

REQUEST FOR PROPOSALS

FOR

RENEWABLE ENERGY CREDITS

Levitan & Associates, Inc.

Procurement Administrator on behalf of

Illinois Power Agency

for

Ameren Illinois Company

ISSUE DATE: April 21, 2011

DUE DATE: May 18, 2011

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

Table of Contents

1.0	Introduction.....	1
2.0	Purpose and Scope	1
3.0	Product Solicited.....	2
3.1	Eligible Renewable Resources.....	2
3.2	REC Quantity.....	2
3.3	REC Classes.....	3
3.4	RECs Are Unit Non-Specific.....	4
3.5	REC Preferences	4
3.6	Replacement RECs	4
3.7	Delivery Date / Vintage	4
3.8	Bid Pricing	5
4.0	Other Requirements	5
4.1	REC Price Benchmarks.....	5
4.2	Contract.....	6
4.3	Credit Requirement.....	6
4.4	REC Tracking	6
4.5	Bidder Association.....	6
5.0	RFP Schedule and Procedure.....	7
5.1	Schedule.....	7
5.2	Communications	9
5.3	Bidder Pre-Qualification Application.....	9
5.4	Comments on REC Contract and Form of Pre-Bid ILOC.....	10
5.5	Requests for Additional Information from Bidders.....	11
5.6	Review of Bidder Pre-Qualification Application	11
5.7	Bidder Registration	12
5.8	Supplier Fee	12
5.9	Binding Bids	13
5.10	Notification and Award.....	13
6.0	Evaluation Process and Criteria.....	14
6.1	Evaluation of Binding Bids.....	14
6.2	Bids Not Subject to Subsequent Negotiation.....	14
6.3	Binding Bids	14
7.0	Confidentiality	15
8.0	Other	15

ATTACHMENT A REC Bid Evaluation Methodology

ATTACHMENT B REC Contract

ATTACHMENT C Form of Irrevocable Letter of Credit

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

1.0 Introduction

Levitan & Associates, Inc. (“LAI”), acting as Procurement Administrator on behalf of the Illinois Power Agency (“IPA”) for Ameren Illinois Company, is issuing this Request for Proposals (“RFP”) for Renewable Energy Credits (“RECs”). For the purposes of this procurement, the terms “Renewable Energy Credit” and “Renewable Energy Certificate” are considered interchangeable.

Ameren Illinois Company serves about 1.2 million customers throughout Illinois and is a subsidiary of Ameren Corporation, headquartered in St. Louis, Missouri. More information about Ameren Illinois Company can be found at <http://www.ameren.com>.

In accord with the Illinois Power Agency’s (“IPA”) 2011 Procurement Plan and the Illinois Commerce Commission’s (“ICC” or “Commission”) Order of December 21, 2010, in Docket No. 10-0563, a single RECs procurement with simultaneous but separate bids and separate bid evaluation will be held for Ameren Illinois Company and Commonwealth Edison Company (“ComEd”). The IPA has retained NERA Economic Consulting (“NERA”) as the 2011 Procurement Administrator for ComEd. In this RFP, “Procurement Administrator” means LAI, unless specifically stated otherwise. This single procurement event will procure up to 952,145 RECs for Ameren Illinois Company and up to 2,117,054 RECs for ComEd. LAI and NERA will coordinate the procurement of RECs through the pre-qualification, registration, and bid submission phases, as described more fully throughout this document.

The products to be procured by NERA for ComEd are not identical to the products to be procured under this RFP for Ameren Illinois Company, bidders should review the ComEd RFP on NERA’s website at <http://comed-energyrfp.com/> for information regarding the details of the NERA / ComEd procurement.

2.0 Purpose and Scope

Section 1-75(c) of the Illinois Power Agency Act (the “IPA Act”) establishes a Renewable Portfolio Standard (“RPS”), which requires a minimum percentage of Ameren Illinois Company’s supply for Eligible Retail Customers to be procured from cost-effective renewable energy resources. The IPA Act allows the utilities to satisfy the RPS by purchasing either the energy from qualifying renewable resources, or by acquiring qualifying RECs. The Procurement Plan prepared by the IPA and approved (with certain modifications) by the ICC on December 21, 2010, states that the June 2011 through May 2012 RPS requirements for Ameren Illinois Company shall be met through the acquisition of qualifying RECs.¹ This

¹ 10-0563 (Illinois Power Agency – Petition for Approval of Procurement Plan) Order, December 21, 2010.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

RFP is intended to solicit offers to sell such RECs to Ameren Illinois Company.

As Procurement Administrator for the 2011 procurement cycle, LAI is authorized to serve as the interface between the Ameren Illinois Company and bidders. In issuing this RFP, LAI has the responsibility for managing the bidder pre-qualification and registration process, receiving and reviewing all bids, and submitting a confidential report to the ICC recommending acceptance or rejection of bids. The IPA Act and the Public Utility Act (“PUA”) authorize the Procurement Monitor to monitor the interactions among the Procurement Administrator, suppliers, and the utilities and to report to the ICC on progress of the procurement process. The Procurement Monitor also consults with the Procurement Administrator regarding the development and use of benchmark price criteria, standard form contracts, credit policies, and bid documents. Boston Pacific Company, Inc. has been selected to be the Procurement Monitor for this procurement process.

3.0 Product Solicited

3.1 Eligible Renewable Resources

The IPA is seeking RECs that satisfy all requirements under the IPA Act. According to the IPA Act, a REC “means a tradeable credit that represents the environmental attributes of a certain amount of energy produced from a renewable energy resource.” (IPA Act, Section 1-10.)

Renewable energy resources include “energy and its associated renewable energy credit or renewable energy credits from wind, solar thermal energy, photovoltaic cells and panels, biodiesel, crops and untreated and unadulterated organic waste biomass, tree waste, hydropower that does not involve new construction or significant expansion of hydropower dams, and other alternative sources of environmentally preferable energy. For purposes of this Act, landfill gas produced in the State is considered a renewable energy resource. ‘Renewable energy resources’ do not include the incineration, burning, or heating of tires, garbage, general household, institutional, and commercial waste, industrial lunchroom or office waste, landscape waste other than tree waste, railroad crossties, utility poles, and construction or demolition debris, other than untreated and unadulterated waste wood.” (IPA Act, Section 1-10.)

This RFP is for Standard RECs as defined in Schedule P of the REC Contract attached to this RFP as Attachment B.

3.2 REC Quantity

For the planning year June 1, 2011, through May 31, 2012, the IPA Act requires that RECs equivalent to 6% of Ameren Illinois Company’s

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

Eligible Retail Customer load for June 1, 2009 through May 31, 2010 be acquired through this RFP. Eligible Retail Customers include those residential and non-residential customers with peak demands less than 400 kW who acquire power and energy under fixed price tariffs. Based on the IPA's Procurement Plan projection of the electricity consumption of the eligible customers of 15,869,084 MWh for the period June 1, 2009 through May 31, 2010 and the 6% minimum RPS requirement, the target quantity to be procured is 952,145 RECs. Each REC represents the environmental attributes corresponding to one megawatt-hour (1 MWh) of energy produced from renewable energy resources that qualify under the IPA Act.

The IPA Act further requires that, to the extent available, a minimum of 75% of the RECs must be derived from qualified wind resources. Therefore, a minimum of 714,109 RECs must be from qualified wind resources, if available. Bidders may submit bids for any whole number of RECs up to the procurement target of 952,145 RECs in each of the four REC classes described in Section 3.3 below.

Notwithstanding these goals, lesser quantities than the quantities stated above may be purchased if the RECs are deemed to be not "cost effective" in accordance with the IPA Act. (Section 1-75(c)(1) - (2).) The Renewable Energy Resource Budget ("RRB") for the 2011-2012 delivery period for Ameren Illinois Company is \$30,180,309. REC purchases that cause this budget to be exceeded are deemed to be not "cost effective."

3.3 REC Classes

There are four classes of RECs, which are derived from four classes of eligible renewable resources:

- Wind energy resources from Illinois and states adjacent to Illinois: Wisconsin, Indiana, Iowa, Kentucky, Michigan, and Missouri ("Adjacent States")
- Non-wind renewable energy resources from Illinois and the Adjacent States
- Wind energy resources from states other than Illinois and the Adjacent States ("Other States")
- Non-wind renewable energy resources from Other States.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

3.4 RECs Are Unit Non-Specific

Bidders do not need to specify the source of the RECs in advance of submitting bids.

3.5 REC Preferences

The IPA Act specifies a preference for RECs derived from qualified Illinois and Adjacent State renewable resources over Other State renewable resources. (Section 1-75(3).) The requirement to procure at least 75% of the RECs from wind resources takes precedence over the locational requirement. (ICC Order, 07-0527, December 19, 2007, at 51.)

3.6 Replacement RECs

If a successful bidder (supplier) is unable to deliver the obligated quantity within the required delivery period, the supplier may, *with the prior approval of Ameren Illinois Company*, provide qualified replacement RECs, provided, however, that the replacement RECs must be of the same class as defined above, except as follows, in accordance with the REC preferences:

- RECs derived from wind energy resources located in Illinois and Adjacent States can replace RECs derived from wind energy resources in any state;
- RECs derived from non-wind renewable energy resources located in Illinois and Adjacent States can replace RECs derived from non-wind renewable resources in any state;
- RECs derived from wind energy resources located in Illinois and Adjacent States can replace RECs derived from non-wind renewable energy resources located in any state;
- RECs derived from wind energy resources located in any Other State can replace RECs derived from non-wind renewable energy resources located in any Other State.

3.7 Delivery Date / Vintage

Regardless of delivery date, which may be as generated, all RECs must have been generated during the Vintage Period January 1, 2011 through May 31, 2012.

Bidders must deliver RECs in accordance with the following schedule:

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

- Total of 10% of awarded RECs delivered by August 31, 2011
- Total of 30% of awarded RECs delivered by November 30, 2011
- Total of 60% of awarded RECs delivered by February 29, 2012
- Total of 100% of awarded RECs delivered by July 15, 2012.

Recognizing that there may be a lag between the generation of a REC and the actual delivery and verification of the REC through the tracking system, delivery of RECs must be completed no later than the 15th of the month of the second month following the Vintage Period (*i.e.*, by July 15, 2012). The approximately six week reconciliation period after the end of the Vintage Period will also allow suppliers to make up potential shortfalls in their delivery obligation. Bidders may deliver RECs sooner than required by the delivery schedule, but payment will be for delivered RECs only up to the specific delivery percentage for each period.

3.8 Bid Pricing

A bid price must be an “all-in” bid price on a *per REC* basis. Bidders may offer as many RECs as they choose, up to the procurement target, in any or all classes, and each REC may be offered at a different price. The Procurement Administrator may select all, some, or none of the RECs offered by a bidder.

4.0 Other Requirements

4.1 REC Price Benchmarks

The Procurement Administrator, in consultation with the IPA, the ICC Staff, and the Procurement Monitor, will develop market-based price benchmarks for all REC purchases. In accordance with the IPA Act (Section 16-111.5(e)(3)), the benchmarks “shall be based on price data for similar products for the same delivery period and same delivery hub, or other delivery hubs after adjusting for that difference. The price benchmarks may also be adjusted to take into account differences between the information reflected in the underlying data sources and the specific products and procurement process being used to procure power for the Illinois utilities.”

Benchmark prices will be developed for this procurement of RECs. No REC bid will be selected for award that exceeds the price benchmark. The price benchmarks will be confidential, but subject to ICC review and approval prior to bid day.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

4.2 Contract

Selected bidders will be required to execute a contract substantially similar to the contract set forth in Attachment B (the “REC Contract”). Attachment B is a long-form confirmation that incorporates the “Master Renewable Energy Certificate Purchase and Sale Agreement” prepared by the American Bar Association’s Section of Environment, Energy and Resources, the Environmental Markets Association (“EMA”) and the American Council on Renewable Energy (“ACORE”), Version 1.0. Based on comments received from bidders in the Pre-Qualification Phase, the Procurement Administrator reserves the right to modify and reissue the REC Contract prior to the date when binding bids are due.

4.3 Credit Requirement

Prospective bidders will submit credit information in conjunction with the Bidder Pre-Qualification Application described in Section 5.3 of this RFP. Each bidder will be required to provide a pre-bid irrevocable letter of credit (“ILOC”) to ensure winning bidders whose bids are accepted by the ICC execute contracts.

4.4 REC Tracking

Selected REC suppliers will be required to utilize either the PJM Environmental Information System’s (“EIS”) Generation Attribute Tracking System (“GATS”), the Midwest Renewable Energy Tracking System (“M-RETS”), or the North American Renewables Registry (“NARR”). A REC supplier may utilize an alternative generation tracking system, but only if approved by the Procurement Administrator during the bidder qualification phase of this RFP. All costs and fees associated with utilizing a generation tracking system will be borne by the supplier of the RECs.

Ameren Illinois Company does not hold accounts with the REC tracking systems. Suppliers will retire RECs on behalf of Ameren Illinois Company, and will bear any costs associated with retiring the RECs.

4.5 Bidder Association

A qualified bidder must certify that it is not associated or acting jointly with any other qualified bidder for the purposes of submitting a bid in response to this RFP. This form will be provided to bidders to complete and return as part of the registration phase.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

5.0 RFP Schedule and Procedure

5.1 Schedule

The following schedule and deadlines apply to this RFP. Subject to the provisions of the IPA Act, the Procurement Administrator reserves the right to revise this schedule at any time with the concurrence of the Procurement Monitor. Announcements regarding any schedule revisions will be posted on the RFP website at <http://www.levitan.com/AIURFP>.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

Activity	Date
RFP Issued	April 21, 2011
Draft Contract Documents Issued	April 21, 2011
REC Contract Comments Due	April 28, 2011
Bidder Pre-Qualification Application Due	12:00 noon CPT, May 2, 2011
Final Contract Posted to Website	May 5, 2011
Bidders Notified of Results of Pre-Qualification Application Review	May 5, 2011
Irrevocable Pre-Bid Letter of Credit Due; Bidder Registration Form Due	12:00 noon CPT, May 11, 2011
Bidder Practice Session	May 13, 2011
Binding Bids Due	2:00 pm, CPT, May 18, 2011
Procurement Administrator Submits Report to ICC	May 19, 2011 ²
Bidders Notified of Recommendation	May 19, 2011 ³
Procurement Monitor Submits Report to ICC	May 20, 2011 ⁴
ICC Approval of Recommendation	May 23 or 24, 2011 ⁵
Bidders Notified of Selection	May 23 or 24, 2011 ⁶
Contracts Executed with Winning Bidders	No later than May 26 or 27, 2011 ⁷

² Legislation allows the Procurement Administrator two business days to submit their report to the ICC. LAI will submit its report within one business day.

³ Bidders who have bids recommended to the ICC for award will be notified following submission of the Procurement Administrator's report.

⁴ Legislation allows the Procurement Monitor two business days to submit their report to the ICC.

⁵ Legislation allows the ICC two business days after receipt of the Procurement Administrator and Procurement Monitor reports to approve the recommendation of the winning bids.

⁶ Bidders will receive final notification of whether or not they have been selected for award immediately after the ICC approves the Procurement Administrator's report and recommendations.

⁷ Legislation allows the individual Ameren Illinois Utilities three business days after the ICC approves the results of the procurement to execute contracts with the winning bidders. The contract execution deadline will therefore depend on the date the ICC approves the results of the procurement.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

5.2 Communications

LAI's points of contact for this RFP are:

John Bitler
Vice President & Principal
Office: 617-531-2818 x 22
Email: jrb@levitan.com

Sara Wilmer
Executive Consultant
617-531-2818 x15
sw@levitan.com

Levitan & Associates, Inc.
100 Summer Street, Suite 3200
Boston, MA 02110
Fax: 617-531-2826

All questions regarding this RFP must be submitted in writing to the procurement website at: <http://www.levitan.com/AIURFP>. Questions should not be directed to Ameren Illinois Company. Questions and responses will be posted on this website. All identifying information will be redacted from the questions and responses prior to posting.

The Binding Bid must be submitted through the secure procurement website at: <http://www.levitan.com/AIURFP>.

5.3 Bidder Pre-Qualification Application

Bidders shall submit a complete Pre-Qualification Application to the Procurement Administrator as described on the secure procurement website (<http://www.levitan.com/AIURFP>) no later than 12:00 noon CPT on May 2, 2011. A non-refundable fee of \$500 (the "Bid Participation Fee") will be required for any bidder submitting a Pre-Qualification Application. Payment instructions for the Bid Participation Fee are posted to the procurement website. A bidder who has already paid the Bid Participation Fee for the Energy RFP, RECs RFP, or in the 2011 ComEd RFPs is not required to pay another Bid Participation Fee.

The Pre-Qualification Application must contain the following information. All non-public information will be treated as confidential.

5.3.1 Bidder's Information. Provide legal name of company, address, and company representative (name, phone number, email address and fax number). Provide basic information on the bidder as requested, including a brief description of bidder ownership or operation of renewable energy resources. Describe any defaults or adverse situations as requested. This information will be treated as confidential.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

- 5.3.2 Financial Information. The bidder or its parent company that is providing an unconditional corporate guarantee (“Guarantor”) must provide the following information indicating financial condition and evidence of creditworthiness.

Credit information must include the current senior unsecured long-term debt credit ratings from Standard & Poor’s, Moody’s, and Fitch, if available, or if not available, the current issuer or corporate credit ratings. Prior to execution of the Contract referenced in this RFP, if there is any subsequent change in credit rating (including watch list actions), litigation, financial commitments, contingencies, or financial condition, a statement describing such material change must be submitted to LAI within 1 business day of occurrence. LAI will utilize this financial information to assess the creditworthiness of the bidder or its Guarantor, and to calculate the Collateral Threshold (set forth in Table A in Section 5.6 below) that will be in effect for the bidder.

Please note that bidders participating only in the REC’s procurement do not need to provide financial statements.

- 5.3.3 If a bidder intends to also participate in the 2011 ComEd REC’s RFP, bidders can indicate on the Pre-Qualification Application that they would like to have the common information automatically transmitted to the ComEd Procurement Administrator. Bidders who have submitted the Standard Part 1 Form on the ComEd renewables procurement do not need to complete the starred fields in the Pre-Qualification Application.

5.4 Comments on REC Contract and Form of Pre-Bid ILOC.

Bidders shall provide any comments or suggested edits to the REC Contract and Pre-Bid ILOC by April 28, 2011. The Procurement Administrator is not obligated to make any of the requested changes. All approved modifications to the Pre-Bid ILOC will be posted to the procurement website on a rolling basis as they are submitted, and each bidder may use any of the proposed modifications, regardless of whether a given bidder proposed the modifications.

Based on edits received from bidders, the Procurement Administrator may issue a revised REC Contract. The final REC Contract and acceptable modifications to the Pre-Bid ILOC will be posted to the procurement website and made available to bidders on or before May 5, 2011.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

5.5 Requests for Additional Information from Bidders

The Procurement Administrator may contact bidders to obtain additional clarification regarding the Pre-Qualification Application. All requests for information from the Procurement Administrator will be issued in writing, via email.

A bidder submitting a proposal under an agency authorization (“Agency Agreement”) must identify the Principal or Principals in the Agency Agreement. Bidders applying under an Agency Agreement must provide one (1) copy of the Agency Agreement with the Pre-Qualification Application. If the bidder is acting as agent for a single Principal, identify the Principal as the entity on whose credit ratings the bidder relies. If the bidder is acting as agent for multiple entities, the bidder must identify the Principal with the lowest credit rating as the entity on whose credit ratings the bidder relies.

5.6 Review of Bidder Pre-Qualification Application

The Procurement Administrator and Procurement Monitor will review the Pre-Qualification Applications submitted by prospective bidders to determine the completeness of the applications. The information provided will be used to pre-qualify prospective bidders.

Bidders who are awarded REC Contracts must provide performance assurance as described in Section 11(d) of the REC Contract. The bidder must meet specific creditworthiness criteria in order to be eligible for a positive collateral Threshold. Table A below illustrates the collateral Thresholds for different credit ratings. Affiliated bidders will be limited to a maximum aggregate unsecured credit limit that equals the highest potential Threshold provided in Table A, *i.e.* \$5 million.

The credit rating used for Table A will be the lowest senior unsecured long-term debt rating then assigned by Standard and Poor’s (a division of The McGraw-Hill Companies, “S&P”), Moody’s Investors Service, Inc. (“Moody’s”) or Fitch Ratings (a subsidiary of Fimalac, S.A., “Fitch”), or their respective successors, or if such senior unsecured long-term debt rating is not available, then the issuer rating (or corporate credit rating) then assigned by Fitch, discounted one notch, or the issuer rating then assigned by Moody’s, or the issuer rating then assigned by S&P if such entity is a U.S. utility operating company with an investment grade rating, or the issuer rating then assigned by S&P, discounted one notch, if such entity is not a U.S. utility operating company with an investment grade rating; provided, however, that (a) in the event a Party is rated by all three rating agencies, then the lower of the two highest ratings will be used and (b) in the event the two highest ratings are common, such common rating

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

will be used. In the event the bidder is not rated, the collateral threshold will be \$0.

Table A

Credit Rating			Collateral Threshold
S&P	Moody's	Fitch	
BBB- or above	Baa3 or above	BBB- or above	\$5,000,000
BB+	Ba1	BB+	\$2,000,000
Below BB+	Below Ba1	Below BB+	\$0

5.7 Bidder Registration

Once the Procurement Administrator has completed its review of the Pre-Qualification Applications, bidders will be notified if they have or have not been pre-qualified, they will also be notified of their stand-alone collateral threshold. Notification of pre-qualification will be issued no later than May 5, 2011. If a bidder satisfies the pre-qualification requirements, the bidder will then be required to provide Ameren Illinois Company with a pre-bid ILOC in the amount of \$10,000. The pre-bid ILOC must be in the form provided in Attachment C hereto, with the only acceptable modifications those that have been posted to the procurement website. The ILOC must be provided by 12:00 noon CPT on May 11, 2011, in order to satisfy the registration requirements. Such ILOC must remain valid from May 11, 2010 through May 31, 2011.

In addition to the pre-bid ILOC, pre-qualified bidders will also be required to submit a Bidder Registration Form certifying that they are not part of a joint venture or participating in a bidding agreement with another bidder for the purposes of submitting a bid under this RFP. This form will be made available to bidders on the procurement website.

5.8 Supplier Fee

The Illinois Power Agency has determined that a Supplier Fee will be charged to winning bidders in this procurement. The Supplier Fee is designed to cover the costs of administering the procurement process. Bidder will be required to submit a Supplier Fee Agreement acknowledging that they will pay the Supplier Fee if awarded RECs in this procurement. Additional details regarding the amount and payment of the Supplier Fee will be posted to the procurement website.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

5.9 Binding Bids

Registered bidders shall submit binding, firm, and irrevocable bids no later than 2:00 pm CPT on May 18, 2011. Binding bids must be submitted via the form provided on the secure procurement website. Each bid must be offered as a sealed, binding commitment with a fixed price specified in \$/REC.

5.10 Notification and Award

In accordance with the IPA Act, the Procurement Administrator will evaluate the binding bids immediately after 2:00 pm CPT on May 18, 2011, and will submit a confidential report of the procurement and the bids recommended for selection within one business day of receipt to the ICC. Following transmission of the Procurement Administrator's report to the ICC, bidders who have been recommended for award will be notified, with the caveat that awards are not final until they have been approved by the ICC. The Procurement Monitor will submit a report to the ICC within two business days. As specified in Section 16-111.5(f), the ICC shall review the confidential reports and shall accept or reject the recommendations of the Procurement Administrator within two business days after receipt of both the Procurement Administrator's and Procurement Monitor's reports.

The Procurement Administrator will provide preliminary notifications to bidders based on the recommendations submitted to the ICC following submission of the report, and will provide final notifications immediately upon receiving approval from the ICC. The successful bidders will be required to sign the REC Contract following notification that they have been selected and received ICC approval. The maximum time between the close of bidding and the execution of the Contracts is seven business days, based on the following provisions: (a) the Procurement Administrator and the Procurement Monitor submit separate confidential reports on the procurement results and recommendation to the ICC within two business days after opening the bids; (b) the ICC reviews the reports and accepts or rejects the recommendations of the Procurement Administrator within two business days after receipt of the reports; and (c) Ameren Illinois Company will enter into binding contracts with the winning bidders within three business days after the ICC accepts or rejects the results of the procurement.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

6.0 Evaluation Process and Criteria

6.1 Evaluation of Binding Bids

Upon receipt of binding bids from registered bidders, the Procurement Administrator will compare each bid against the applicable benchmark price. Bids which exceed the applicable price benchmark will not receive further consideration. The Procurement Administrator will evaluate the remaining bids in accordance with the procedure described in Attachment A. The entire bid evaluation process bids will be observed and verified by the Procurement Monitor.

6.2 Bids Not Subject to Subsequent Negotiation

Illinois law grants procurement administrators the “discretion to negotiate to determine whether bidders are willing to lower the price of bids that meet the benchmarks approved by the Commission; [and further provides that] any post-bid negotiations with bidders shall be limited to price only and shall be completed within 24 hours after opening the sealed bids and shall be conducted in a fair and unbiased manner; [and further provides that] in conducting the negotiations, there shall be no disclosure of any information derived from proposals submitted by competing bidders; [and further provides that] if information is disclosed to any bidder, it shall be provided to all competing bidders.” (220 ILCS 5/16-111.5(c)(1)(vii)) Illinois law also requires the procurement administrator to “notify potential bidders that the procurement administrator may enter into a post-bid price negotiation with bidders that meet the applicable benchmarks.” (220 ILCS 5/16.111.5(e)(1)) **In accordance with this discretion, the Procurement Administrator has chosen NOT to engage in any post-bid negotiations as a part of this RFP.**

6.3 Binding Bids

All bids must remain open, firm, and binding until 5:00 pm CPT on May 24, 2011, or until the ICC has accepted or rejected the results of the procurement event.

Those bids identified as winning bids following the ICC’s acceptance or rejection of the procurement event must remain open, firm, and binding until May 27, 2011, or until the bidder has executed a REC Contract, whichever comes first. By submitting a binding bid and pre-bid ILOC, the bidder certifies that it will execute the REC Contract upon award and acceptance by the ICC.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

7.0 Confidentiality

Except for bidders' questions on the RFP, all information provided through the secure procurement website will be considered confidential. The Procurement Administrator will take reasonable precautions and use reasonable efforts to maintain the confidentiality of all Pre-Qualification Applications and binding bids submitted.⁸ Bidders should be aware that, in addition to employees of the Procurement Administrator, the Procurement Monitor will have concurrent access to all information on the secure procurement website. The Procurement Monitor is under contract with the ICC, and has pledged to protect all confidential information to which it has access during this RFP process. The ICC will also receive confidential reports from the Procurement Administrator and from the Procurement Monitor, which may contain confidential information submitted by bidders. The ICC will publicly announce the weighted average price of all of the selected bids after the ICC accepts or rejects the RFP results and the Procurement Administrator's recommendations.

Prior to the selection of winning bids, bidders will be prohibited from (i) disclosing any information about their bids to other parties and (ii) receiving information about competing bids from other parties. No party will disclose the terms or conditions of such agreements, except (i) to those persons who have a need to know and have agreed to keep such information confidential, and (ii) to comply with any applicable law, rule, regulation, tariff or court order, consistent with PUA Section 16-111.5(h).

8.0 Other

This RFP does not constitute an agreement or agreement to agree. As Procurement Administrator, LAI reserves the right to reject any or all proposals, or to recommend that no offers be accepted. Any recommendation for award made by the Procurement Administrator will require the execution of a standard REC Contract, the pricing and material terms of which will be subject to formal approval by the ICC.

⁸ If bidders have indicated that the relevant information from the Pre-Qualification Application should be transmitted to the Procurement Administrator of the ComEd RECs procurement, the starred fields will be shared. Bids for ComEd RECs that are submitted to LAI through the bid submission process will also be transmitted to NERA.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

If there is any conflict between this RFP and the REC Contract, the REC Contract prevails.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

ATTACHMENT A

Eligible bids for RECs fall in four classes, abbreviated as follows:

IAW: Wind energy resources from Illinois and states adjacent to Illinois: Wisconsin, Indiana, Iowa, Kentucky, Michigan and Missouri (“the Adjacent States”)

IAN: Non-wind energy resources from Illinois and states adjacent to Illinois: Wisconsin, Indiana, Iowa, Kentucky, Michigan and Missouri (“the Adjacent States”)

OSW: Wind energy resources from states other than Illinois and the Adjacent States

OSN: Non-wind energy resources from states other than Illinois and the Adjacent States.

The total REC requirement (**TRR**) is 952,145 RECs. The wind target (**WT**) will be set at 714,109 RECs. In accordance with the IPA Act and the Illinois Power Agency’s calculations, a REC portfolio that exceeds the RRB of \$30,180,309 is deemed to be not “cost effective,” and therefore the total amount of RECs purchased will not exceed the **RRB**. Bids which exceed the price benchmarks are also deemed to be not cost-effective. The IPA Act also requires that, to the extent that it is available and cost effective, a minimum of 75% of the RECs purchased must be from wind energy resources.

The IPA Act gives preference to RECs derived from Illinois and Adjacent State renewable resources. If sufficient RECs are not available in Illinois or Adjacent States, they may be procured from other states. According to the ICC’s Order in 07-0527 on December 19, 2007, the ICC has determined that “wind generation should receive priority over the locational requirement.”¹ Proposals from bidders that meet the minimum requirements defined in Section 6.1 will be evaluated based on price, type (wind versus non-wind), and locational preferences in accordance with the following procedure.

To perform the bid selection, bids will be grouped in several different ways:

- All bids will be grouped by the four classes defined above, and ranked from lowest to highest within each class based on the price per REC offered. Any bids above the applicable price benchmark will be eliminated.

¹ ICC Order 07-0527 at p.51.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

- All bids less than or equal to the applicable price benchmark will also be combined into a single, combined pool (**CP**), and ranked from lowest to highest solely based on price.
- All wind RECs bids less than or equal to the applicable price benchmark, regardless of location, will also be grouped into a wind pool (**WP**) and ranked from lowest to highest based on price.

Step 1: Bids will be selected, from lowest price to highest, from the **CP**. If the **RRB** is reached before the **TRR**, the selection is complete; the maximum number of cost effective RECs has been selected. If the **TRR** is reached before the **RRB** is met, go to Step 2.

Step 2: If the **WT** has been reached or exceeded, go to Step 3. Otherwise, replace the highest price non-wind REC bid that had been selected with the lowest price bid from the remaining **WP**. Continue substitutions until either the **WT** is reached, the **WP** is exhausted, or the **RRB** is reached. When no more substitutions are possible, proceed to Step 3.

Step 3: Identify the highest price **OSW** or **OSN** bid from the selected pool. From the remaining bids among the combined unselected pool of **IAW** and **IAN** bids, identify the lowest cost bid. If this lowest cost bid can replace the highest selected **OSW** or **OSN** bid without violating the **WT** or the **RRB**, make this substitution. If the substitution would violate the **WT**, then instead replace either the highest cost selected **OSW** bid with the lowest cost unselected **IAW** bid, or the highest cost selected **OSN** bid with the lowest cost unselected **IAN** bid, whichever replacement is most cost-effective. Repeat Step 3 until there are no more substitutions possible without violating the **RRB**. When there are no more substitutions possible, the selection process is complete.

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

ATTACHMENT B

Renewable Energy Credit Agreement

**Illinois Power Agency
Ameren Illinois Company
Request for Proposals for Renewable Energy Credits**

ATTACHMENT C

Form of Irrevocable Letter of Credit