on the MTEP process, and the transmission opportunities are still pretty exciting. One of the questions I guess which sort of comes up here is, as you are aware that in Missouri, there's this clean energy line, I forgot the exact name, but you are familiar with that. It's the one that's been held up by challenges to it, but it seems like forever. It is not your line; it is more like a merchant line. But in general, how should we think about one MISO has sort of identified these, etcetera, bringing those -- assuming that you guys get a good line of sight on opportunities for yourself. How should we think about sizing or permitting, etcetera? Would we expect to sell these projects in the context of the example that I mentioned, versus some of the addons and stuff that don't seem to have as much in the way of hurdles. Do you follow what I'm saying?

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

Paul. A bit complicated. So, let me tell you, it's Grain Belt is the name of the line that you're referring to.

Q - Paul Patterson {BIO 1821718 <GO>}

Right. That's it. So, I think that's (Inaudible)

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

Yes. And so, I'll make a couple of comments and then Marty, you can talk about how the green project has been incorporated, and in some respects, really comment upon our integrated resource plan. But just big picture, whether it's the Grain Belt or any transmission, obviously, permitting and signing, is an important aspect of transmission. I think this is why you're seeing FERC and others, state commissions and others, and legislators, take a very careful look at this because we recognize that, that's an important aspect of getting any of these major transmission projects done, and some significant transmission projects are going to have be done to, first to affect the clean energy transition.

And so one of the things I will tell you, we work very hard as a company at this, and have been very thoughtful in reaching out with stakeholders in the communities early and often, to talk about the needs for the transmission line but also how we can work with those stakeholders in those communities, so we can get the permitting and signing done in a timely fashion. Shawn Schukar and his team have done that for years and years now. And this is why you've seen the success that we had in the last multi-value projects that MISO did almost a decade ago, now, those projects were so successful, is because a lot of work was done on the front end, so we could execute on the back end. As we look forward to any future transmission project, that's exactly what we will continue to do.

Now Grain Belt, obviously, as you rightfully said, that is not our project, but certainly something that has received a lot of attention in Missouri and otherwise. And so, Marty, why don't you comment a little bit about some of the things that we've been looking at, in terms of Grain Belt as part of our integrated resource planning process.

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

Yes. Sure, Warner. Happy to comment. So, and I mentioned on our integrated resource plan, we filed this --. And again, back on the Slide 25 where we depict our plan, that's really our preferred plan from the integrated resource plan as we move forward. But as we develop that plan, we looked at a number of scenarios in terms of the path forward to get to what people think to be the most reliable, affordable path forward. And in this scenario, certainly we evaluated utilization of Grain Belt as well as many other kinds of scenarios, and where we stand right now in terms of our integrated resource plan.

As we all know, we did put out a request for proposals last year on various resources that might be available to fulfill our needs, and obviously our ambition is to acquire 1,200 megawatts of renewables, wind, solar, to 2025, and we do still expect to file later this year with the PSC, for certificates which could be a necessity for a portion of those planned projects. But as we go through broadly looking at just the next five years but even beyond, certainly, we will continue to consider all options including utilization of Grain Belt as we think about fulfilling those needs.

In terms of your question Paul, I think you're asking about large-scale transmission, smaller-scale transmission. As we go about looking at the various resources that might fulfill our needs, certainly we work closely with Shawn and his team, and think very much about the transmission investments that will be required to facilitate investment in any of those projects whether wind or solar, and it's an important part of our consideration as we think about the resources that would be most affordable for our customers.

Q - Paul Patterson {BIO 1821718 <GO>}

Okay, great. And then just finally on Illinois. I mean, you mentioned in your remarks, and I'm just sort of -- Do you have any sense as to whether or not something happens in the next, I guess, couple months here, or -- I mean, you guys are obviously a lot closer to it than I am. I'm just sort of wondering if you had any odds on something in Illinois, what those odds might be for something getting done?

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

Sure. Thanks, Paul. And I learned long ago, not to make predictions about legislation, and especially in this particular case, it's a complex piece of legislation. The only thing I can say is what I've said before and I'll say again. Richard Mark and his team, they've been working tirelessly for many months now with key stakeholders to try and forge a path forward that is a constructive solution, that's going to enable us to make the investments we need to make in the energy grid and earn fair returns in state of Illinois, and in so doing, enhance reliability, create jobs, and help really state of Illinois and our country, move towards a cleaner energy future.

So, all those things are all true. They remain true today, and we continue to be at the table with key stakeholders. But now, I'm not going to make any prediction in terms of time, whether any timing, but rest assured, we're working hard at it, and we're at the table with the key stakeholders to try and get the constructive solution done.

Q - Paul Patterson {BIO 1821718 <GO>}

Okay, great. Thanks a lot.

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

Thanks, Paul. Have a good weekend.

Operator

(Operator Instructions) Our next question is from Julien Dumoulin-Smith from Bank of America. Please proceed with your question.

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

Good morning Julien.

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

Hey good morning team. Thank you for the time and the opportunity. Appreciate it.

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

Absolutely.

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

Same to you.

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

So, perhaps just let's kick it off with our favorite subject here, and I'd love to hear your thoughts and perspectives around this June task force, right? You mentioned FERC and Ameren joining forces here, that seems like a fairly potent combination to drive real change, right? So, I'm curious, what do you -- what is the focus here and specifically, what key issues are you asking them to address right, when it comes to utilities, not HPVC lines with their own challenges and prospects, but from your perspective tangibly, how can they step in and help you all that?

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

You bet. Well, thanks, Julien. Look, we're encouraged that the federal regulators and state regulators are not only talking, but trying to find a path forward. Because as I've said now several times on this call, and transmission is going to be a critical component of getting these major transmission projects done for our country, and so as we all know, that the federal regulators FERC and the state regulators, they are jurisdictions or at least the issues can sometimes overlap. And so, things that are really important all the time. It's how we can sort through permitting and signing.

And clearly, another issue around transmission projects, especially these regional projects which we're talking about in large part with these MISO projects. Now how you allocate the cost fairly and appropriately. And so, what I think Julien, what will happen with some of these conversations, what we hope to have happened is that there's a better understanding of the issues. Perhaps, a bit of a meeting of the minds, and so we can start moving forward in a more timely fashion than we might have otherwise had.

And of course, when we're making the types of investments that we are making, then we want to have, let's say, greater levels of regulatory certainty. And so, these things, I think, will be helpful. I'm not suggesting that, this task force will solve it all. But I think what it will do is provide a great forum for stakeholders. Not just regulators companies like ours and others, to come to the table and say, okay, here are the things that really matter, and here's how we can lean further forward in the transmission space, which we needless to say, strongly support the need to lean forward further, faster, in the transmission space.

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

Got it. All right. Fair enough. And then, if I can I mean let's pivot back to your own portfolio here. How are you thinking about transmission interconnect delays cost, etcetera, or just what you think about your own efforts? And then what are you observing regionally, again, clearly the need for transmission is principally evidenced by the elevated cost, the interconnection cost, and but that translate in to a relatively stagnant trajectory of processing this queue. Are you seeing issues with your own projects? And then more broadly, are you seeing these elevated costs with other developers, in and around your service records [ph]. If you will elaborate on that.

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

Yes. Lots to unpack in there, and so, let me make a few comments. So number one, Marty, a moment ago, was talking about how we proceed to the integrated resource planning process and he also said, key element of the projects that we look at and select really look very hard at transmission interconnections, where developers may be in the queue in try new things forward, and that's frankly, how we were successful in moving in a very thoughtful and timely fashion with our 700 MW of wind generation.

So, what we're seeing there, this is all part of our due diligence. Are you seeing your sort of a backup? Yes. Are you seeing now, that organizations like MISO are looking beyond just today, their looking to the future with this long-term resource planning effort? The answer to that is, yes, and that's why we support it, and what we believe help alleviate in the future, if you look sort of a decade out, which is really, when you think about transmission projects, you'll look just for tomorrow, you will see a decade out, what are the things that we need to be doing today to position ourselves for success in the future. So, we're encouraged by that.

Are we seeing the increases in prices or challenges? Well, it's premature to say that and we're still going through the process, still talking to developers, working with MISO and others. But the only thing I do know is that, we have, I will unique expertise to provide the analysis, but also unique expertise to execute these important transmission projects not just for our projects but frankly the projects that'll have no regional and frankly countrywide positive implication implications to move forward the clean energy transition.

So, I don't know if, Julien, that answered your specific question. This is certainly an important aspect of what we're seeing, but it is not new to us and I'll finish with this, too, the other encouraging thing that we are seeing is that in particular, in this instance, MISO is working with the other regional transmission organization. In this particular instance, SPP, to try and coordinate even better. Now, some of these transmission projects in needs. So, we don't have surprises, right? When it comes time to try and move forward with a particular renewable energy project. That, too, is encouraging and we look forward to the results of that collaborative effort from those two organizations and I'm sure PJM and MISO will be having similar conversations sometime down the road.

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

All right. Excellent. Sorry to squeeze in one more, but just obviously you've Identified -- the certain renewable opportunities that are excluded from your five-year outlook, and I know to certainly think that five-year outlook is also going to be rolled forward here, and actually in six months. Can you talk about the next data point that we should watching in terms of more formally including some of those projects into your plan, just timeline probably, missed on that?

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

You bet. You stay there correctly Julien that, none of these large regional projects that we outlined in our slides are reflected not only in our 5-year plan but as you know, we look out 10 years, the $40 billion, we say a $40 billion plus well. A big plus to that item is potential for these large regional transmission projects. So, we're excited about that opportunity to be able to execute some of those.

So, what's the next thing to look at, look I think that the TM chapter, the MISO transmission expansion planning process. Kind of the really sort of your next visible sign. Now if you'll probably see, there may be some information out there towards the end of third quarter into the fourth. But the process itself which ultimately goes before the board of directors of MISO, will be really in the fourth quarter or the earliest, as I said, in my prepared remarks, that could go into the first quarter of next year. But that would be prior that, I would say, part of the next data point if you will. But not -- but to be clear, as I said before, a lot of work is going on today to try and make sure that is kind of smoothly as possible. That's what I would be looking for a little bit later, and Michael you have more to add.

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

Yes, Julien, I think, the only other thing, with respect to the renewable projects, the data point there, I think Warner maybe even said this in his opening remarks. Is it really that regulatory process? So, we look for those CCN filings in the back half of this year, that's really going to get those kickstarted from the approval standpoint. That's again, those are really speaking to the IRP process itself. Warner was really talking about the transmission piece.

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

Yes. Well said. Thank you, Michael. That's exactly right. We said, we expect to be filing for some CCNs, and still here by the end of this year. So, that would be another important data point to be looking for incremental capital expenditure opportunities.

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

Yes. We will watch for those, guys. Excellent. We'll leave it there. Thank you very much.

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

Okay. Thanks, Julien. Have a good weekend.

Operator

And we have reached the end of the question-and-answer session, and I'll now turn the call over to Andrew Kirk for closing remarks.

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 analyst inquiry should be directed to me, Andrew Kirk. Media should call should call Tony Paraino. Again, thank you for your interest in Ameren, and have a great day.

Operator

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