

The Draft Proposal Requirements and Key Contract Terms posted on December 6, 2021 describes the forward price curve as a way to calculate an annual payment cap under the Indexed REC Contract. This description is not correct. The preliminary contract terms and proposal requirements provided in this document below are entirely superseded by the draft Indexed REC Contract and draft Indexed REC RFP Rules posted on January 20, 2022. For avoidance of doubt, the forward price curve will be used simply for budget planning purposes only, and will not be used to establish an annual cost cap for utility REC purchases in the Spring 2022 Indexed REC RFP.

This note was added on January 24, 2022. The remainder of the document below is unchanged from December 6, 2021.

DRAFT PROPOSAL REQUIREMENTS AND KEY CONTRACT TERMS

1. Purpose

The Indexed Wind, Solar and Brownfield Renewable Energy Credit RFP (“Indexed REC RFP”) will seek to procure Indexed renewable energy credits (“Indexed RECs”) from new utility-scale wind Projects (Projects over 5 MW), new utility-scale solar Projects (Projects over 5 MW), and new brownfield site photovoltaic Projects for the portfolios of Ameren Illinois Company (“AIC”), Commonwealth Edison Company (“ComEd”), and MidAmerican Energy Company (“MEC”) through the execution of a standard contract called the “Indexed REC Contract”. Each of AIC, ComEd, and MEC is referred to as a “Company” below.

Public Act 102-0662 (the “Climate and Equitable Jobs Act”) was signed into law and became effective on September 15, 2021 (the “Act”). As defined in the Act, an Indexed REC means a tradable credit that represents the environmental attributes of one megawatt hour of energy produced from a renewable energy resource, the price of which shall be calculated by subtracting the strike price offered by bidders from an index price in a given settlement period. This Spring 2022 Indexed REC RFP is the first procurement event held to procure Indexed RECs. Past procurement events referenced in the bullets below were held to procure RECs paid on a fixed-price basis. Draft versions of the Indexed REC Contract and Indexed REC RFP are expected to be issued by January 7, 2022.

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

The present document provides an overview of the Proposal submission process, draft Proposal requirements, and key contract terms, which are based on:

- Public Act 102-0662, which was signed into law and became effective on September 15, 2021;
- the procurement events for RECs from new utility-scale wind Projects held under the 2017-2018 Initial Forward Procurements and the 2018, 2019 and 2021 Subsequent Forward Procurements; and the comments received in March 2020 pursuant to the IPA's Stakeholder Request for Feedback related to procurement events for RECs from new utility-scale wind Projects;
- the procurement events for RECs from new utility-scale solar Projects held under the 2017-2018 Initial Forward Procurements and the Brownfield and Utility-Scale Solar RFP held in Fall 2018;
- the procurement events for RECs from new brownfield site photovoltaic Projects held under the 2017-2018 Initial Forward Procurements, the Brownfield and Utility-Scale Solar RFP held in Fall 2018, and the Brownfield RFP held in Summer 2019; and the comments received in Fall 2018 related to the procurement event for RECs from new brownfield site photovoltaic Projects;
- the Final Revised Long-Term Renewable Resources Procurement Plan ("Final Revised Long-Term Plan") developed by the IPA dated April 20, 2020 that incorporates the decisions of the ICC in its February 18, 2020 Order in ICC Docket No.19-0995; and
- The Initial Long-Term Renewable Resources Procurement Plan ("Initial Long-Term Plan") developed by the IPA dated August 6, 2018 that incorporates the decisions of the ICC in its April 3, 2018 Order in ICC Docket No. 17-0838.

These draft Proposal requirements and contract terms are subject to change.

2. Overview of Proposal Submission Process

- 2.1. A “Project” is a new utility-scale wind Project, a new utility-scale solar Project, or a new brownfield site photovoltaic 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. There are three (3) “Products” corresponding to Indexed RECs from utility-scale wind Projects, Indexed RECs from utility-scale solar Projects, or Indexed RECs from brownfield site photovoltaic Projects. A separate target applicable to each Product will be announced at a later date. The targets will represent a quantity of Indexed RECs to be delivered annually.
- 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 102-0662 and to establish that the participant accepts the terms of, and can meet the obligations under, the Indexed 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 2022 procurement

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

event. The Bid Participation Fee will be used to cover part of the costs of the 2022 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 \$/Indexed REC and which will be applied to the annual quantity of Indexed 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

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

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.
- 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 provided as an appendix to the RFP Rules, 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 Indexed 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.

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

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

- 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. A schedule (subject to change) for the procurement event is available on the Calendar page of the procurement website: <https://www.ipa-energyrfp.com/calendar/>
- 2.13. Part 1 Proposals are received and processed during a specific timeframe, the “Part 1 Window”. 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 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.
- 2.14. 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 on the Part 1 Notification Date.
- 2.15. Part 2 Proposals are received and processed during a specific timeframe, the “Part 2 Window”. 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

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

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.

- 2.16. 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.
- 2.17. A "bid" for a Project includes three (3) elements: a Strike price (\$/MWh), an annual quantity of Indexed RECs that the Project will deliver annually under the terms of the Indexed REC Contract ("full quantity"), and an annual minimum quantity of Indexed RECs that the participant is willing to accept as a partial award ("minimum quantity"). The annual full quantity of Indexed RECs for a Project is subject to a maximum, which is calculated based on the output of a facility and either: a 45% capacity factor for utility-scale wind Projects, or a 26.5% capacity factor for both utility-scale solar Projects and brownfield site photovoltaic Projects.
- 2.18. No adjustments are made to strike prices for purposes of evaluation. The evaluation of bids proceeds separately for each Product. The evaluation of bids first eliminates the bids with strike prices that fail to meet or beat the benchmark for that Product. Second, for a given Product, bids with strike prices that meet or beat the benchmark are ranked from lowest to highest in order of strike price. Third, in order of strike price, the full quantities of the Projects with the lowest strike prices are selected until all Projects are selected or until selecting the Project with the next highest strike price (the "marginal Project") would exceed the target for that Product. In the latter case, the difference

between the target for that Product and the sum of the full quantities of the Projects already selected is calculated as the “remaining target” for that Product. If the remaining target is equal to or exceeds the minimum quantity for the marginal Project, the marginal Project is selected to meet the remaining target for that Product. Otherwise, the target for that Product remains unfilled.

- 2.19. 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

3.1. Utility-Scale Wind Projects and Utility-Scale Solar Projects

The table below provides a list of requirements that are anticipated at this time for the Part 1 and Part 2 Proposals for utility-scale wind Projects and utility-scale solar Projects. The list of requirements for brownfield site photovoltaic Projects is provided in the following section. **This list is in draft form and is preliminary.**

Draft Part 1 Proposal Requirements for Each Utility-Scale Wind Project and Each Utility-Scale Solar Project

Spring 2022 Procurement Events (Indexed REC RFP)
 Originally posted 06 DEC 2021, Revised 24 JAN 2022

<p>Identification of the Parties</p>	<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 Indexed REC Contract (“Seller”) and contact information for an officer of the Seller. • Bidder and Seller may be the same or different.
<p>Project Information</p>	<ul style="list-style-type: none"> • <u>Type of Project</u>: utility-scale wind Project or utility-scale solar Project • <u>Size</u>: in MW, AC rating. Only Projects with a nameplate capacity greater than 5,000 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. • <u>Location and Site Description</u>: map of Project site and address. For a selected Project, the map and address are incorporated in the Indexed 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 website, under the header Adjacent State Facility Eligibility. ○ Projects located in a state other than Illinois or a state adjacent to Illinois are not eligible. • <u>Interconnection point</u>: PJM, MISO, or 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

	<ul style="list-style-type: none">▪ Site control for an area of at least 40 acres times the Project size in MW (AC rating) for a utility-scale wind Project or an area of at least 4 acres times the Project size in MW (AC rating) for a utility-scale solar Project.○ MISO interconnection: If the Project is in the DPP-2020-Cycle 1 or a later study cycle:<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) for a utility-scale wind Project or an area of at least 4 acres times the Project size in MW (AC rating) for a utility-scale solar Project.If the Project is in a study cycle prior to DPP-2020-Cycle 1:<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) for a utility-scale wind Project or an area of at least 4 acres times the Project size in MW (AC rating) for a utility-scale solar Project.○ Interconnection with a utility:<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) for a utility-scale wind Project or an area of at least 4 acres times the Project size in MW (AC rating) for a utility-scale solar Project.○ 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;
--	---

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> ▪ Description of milestones that have been reached in Project development (e.g. interconnection application submitted, point of interconnection validated, etc.); and ▪ 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 Indexed REC Contract • Agree that there will be no substitution of Project and that site will remain substantially as described in the Proposal • The Project is not a repowered facility • For a utility-scale solar Project, the Project was or will be installed by qualified persons in compliance with the requirements of Section 16-128A of the Act and any rules or regulations adopted thereunder. • Project is constructed by construction employees that have been paid at least the general prevailing rate as defined in Section 3 of the Prevailing Wage Act • Project is built by general contractors that entered into a project labor agreement prior to construction
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

Spring 2022 Procurement Events (Indexed REC RFP)
 Originally posted 06 DEC 2021, **Revised 24 JAN 2022**

	<ul style="list-style-type: none"> • Commit to bids remaining valid until fourteen (14) days after Bid Date • Agree to sign Indexed 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 Indexed REC Contract
Bid	<ul style="list-style-type: none"> • A bid for the Project includes: <ul style="list-style-type: none"> ○ A Strike price (\$/MWh); ○ A full quantity (an annual quantity of Indexed RECs that the Project will deliver annually under the terms of the Indexed REC Contract); and ○ A minimum quantity (the annual minimum quantity of Indexed RECs that the participant is willing to accept as a partial award). • The annual full quantity of Indexed RECs is subject to a maximum, calculated as the multiplicative product of (a) the Project size in MW (AC rating), (b) either: a capacity factor of 45.0% for a utility-scale wind Project, or 26.5% for a utility-scale solar Project, and (c) 8760 hours.

3.2. Brownfield Site Photovoltaic Projects

The table below provides a list of requirements that are anticipated at this time for the Part 1 and Part 2 Proposals for brownfield site photovoltaic Projects. **This list is in draft form and is preliminary.**

Draft Part 1 Proposal Requirements for Each Brownfield Site Photovoltaic 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”).

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> • Name of party who would be signing the Indexed REC Contract (“Seller”) and contact information for an officer of the Seller. • Bidder and Seller may be the same or different.
<p>Project Information</p>	<ul style="list-style-type: none"> • <u>Type of Project</u>: brownfield site photovoltaic Project • <u>Size</u>: in MW, AC rating. <ul style="list-style-type: none"> ○ There is no minimum or maximum size requirement for brownfield site photovoltaic Projects. • <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. • <u>Brownfield Definition</u>: Either: <ul style="list-style-type: none"> ○ Projects that meet the requirements under (1) of the definition of Brownfield site photovoltaic project in the Act and are interconnected to an electric utility, a municipal utility, a public utility, or an electric cooperative as defined by the Act and are regulated under a program listed (A) – (D) <ul style="list-style-type: none"> ▪ Provide documentation that demonstrates the site is regulated under a program listed (A) – (D); and, if regulated under the IEPA’s Site Remediation Program, additional requirements to show actual blight or contamination prior to remediation ▪ Describe milestones in the development of the Project that have been reached to date including the status of remediation of the project site ○ Projects that meet the requirements under (2) of the definition of Brownfield site photovoltaic project in the Act and are located at the site of a coal mine that has permanently ceased coal production, permanently halted any re-mining operations and is no longer accepting any coal combustion residues <ul style="list-style-type: none"> ▪ Provide documentation that demonstrates compliance with applicable environmental rules and regulations

	<ul style="list-style-type: none"> <ul style="list-style-type: none"> ▪ Describe milestones in the development of the Project that have been reached to date including the status of remediation of the project site • <u>Location and Site Description</u>: map of Project site and address. For a selected Project, the map and address are incorporated in the Indexed REC Contract. <ul style="list-style-type: none"> ○ A brownfield site photovoltaic project must be located in the state of Illinois. • <u>Interconnection point</u>: PJM, MISO, or 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 3 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 3 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 3 acres times the Project size in MW (AC rating). ○ Interconnection with a utility: <ul style="list-style-type: none"> ▪ The Project has a fully executed interconnection agreement; or ▪ Site control for an area of at least 3 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.);
--	---

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> ▪ 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 submitted, point of interconnection validated, etc.); and ▪ Additional information may be required depending on results of the evaluation. <ul style="list-style-type: none"> • <u>Other requirements:</u> <ul style="list-style-type: none"> ○ Cost of Project is not being recovered through regulated rates by the state of Illinois or any other state ○ Project may not be a community renewable generation project as defined in the Act ○ Project must be entirely contained within the Brownfield site
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 with respect to the Project is true • Agree to the terms of the Indexed REC Contract • Agree that there will be no substitution of Project and that site will remain substantially as described in Proposal • The Project is not a repowered facility • Project was or will be installed by qualified persons in compliance with the requirements of Section 16-128A of the Act and any rules or regulations adopted thereunder. • Project is constructed by construction employees that have been paid at least the general prevailing rate as defined in Section 3 of the Prevailing Wage Act • Project is built by general contractors that entered into a project labor agreement prior to construction
Draft Part 2 Proposal Requirements for Each Project	

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

<p>Quantity and Bid Assurance Collateral</p>	<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.
<p>Certifications by Seller</p>	<ul style="list-style-type: none"> • Bidding independently • Commit to bids remaining valid until fourteen (14) days after Bid Date • Agree to sign Indexed REC Contract within the required timeframe if Project is selected and bid is approved by the Commission
<p>Additional Information</p>	<ul style="list-style-type: none"> • May, but is not required to, provide information needed to complete the Indexed REC Contract
<p>Bid</p>	<ul style="list-style-type: none"> • A bid for the Project includes: <ul style="list-style-type: none"> ○ A Strike price (\$/MWh); ○ A full quantity (an annual quantity of Indexed RECs that the Project will deliver annually under the terms of the Indexed REC Contract); and ○ A minimum quantity (the annual minimum quantity of Indexed RECs that the participant is willing to accept as a partial award). • The annual full quantity of Indexed RECs is subject to a maximum, calculated as the multiplicative product of (a) the Project size in MW (AC rating), (b) a capacity factor of 26.5%, and (c) 8760 hours.

4. Draft Key Contract Terms

The table below provides a list of requirements key contract terms that are anticipated at this time to be part of the Indexed REC Contract (also labelled “REC Contract” in this Section 4) for Indexed RECs (also labelled “RECs” in this Section 4). As defined in the Act, an Indexed REC means a tradable credit that represents the environmental attributes of one megawatt hour of energy produced from a renewable energy resource, the price of which shall be calculated by subtracting the strike price offered by bidders from an index price in a given settlement period. This list is in draft form and is preliminary.

Draft Key Contract Terms	
Parties to Agreement	<ul style="list-style-type: none"> • Seller has a Project selected through the RFP and approved by the Commission. • Buyer is AIC, ComEd, or MEC: RECs will be split across the Companies and Seller will enter into an Agreement with each of the three Companies. As such, each Project may be associated with three (3) Indexed REC Contracts. • The annual full quantity of Indexed RECs submitted in a successful Bid will be split across AIC, ComEd and MEC, based on fixed allocation percentages to be determined. Each contract shall specify an annual contract quantity reflecting the share of RECs allocated to that contract. • Each of the Indexed REC Contracts shall be administered independently by the respective Company.
Project Characteristics	<ul style="list-style-type: none"> • A Project must be one of the following three types of projects and must meet the definition of such Project as defined in Section 1-10 of the IPA Act: <ul style="list-style-type: none"> ○ Utility-scale wind Project: powered by wind; nameplate capacity greater than 5,000 kW (AC rating); ○ Utility-scale solar Project: powered by photovoltaic cells; nameplate capacity greater than 5,000 kW (AC rating); or

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> ○ Brownfield site photovoltaic Project: powered by photovoltaic cells; no size limitation. ● As required by Section 1-75(c)(1)(Q)(1) of the IPA Act, construction activities related to such Project shall be subject to the prevailing wage requirements included in the Prevailing Wage Act. ● As required by Section 1-75(c)(1)(Q)(2) of the IPA Act, the Project is built by general contractors that must enter into a project labor agreement prior to construction. ● As required by Section 1-75(c)(7) of the IPA Act, if the Project generates electricity using photovoltaic cells, the Project has been installed by qualified persons in compliance with Section 16-128A of the Public Utilities Act and any rules or regulations adopted thereunder.
<p>Delivery Terms</p>	<ul style="list-style-type: none"> ● Transfer of RECs by the Seller to the Buyer must occur through PJM EIS GATS or M-RETS via a standing order (more details below). ● RECs related to a vintage earlier than June 2022 or a vintage later than the 240th month from the earliest accepted vintage of RECs delivered are not eligible for payment. ● At least one (1) REC from the Project must be delivered by May 31, 2024, unless Seller posts additional performance assurance by May 31, 2024 to satisfy the increased collateral requirement, in which case the deadline for the delivery of one (1) REC is extended to May 31, 2025. ● It is an event of default if a project has a shortfall for three or more years and such shortfall amount cumulatively exceeds the annual quantity; in such event of default, Seller will be allowed to cure through payment of liquidated damages (i.e. loss of collateral requirement posted).
<p>Standing Order</p>	<ul style="list-style-type: none"> ● Seller must set up a standing order with PJM-EIS GATS or M-RETS for the automatic transfer of Indexed RECs to each of AIC, ComEd and MEC, based on fixed allocation percentages to be determined, until the annual contract quantity with respect to each contract in a Delivery Year is met. ● Excess RECs above the annual contract quantity in a Delivery Year are not eligible for payment. These RECs are property of the Seller. These RECs cannot be used to cover a shortfall in another Delivery Year.

<p>Payment Terms</p>	<p>REC Contract is for payment of RECs only (no payment for energy or capacity).</p> <ul style="list-style-type: none"> • <u>The strike price</u> in the REC Contract is a single price in \$/MWh for energy and RECs, applicable to all years of the REC Contract. This price is the bid price submitted in response to the RFP. • <u>The index price</u>: the real-time energy settlement price at the applicable Illinois trading hub for a given settlement period. <ul style="list-style-type: none"> ○ PJM-NIHUB or MISO-IL are considered appropriate hubs for calculating the index price and the forward price curve. ○ In the bid form the Seller must elect whether it would like the contract payments to be indexed against PJM-NIHUB real-time market or MISO-IL real-time market and this election cannot be changed. ○ The settlement period will be on an hourly interval basis. (This means that strike price and the index price will be compared each hour of a monthly vintage period for purposes of calculating the REC monthly price for such vintage. For avoidance of doubt, invoicing and payment obligations occur on a monthly basis). • <u>The REC monthly price</u> with respect to a particular vintage means the price for RECs for such vintage as calculated by the IPA and as indicated in a payment calculation notice issued by the IPA to Buyer and Seller each month. The REC monthly price for a month shall be applicable to all delivered RECs that have a vintage of such month. The REC monthly price with respect to a month shall be calculated as the sum across the hours of the month the following: the multiplicative product of (a) the result obtained by subtracting the strike price from the index price and (b) the MWh energy generation by the Project in that month. • <u>Payment can flow both ways</u>: the REC monthly price may be either positive or negative. Payment shall be made from Seller to Buyer if the REC monthly price is positive and payment shall be made from buyer to seller if the REC monthly price is negative. • There are no adders to or escalation of the strike price over the delivery term.
-----------------------------	---

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> • REC quantities paid over the lifetime of the contract are subject to a maximum contract quantity calculated as 20 times the annual contract quantity. • Payment in a delivery year is subject to two caps: <ul style="list-style-type: none"> ○ A payment cap for a delivery year will be established based on a forward price curve applicable to such delivery year. (See below on the Forward Price Curve). ○ A quantity cap equal to the annual contract quantity. The maximum quantity of RECs that can be accounted for purposes of payment cannot exceed the annual contract quantity.
<p>Forward Price Curve</p>	<ul style="list-style-type: none"> • A forward price curve will be used to establish an annual payment cap for a delivery year. The payment cap with respect to a delivery year will be calculated by the IPA and included in a written notice issued to Buyer and Seller in advance of such delivery year. • Payments for RECs with a vintage of a delivery year shall not exceed the annual payment cap for that delivery year. The forward curve shall be calculated consistent with the methodology set forth in Section 1-75(c)(1)(G)(v)(3) of the IPA Act. • There will be two forward price curves: one will be based on forward prices for the day-ahead market in PJM-NIHUB and another will be based on forward prices for the day-ahead market in MISO-IL. • If a supplier elects the PJM-NIHUB index price for purposes of payment, the forward price curve based on forward prices in the PJM-NIHUB shall be used. If a supplier elects the MISO-IL index price for purposes of payment, the forward price curve based on forward prices in the MISO-IL shall be used. • For each of PJM-NIHUB and MISO-IL, an initial forward price curve is expected to be calculated and published in April or May 2022 so that Parties are informed of the payment cap applicable to the Delivery Year starting June 1, 2022 and ending in May 31, 2023. The forward price curve is subject to an annual adjustment so that the payment cap applicable to each subsequent Delivery Year may be calculated based on updated forward prices and published prior to such Delivery Year.

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<ul style="list-style-type: none"> • For each of PJM-NIHUB and MISO-IL, the forward price curve will be agnostic to technology; there are no additional adjustments to be applied to the forward prices. • Payments may flow both ways. Once the statutory payment cap is reached in a Delivery Year, RECs will continue to be Delivered. It is possible that after the statutory payment cap is reached, the monthly REC price may be positive and Seller is obligated to both pay Buyer and Deliver the RECs to buyer. In this case, any payments made by Seller shall increase the payment cap and enable payments to be made again when the monthly REC price turns negative. All RECs are accounted for at the end of the Delivery Year and any unpaid RECs at that time will be returned to Seller. (note that the price for RECs are calculated by subtracting the strike price offered by Seller from an index price in a given settlement period; as such Buyer shall pay Seller if the price for RECs is negative and Seller shall pay Buyer if the price for RECs is positive).
<p>Representations Regarding the Project</p>	<p>Seller represents that Project satisfies and will continue to satisfy these requirements also included as qualification standards in the Part 1 Proposal:</p> <ul style="list-style-type: none"> • For utility-scale wind and utility-scale solar Projects, the Project is located in Illinois or in a state adjacent to Illinois. • For brownfield site photovoltaic Projects, the Project is located in Illinois. • Date of final interconnection did not occur before June 1, 2017.
<p>Verification of Commitments</p>	<ul style="list-style-type: none"> • Seller shall provide to the IPA documentation and verification demonstrating that all construction work performed by seller, including its contractors and subcontractors, relating to construction, maintenance, repair, assembly, or disassembly work in relation to the Project has been performed by employees who received an amount equal to or greater than the “general prevailing rate of hourly wages,” as defined in Section 3 of the Prevailing Wage Act. Such documentation and verification may include, but is not limited to, the certified transcripts of payroll required to be filed with the Illinois Department of Labor. Such documentation and verification must be provided to the IPA within the later of: (i) 5 Business Days of the Trade Date of this Agreement; or (ii) within 5 Business Days of the Date of First Operations of the Project.

Spring 2022 Procurement Events (Indexed REC RFP)
Originally posted 06 DEC 2021, Revised 24 JAN 2022

	<p>Seller is responsible and shall provide such documentation and verification throughout the term of the Agreement to the IPA for any applicable work performed in a Delivery Year subsequent to Seller’s initial submission of documentation and verification, which shall be provided no later than July 15 following the end of such Delivery Year.</p>
Additional Requirements	<ul style="list-style-type: none">• Seller must, on a monthly basis, provide to buyer and the IPA (i) hourly MWh generation data applicable to the Project and (ii) hourly real time location marginal prices at the applicable hub (either PJM-NIHUB or MISO-IL) for each calendar month of energy generation. This information provided shall be provided within 5 business days following the month of energy generation. This information shall be rounded to the sixth (6th) decimal place and shall be provided in Microsoft Excel format.