

ILLINOIS
POWER AGENCY

Long-Term Renewable Resources RFP
Ameren Illinois Utilities

Bidder Workshop
October 26, 2010

LEVITAN & ASSOCIATES, INC.
MARKET DESIGN, ECONOMICS AND POWER SYSTEMS

Revised Procurement Schedule

- ◆ Bidder Workshops: 10/26, 11/1, 11/4
- ◆ Final Contract Issued: 11/8
- ◆ Pre-Qualification Application Deadline: 11/16
- ◆ Pre-Qualification Notifications: by 11/22
- ◆ Bidder Registration / Pre-Bid LC Deadline: 12/2
- ◆ Bidder Practice Session: 12/7
- ◆ Bid Day: 12/9
- ◆ Recommended Bidders Notified: by 12/13
- ◆ Selected Bidders Notified: by 12/15
- ◆ Contracts Executed: by 12/20

Workshop Schedule

- ◆ Today, October 26th 2 pm CPT
 - Review written comments
 - Develop list of contract issues
- ◆ Monday, November 1st 10 am CPT
 - Review interim draft contract (to be posted by 10/29)
- ◆ Thursday, November 4th 2 pm CPT
 - Review final draft contract (to be posted by 11/3)
- ◆ Note: Changes discussed through the workshop process must comply with Appendix K of the 2010 Procurement Plan and the IPA Act
- ◆ Workshop materials will be posted to website as soon as practicable

Contract Modifications to Date

- ◆ Force Majeure
- ◆ Replacement RECs
- ◆ Federal regulation of derivatives
- ◆ Additions to Other Provisions
- ◆ Illinois Pass-Through Tariffs (Regulatory Out)
- ◆ Other nomenclature revisions and corrections

Force Majeure

- ◆ Written notification from supplier within 7 days of event
- ◆ Event must last at least 7 days to qualify
- ◆ Reduces Annual Contract Quantity by number of hours *times* average hourly output for the month
- ◆ Does not apply to units that have not achieved commercial operation
- ◆ Does not apply for loss of Buyer's market, loss of Seller's fuel supply, or Seller's ability to sell the product at a higher price

Replacement RECs

- ◆ If replacement RECs of the type specified in the contract are not available, Seller may utilize an Alternative Payment equal to the greater of:
 - Fixed Price *times* number of RECs to cure shortfall to 90% or
 - Charges or penalties on account of delivery not occurring as specified in contract

- ◆ Alternative payment will be drawn from REC Collateral

Federal Derivatives Regulation

- ◆ 90 days to reform PPA following adoption of regulations
- ◆ Reform efforts include investigation of conversion to physical delivery contract
- ◆ If PPA cannot be reformed, it will be terminated, such termination will not constitute an Event of Default

Other Provisions

- ◆ Transfer
 - Party may transfer without consent, pursuant to change in control, merger, etc. to another entity
- ◆ Assignment
 - Seller may transfer PPA to lender as collateral for Committed Unit construction and operation with consent of Buyer
 - Consent language added as Exhibit C
- ◆ Invoice Disputes provision added
 - Notification of dispute must occur within 24 months
- ◆ Audit provision added
- ◆ Confidentiality provision added

Illinois Pass-Through Tariffs (Regulatory Out)

- ◆ Buyer is not liable for any amounts not recoverable from customers through pass-through tariffs
- ◆ In the event Buyer cannot recover costs
 - Buyer will notify Seller as soon as practicable
 - Contract quantities reduced proportionately
 - Buyer will calculate amounts to be returned by Seller, pro-rated across all contracts
 - Buyer will notify Seller of reduced contract quantity
 - Seller will have 30 days from notification to elect to terminate the PPA or accept reduced contract quantity (default is continuation of PPA with reduced quantity)
- ◆ Termination under this provision not an Event of Default

Discussion of Issues Raised in New Comments