

Illinois Power Agency Spring 2018 Procurement Events

**Invitation to Comment
on Proposed Changes to the Draft (AIC) Capacity Agreement
Procurement of Capacity for the Ameren Illinois Company Portfolio**

Invitation to Comment

On September 25, 2017, the IPA submitted its Procurement Plan (“Plan”) to the Illinois Commerce Commission (“ICC”) in compliance with Public Act 095-0481 (the “Act”), which includes the Illinois Power Agency Act (“IPA Act”). The ICC issued its Order with regards to the Plan on December 20, 2017. The Plan provides for the procurement of capacity for Ameren Illinois Company (“AIC”). The Spring 2018 Block Energy and Capacity Request for Proposals (“BEC RFP”) targets 25% of the 2019-2020 planning year forecast requirement for AIC. (While the procurement of capacity is for AIC only, the BEC RFP also will solicit bids for energy blocks for AIC, Commonwealth Edison Company, and MidAmerican Energy Company.)

The Procurement Administrator invites interested parties to submit their comments on the proposed changes to the Draft (AIC) Capacity Agreement. A separate invitation has been issued to solicit comments on the proposed changes to the energy contracts.

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

Timeline and Process

The timeline and process for interested parties to provide comments on the proposed changes for the Draft (AIC) Capacity Agreement are as follows:

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

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

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Proposed Changes

All proposed changes as numbered below are provided for the convenience of interested parties in an attachment to this document. A summary of the proposed changes from the previously used 2017 (AIC) Capacity Agreement is provided below.

Proposed Changes		
Proposed Change	Section	Nature of Change
1	Notices	Updated contact information
2	Performance Assurance	Clarified use of defined term
3	Performance Assurance	Clarified Definition
4	Performance Assurance	Updated S&P definition
5	Holding and Using Performance Assurance	Clarified use of defined term
6	Standby Letter of Credit Option 1	Added a term related to expiration.
7	Standby Letter of Credit Option 1	Added an explanation of automatic extension.
8	Standby Letter of Credit Option 1	Updated S&P definition
9	Standby Letter of Credit Option 2	Added a term related to expiration.
10	Standby Letter of Credit Option 2	Added an explanation of automatic extension.
11	Standby Letter of Credit Option 2	Updated S&P definition

Changes 1, 2, 4, 5, 8, and 11 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.

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Attachment to Invitation to Comment

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

1:

SELLER Invoices: With a copy to: Attn: Phone: Facsimile: Email: ...	BUYER Invoices: Attn: Dave Brueggeman Power Supply Acquisition Phone: (314) 554 4622 Email: dlpowersupplyacquisition@ameren.com Facsimile Phone: (314) 206-0210 554-2779 Email: dbrueggeman@ameren.com Facsimile: (314) 554- 3639
Credit and Collections: Attn: Phone: Facsimile: Email:	Credit and Collections: Attn: Daniel Deschler Phone: (314) 554-3540 Facsimile: (314) 260-0210 554-3639 Email: DLAICCCreditRiskManagement@ameren.com

2:

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

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3:

If Party A has one or more Affiliates that are parties to a Fixed Price Customer Supply Contract (“FPCSC Affiliates”), Party A and its FPCSC Affiliate(s) will each be granted a separate, stand-alone Collateral Threshold Amount. In this case, Party A’s ~~Collateral Threshold Amount~~ Credit Limit will be the lower of (a) the appropriate Credit Limit as shown in Table B; and (b) an amount determined by dividing the appropriate Credit Limit as shown in Table B for Party A by the sum of the appropriate Credit Limits applicable for Party A and each FPCSC Affiliate and multiplying such amount by \$80,000,000.

4:

“S&P” means S&P Global ~~Market Intelligence (a division of S&P Global)~~ Ratings or its successor.

5:

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

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6:

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

7:

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

8:

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

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9:

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

10:

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

11:

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