

IllinoisPowerAgency Spring 2018 Procurement Events

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

Invitation to Comment

On September 25, 2017, the 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 issued its Order with regards to the Plan on December 20, 2017. The Plan provides for the procurement of energy supply to meet the supply needs of eligible retail customers of Ameren Illinois Company (“AIC”), of Commonwealth Edison Company (“ComEd”) and of MidAmerican Energy Company (“MEC”) 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, 2018 to May 31, 2021.

The Procurement Administrator invites interested parties to submit their comments on the proposed changes to the energy contracts for each of AIC, ComEd and MEC. A separate invitation has been issued to solicit comments on the proposed changes to the capacity contract for AIC.

The Procurement Administrator is proposing to use the 2017 energy contracts with minor changes. Please note that comments are solicited on proposed changes that have been made relative to the previously used 2017 energy contracts only and not on the entire contract.

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 e-mail at Illinois-RFP@nera.com
- Where appropriate, please submit your comments with tracked changes in Microsoft Word within the Comment Form. The Comment Form includes boxes so that you may provide explanatory notes.
- The Comment Form will ask for contact information, including a telephone number and an e-mail address, in the event that the Procurement Administrator seeks clarification regarding your comments.
- **The deadline to provide comments is 6 PM CPT on February 28, 2018.**

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

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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 (“AIC”)

The Ameren Illinois Company’s standard contract form is the EEI Master Power Purchase & Sale Agreement with certain specific terms (the “(AIC) Confirmation Agreement”). A summary of the proposed changes from the previously used 2017 energy contract are provided below.

AIC Proposed Changes		
Proposed Change	Section	Nature of Change
AIC-1	Incorporation of EEI Master Power Purchase & Sale Agreement and General Provisions	Clarified use of defined term
AIC-2	Notices	Updated contact information
AIC-3	Master Agreement Amendments	Updated definition of “S&P”
AIC-4	Collateral Annex Amendments	Clarified use of defined term
AIC-5	Collateral Annex Amendments	Clarified Definition
AIC-6	Signature Page 1	Updated Year
AIC-7	Signature Page 2	Updated Year
AIC-8	Standby Letter of Credit Option 1	Added a term related to a replacement letter of credit.
AIC-9	Standby Letter of Credit Option 1	Added a term related to automatic extension of the Letter of Credit.
AIC-10	Standby Letter of Credit Option 1	Updated definition of “S&P”
AIC-11	Standby Letter of Credit Option 2	Added a term related to a replacement letter of credit.
AIC-12	Standby Letter of Credit Option 2	Added a term related to automatic extension of the Letter of Credit.
AIC-13	Standby Letter of Credit Option 2	Updated definition of “S&P”

Changes 1, 2, 3, 4, 6, 7, 10, and 13 are administrative in nature and they do not modify the terms of the (AIC) Confirmation Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regard to these proposed changes.

Commonwealth Edison Company (“ComEd”)

The standard contract form for Commonwealth Edison Company is the EEI Master Power Purchase & Sale Agreement with certain specific terms (the “(ComEd) Master Agreement”). A summary of the proposed changes from the previously used 2017 energy contract are provided below.

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ComEd Proposed Changes		
Proposed Change	Document / Section	Nature of Change
ComEd-1	EECI Master Agreement and Cover sheet – General Definitions	Updated definition of “S&P”
ComEd-2	EECI Master Agreement and Cover sheet – General Definitions	Updated definition of “S&P”
ComEd-3	EECI Master Agreement and Cover sheet – General Definitions	Updated definition of “S&P”
ComEd-4	Letter of Credit – Option 1	Updated definition of “S&P”
ComEd-5	Letter of Credit – Option 2	Updated definition of “S&P”
ComEd-6	Guaranty – Opening Paragraph 1	Changes to allow for a single guaranty to cover multiple contracts
ComEd-7	Guaranty – Opening Paragraph 2	Changes to allow for a single guaranty to cover multiple contracts
ComEd-8	Guaranty – Paragraph 11	Changes to allow for a single guaranty to cover multiple contracts
ComEd-9	Guaranty – Appendix A	Changes to allow for a single guaranty to cover multiple contracts

Changes 1, 2, 3, 4, and 5 are administrative in nature and they do not modify the terms of the (ComEd) Master Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regard to these proposed changes.

MidAmerican Energy Company (“MEC”)

The MidAmerican Energy Company’s standard contract form is the EEI Master Power Purchase & Sale Agreement with certain specific terms (the “(MEC) Confirmation Agreement”). A summary of the proposed changes from the previously used 2017 energy contract are provided below.

MEC Proposed Changes		
Proposed Change	Section	Nature of Change
MEC-1	General Provisions	Clarified use of defined term
MEC-2	Master Agreement Amendments	Updated definition of “S&P”
MEC-3	Collateral Annex Amendments	Clarified Definition
MEC-4	Standby Letter of Credit Option 1	Updated definition of “S&P”
MEC-5	Standby Letter of Credit Option 1	Updated definition of “S&P”

Change 1, 2, 4, and 5 are administrative in nature and they do not modify the terms of the (MEC) Confirmation Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regard to these proposed changes.

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Attachment to Invitation to Comment

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

(AIC) Confirmation Agreement

AIC-1:

B. If the Parties have entered into a Master Agreement that governs transactions other than the Transaction set forth in this Confirmation Agreement, such Master Agreement shall not apply for the purposes of the ~~Transaction~~[transactions](#) confirmed under this Confirmation Agreement, and this Confirmation Agreement shall be treated as separate and stand-alone from all other transactions between the Parties.

(AIC) Confirmation Agreement

AIC-2:

Invoices:

Attn:
Phone:
Facsimile: n/a
Email:

Invoices:

Attn: Richard Gordon
Phone: (314) 554-2167
Facsimile: (314) 206-1387
Email: RGordon@ameren.com
rbennett@ameren.com

With a copy to:

Attn: ~~Dave Brueggeman~~
[Power Supply Acquisition](#)
Email: dlpowersupplyacquisition@ameren.com
Phone: (314) 554-~~4622~~2779
Facsimile: (314) ~~206-0210~~554-3639
~~Email: dbrueggeman@ameren.com~~

Scheduling:

Attn:
Phone:
Facsimile:
Email:

Scheduling:

Attn: Power Supply Acquisition
~~Phone: (314) 554-4622~~
~~Faeximile: (314) 206-0210~~
Email: dlpowersupplyacquisition@ameren.com
Phone: (314) 554-2779
Facsimile: (314) 554-3639

...

...

Credit and Collections:

Attn:
Phone:
Facsimile:

Credit and Collections:

Attn: Daniel Deschler
Phone: (314) 554-3540
Facsimile: (314) ~~206-0210~~[554-3639](#)

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(AIC) Confirmation Agreement

AIC-3:

10. Section 1.51—“Replacement Price”: Section 1.51 is amended by (i) adding the phrase “for delivery” immediately before the phrase “at the Delivery Point” in the second line and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

11. Section 1.52—“S&P”: The definition of “S&P” in Section 1.52 is replaced in its entirety, as follows:

“1.52. “S&P” means S&P Global Ratings or its successor.”

(AIC) Confirmation Agreement

AIC-4:

(xi) The following definition of “Material Adverse Change” is added as follows:

““Material Adverse Change” means with respect to a Party, for the purposes of eligibility to hold Performance Assurance, the applicable Credit Rating is below “BBB-” by S&P, is below “Baa3” by Moody’s or is below “BBB-” by Fitch, provided, that such Party is rated by only one or two of such ~~credit rating~~ Credit Rating agencies. In the event that a Party is rated by all three ~~credit rating~~ Credit Rating agencies, then the lower of the two highest ratings will apply for purposes of determining a “Material Adverse Change” and (b) in the event that the two highest ratings are common, such common rating will apply for purposes of determining a “Material Adverse Change”. Additionally, a “Material Adverse Change” will occur if all of such applicable Credit Ratings are withdrawn subsequent to the date of this Confirmation Agreement.”

(AIC) Confirmation Agreement

AIC-5:

10. Paragraph 10. Elections and Variables. The following constitutes changes and elections in the Cover Sheet to Paragraph 10 to the Collateral Annex and are the Paragraph 10 Elections referenced in the Collateral Annex. Any elections not included below are inapplicable. The Paragraph 10 to the Collateral Annex is attached as Exhibit E.

(i) Section I, Subsection A is replaced in its entirety, as follows:

“A. Party A Collateral Threshold

[x] “Collateral Threshold Amount” means, with respect to Party A or its Guarantor, if applicable, the amount determined in accordance with Table A below; provided that (i) for the applicable Credit Rating within Table A, Collateral Threshold Amount for such Party shall be the lesser of that Party’s applicable percentage of Tangible Net Worth or the amount shown as the Credit Limit; and provided further, that in the event Party A or its Guarantor is (a) only rated by one Credit Rating ~~Agency~~ agency, such Credit Rating will apply; (b) rated by two Credit Rating ~~Agencies~~ agencies, the lower of the two Credit Ratings will apply; (c) rated by all three Credit Rating ~~Agencies~~ agencies, then the lower of the two highest Credit Ratings will apply and (d) in the event that the two highest Credit Ratings are common, such common Credit Rating will apply; (ii) if Party A’s Guarantor has provided a corporate guaranty, the Collateral Threshold Amount shall be the lesser of the Collateral Threshold Amount as determined by (i) above or the amount of such corporate guaranty; provided, that Party A’s Guarantor will be granted a single ~~Credit Limit~~ Collateral Threshold Amount to be applied to all Fixed Price Customer Supply Contracts for which it guarantees payment obligations on behalf of one or more parties to such Fixed Price Customer Supply Contracts; (iii) upon the occurrence and during the continuance of an Event of Default; or Potential Event of Default; ~~or Specified Condition~~ with respect to Party A, Party A’s Collateral Threshold Amount shall be zero; and (iv) if none of Moody’s, S&P nor Fitch assign a Credit Rating to Party A or its Guarantor, as applicable, Party A’s Collateral Threshold Amount shall be zero.

Party A will be granted a single ~~Credit Limit~~ Collateral Threshold Amount to be applied across this Agreement and all other Fixed Price Customer Supply Contracts. The maximum level of the ~~Credit Limit~~ Collateral Threshold Amount to be provided to the Guarantor will be determined in accordance with Table A below.

If Party A has one or more Affiliates that are parties to a Fixed Price Customer Supply Contract (“FPCSC Affiliates”), Party A and its FPCSC Affiliate(s) will each be granted a separate, stand-alone ~~Credit Limit~~ Collateral Threshold Amount. In this case, Party A’s Credit Limit will be

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the lower of (a) the appropriate Credit Limit as shown in Table A; and (b) an amount determined by dividing the appropriate Credit Limit as shown in Table A for Party A by the sum of the appropriate Credit Limits applicable for Party A and each FPCSC Affiliate and multiplying such amount by \$30,000,000.

<u>Table A</u>				
Credit Rating			<u>Collateral Threshold Amount</u> (the lesser of the following)	
S&P	Moody's	Fitch	Percent of Tangible Net Worth	Credit Limit
A- and above	A3 and above	A- and above	5%	\$30,000,000
BBB+	Baa1	BBB+	2.5%	\$20,000,000
BBB	Baa2	BBB	2.0%	\$15,000,000
BBB-	Baa3	BBB-	1.5%	\$10,000,000
Below BBB-	Below Baa3	Below BBB-	0%	\$0

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(AIC) Confirmation Agreement

AIC-6:

IN WITNESS WHEREOF, the Parties have caused this Confirmation Agreement to be executed as of the [_____].

Ameren Illinois Company d/b/a Ameren Illinois

By: _____
Name:
Title:

By: _____
Name:
Title:

...

[SIGNATURE PAGE TO AIC/[_____] 20178 SPRING ENERGY CONFIRMATION AGREEMENT]

(AIC) Confirmation Agreement

AIC-7:

IN WITNESS WHEREOF, the Parties have caused this Confirmation Agreement to be executed as of the [_____].

Ameren Illinois Company d/b/a Ameren Illinois

By: _____
Name:
Title:

By: _____
Name:
Title:

...

[SIGNATURE PAGE TO AIC/[_____] 20178 SPRING ENERGY CONFIRMATION AGREEMENT]

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(AIC) Letter of Credit – Option 1

AIC-8:

2. “An Early Termination Date (as defined in the Confirmation Agreement dated as of _____ between [Beneficiary Name] (“Beneficiary”) and [Account Party’s Name] (“Account Party”), as the same may be amended (the “Agreement”)) has occurred and is continuing with respect to Account Party under the Agreement and no Event of Default has occurred and is continuing with respect to the Beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of _____ United States Dollars (\$) _____) [or the entire undrawn amount of the Letter of Credit]”; or
3. “The expiration date of your Letter of Credit is less than twenty (20) days from the date of this statement, and Account Party under such Letter of Credit is required, but has failed, to provide a replacement letter of credit or other collateral beyond such expiration date in accordance with, and to assure performance of, its obligations under the Confirmation Agreement dated as of _____ between Account Party and the Beneficiary of the Letter of Credit (as the same may be amended, the “Confirmation Agreement”). No event of default has occurred and is continuing under the Confirmation Agreement with respect to the Beneficiary. Wherefore, the undersigned does hereby demand payment of _____ United States Dollars (\$) _____) [or the entire undrawn amount of the Letter of Credit]”.

(AIC) Letter of Credit – Option 1

AIC-9:

This Letter of Credit shall expire on _____. It is a condition of this Letter of Credit that it will be automatically extended for one year periods (to the immediately following anniversary of its then current expiration date) following its then current expiration date, unless at least sixty (60) days before its then current expiration date, we notify you, by facsimile transmission to _____ Attn: _____ that we do not intend to extend this Letter of Credit; provided that the original notice shall be simultaneously forwarded by overnight courier service to you at the above address; provided further that the failure of the courier service to timely deliver shall not affect the efficacy of the notice.

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(AIC) Letter of Credit – Option 1

AIC-10:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our senior unsecured debt is rated “A” or better by ~~Standard and Poor’s~~ [S&P Global Ratings](#) (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”), if rated by Fitch. We hereby certify that our senior unsecured debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our senior unsecured debt meets the ratings requirement of this paragraph.

(AIC) Letter of Credit – Option 2

AIC-11:

2. “An Early Termination Date (as defined in the Confirmation Agreement dated as of _____ between [Beneficiary Name] (“Beneficiary”) and [Account Party’s Name] (“Account Party”), as the same may be amended (the “Agreement”)) has occurred and is continuing with respect to Account Party under the Agreement and no Event of Default has occurred and is continuing with respect to the Beneficiary of this Letter of Credit. Wherefore, the undersigned does hereby demand payment of _____ United States Dollars (\$) [or the entire undrawn amount of the Letter of Credit]”; [or](#)
3. [“The expiration date of your Letter of Credit is less than twenty \(20\) days from the date of this statement, and Account Party under such Letter of Credit is required, but has failed, to provide a replacement letter of credit or other collateral beyond such expiration date in accordance with, and to assure performance of, its obligations under the Confirmation Agreement dated as of _____ between Account Party and the Beneficiary of the Letter of Credit \(as the same may be amended, the “Confirmation Agreement”\). No event of default has occurred and is continuing under the Confirmation Agreement with respect to the Beneficiary. Wherefore, the undersigned does hereby demand payment of _____ United States Dollars \(\\$\) \[or the entire undrawn amount of the Letter of Credit\]”.](#)

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(AIC) Letter of Credit – Option 2

AIC-12:

This Letter of Credit shall expire on _____. It is a condition of this Letter of Credit that it will be automatically extended for one year periods (to the immediately following anniversary of its then current expiration date) following its then current expiration date, unless at least sixty (60) days before its then current expiration date, we notify you, by facsimile transmission to _____ Attn: _____ that we do not intend to extend this Letter of Credit; provided that the original notice shall be simultaneously forwarded by overnight courier service to you at the above address; provided further that the failure of the courier service to timely deliver shall not affect the efficacy of the notice.

(AIC) Letter of Credit – Option 2

AIC-13:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our senior unsecured debt is rated “A” or better by ~~Standard and Poor’s~~ S&P Global Ratings (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”), if rated by Fitch. We hereby certify that our senior unsecured debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our senior unsecured debt meets the ratings requirement of this paragraph.

(ComEd) EECI Master Agreement and Cover sheet

ComEd-1:

7. Section 1.27—“Letter(s) of Credit”

The definition of “Letter(s) of Credit” is amended by deleting everything after “of credit” in line two (2), and adding “substantially in the form of Schedule 1a to the Collateral Annex with such modifications as are approved by the administrator of the Standard Products RFP and posted to the Standard Products RFP website as acceptable modifications to the Letter of Credit. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. Each such letter of credit must be issued by a U.S. commercial bank or a foreign bank with a U.S. branch that: (1) is rated by at least two of the following three rating agencies: ~~Standard & Poor’s Ratings Services~~ [S&P Global Ratings](#) (“S&P”), Moody’s Investors Service, Inc. (“Moody’s”), or Fitch, Inc. (“Fitch”); (2) if rated by S&P, has a credit rating of A or higher from S&P; (3) if rated by Moody’s, has a credit rating of A2 or higher from Moody’s; and (4) if rated by Fitch, has a credit rating of A or higher from Fitch.”

(ComEd) EECI Master Agreement and Cover sheet

ComEd-2:

9. Section 1.51—“Replacement Price”

Section 1.51 is amended by (i) adding the phrase “for delivery” immediately before the phrase “at the Delivery Point” in the second line and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

10. Section 1.52—“S&P”

The definition of “S&P” in Section 1.52 is amended to read, in its entirety, as follows

“1.52. “S&P” means S&P Global Ratings or its successor.”

(ComEd) EECI Master Agreement and Cover sheet

ComEd-3:

The definition of “Letter of Credit” is amended to read, in its entirety, as follows:

“**Letter of Credit**” means one or more irrevocable, transferable standby letters of credit substantially in the form of Schedule 1a to this Collateral Annex with such modifications as are approved by the administrator of the Standard Products RFP applicable to the Agreement and posted to the Standard Products RFP website as acceptable modifications to the Letter of Credit. Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. Each such letter of credit must be issued by a U.S. commercial bank or a foreign bank with a U.S. branch that: (1) is rated by at least two of the following three rating agencies: ~~Standard & Poor’s Ratings Services~~ [S&P Global Ratings](#) (“S&P”), Moody’s Investors Service, Inc. (“Moody’s”), or Fitch, Inc. (“Fitch”); (2) if rated by S&P, has a credit rating of A or higher from S&P; (3) if rated by Moody’s, has a credit rating of A2 or higher from Moody’s; and (4) if rated by Fitch, has a credit rating of A or higher from Fitch.

(ComEd) Schedule 1A to the Collateral Annex – Letter of Credit – Option 1

ComEd-4:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our Senior Unsecured Debt is rated “A” or better by ~~Standard and Poor’s~~ [S&P Global Ratings](#) (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”) if rated by Fitch. We hereby certify that our Senior Unsecured Debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our Senior Unsecured Debt meets the ratings requirement of this paragraph.

(ComEd) Schedule 1A to the Collateral Annex – Letter of Credit – Option 2

ComEd-5:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our Senior Unsecured Debt is rated “A” or better by ~~Standard and Poor’s~~ [S&P Global Ratings](#) (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”) if rated by Fitch. We hereby certify that our Senior Unsecured Debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our Senior Unsecured Debt meets the ratings requirement of this paragraph.

(ComEd) Schedule 2 to the Collateral Annex – Form of Guaranty

ComEd-6:

THIS GUARANTY (this “Guaranty”), dated as of _____, 20____, is made by _____ (the “Guarantor”), a _____ organized and existing under the laws of _____, in favor of Commonwealth Edison Company (the “Guaranteed Party”), a corporation organized and existing under the laws of the State of Illinois. Guarantor and Guaranteed Party are collectively referred to as the “Parties.”

(ComEd) Schedule 2 to the Collateral Annex – Form of Guaranty

ComEd-7:

Terms not defined herein shall have the meanings given to them in the Master Power Purchase and Sale Agreement(s) included in Appendix A of this Guaranty -dated _____, 20____ (as amended, modified or extended from time to time, the “Master Agreement(s)”), between the Guaranteed Party and _____, a _____ organized and existing under the laws of _____ (the “Seller”). This Guaranty is made by Guarantor in consideration for, and as an inducement for the Guaranteed Party to enter into, the Confirmation(s) entered into with the Seller pursuant to the Standard Products RFP (the “Transactions” and, together with the Master Agreement(s), the “Agreements”). Guarantor, subject to the terms and conditions hereof, hereby unconditionally, irrevocably and absolutely guarantees to the Guaranteed Party, upon written demand, the full and prompt payment when due, subject to any applicable grace period, of all payment obligations of the Seller to the Guaranteed Party arising out of the Agreement(s). Without limiting the generality of the foregoing, Guarantor further agrees as follows:

(ComEd) Schedule 2 to the Collateral Annex – Form of Guaranty

ComEd-8:

11. Subject to Paragraph 10, this Guaranty shall remain in full force and effect until all Guaranteed Obligations have been fully and finally paid, at which point it will expire. The Guarantor may terminate this Guaranty as to one or more or all of the Agreements upon thirty (30) days prior written notice to the Guaranteed Party which termination shall be effective only upon receipt by the Guaranteed Party of alternative means of security or credit support, as specified in the Agreement(s) noticed to be terminated and in a form reasonably acceptable to the Guaranteed Party. Upon the effectiveness of any such expiration or termination, the Guarantor shall have no further liability under this Guaranty in respect of the Agreement(s) so noticed; except with respect to the Guaranteed Obligations under those Agreement(s) arising or created prior to the time the expiration or termination is effective, which Guaranteed Obligations shall remain guaranteed pursuant to the terms of this Guaranty until finally and fully paid.

(ComEd) Schedule 2 to the Collateral Annex – Form of Guaranty

ComEd-9:

Appendix A

Guarantor and Guaranteed Party agree that the obligations of Seller under the following Agreement(s) constitute Guaranteed Obligations covered by this Guaranty:

<u>Description of Agreement(s)</u>

The maximum aggregate liability of the Guarantor found in Section 1 of this Guaranty shall be applicable to the Guaranteed Obligations under each of the Agreement(s) listed above.

This Appendix A supersedes any earlier dated Appendix A executed by the Parties. This Appendix A (i) may be amended by the Parties through their execution and delivery of a subsequently dated Appendix A, and (ii) shall be deemed amended to the extent contemplated by Section 11 of this Guaranty.

The Parties have caused their authorized representatives to sign this Appendix A with an effective date as of the date of the last signature to this Appendix A as indicated below the Parties' respective signatures.

[GUARANTOR]

Signature: _____

Name: _____

Title: _____

Date: _____

Acknowledged and Accepted:

Commonwealth Edison Company

Signature: _____

Name: _____

Title: _____

Date: _____

(MEC) Confirmation Agreement

MEC-1:

B. If the Parties have entered into a Master Agreement that governs transactions other than the Transaction set forth in this Confirmation Agreement, such Master Agreement shall not apply for the purposes of the ~~Transaction~~transactions confirmed under this Confirmation Agreement, and this Confirmation Agreement shall be treated as separate and stand-alone from all other transactions between the Parties.

(MEC) Confirmation Agreement

MEC-2:

8. Section 1.51—“Replacement Price”: Section 1.51 is amended by (i) adding the phrase “for delivery” immediately before the phrase “at the Delivery Point” in the second line and (ii) deleting the phrase “at Buyer’s option” from the fifth line and replacing it with the phrase “absent a purchase”.

9. Section 1.52—“S&P”: The definition of “S&P” in Section 1.52 is replaced in its entirety, as follows:

“1.52. “S&P” means S&P Global Ratings or its successor.”

(MEC) Confirmation Agreement

MEC-3:

10. Paragraph 10. Elections and Variables. The following constitutes changes and elections in the Cover Sheet to Paragraph 10 to the Collateral Annex and are the Paragraph 10 Elections referenced in the Collateral Annex. Any elections not included below are inapplicable. The Paragraph 10 to the Collateral Annex is attached as Exhibit E.

(i) Section I, Subsection A is replaced in its entirety, as follows:

“A. Party A Collateral Threshold

[x] “Collateral Threshold Amount” means, with respect to Party A or its Guarantor, if applicable, the amount determined in accordance with Table A below; provided that (i) for the applicable Credit Rating within Table A, Collateral Threshold Amount for such Party shall be the lesser of that Party’s applicable percentage of Tangible Net Worth or the amount shown as the Credit Limit; and provided further, that in the event Party A or its Guarantor is (a) only rated by one credit rating agency ~~Credit Rating Agency~~, such Credit Rating will apply; (b) rated by two credit rating agencies ~~Credit Rating Agencies~~, the lower of the two Credit

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Ratings will apply; (c) rated by all three credit rating agencies ~~Credit Rating Agencies~~, then the lower of the two highest Credit Ratings will apply and (d) in the event that the two highest Credit Ratings are common, such common Credit Rating will apply; (ii) if Party A’s Guarantor has provided a corporate guaranty, the Collateral Threshold Amount shall be the lesser of the Collateral Threshold Amount ~~Credit Limit~~ as determined by (i) above or the amount of such corporate guaranty; provided, that Party A’s Guarantor will be granted a single Collateral Threshold Amount ~~Credit Limit~~ to be applied to all Fixed Price Customer Supply Contracts for which it guarantees payment obligations on behalf of one or more parties to such Fixed Price Customer Supply Contracts; (iii) upon the occurrence and during the continuance of an Event of Default or; Potential Event of Default, ~~or Specified Condition~~ with respect to Party A, Party A’s Collateral Threshold Amount shall be zero; and (iv) if none of Moody’s, S&P nor Fitch assign a Credit Rating to Party A or its Guarantor, as applicable, Party A’s Collateral Threshold Amount shall be zero.

Party A will be granted a single Collateral Threshold Amount ~~Credit Limit~~ to be applied across this Agreement and all other Fixed Price Customer Supply Contracts. The maximum level of the Collateral Threshold Amount ~~Credit Limit~~ to be provided to the Guarantor will be determined in accordance with Table A below.

If Party A has one or more Affiliates that are parties to a Fixed Price Customer Supply Contract (“FPCSC Affiliates”), Party A and its FPCSC Affiliate(s) will each be granted a separate, stand-alone Collateral Threshold Amount ~~Credit Limit~~. In this case, Party A’s Credit Limit will be the lower of (a) the appropriate Credit Limit as shown in Table A; and (b) an amount determined by dividing the appropriate Credit Limit as shown in Table A for Party A by the sum of the appropriate Credit Limits applicable for Party A and each FPCSC Affiliate and multiplying such amount by \$30,000,000.

Table A

Credit Rating			<u>Collateral Threshold Amount</u> (the lesser of the following)	
S&P	Moody’s	Fitch	Percent of Tangible Net Worth	Credit Limit
A- and above	A3 and above	A- and above	5%	\$30,000,000
BBB+	Baa1	BBB+	2.5%	\$20,000,000
BBB	Baa2	BBB	2.0%	\$15,000,000
BBB-	Baa3	BBB-	1.5%	\$10,000,000
Below BBB-	Below Baa3	Below BBB-	0%	\$0

Spring 2018 Procurement Events (BEC RFP)
20 February 2018

(MEC) Letter of Credit – Option 1

MEC-4:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our senior unsecured debt is rated “A” or better by ~~Standard and Poor’s~~ [S&P Global Ratings](#) (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”), if rated by Fitch. We hereby certify that our senior unsecured debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our senior unsecured debt meets the ratings requirement of this paragraph.

(MEC) Letter of Credit – Option 2

MEC-5:

We, the Issuing Bank, hereby certify that as of the Date of Issuance of this Irrevocable Standby Letter of Credit our senior unsecured debt is rated “A” or better by ~~Standard and Poor’s~~ [S&P Global Ratings](#) (“S&P”) if rated by S&P, “A2” or better from Moody’s Investors Service (“Moody’s”) if rated by Moody’s, and “A” or better by Fitch Ratings (“Fitch”), if rated by Fitch. We hereby certify that our senior unsecured debt is rated by at least two of S&P, Moody’s, and Fitch. If affiliated with a foreign bank, we further certify we are a U.S. branch office of such foreign bank and that as of the Date of Issuance of this Letter of Credit, our senior unsecured debt meets the ratings requirement of this paragraph.