

**Indexed REC Wind, Solar, Brownfield, and Hydropower RFP  
 Illinois Power Agency (IPA) Procurement Event**

**Procurement Elements**

<p><b>Description</b></p>	<p>The Indexed Renewable Energy Credit RFP (“Indexed REC RFP”) seeks to procure renewable energy credits (“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, and new Hydropower Projects at an existing dam, or modernized or retooled Hydropower Projects at an existing dam.</p>
<p><b>Target</b></p>	<p>Fall 2024 Procurement Target<sup>1</sup> is</p> <ul style="list-style-type: none"> <li>• 2,700,000 RECs annually from Utility-Scale Wind or Hydropower Projects</li> <li>• 666,666 RECs annually from Utility-Scale Solar Projects</li> <li>• 74,000 RECs annually from Brownfield Site Photovoltaic Projects</li> </ul>
<p><b>Project Maturity Requirements</b></p>	<p>If the project is interconnecting with PJM:</p> <ol style="list-style-type: none"> <li>1. completed System Impact Study; or</li> <li>2. site control for an area of at least 3 acres (Brownfield) / 4 acres (Utility-Scale Solar) / 40 acres (Utility-Scale Wind) times the project size (MW)</li> </ol> <p>If the project is interconnecting with MISO:</p> <p>DPP-2020-Cycle 1 or a later study cycle:</p> <ol style="list-style-type: none"> <li>1. completed Definitive Planning Phase 1 (“DPP 1”); or</li> <li>2. site control for an area of at least 3 acres (Brownfield) / 4 acres (Utility-Scale Solar) / 40 acres (Utility-Scale Wind) the project size (MW)</li> </ol> <p>Study cycle prior to DPP-2020-Cycle 1:</p> <ol style="list-style-type: none"> <li>1. fully executed interconnection agreement; or</li> <li>2. site control for an area of at least 3 acres (Brownfield) / 4 acres (Utility-Scale Solar) / 40 acres (Utility-Scale Wind) times the project size (MW)</li> </ol> <p>If the project is interconnecting with a utility:</p> <ol style="list-style-type: none"> <li>1. fully executed interconnection agreement; or</li> <li>2. site control for an area of at least 3 acres (Brownfield) / 4 acres (Utility-Scale Solar) / 40 acres (Utility-Scale Wind) times the project size (MW)</li> </ol> <p>Hydropower projects must be located at an existing dam that must be identified. Documentation filed with FERC for permit or license is required for the project.</p>

<sup>1</sup> These quantities are subject to change.

Fall 2024 Procurement Events (Indexed REC RFP)  
 9 AUG 2024 (Draft)

<p><b>Bid Elements</b></p>	<ul style="list-style-type: none"> <li>• <b>Strike Price:</b> \$/MWh</li> <li>• <b>Full Quantity:</b> Annual # of RECs</li> <li>• <b>Minimum Quantity:</b> Annual minimum # of RECs Seller is willing to accept as a partial award</li> <li>• <b>Index Hub:</b> PJM NIHUB or MISO-IL HUB (regardless of the interconnection)</li> </ul>
<p><b>Bid Evaluation</b></p>	<ul style="list-style-type: none"> <li>• Price-only basis</li> <li>• Only Bids that meet or beat confidential benchmarks are considered</li> <li>• Bid Evaluation Price Adjustment for: 1) Projects committing to greater than 10% Minimum Equity Standard, 2) Utility-Scale Projects located at least 50% within an Energy Transition Community Grant Area 3) Hydropower Projects located in or adjacent to a Hydropower Preference Community</li> <li>• No post-bid negotiations</li> </ul>

**Term Sheet**

<p><b>Counterparty</b></p>	<ul style="list-style-type: none"> <li>• Ameren Illinois Company (“AIC”)</li> <li>• Commonwealth Edison Company (“ComEd”)</li> <li>• MidAmerican Energy Company (“MEC”)</li> </ul> <p>Each winning project will enter 3 contracts: one contract per project with each of the above entities for a portion of the REC quantities</p>
<p><b>Product</b></p>	<ul style="list-style-type: none"> <li>• RECs only; no energy or capacity</li> <li>• to be transferred via PJM EIS GATS or M-RETS</li> </ul>
<p><b>Delivery Obligations</b></p>	<ul style="list-style-type: none"> <li>• Monthly REC Deliveries via a Standing Order</li> <li>• Projects are expected to meet the Annual Quantity that is bid in the RFP with some accommodations for shortfall</li> <li>• Event of Default occurs if: 1) failure to meet Delivery Year Requirement (“DYR”) <math>\geq</math> five times, AND 2) sum of shortfall amounts <math>\geq</math> Annual Quantity</li> <li>• Any shortfall through the first two (2) full Delivery Years shall be excused and not constitute a Shortfall Amount</li> <li>• Seller may use Excess RECs (in excess of the DYR) to reduce Shortfall Amount incurred in any prior year via a manual transfer</li> </ul>
<p><b>Project Committed Percentage</b></p>	<ul style="list-style-type: none"> <li>• Seller must set Project Committed Percentage after energization and immediately prior to the establishment of the Standing Order</li> <li>• RECs not transferred due to Project Committed Percentage belong to Seller, allowing for other REC off-takers</li> </ul>
<p><b>Index Hub</b></p>	<p>MISO-IL HUB or PJM-NIHUB          will be used for purposes of calculating the REC Monthly Price (\$/MWh)</p>
<p><b>Payment Mechanism</b></p>	<ul style="list-style-type: none"> <li>• Contract is based on Indexed price structure.</li> <li>• Monthly REC Price = Summation of Hourly Index Price (based on selection by Bidder) minus Strike Price; weighted by production.</li> <li>• If the REC Monthly Price <math>&gt;0</math>, Seller will pay Buyer the invoice amount</li> <li>• If the REC Monthly Price <math>&lt;0</math>, Buyer will pay Seller the invoice amount</li> </ul>
<p><b>Settlement</b></p>	<p>Invoicing and Payments are on monthly basis for RECs delivered in prior month</p>
<p><b>Project Location</b></p>	<ul style="list-style-type: none"> <li>• All Projects in Illinois are eligible</li> <li>• Project located in a state adjacent to Illinois must be pre-approved by IPA</li> <li>• Brownfield site photovoltaic Project must be located in the state of Illinois</li> </ul>
<p><b>Date of First Operation for New Projects</b></p>	<p>The Date of First Operation of the Project did not occur on or before June 1, 2017</p>

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<p><b>Hydropower  Refurbishment  Completion Date  for Modernized or  Retooled  Hydropower  Projects</b></p>	<p>The date for which Modernized or Retooled activities have been completed so as to qualify the Project for Delivery of compliant RECs did not occur on or before June 1, 2017.</p>
<p><b>Delivery Term</b></p>	<p>20 years of REC Delivery after energization</p>
<p><b>Initial REC Delivery  Deadline</b></p>	<p>May 31, 2029  (Deadline may be extended for good cause, but not beyond May 31, 2036)</p>

**\* This term sheet is prepared to give a brief overview of the Draft Indexed REC Contract for convenience.**