

Illinois Power Agency Procurement Events

**Invitation to Comment
on Proposed Changes to the Standard Contract Forms
Procurement of Energy Blocks
for the Ameren Portfolio and the ComEd Portfolio**

Invitation to Comment

On September 30, 2013, the Illinois Power Agency (“IPA”) submitted its Procurement Plan (“Plan”) to the Illinois Commerce Commission (“ICC”) in compliance with Public Act 095-0481 (the “Act”), which includes the Illinois Power Agency Act (“IPA Act”). The ICC approved the Plan with modifications on December 18, 2013. The Plan provides for the procurement of energy supply to meet the supply needs of eligible retail customers of Commonwealth Edison Company (“ComEd”) and of Ameren Illinois Company (“Ameren”) through a Request for Proposals (“RFP”). The RFP will procure on-peak and off-peak blocks of monthly and/or multi-month durations for the period June 1, 2014 to May 31, 2017.

The Procurement Administrator is proposing to use the previously used 2012 energy contracts with only minor changes. For each utility, consensus among that utility, the IPA, Commission Staff, Procurement Administrator, and Procurement Monitor was reached on the terms that needed to be modified in the energy contract for that utility. As approved by the ICC, the Procurement Administrator invites interested parties to submit their comments on the proposed changes that have been made relative to the previously used 2012 energy contract. **Please note that comments are solicited on proposed changes only and not on the entire energy contract.**

Proposed Changes

All proposed changes as numbered below are provided for the convenience of interested parties in an attachment to this document.

Ameren Illinois Company

The Ameren Illinois Company’s standard contract form is the EEI Master Power Purchase & Sale Agreement with certain specific terms (the “Ameren Energy Master Agreement”). A summary of the proposed changes from the previously used 2012 energy contract are provided below.

Ameren Proposed Changes		
Proposed Change	Section	Nature of Change
1	Opening Paragraph	Change of date
2	Section 1, Paragraph E	MISO changed its name from Midwest Independent Transmission System Operator, Inc. to Midcontinent Independent System Operator Inc. as of April 26, 2013
3	Section 3	Contact Information for CEO and Power Supply Acquisition

Changes 1-3 are administrative in nature and they do not modify the terms of the Ameren Energy Master Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regards to proposed changes 1-3.

Spring 2014 Procurement EventsCommonwealth Edison Company

The standard contract form for Commonwealth Edison Company is the EEI Master Power Purchase & Sale Agreement with certain specific terms (the “ComEd Energy Master Agreement”). A summary of the proposed changes from the previously used 2012 energy contract are provided below.

ComEd Proposed Changes			
Proposed Change	Document	Section	Nature of Change
4	EEI Master Agreement and Coversheet	Coversheet, Opening Paragraph	Change to definition of Effective Date
5	EEI Master Agreement and Coversheet	Coversheet, Other Changes, Paragraph 14 (Section 2.3)	Changes to the actions and timing required to execute the Agreement, confirmation, Guaranty (if applicable) and related documents
6	EEI Master Agreement and Coversheet	Coversheet, Other Changes, Paragraph 27 (Section 10.8)	Allow Agreement, Confirmations, Guaranty (if applicable) and related documents to be executed electronically and in counterparts
7	EEI Master Agreement and Coversheet	Contact information for Notices for ComEd	Change in phone numbers
8	EEI Master Agreement and Coversheet	Signature Block	Change to name of ComEd signatory
9	MtM Methodology (Schedule 3)	Last Paragraph	Remove prior date and replace with a general “applicable”
10	Sample Confirmation (Sample Exhibit A)	First Paragraph	Remove prior date and replace with a general 20__
11	Sample Confirmation (Sample Exhibit A)	Special Conditions, Scheduling	Change of dates to 2014
12	Sample Confirmation (Sample Exhibit A)	Special Conditions, Scheduling	Change from eSchedule to InSchedule to follow PJM terminology

Changes 4-6 modify the terms of the ComEd Energy Master Agreement. Changes 7-12 are administrative in nature and they do not modify the terms of the ComEd Energy Master Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regards to proposed changes 7-12.

Timeline and Process

The timeline and process for interested parties to provide comments on all proposed changes are as follows:

- Please enter your comments in the Comment Form and submit the Comment Form to the Procurement Administrator by email at the following e-mail address: Illinois-RFP@nera.com
- Where appropriate, you may submit your comments with tracked changes in Microsoft Word within the Comment Form. The Comment Form also includes boxes so that you may also submit additional comments and provide explanatory notes.
- The Comment Form will ask for a telephone number and email contact information in the event that the Procurement Administrator seeks clarification regarding your comments.
- **The deadline to provide comments is 6 PM CPT on March 18, 2014.**

Please direct any questions regarding this comment process to the Procurement Administrator at Illinois-RFP@nera.com.

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Attachment to Invitation to Comment

All proposed changes are provided below for the convenience of interested parties.

Proposed Change 1:

THIS CONFIRMATION AGREEMENT shall confirm the Transaction agreed to on _____, 2014~~2~~ between _____ (“Seller” or “Party A”) and Ameren Illinois Company (“Buyer” or “Party B”) regarding the sale/purchase of the Product under the terms and conditions that follow. Party A and Party B are sometimes referred to herein as a “Party” or collectively as the “Parties”.

Proposed Change 2:

E. The supply of electric power and energy under this Confirmation Agreement will be administered by the Midcontinent~~west~~ Independent ~~Transmission~~ System Operator, Inc. (“MISO”) under (i) its Open Access Transmission, Energy and Operating Reserve Markets Tariff (“ASM Tariff”) on file with the Federal Energy Regulatory Commission (“FERC”), as may be amended from time to time; and (ii) the MISO Business Practice Manuals, as the same may be amended (“MISO Manuals” or collectively with the ASM Tariff referred to as the “MISO Documents”). In the event of any inconsistency in the MISO Documents, the ASM Tariff shall prevail.

Proposed Change 3:

Scheduling:

Attn: Power Supply Acquisition
Phone: 314-554-~~46223363~~
Facsimile: 314-206-0210
Email: dlpowersupplyacquisition@ameren.com

Payments:

Attn: Sam Cassmeyer
Phone: (314) 554-4287
Facsimile: (314) 554-6328

Wire Transfer:

BNK: US Bank
ABA: 042000013
ACCT: : 1301 137 50728

ACH Transfer:

BNK: US Bank
ABA: 042000013
ACCT: 1301 137 50728

Credit and Collections:

Attn: Lee Lalinsky
Phone: (314) 206-1166
Facsimile: (314) 206-0210
Email: DLAICCCreditRiskManagement@ameren.com

With additional Notices of an Event of Default or Potential Event of Default to:

Attn: President & CEO
Phone: ~~(618) 343-8040~~(309) 677-5220
Facsimile: ~~(618) 343-8063~~(309) 677-5016

Proposed Change 4:

MASTER POWER PURCHASE AND SALE AGREEMENT

COVER SHEET

This *Master Power Purchase and Sale Agreement* (“*Master Agreement*”) is made as of ~~the latest date shown on the signature page~~ _____, 20__ (“*Effective Date*”).

Proposed Change 5:

14. Section 2.3-Confirmation

Section 2.3 is amended to read, in its entirety, as follows:

2.3 **Confirmation**. The Parties shall confirm a Transaction by executing a confirmation (“*Confirmation*”) substantially in the form of Exhibit A.

The actions and timing required to execute the Agreement, including any Confirmations, any Guaranty, if applicable, and any other related documents~~Confirmations~~ is summarized by the following table:

<u>Party</u>	<u>Timing</u>	<u>Action</u>
<u>ICC</u>	<u>Day 0</u>	<u>Approves the results and announces that Seller has been selected.</u>
<u>Buyer</u>	<u>by 1:00 PM EPT on the first Business Day following Day 0 (Day A)</u>	<u>Prepares and sends a partially executed electronic copy of the Agreement, including any Confirmations, any Guaranty, if applicable, and any other related documents to the Seller.</u>
<u>Seller and if applicable, Seller's Guarantor</u>	<u>by 5:00 PM EPT on the second Business Day following Day 0 (Day B)</u>	<u>Executes the signature pages of the partially executed electronic copy of the Agreement, including any Confirmations, any Guaranty, if applicable, and any other related documents, and sends such fully executed signature pages to Buyer electronically.</u> <u>For the record of the Parties, executes and sends two (2) hardcopy originals of the Agreement, including any Confirmations, any Guaranty, if applicable, and any other related documents to Buyer via overnight delivery.</u>

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Buyer	by end of day on the seventh Business Day following Day 0 (Day G)	For the record of the Parties, executes the two (2) hardcopy originals of the Agreement, including any Confirmations, any Guaranty, if applicable, and any other related documents; retains one (1) original and sends the other to the Seller.
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Party	Timing	Action
ICC	Day 0	Approves the results and announces that Seller has been selected.
Buyer	by the end of the following Business Day (Day A)	Prepares and sends an unexecuted electronic copy of the Confirmation to the Seller. Executes signature page of the Cover Sheet to the Agreement.
Buyer & Seller	by 1:00 PM EPT on the second Business Day following Day 0 (Day B)	Executes signature page of the unexecuted Confirmation and sends the partially executed Confirmation electronically to the other Party to acknowledge the Transaction details. Upon execution of the Confirmation in counterparts by both Parties, the Confirmation is fully executed.
Seller	by the end of the day on the fourth Business Day following Day 0 (Day D)	For the record of the Parties, sends two (2) partially executed, hardcopy originals of the Confirmation to the Buyer via overnight delivery
Buyer	by end of day on the seventh Business Day following Day 0 (Day G)	For the record of the Parties, executes the two (2) hardcopy original Confirmations; retains one (1) and sends the other, along with one (1) original, fully executed signature page of the Cover Sheet to the Agreement to the Seller

Proposed Change 6:

27. Section 10.8 – General

Section 10.8 is amended by adding the following to the end of the section:

“This Agreement, including any Confirmations, any Guaranty and any other related documents, may be executed in counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same original instrument. Delivery of an executed counterpart of a signature page to this Agreement, ~~or to~~ any Confirmation, any Guaranty or any other related documents by facsimile or electronic means shall be effective as delivery of a manually executed counterpart of this Agreement, ~~or any~~ Confirmation, any Guaranty or any other related documents. Electronic or fax copies of executed original copies of this Agreement, ~~and~~ any Confirmation, any Guaranty and any other related documents shall be sufficient and admissible evidence of the content and existence of this Agreement, ~~or~~ any Confirmation, any Guaranty or any other related documents to the same extent as the originally executed copy or copies (if executed in counterpart).”

Proposed Change 7:

Invoices:

Attn: Manager of Wholesale Billing and Credit
Phone: 630-684-~~3582~~3578
E-mail: wb&cstaff@comed.com

Scheduling:

Attn: Manager of Wholesale Supplier Operations
Phone: 630-684-~~3578~~3582
E-mail: wsostaff@comed.com

Payments:

Attn: Manager of Wholesale Billing and Credit
Phone: 630-684-~~3582~~3578
E-mail: wb&cstaff@comed.com

Wire Transfer:

BNK: Bank of America
ABA: 026009593
ACCT: 5800392127

Credit and Collections:

Attn: Manager of Wholesale Billing and Credit
Phone: 630-684-~~3582~~3578
Facsimile: 630-684-3580
E-mail: wb&cstaff@comed.com

Proposed Change 8:

Party A Name	Commonwealth Edison Company
Party B Name	
By: _____	By: _____
Name: _____	Name: William P. McNeil Ross C. Hemphill
Title: _____	Title: V.P., Energy Acquisition
Date: _____	Date: _____

Proposed Change 9:

Marks will be calculated each Business Day beginning the day after the initial marks are provided and continuing until the final deliveries from the ~~Spring 2012~~ applicable Standard Products RFP have been made. The Current Mark-to-Market Value will be computed by multiplying the appropriate energy volumes by the difference between the initial marks and the updated marks derived as described above. Initial Marks are calculated using quotes dated with the Bid Date.

Proposed Change 10:

This confirmation letter shall confirm the Transaction agreed to on _____, 20 ~~12~~ - between _____ (“Party A”) and Commonwealth Edison Company (“Party B”) regarding the sale/purchase of the Product under the terms and conditions as follows:

Proposed Changes 11 and 12:

Scheduling: Seller shall submit Contract Quantity through PJM ~~eSchedules~~ InSchedule by the later of May ~~11, 2012~~ 29, 2014 or four weeks prior to the beginning of the Delivery Period. Buyer shall confirm the Contract Quantity submitted by Seller through PJM ~~eSchedules~~ InSchedule by the later of May ~~18, 2012~~ 16, 2014 or three weeks prior to the beginning of the Delivery Period.

Market: Seller must schedule and deliver in the PJM Day-Ahead Market.