

Illinois Power Agency Spring 2022 Procurement Events

Invitation to Comment on Proposed Changes to the Standard Contract Form for the Procurement of Energy Blocks for the ComEd Portfolio and for the Procurement of Capacity for the AIC Portfolio

Invitation to Comment

On September 29, 2021, 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 November 4, 2021. The Plan provides for the purchase of electric supply to serve certain customers of Ameren Illinois Company (“AIC”), Commonwealth Edison Company (“ComEd”), and MidAmerican Energy Company (“MEC”) over the five-year period beginning on June 1, 2022 and ending on May 31, 2027 via on-peak and off-peak blocks of monthly and/or multi-month durations. The Plan also provides for the procurement of capacity for AIC to satisfy a portion of its forecast requirement in the 2023-2024 and the 2024-2025 Planning Years.

The Procurement Administrator invites interested parties to submit their comments on the proposed changes incorporated into the draft energy contract for ComEd and incorporated into the draft capacity contract for AIC.

The Procurement Administrator is proposing to use the 2021 energy contract for the ComEd Energy Contract with changes. The Procurement Administrator is proposing to use the 2021 AIC Capacity Contract with changes. Comments are solicited on proposed changes that have been made relative to the previously used 2021 contracts and not on the entire contract.

The Procurement Administrator is proposing to use the 2021 energy contracts for the AIC Energy Contract and the MEC Energy Contract, with no changes. Thus, no comments are solicited on the AIC Energy Contract and the MEC Energy Contract.

Timeline and Process

The draft ComEd Energy Contract and the draft AIC Capacity Contract have been issued as Microsoft Word documents for interested parties to submit their comments.

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

- Please submit your comments with tracked changes in Microsoft Word on the draft ComEd Energy Contract and the draft AIC Capacity Contract.
- You may submit additional comments or explanatory notes in a separate document or via email.
- Please submit your comments to the Procurement Administrator by e-mail at Illinois-RFP@nera.com

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- Please provide telephone and email contact information in the event that the Procurement Administrator seeks clarification regarding your comments.

The deadline to provide comments is March 4, 2022.

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

Proposed Changes

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

Commonwealth Edison Company (“ComEd”)

The standard contract form for ComEd 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 2021 energy contract is provided below.

ComEd Proposed Change		
Proposed Change	Document	Nature of Change
ComEd-1	Schedule 1A to Collateral Annex – Option 1	Language introduced to reference multiple agreements
ComEd-2	Schedule 1A to Collateral Annex – Option 1	New paragraph regarding electronic submission
ComEd-3	Schedule 1A to Collateral Annex – Option 2	Language introduced to reference multiple agreements
ComEd-4	Schedule 1A to Collateral Annex – Option 2	New paragraph regarding electronic submission
ComEd-5	Confirmation Sheet – Sample	Update dates

Change 5 is administrative in nature and does not modify the terms of the (ComEd) Master Agreement. As such, the Procurement Administrator does not expect comments from interested parties in regard to this proposed change.

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Ameren Illinois Company (“AIC”) Capacity Agreement

The AIC standard contract form is the (AIC) Capacity Agreement. A summary of the proposed changes from the previously used 2021 (AIC) Capacity Agreement is provided below.

AIC Capacity Proposed Changes		
Proposed Change	Document / Section	Nature of Change
AIC Capacity-1	Capacity Agreement / Product	Clarify timing of delivery of “MISO Change Notice”
AIC Capacity-2	Capacity Agreement / Signature pages	Update dates
AIC Capacity-3	Supplement	Update date

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

Attachment to Invitation to Comment

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

(ComEd) Schedule 1A to Collateral Annex – Option 1

ComEd-1:

1. “An Event of Default (as defined in the Master Power Purchase and Sale Agreements dated as of _____ and _____ [insert date(s) of all agreements] between _____ [Beneficiary Name] (“Beneficiary”) and _____ [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreements”)) has occurred and is continuing with respect to Account Party under the Master 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
2. “An Early Termination Date (as defined in the Master Power Purchase and Sale Agreements dated as of _____ and _____ [insert date(s) of all agreements] between _____ [Beneficiary Name] (“Beneficiary”) and _____ [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreements”)) has occurred and is continuing with respect to Account Party under the Master 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]”.

(ComEd) Schedule 1A to Collateral Annex – Option 1

ComEd-2:

We confirm that the electronic PDF file of the Letter of Credit serves as the operative instrument. The Beneficiary may use the electronic PDF file of the Letter of Credit as it would a hardcopy.

(ComEd) Schedule 1A to Collateral Annex – Option 2

ComEd-3:

1. “An Event of Default (as defined in the Master Power Purchase and Sale Agreements dated as of _____ and _____ [insert date(s) of all agreements] between _____ [Beneficiary Name] (“Beneficiary”) and _____ [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreements”)) has occurred and is continuing with respect to Account Party under the Master 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

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2. “An Early Termination Date (as defined in the Master Power Purchase and Sale Agreements dated as of _____ and _____ [insert date(s) of all agreements] between _____ [Beneficiary Name] (“Beneficiary”) and _____ [Account Party’s Name] (“Account Party”), as the same may be amended (the “Master Agreements”)) has occurred and is continuing with respect to Account Party under the Master 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]”.

(ComEd) Schedule 1A to Collateral Annex – Option 2

ComEd-4:

We confirm that the electronic PDF file of the Letter of Credit serves as the operative instrument. The Beneficiary may use the electronic PDF file of the Letter of Credit as it would a hardcopy.

(ComEd) Confirmation Sheet – Sample

ComEd-5:

Scheduling: Seller shall submit Contract Quantity through PJM InSchedules ~~by the later of September 24, 2021 or~~ four weeks prior to the beginning of the Delivery Period. Buyer shall confirm the Contract Quantity submitted by Seller through PJM InSchedules ~~by the later of September 29, 2021 or~~ three weeks prior to the beginning of the Delivery Period.

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

(AIC) Capacity Agreement

AIC Capacity-1:

Product: Zonal Resource Credits (“ZRC”) shall have the meaning given to it in the MISO Documents.

For clarification purposes, the Parties acknowledge and understand that, in accordance with the MISO Documents, one ZRC represents one megawatt (“MW”) of Unforced Capacity (as such term is defined in the MISO Documents) that qualify to satisfy the resource adequacy requirements in each Local Resource Zone (“LRZ”) (as such term is defined in the MISO Documents) of Module E of the MISO Tariff. Additionally, Seller must be able to transfer the ZRCs to Buyer using the Module E Capacity Tracking Tool (“MECT”), in accordance with Section 1 (Performance, Title & Delivery) below or any successor system.

The Parties acknowledge and agree that Buyer has entered into this Confirmation Agreement with the intention of satisfying a portion of its resource adequacy requirements for the Planning Years identified in Table A (“Contract Planning Years”). In the event that MISO receives FERC approval [on March 15, 2022 or later](#) to implement any change to its resource adequacy construct that, for any Contract Planning Year, includes a seasonal component or requires a product other than a ZRC (as defined as of the Date of Execution) in order to satisfy Buyer’s resource adequacy requirements, Buyer shall notify Seller in writing (such notice, a “MISO Change Notice”) on or before the [later of \(a\)](#) date that is ten (10) days after such FERC approval [or \(b\) May 2, 2022](#). On or before the date that is fifteen (15) days after Seller’s receipt of a MISO Change Notice, Seller may provide to Buyer, the Illinois Power Agency and the Illinois Commerce Commission Staff written comments or proposals to be considered in the formation of an amendment to address the change(s) described in the MISO Change Notice. On or before that date that is thirty (30) days after Seller’s receipt of a MISO Change Notice, Buyer shall propose to the Illinois Power Agency and the Illinois Commerce Commission Staff a written amendment to this Confirmation Agreement (the “Proposed Amendment”) that addresses the change(s) described in the MISO Change Notice and seeks to achieve an allocation of benefits and burdens to each Party that is substantially similar to the allocation of benefits and burdens that existed at the time of execution of this Confirmation Agreement; provided, however, if an amendment to address the change(s) described in the MISO Change Notice is not viable (as determined by Buyer), Buyer shall inform the Illinois Power Agency and the Illinois Commerce Commission Staff that a Proposed Amendment is not viable (such date upon which Buyer delivers the Proposed Amendment or notice that a Proposed Amendment is not viable to the Illinois Power Agency and the Illinois Commerce Commission Staff, the “Proposal Date”). Buyer shall consult with the Illinois Power Agency (in consultation with its procurement administrator) and the Illinois Commerce Commission Staff (in consultation with its procurement monitor) in an effort to create a form of the Proposed Amendment that is agreed to by Buyer, the Illinois Power Agency (in consultation with its procurement administrator) and the Illinois Commerce Commission Staff (in consultation with its procurement monitor) (such agreed amendment, the “Approved Amendment”). For the avoidance of doubt, an Approved Amendment requires agreement by Buyer, the Illinois Power Agency and the Illinois Commerce Commission Staff. If, within thirty (30) days of the Proposal Date (such date, the “Approval Deadline”) Buyer, the Illinois Power Agency and the Illinois Commerce Commission Staff have not agreed upon an Approved Amendment, then, (i) if all Contract Planning Years would be impacted by the changes identified in the MISO Change Notice, this Confirmation Agreement shall be deemed automatically terminated and neither Party shall have any further liability to the other Party except for those liabilities arising prior to the date of termination or (ii) if only one of the Contract Planning Years would be impacted by the changes identified in the MISO Change Notice, only the portion of the Confirmation Agreement related to the impacted

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Contract Planning Year shall be deemed automatically terminated and, with respect to the impacted Contract Planning Year only, neither Party shall have any further liability with respect to such Contract Planning Year except any liability arising prior to the date of termination. If the Buyer, the Illinois Power Agency and the Illinois Commerce Commission Staff agree upon an Approved Amendment on or before the Approval Deadline, Buyer shall provide such Approved Amendment to Seller. Notwithstanding any other provision of this Confirmation Agreement to the contrary, under no circumstance shall Buyer be obligated to execute an Approved Amendment on or after the date that is five (5) Business Days prior to the date by which Fixed Resource Adequacy Plans must be submitted to MISO for the Contract Planning Year(s) that are implicated in such Approved Amendment. Within twenty (20) days of receipt of such Approved Amendment Seller shall notify Buyer whether Seller accepts the Approved Amendment or whether Seller rejects the Approved Amendment. If Seller does not respond within such twenty (20) day period, the Approved Amendment shall be deemed rejected by Seller. If the Approved Amendment is approved by Seller, Buyer and Seller shall promptly execute the Approved Amendment in substantially the same form of the Approved Amendment initially provided to Seller. Notwithstanding any other provision of this Confirmation Agreement to the contrary, Buyer shall not be obligated to execute an Approved Amendment that deviates from Approved Amendments executed with different counterparties pursuant to additional applicable capacity confirmation agreements. If Seller rejects the Approved Amendment (or such Approved Amendment is deemed rejected), then, (i) if all Contract Planning Years would be impacted by the changes identified in the MISO Change Notice, this Confirmation Agreement shall be deemed automatically terminated and neither Party shall have any further liability to the other Party except for those liabilities arising prior to the date of termination or (ii) if only one of the Contract Planning Years would be impacted by the changes identified in the MISO Change Notice, only the portion of the Confirmation Agreement related to the impacted Contract Planning Year shall be deemed automatically terminated and, with respect to the impacted Contract Planning Year only, neither Party shall have any further liability with respect to such Contract Planning Year except any liability arising prior to the date of termination.

(AIC) Capacity Agreement

AIC Capacity-2:

(Signature Page 1)

[Winning Bidder]

By: _____ Date: _____
Name:
Title:

Ameren Illinois Company d/b/a Ameren Illinois

By: _____ Date: _____
Name:
Title:

...

[SIGNATURE PAGE TO AIC/[_____] ~~2021 FALL~~2022 SPRING CAPACITY CONFIRMATION
AGREEMENT]

(Signature Page 2)

[Winning Bidder]

By: _____ Date: _____
Name:
Title:

Ameren Illinois Company d/b/a Ameren Illinois

By: _____ Date: _____
Name:
Title:

...

[SIGNATURE PAGE TO AIC/[_____] ~~2021 FALL~~2022 SPRING CAPACITY CONFIRMATION
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(AIC) Supplement

AIC Capacity-3:

Ameren Illinois Company d/b/a Ameren Illinois

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____

...

_____ **[Party A]**

By: _____
Name:
Title:

By: _____
Name:
Title:

Date: _____

...

[SUPPLEMENT TO AIC/[_____] ~~2021 FALL~~ 2022 SPRING CAPACITY CONFIRMATION AGREEMENT]