

Illinois Power Agency Procurement Events

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

Invitation to Comment

On September 29, 2014, 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 17, 2014. The Plan provides for the procurement of Renewable Energy Credits (“RECs”) through a Request for Proposals (“RFP”). The RFP will procure Solar RECs using the renewable resources budget for the portfolio of Commonwealth Edison Company (“ComEd”) and the portfolio of Ameren Illinois Company (“Ameren” or “AIC”).

The Procurement Administrator is proposing to use the 2012 renewable energy resources 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 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 renewable energy resources contracts. **Please note that comments are solicited on proposed changes only and not on the entire 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 Master Renewable Energy Certificate Purchase and Sale Agreement with certain specific terms (the “(AIC) Renewable Energy Credit Agreement”). A summary of the proposed changes from the previously used 2012 contract is provided below.

Ameren Proposed Changes		
Proposed Change	Section	Nature of Change
AIC-1	Section 9	Seller to provide retirement sub-account
AIC-2	Section 3, Note 1	Only procuring photovoltaic products
AIC-3	Section 10	Only procuring photovoltaic products
AIC-4	Opening Paragraph	Change of date
AIC-5	Section 3, Table 1	Change of date for Delivery Period
AIC-6	Section 11 (a)	Change name of Ameren contact and bank information
AIC-7	Section 11 (c)	Remove dates related to 2012

Spring 2015 Procurement Events (REC RFP)
06 MAR 2015

Change 1 modifies the terms of the (AIC) Renewable Energy Credit Agreement. **Changes 2 and 3** conform the terms of the contract to the products procured through the RFP. **Changes 4 to 7 are administrative in nature** and do not modify the terms of the (AIC) Renewable Energy Credit Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regard to proposed changes 2 through 7.

Commonwealth Edison Company

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

ComEd Proposed Changes			
Proposed Change	Document	Section	Nature of Change
ComEd-1	REC Master Agreement Coversheet	Coversheet, Other Changes, Section A, subsection 1, (Changes to Section 2.2)	Modify invoicing requirements and changes to date
ComEd-2	REC Master Agreement Coversheet	Coversheet, Other Changes, Section B, subsection 2	Amend the definition of “Qualified Institution”
ComEd-3	Letter of Credit (Schedule 1a to Collateral Annex)	Option1 and Option 2	Update certification for foreign bank
ComEd-4	REC Master Agreement Coversheet	Coversheet, Other Changes, Section A, subsection 1, (Added as Section 1.29.1)	Include the definition of “Fitch”
ComEd-5	Sample Confirmation		Only procuring photovoltaic products
ComEd-6	REC Master Agreement Coversheet	Coversheet, Wire Transfer	Remove information related to 2012
ComEd-7	REC Master Agreement Coversheet	Coversheet Signature Block	Update of information of ComEd signatory
ComEd-8	REC Master Agreement Coversheet	Coversheet, Other Changes, Section A, subsection 1, (Section 1.22.1)	Changes to Date
ComEd-9	Sample Confirmation	Opening Paragraph	Remove information related to 2012
ComEd-10	Sample Confirmation	Signature Block	Update of information of ComEd signatory

Changes 1 to 3 modify the terms of the (ComEd) Master Purchase and Sale Agreement. **Change 4** clarifies that the definition for Fitch is applicable to the entire agreement. **Change 5** conforms the terms of the contract to the products procured through the RFP and conforms the price to two (2) decimals. **Changes 6-10 are administrative in nature** and do not modify the terms of the (ComEd) Master Purchase and Sale Agreement. As such the Procurement Administrator does not expect comments from interested parties in regard to proposed changes 4 through 10.

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 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 16, 2015.**

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

Attachment to Invitation to Comment

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

(AIC) Renewable Energy Credit Agreement

AIC- 1:

9. Tracking Systems.

(a) The Parties will use PJM-GATS and/or M-RETS and/or NARR as the tracking system for the Product, and Seller will provide the name of the retirement sub-account to be used in the tracking system to the Buyer.

(b) The Parties may agree to use an alternate tracking system upon prior written approval of Buyer.

(c) Seller must provide a screen print from the applicable tracking system (e.g. M-RETS) with each invoice in order to document the retirement of the RECs. Such screen print must show the facility name, fuel type, month of generation, certificate serial number, quantity ~~and purchaser,~~ retirement sub-account name and specify Party B as buyer. However, if Party B makes a request in writing ten (10) days prior to the commencement of the applicable Delivery Season that RECs be Delivered in an un-retired state, Party A shall be obligated to Deliver RECs in an un-retired state.

(d) All costs and fees associated with utilizing a generation tracking system (including, without limitation, any costs associated with the retirement of any Product) shall be borne by Seller.

AIC- 2:

Note 1 – For purposes of this REC Contract, “Class of Resource” means one of the following: (a) ~~wind~~ photovoltaic energy resources from Illinois or ~~states adjacent to Illinois (“IAW”); Michigan, Wisconsin, Indiana, Iowa, Kentucky and Missouri (the “Adjacent States”); (“IAP”) or~~ (b) photovoltaic energy resources from states other than Illinois or the Adjacent States (“IAP”); ~~(c) renewable energy resources from Illinois or the Adjacent States from the following: (i) solar thermal, (ii) untreated and unadulterated organic waste biomass, (iii) hydropower that does not involve new construction or significant expansion of hydropower dams, (iv) anaerobic digesters and (v) landfill gas in Illinois (collectively “IANG”); (d) renewable energy resources from Illinois or the Adjacent States not included in the sources identified in (a), (b) or (c) above, that has been presented by the Seller during the qualification process of the REC RFP to which this Agreement is applicable and that the IPA has agreed is eligible as a renewable energy resource under the Applicable Program (“IANS”); (e) wind energy resources from states other than Illinois and the Adjacent States (“OSW”); (f) photovoltaic energy resources from states other than Illinois or the Adjacent States (“OSP”); (g) renewable energy resources from states other than Illinois or the Adjacent States from the following: (i) solar thermal, (ii) untreated and unadulterated organic waste biomass, (iii) hydropower that does not involve new construction or significant expansion of hydropower dams, and (iv) anaerobic digesters (collectively “OSNG”); or (h) renewable energy resources from states other than Illinois or the Adjacent States not included in the sources identified in (c), (f) or (g) above, that has been presented by the Seller during the qualification process of the REC RFP to which this Agreement is applicable and that the IPA has agreed is eligible as a renewable energy resource under the Applicable Program (“OSNS~~OSP~~”).~~

AIC- 3:

10. Replacement Products. If Seller is unable to Deliver the obligated quantity in accordance with the Minimum Delivery Schedule, Seller may, with the prior written approval of Buyer (including, without limitation, any extended time for delivery beyond the Minimum Delivery Schedule, provide qualified replacement Products; provided, however, that the replacement Products must be of the same Class of Resource, except as follows: ~~(a) Products derived from the IAW~~ IAP Class of Resource can replace Products derived from the ~~IAW or OSW~~ OSP Class of Resource;

~~(b) Products derived from the IAP Class of Resource can replace Products derived from the IAP or OSP Class of Resource;~~

~~(c) Products derived from the IANG Class of Resource can replace Products derived from the IANG, IANS, OSNG or OSNS Class of Resource;~~

~~(d) Products derived from the IANS Class of Resource can replace Products derived from IANS or OSNS Class of Resource.~~

~~(e) Products derived from the IAW or IAP Class of Resource can replace Products derived from the IANG, IANS, OSNG or OSNS Class of Resource;~~

~~(f) Products derived from OSW or OSP Class of Resource can replace Products derived from the OSNG or OSNS Class of Resource; and~~

~~(g) Products derived from the OSNG Class of Resource can replace Products derived from the OSNG or OSNS Class of Resource.~~

AIC-4:

THIS RENEWABLE ENERGY CREDIT AGREEMENT (the “REC Contract”) is entered into as of this ____ day of _____, 2015~~2~~ (the “Effective Date”), by and between _____ (“Seller” or “Party A”) and Ameren Illinois Company d/b/a Ameren Illinois (“Buyer” or “Party B”). Each of Seller and Buyer is sometimes referred to herein as a “Party” or collectively as the “Parties”.

Spring 2015 Procurement Events (REC RFP)
06 MAR 2015

AIC- 5:

Term	Class of Resource (See Note 1 below)	Quantity (in MWhrs)	Certified by	Purchase Price (\$ per MWhr)	Generation must occur between
June 2012 2015 through May 2013 2016	[_____]	[_____]	[_____]	[_____]	January 1, 2012 2015 and May 31, 2013 2016

AIC- 6:

Invoices: Attn: Phone: Facsimile: Email:	Invoices: Attn: Scott Holtgrieve Dillon Polansky Phone: (314) 554- 3440 4356 Facsimile: (314) 554 3630 n/a Email: sholtgrieve@ameren.com dpolansky@ameren.com
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Wire Transfer: BNK: ABA: ACCT:	Wire Transfer: BNK: [REDACTED] ABA: [REDACTED] ACCT: [REDACTED]
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ACH Transfer: BNK: ABA: ACCT:	ACH Transfer: BNK: [REDACTED] ABA: [REDACTED] ACCT: [REDACTED]
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With additional Notices of an Event of Default or Potential Event of Default to: Attn: Phone: Facsimile:	With additional Notices of an Event of Default or Potential Event of Default to: Attn: President & CEO Phone: (309) 677 5220 Facsimile: (309) 677 5016
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AIC- 7:

For any Seller with a REC Contract with a total value of not more than \$100,000, full payment will be made for all RECs Delivered during any Delivery Season on the payment date associated with that Delivery Season. For any Seller with a REC Contract with total value exceeding \$100,000, the maximum cumulative amount eligible for payment for any given Delivery Season shall not exceed a maximum of 25% of the contract value multiplied by the number of completed Delivery Seasons as of the invoice date. Payment will be limited to the actual, cumulative contract value associated with the Delivered RECs. For example, for an invoice rendered on December 10, ~~2012~~2015, Buyer shall make payments for RECs Delivered in an amount that shall not cause the cumulative payments to Seller to exceed 50% of the contract value of this REC Contract.

(ComEd) Master Purchase and Sale Agreement

ComEd-1:

Seller will render to the Buyer an invoice by electronic mail for the payment obligations of Buyer to Seller, on or before the 10th day of the month of September ~~2012~~2015, December ~~2012~~2015, March ~~2013~~2016 and July ~~2013~~2016. The invoice shall clearly state the number of RECs delivered and the total amount due. All invoices under this Agreement shall be due and payable in accordance with Seller's invoice instructions on the last Business Day of the month that ~~follows the end of the prior Delivery Season~~the invoice is due~~rendered~~. No more than one invoice will be processed for payment for each Delivery Season.

If Seller fails to render such invoice by the invoice due date, no payment will be processed for that Delivery Season, with the exception that if the invoice for the Spring Delivery Season is late it will be processed within 30 days after receipt. For any amounts associated with late invoices for Deliveries made in the Summer, Fall, or Winter Delivery Seasons, those amounts shall be eligible to be included in the following Delivery Season's invoice for subsequent payment. If the invoice amount is in dispute and such dispute is unresolved within five (5) Business Days following the invoice due date, then the undisputed amount will be paid on or before the last Business Day of the month that ~~follows the end of the relevant Delivery Season~~the invoice is due.

For any Seller with a Confirmation with a total value of not more than \$100,000, full payment will be made for all RECs Delivered during any Delivery Season on the payment date associated with that Delivery Season.

For any given Delivery Season, the maximum cumulative amount eligible for payment to any Seller with a Confirmation with total value exceeding \$100,000, shall not exceed a maximum of 25% of the contract value times the number of Delivery Seasons passed as of the invoice date. Payment will be limited to the actual, cumulative contract value associated with the Delivered RECs. For example, for an invoice rendered on December 10, ~~2012~~2015, Buyer shall make payments for RECs Delivered or transferred to its PJM EIS GATS, NARR or M RETS account, and for an amount that shall not cause the cumulative payments to Seller to exceed 50% of the contract value.

ComEd-2:

The definition of "**Qualified Institution**" is ~~amended by deleting "capital and surplus" and replacing it with "capital surplus"~~ replaced in its entirety with the following:

"Qualified Institution" means a commercial bank or trust company organized under the laws of the United States or a political subdivision thereof, that has a capital surplus of at least \$1,000,000,000, and that has at least one Credit Rating from S&P, Moody's, or Fitch, as follows: (i) "A-" or better by S&P, if rated by S&P; (ii) "A3" or better by Moody's, if rated by Moody's; and (iii) "A-" or better by Fitch, if rated by Fitch.

ComEd-3:

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") if rated by S&P, "A3" or better from Moody's Investors Service ("Moody's") if rated by Moody's, and ~~if rated by Fitch Ratings ("Fitch")~~; "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-4:

The following is added to the Agreement as Section 1.29.1

[“Fitch” means Fitch Ratings Ltd. \(a subsidiary of Fimilac, S.A.\), or its successor.](#)

ComEd-5:

A

(i) **Type of REC: (check one)**

Wind

Photovoltaic

Other Explicitly Named REC

Other Environmentally Preferable REC – Specify IPA agreed Renewable Energy Sources that will provide RECs_____ (required)

(ii) **Total Contract Quantity:** XXX RECs

(iii) **Purchase Price:** \$XX.XX~~XX~~ per REC

B

(i) **Type of REC: (check one)**

Wind

Photovoltaic

Other Explicitly Named REC

Other Environmentally Preferable REC – Specify IPA agreed Renewable Energy Sources that will provide RECs_____ (required)

(ii) **Total Contract Quantity:** XXX RECs

(iii) **Purchase Price:** \$XX.XX~~XX~~ per REC

[add other products, if necessary]

1. **Vintage:** January 1, ~~2012~~2015 to May 31, ~~2013~~2016

Spring 2015 Procurement Events (REC RFP)
06 MAR 2015

ComEd-6:

Wire Transfer: BNK: ABA: ACCT:	Wire Transfer: BNK: Bank of America ABA: XXXXXXXXXX ACCT: XXXXXXXXXX
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ComEd-7:

Party A Name By: _____ Name: _____ Title: _____ Date: _____	Commonwealth Edison Company Party B Name By: _____ Name: <u>William P. McNeil</u> <u>Scott Vogt</u> Title: <u>V.P., Energy Acquisition</u> Date: _____
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ComEd-8:

The following is added to the Agreement as Section 1.22.1

“Delivery Season” means the time contained within any of four periods wherein the Summer Season is the period June 1, ~~2012~~2015 through August 31, ~~2012~~2015, the Fall Season is the period September 1, ~~2012~~2015 through November 30, ~~2012~~2015, the Winter Season is the period December 1, ~~2012~~2015 through February ~~28~~29, ~~2013~~2016, and the Spring Season is the period March 1, ~~2013~~2016 through July 10, ~~2013~~2016.

ComEd-9:

The following describes the terms of a proposed transaction between Buyer and Seller for the sale, purchase and delivery of Renewable Energy Certificates ("RECs") pursuant to the terms of the Master Renewable Energy Certificates Purchase and Sale Agreement (the "Agreement") between them dated May, ~~2012~~2015.

Trade Date: May, ~~2012~~2015

ComEd-10:

The parties agree to the Transaction set forth herein.

[Seller] Signed: _____ Name (Print): _____ Date: _____	[Buyer] Commonwealth Edison Company Signed: _____ Name (Print): <u>Scott Vogt</u> Date: _____
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