
RIDER CEAC – CLEAN ENERGY ASSISTANCE CHARGE

APPLICABILITY

Rider CEAC – Clean Energy Assistance Charge (Rider CEAC) is applicable to all Retail Customers.

PURPOSE

The purpose of this Rider is to provide for the full recovery of costs the Company incurs in connection with the purchase of Zero Emission Credits from Zero Emission Facilities described in subsection (d-5) of Section 1-75 of the Illinois Power Agency Act (IPA Act), under the provisions of 220 ILCS 5/16-108(k) of the Public Utility Act (Act).

DEFINITIONS

Generally, definitions of terms used in this Rider are provided in the Definitions section of Customer Terms and Conditions of the Company's Schedule of Rates. The following definitions are for use in this Rider:

Delivery Year

Delivery Year means each consecutive 12-month period beginning June 1 and ending May 31 of the following year beginning in 2017 and annually thereafter for the procurement of the Zero Emission Credits.

Recovery Year

Recovery Year means the consecutive 12 monthly Billing Periods beginning June and ending May of the following year, beginning in 2017 and annually thereafter for the recovery of costs incurred under this Rider.

Clean Energy Assistance Charge

Clean Energy Assistance Charge means the Company's costs and collections under Rider CEAC to recover the costs of Zero Emission Credits associated with Zero Emission Facilities.

Zero Emission Credits

Zero Emission Credits (ZEC) means a tradable credit that represents the environmental attributes of one megawatt-hour (MWh) of energy produced from a Zero Emission Facility.

Zero Emission Facility

Zero Emission Facility includes, but is not limited to, a facility that (1) is capable of producing Zero Emission Credits; and (2) is interconnected with PJM Interconnection, L.L.C. or the Midcontinent Independent System Operator, Inc., or their successors.

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Issued by R.J. Mark, President & CEO
6 Executive Drive, Collinsville, IL 62234

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DETERMINATION OF THE CLEAN ENERGY ASSISTANCE CHARGE

The Clean Energy Assistance Charge (or CEAC) for all applicable Billing Periods shall be determined in accordance with the following formula:

$$\text{CEAC} = \quad [(\text{CEC} / \text{U}) \times 100\text{¢}/\text{\$1}] + \text{ARA} + \text{ORA}$$

Where:

CEAC = CEAC, in cents per kWh rounded to the nearest thousandths of a cent, applied as a charge or credit to the kilowatt-hours (kWhs) billed to Retail Customers. CEACs will be assessed each applicable month after the CEAC is filed. CEAC shall be presented as a separate line item on Retail Customer bills with the description of Clean Energy Assistance Charge.

CEC = Clean Energy Costs, in dollars (\$), equal to the sum of the expenditures the Company expects to incur in connection with the cost of Zero Emission Credits from Zero Emission Facilities during the Delivery Year in which the CEAC is applicable, including but not limited to the following: 1) total cost of procuring the Zero Emission Credits; 2) the reasonable costs that the Company incurs as part of the procurement processes including implementation and compliance with plans and processes; and 3) costs incurred by the Company if a Zero Emission contract is terminated as approved by the Commission under subsection (d-5) of Section 1-75 of the IPA Act.

U = Usage equal to the kWhs forecasted to be billed to Retail Customers during the Recovery Year.

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ARA = Automatic Reconciliation Adjustment, in cents per kWh, shall be calculated by the Company annually beginning in August 2018 and determined in accordance with the following equation:

$$\text{ARA} = \frac{((\text{ACEC} - \text{CECR}) + \text{RA}) \times (1 + i)}{\text{UR}} \times 100\text{¢}/\$1$$

Where:

ACEC= Actual Clean Energy Costs, in dollars (\$), for the prior Delivery Year, including but not limited to the following: (1) the cost of the Zero Emission Credits, (2) the expenditures the Company incurred in connection with the procurement and the cost to implement and comply with 20 ILCS 3855/1-75 (d-5) of the IPA Act and (3) any credits received under the Provision for Excess ZEC Payments (as described within this tariff).

CECR= Clean Energy Cost Recoveries, in dollars (\$), equal to the revenues billed due in the application of the CEAC during the prior Recovery Year.

RA = The dollar amount due to Company (+RA) or Retail Customers (-RA) arising from adjustments under this Rider that were under-billed or over-billed in the prior Recovery Years.

i= Interest, in decimal format, as established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) from the end of the applicable Delivery Year to the date in which the ARA is included in an Informational Filing.

UR= Usage equal to the kWhs forecasted to be billed to Retail Customers during Billing Periods from September through May of the Recovery Year.

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ORA = Ordered Reconciliation Adjustment, in cents per kWh, is equal to an amount ordered by the ICC to be refunded to or collected from Retail Customers divided by the kWhs forecasted to be billed to Retail Customers during the number of Billing Periods specified in the Commission's Order. Such amounts include interest charged at the rate established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) and will commence from the end of the applicable Delivery Year to the ICC Order date in the reconciliation proceeding.

Notwithstanding the previous provisions of this Determination of the Clean Energy Assistance Charge section, the initial CEAC will be 0.178 cents per kWh beginning with bills issued on and after June 1, 2017 and will remain in effect until replaced in a subsequent CEAC informational filing.

In general, CEACs are determined in May each calendar year following the publication of the applicable ZEC payment calculations by the IPA, as approved by the ICC, for recovery during the next Recovery Year. Additionally, the CEAC may be revised by the Company in accordance with this Determination of the Clean Energy Adjustment Charge section if the Company determines such CEAC results in a better match between the Company's applicable expected costs and its recovery of those costs.

* **Opt Out Customer Limitation**

* Notwithstanding the above, the Clean Energy Assistance Charge for Opt Out Customers may be reduced in the annual estimated average net cents per kWh increase for the prior calendar year due to application of the CEAC, in cents per kWh, plus application of any applicable charges for recovery of costs to comply with and implement distributed generation rebates under 220 ILCS 5/16-107.6 of the Act, in cents per kWh, less 0.117 cents per kWh, which is the energy efficiency charge in effect on December 1, 2016 that was applicable to such Opt Out Customers, so that the annual estimated average net increase is no more than 1.3% of 5.98 cents per kWh, or 0.07774 cents per kWh in accordance with subsection 16-108(m).

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The Limitation calculation will be made only once for each year. The first calculation will be performed on or before April 30, 2018 and on or before each April 30 thereafter until April 30, 2026. If a reduction is necessary to limit the annual estimated average net increase, as determined in accordance with subsection 16-108(m) of the Act to no more than 0.07774 cents per kWh, the amount of the calculated reduction shall be multiplied by the number of years reflected in the averages used to calculate the impact of the CEAC and cost recovery charges for implementing distributed generation rebates. The cents per kWh reduction to the CEAC for Exempt Customers will be applied prospectively commencing with the next Recovery Year. Moreover, if a reduction is necessary, the Company will file a notice to the Commission by May 1 containing the reduction, if any. The Company shall also calculate an estimate by October 1 of each year beginning in 2018 if it appears that a reduction will be required in the next Recovery Year, and if so provide notice to the Commission.

INFORMATIONAL FILING

The CEAC shall be shown on an informational filing supplemental to this Rider and filed with the ICC at least once annually, prior to the start of the Recovery Year. Such filing and any subsequent informational filing shall not be filed later than the 20th day of the month immediately preceding the month in which the CEAC is to become effective. An informational filing submitted after that date, but prior to the effective date of the filing, will be accepted only if it corrects an error or errors from a timely filed informational sheet for the same effective date. Any other informational sheet submitted after that date shall be accepted only if submitted as a special permission request under the provision of Section 9-201(a) of the Act. The informational filing shall be accompanied by work papers showing the calculation of the CEAC.

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ANNUAL AUDIT AND RECONCILIATION

Annual Audit Report

Annually, subsequent to the completion of a Recovery Year and determination of the ARA component of the Determination of Clean Energy Assistance Charge section of this Rider, the Company must conduct an audit of its costs and recoveries from operating this Rider. The audit shall determine if 1) the CEACs are properly billed to Retail Customers; 2) costs recovered through the Clean Energy Assistance Charge Rider are properly reflected in the calculation of the CEAC; 3) costs recovered through the Clean Energy Assistance Charge Rider are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of costs through Rider CEAC; and 5) costs recovered through the Clean Energy Assistance Charge Rider are properly reflected in the Annual Reconciliation. The above list of determinations does not limit the scope of the audit. A report on such audit must be submitted to the ICC in an informational filing, with copies of such report provided to the Commission at AccountingMgr@icc.illinois.gov. The audit shall be submitted no later than October 31 following the completion of a Recovery Year. Such report must be verified by an officer of the Company.

Annual Reconciliation

The Company shall provide to the ICC a reconciliation of the actual revenues billed to Retail Customers and the costs incurred under this Rider, as discussed in the ARA component of the Determination of Clean Energy Assistance Charge section of this Rider. Such ARA reconciliation shall be filed with the ICC no later than August 20th of each year as a petition seeking initiation of an annual reconciliation hearing. The petition shall include testimony and schedules that support the accuracy and prudence of the components of the Clean Energy Assistance Charge. Such reconciliation must be verified by an officer of the Company. Any Company-determined adjustment as a result of such reconciliation shall be included in the ARA of the CEAC calculation for nine months beginning with the September Billing Period.

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At the conclusion of such proceeding, the ICC shall determine the amount and timing of an ORA, if any, to include in the determination of subsequent CEACs. The ORA, if applicable, shall be determined in accordance with the provisions of the Determination of the Clean Energy Assistance Charge section of this Rider and shall be applied during the Billing Periods specified in the Order by the Commission. Amounts either collected or refunded through the ORA shall accrue interest at the rate established by the Commission under 83 Ill. Adm. Code 280.40(g)(1) from the end of the applicable Recovery Year to the ICC Order date in the reconciliation proceeding.

PROVISION FOR EXCESS ZEC PAYMENT

Six years after the execution of a contract under subsection (d-5) of Section 1-75 of the IPA Act, at the end of a term of a ZEC contract, or if a Zero Emission Facility's contract is terminated, the Illinois Power Agency shall determine whether the actual Zero Emission Credit payments received by the supplier over the applicable period or term of contract exceed the Average ZEC Payment.

The Average ZEC Payment shall be calculated by multiplying the quantity of Zero Emission Credits billed under the contract times the average contract price.

If the IPA determines that the actual Zero Emission Credit payments received by the supplier over the relevant period exceed the Average ZEC Payment, then the supplier shall credit the difference back to the Company no later than 120 days after the IPA's determination. The Company shall reflect the credit on Retail Customer bills as soon as practicable; however, the credit remitted to the Company shall not exceed the total amount of payments received by the Zero Emission Facility under its contract.

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TERMS AND CONDITIONS

Customer's bills for service under this tariff shall be rendered and payments due in accordance with the Payment of Bills and Late Payments section of the Customer Terms and Conditions.

Revenue associated with the application of Rider CEAC must be recorded separately by the Company.

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service, Tax Additions, and Supplemental Customer Charge Tariffs of this Schedule, as well as any other applicable Rates, Riders, taxes, adjustments, fees or charges that may be approved by the ICC from time to time and are in effect.

Subsection (d-5) of Section 1-75 of the IPA Act becomes inoperative on January 1, 2028; however, applicable subsequent charges or credits associated with Rider CEAC may continue after this date.

If the Company terminates any contract executed under Subsection (d-5) of Section 1-75 of the IPA Act, it shall be entitled to recover any remaining balance associated with the purchase of Zero Emission Credits prior to termination of this Rider. In addition, the Company shall also apply a credit to its Retail Customer bills in the event of any over-collection.

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