

DRAFT PROPOSAL REQUIREMENTS

1. Purpose

The Utility-Scale Wind RFP (“RFP”) is for the annual delivery of 1,000,000 renewable energy credits from new utility-scale wind Projects to Ameren Illinois Company (“AIC”), Commonwealth Edison Company (“ComEd”), and MidAmerican Energy Company (“MEC”) through the execution of a standard contract called the “REC Contract”. Each of AIC, ComEd, and MEC is referred to as a “Company” below. The Utility-Scale Wind RFP and REC Contract are expected to be issued in November 2020, as shown in the tentative schedule provided at the end of this document.

The present document provides an overview of the Proposal submission process, tentative key dates, and draft Proposal requirements. These requirements are based on:

- Public Act 99-0906, which was signed into law on December 7, 2016 and became effective June 1, 2017 (the “Act”);
- the procurement events held under the 2017-2018 Initial Forward Procurements, the 2018 First Subsequent Forward Procurement, and the 2019 Second Subsequent Forward Procurement;
- comments received in March 2020 pursuant to the IPA’s Stakeholder Request for Feedback; and
- the Final Revised Long-Term Renewable Resources Procurement Plan (“Final Revised Long-Term Plan”) developed by the Illinois Power Agency (“IPA”) dated April 20, 2020 that incorporates the decisions of the Illinois Commerce Commission (“ICC” or “Commission”) in its February 18, 2020 Order.

These draft Proposal requirements are subject to change.

2. Overview of Proposal Submission Process

- 2.1. A “Project” is a new utility-scale wind Project as defined by the Act. A “Proposal” is a response to the RFP from a participant for a given Project. A participant submits a Proposal for each Project for which the participant wants to present a bid.
- 2.2. A Proposal consists of two (2) parts. The first part of the Proposal (“Part 1 Proposal”) is the participant’s response to the qualification standards. The qualification standards are set to provide assurances that the Project can satisfy the requirements of Public Act 99-0906 and to establish that the participant accepts the terms of, and can meet the obligations under, the REC Contract. The second part of the Proposal (“Part 2 Proposal”) includes the bid and financial support for the bid.
- 2.3. Each participant is required to pay a non-refundable Bid Participation Fee of \$500 as a condition of completing the Part 1 Proposal to the extent that such participant has not already paid a Bid Participation Fee pursuant to its participation in a 2021 procurement event. The Bid Participation Fee will be used to cover part of the costs of the 2021 procurement events. The Supplier Fees, which are levied only on those that have bids approved by the Commission, are also used to cover part of the costs of the procurement events. An estimate of the Supplier Fees, which will be in \$/REC and which will be applied to the annual quantity of RECs for a winning Project, will be provided in advance of the deadline to provide the Part 1 Proposal.
- 2.4. Participants submit the Part 1 Proposal online, using an online “Part 1 Form”. Participants enter required information in the online Part 1 Form (for example, contact information for the participant and the size of the Project). Any supporting

documentation that may be required can either be uploaded to the online Part 1 Form or sent via email to the Procurement Administrator at Illinois-RFP@nera.com. When a signature is required, the Procurement Administrator makes available to participants an “Insert”, which is a stand-alone Microsoft Word form that a participant can fill out, sign or digitally sign, and then upload to the online Part 1 Form or email to the Procurement Administrator. Additional details on Part 1 Proposal requirements are provided in the next section.

- 2.5. The Part 1 Proposal consists of the completed online Part 1 Form as well as documents required to fulfill the Part 1 Proposal requirements (emailed to the Procurement Administrator or uploaded to the online Part 1 Form).
- 2.6. Similarly, participants use an online “Part 2 Form” to submit information and documents in response to the Part 2 Proposal requirements for each Project. A participant makes a number of certifications, including that any bid submitted remains binding until fourteen (14) business days after submission. A participant is required to submit bid assurance collateral in the form of cash or a letter of credit to each Company to support its bids.
- 2.7. A participant presenting Proposals for multiple Projects and that elects to provide bid assurance collateral in the form of a letter of credit for a Company may present a single letter of credit to that Company for all its Projects. Similarly, a participant presenting Proposals for multiple Projects and that elects to provide bid assurance collateral in the form of cash for a Company may effect a single wire transfer to provide to that Company the required bid assurance collateral for all Projects.

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- 2.8. If providing bid assurance collateral in the form of a letter of credit for a Company, the participant must either use the Standard Pre-Bid Letter of Credit for that Company, or the Bidder must incorporate only those modifications to the Company's Standard Pre-Bid Letter of Credit approved by that Company and posted to the procurement website.
- 2.9. A Pre-Bid Letter of Credit submitted by the participant will simply expire on the date stated as part of its terms. A participant that has bids approved by the Commission may use cash posted as bid assurance collateral to satisfy any collateral requirements under the REC Contract.¹ A participant that posted cash as bid assurance collateral and that does not have bids approved by the Commission must submit a request to a Company for the return of cash.
- 2.10. The Procurement Administrator will provide a Bid Form in Microsoft Excel format to be used by the participant to submit a bid for each of its Projects.
- 2.11. The Part 2 Proposal consists of: (i) the completed online Part 2 Form; (ii) bid assurance collateral in the form of cash or Pre-Bid Letters of Credit; (iii) any other documents necessary to fulfill the Part 2 Proposal requirements; and (iv) the Bid Form, which is submitted separately from the other components of the Part 2 Proposal.
- 2.12. Part 1 Proposals are received and processed during a specific timeframe, the "Part 1 Window". The Part 1 Window is expected to be two weeks in duration, as shown in the tentative schedule provided at the end of this document. The last day of the Part 1 Window is called the "Part 1 Date". All materials for the Part 1 Proposals are due by 12

¹ A participant can also use a Post-Bid Letter of Credit to satisfy any collateral requirements under the REC Contract. This is a separate letter of credit from the Pre-Bid Letter of Credit.

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PM (noon) Central Prevailing Time (“CPT”) on the Part 1 Date. If the Part 1 Proposal is incomplete or requires clarification, the Procurement Administrator sends a deficiency notice to the participant with a deadline to address the deficiencies listed.

- 2.13. The Procurement Administrator notifies each participant whether each of its Projects has successfully completed the Part 1 Proposal and thus has qualified to proceed further in the RFP generally within five (5) business days of the Part 1 Date.
- 2.14. Part 2 Proposals are received and processed during a specific timeframe, the “Part 2 Window”. The Part 2 Window is expected to be one week in duration, as shown in the tentative schedule provided at the end of this document. The Part 2 Window opens the day after the Procurement Administrator notifies participants whether their Projects are qualified. The last day of the Part 2 Window is called the “Part 2 Date”. All materials for the Part 2 Proposals, except the participant’s bids, are due by 12 PM (noon) CPT on the Part 2 Date. If the Part 2 Proposal is incomplete or requires clarification, the Procurement Administrator sends a deficiency notice to the participant with a deadline to address the deficiencies listed.
- 2.15. The day bids are due is called the “Bid Date”. Bids are evaluated on the Bid Date. Bids will be received during a specific time window on the Bid Date (for example, between 10 AM and noon). The Procurement Administrator evaluates the bids of participants that successfully complete the Part 1 Proposal and the Part 2 Proposal. The Bid Date is expected to be scheduled one week after the Part 2 Date, as shown in the tentative schedule provided at the end of this document.

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- 2.16. A “bid” for a Project includes three (3) elements: a price per REC, an annual quantity of RECs that the Project will deliver annually under the terms of the REC Contract (“full quantity”), and an annual minimum quantity of RECs that the participant is willing to accept as a partial award (“minimum quantity”). The annual full quantity of RECs for a Project is subject to a maximum, which is calculated based on the output of a facility and a 45% capacity factor.
- 2.17. The evaluation of bids first eliminates the bids that fail to meet or beat the benchmark. Second, bids from Projects that meet or beat the benchmark are ranked in order of price per REC until all bids have been ranked or until selecting the full quantity of one more Project would cause the target to be exceeded. In this latter instance, this additional Project may be selected for a partial award (if the number of RECs remaining from the target exceeds the minimum quantity) or the target may remain unfilled. The lowest priced Projects thus selected are identified by the Procurement Administrator to the Commission as winning Projects.
- 2.18. Within two (2) business days of the Bid Date, the Procurement Administrator will submit to the Commission a confidential report that will provide the results of the procurement event. Within two (2) business days of the Bid Date, the Procurement Monitor will submit to the Commission a confidential report regarding the results of the procurement event. The Commission will decide whether to accept or reject the results of the procurement event within two (2) business days of receiving the confidential reports from both the Procurement Administrator and the Procurement Monitor.

3. Draft Part 1 and Part 2 Proposal Requirements

The tables below provide a list of requirements that are anticipated at this time for the Part 1 and Part 2 Proposals. **This list is in draft form and is preliminary.**

Draft Part 1 Proposal Requirements for Each Project	
Identification of the Parties	<ul style="list-style-type: none"> • Name of party submitting the Proposal (“Bidder”) and contact information for 1-4 individuals (“Representatives”). • Name of party who would be signing the REC Contract (“Seller”) and contact information for an officer of the Seller. • Bidder and Seller may be the same or different.
Project Information	<ul style="list-style-type: none"> • <u>Size</u>: in MW, AC rating. Only Projects with a nameplate capacity greater than 2,000 kW (AC rating) are eligible to participate. • <u>Commercial Operations Date</u>: Date at which the Project commenced or is expected to commence operations <ul style="list-style-type: none"> ○ Projects that started operations prior to June 1, 2017 are not eligible. ○ Projects that are expected to commence operations after March 17, 2024 are not eligible. • <u>Location and Site Description</u>: map of Project site and address. For a selected Project, the map and address are incorporated in the REC Contract. <ul style="list-style-type: none"> ○ All Projects in Illinois are eligible. ○ If a Project is located in a state adjacent to Illinois, evidence that the IPA has determined that the Project meets the public interest criteria in the Act and has been pre-approved by the IPA to be eligible for Illinois RPS compliance is required. <ul style="list-style-type: none"> ▪ Chapter 4 of the Final Revised Long-Term Plan describes the eligibility criteria and methodology for determining eligibility of Projects from states adjacent to Illinois. ▪ The evaluation spreadsheet to be completed and submitted to the IPA is available on the IPA’s

	<p>website, under the header Adjacent State Facility Eligibility.</p> <ul style="list-style-type: none">○ Projects located in a state other than Illinois or a state adjacent to Illinois are not eligible.● <u>Interconnection point</u>: PJM, MISO, or electric distribution utility● <u>Project Maturity</u>:<ul style="list-style-type: none">○ PJM interconnection:<ul style="list-style-type: none">▪ The Project has completed the System Impact Study; or▪ Site control for an area of at least 40 acres times the Project size in MW (AC rating).○ MISO interconnection:<p>If the Project is in the DPP-2020-Cycle 1 or a later study cycle:</p><ul style="list-style-type: none">▪ The Project has completed Definitive Planning Phase 1 (“DPP 1”); or▪ Site control for an area of at least 40 acres times the Project size in MW (AC rating).<p>If the Project is in a study cycle prior to DPP-2020-Cycle 1:</p><ul style="list-style-type: none">▪ The Project has a fully executed interconnection agreement; or▪ Site control for an area of at least 40 acres times the Project size in MW (AC rating).○ Interconnection with an electric distribution utility:<ul style="list-style-type: none">▪ The Project has completed the Interconnection System Impact Study; and▪ Site control for an area of at least 40 acres times the Project size in MW (AC rating).○ If documents are provided to show site control, then the following are required:<ul style="list-style-type: none">▪ Supporting documentation of agreement with land owners (e.g. signed lease agreement, proof of land ownership, memorandum of understanding with land owner, letter of intent to lease the land, etc.);▪ If this supporting documentation of agreement does not include the number of acres controlled by the land owner, corroborating documentation to verify the number of acres is required;▪ Description of milestones that have been reached in Project development (e.g. interconnection application
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	<p>submitted, point of interconnection validated, etc.); and</p> <ul style="list-style-type: none"> ▪ Additional information may be required depending on results of the evaluation. <ul style="list-style-type: none"> • <u>Other requirement</u>: Cost of Project is not being recovered through regulated rates by the state of Illinois or any other state
Seller Information	<ul style="list-style-type: none"> • Legal name and address of the Seller • Seller must be formed as of the Part 1 Date • Credit ratings, if available, for Seller or guarantor of Seller
Certifications by Seller	<ul style="list-style-type: none"> • All information provided about the Project is true • Agree to the terms of the REC Contract • Agree that there will be no substitution of Project and that site will remain substantially as described in the Proposal
Draft Part 2 Proposal Requirements for Each Project	
Quantity and Bid Assurance Collateral	<ul style="list-style-type: none"> • Indicate intended, non-binding, bid quantity for the Project on an annual basis • Provide bid assurance collateral in the form of cash or a Pre-Bid Letter of Credit to each Company. If submitting cash, acknowledge the conditions under which the Company can draw upon the cash and provide draft instructions for the return of cash
Certifications by Seller	<ul style="list-style-type: none"> • Bidding independently • Commit to bids remaining valid until fourteen (14) days after Bid Date • Agree to sign REC Contract within the required timeframe if Project is selected and bid is approved by the Commission
Additional Information	<ul style="list-style-type: none"> • May, but is not required to, provide information needed to populate the REC Contract
Bid	<ul style="list-style-type: none"> • A bid for the Project includes: <ul style="list-style-type: none"> ○ The bid price (a price per REC that would be paid for each REC delivered from the Project); ○ The full quantity (an annual quantity of RECs that the Project will deliver annually under the terms of the REC Contract); and

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	<ul style="list-style-type: none">○ A minimum quantity (the annual minimum quantity of RECs that the participant is willing to accept as a partial award).● The annual full quantity of RECs is subject to a maximum, calculated as follows: (a) the Project size in MW (AC rating), (b) a capacity factor of 45.0%, (c) 8760 hours)
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4. Tentative Key Dates

4.1. Below are tentative key dates for the procurement event. At least one round of comments will be held on the REC Contract prior to posting the final version. Instructions for submitting comments on the Preliminary Proposal Requirements and the REC Contract will be provided once the draft REC Contract is posted. **These dates are subject to change.** The schedule for the procurement event will be posted on the Calendar page of the procurement website as soon as it is available: <https://www.ipa-energyrfp.com/calendar/>

Event	Date
Preliminary Proposal Requirements posted	Mid-August, 2020
Draft REC Contract Posted	Late August/Early September, 2020
Webinar on draft documents	Early September, 2020
Comments on Preliminary Proposal Requirements and draft REC Contract due	Mid-to-Late September, 2020
Final RFP Documents and Final REC Contracts Posted	Early November, 2020
Part 1 Window opens (Part 1 Proposals may be submitted starting on this date)	Wednesday, February 3, 2021
Part 1 Date (Part 1 Proposals are due)	Wednesday, February 17, 2021
Part 1 Notification Date (notification of whether Project is qualified)	Wednesday, February 24, 2021
Part 2 Window opens (Part 2 Proposals may be submitted starting on this date)	Thursday, February 25, 2021
Part 2 Date (Part 2 Proposals except Bids are due)	Thursday, March 4, 2021
Bid Date (Bids are Due)	Thursday, March 11, 2021