
RIDER REA – RENEWABLE ENERGY ADJUSTMENT

APPLICABILITY

This Rider is applicable to all Customers taking service under this Electric Service Schedule.

PURPOSE

The purpose of this Rider is to provide for the recovery of all of the costs associated with the purchase of renewable energy credits to meet the renewable energy resource standards of subsection 1-75(c) of the Illinois Power Agency Act (IPA Act) and Section 16-111.5 of the 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:

* **Approved Self-Direct Customer**

Approved Self-Direct Customer means an Eligible Self-Direct Customer that applies and has been approved by the IPA to participate in the self-direct renewable portfolio standard compliance program, as outlined in the IPA's LTRRPP.

Delivery Year

Delivery Year means the 12 consecutive month Billing Periods beginning June and ending May of the following year.

* **Eligible Self-Direct Customer**

An Eligible Self-Direct Customer means a retail customer that meets the criteria listed in Section 1-75(c)(1)(R) of the IPA Act and applicable LTRRPP prepared by the IPA in compliance with an applicable ICC final Order.

* **LTRRPP**

LTRRPP means Long Term Renewable Resources Procurement Plan developed by the IPA and approved by the Illinois Commerce Commission (ICC) in accordance with Section 1-56 and subsection 1-75(c) of the IPA Act.

* **RE Contracts**

RE Contracts means contractual agreements under which the Company is obligated to procure renewable energy credits in accordance with the LTRRPP and other applicable contractual agreements existing prior to June 1, 2017, under which the Company has been obligated to procure renewable energy resources in accordance with Section 16-111.5 of the Act.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

Reconciliation Year

Reconciliation Year means the Delivery Year that began six (6) years prior to June of the current Delivery Year. The first Reconciliation Year is for the Delivery Year beginning June 2017, which will be initiated prior to September 2023 during the Delivery Year beginning June 2023.

DETERMINATION OF RENEWABLE ENERGY ADJUSTMENT

Beginning with the July 2017 Billing Period and extending through the May 2018 Billing Period, the Renewable Energy (RE) Adjustment is (a) 0.196 cents per kWh (¢/kWh) for Customers taking service under Rider BGS – Basic Generation Service (Rider BGS) and (b) 0.098 ¢/kWh for all other Customers. These values are derived by escalating the value determined in subparagraph 1-75(c)(1)(E) of the IPA Act pursuant to PA 99-0906, or 0.18054 ¢/kWh, by the ratio of projected electricity sales for the twelve months of June 2017 through May 2018 divided by projected electricity sales for the eleven months of July 2017 through May 2018 for each respective group.

For the June 2018 Billing Period and extending through the May 2019 Billing Period, the RE Adjustment is (a) 0.181 ¢/kWh for Customers taking service under Rider BGS and (b) 0.135 ¢/kWh for all other Customers.

For the June 2019 Billing Period and extending through the Billing Periods up until a new RE Adjustment is approved by the Commission to incorporate changes to subparagraph 1-75(c)(1)(E) of the IPA Act pursuant to PA 102-0662 and implemented by the Company, the RE Adjustment is 0.181 ¢/kWh for all Customers.

For the first Billing Period after Commission approval incorporating changes to subparagraph 1-75(c)(1)(E) of the IPA Act pursuant to PA 102-0662, provided such Commission approval occurs 5 business days prior to the first Billing Period, otherwise beginning in the subsequent Billing Period, extending through the August 2023 Billing Period, the RE Adjustment is 0.458 ¢/kWh for all Customers.

Beginning in 2023, starting with the September Billing Period, the RE Adjustment, in ¢/kWh rounded to the thousandths of a cent, shall be calculated in accordance with the formula below. The RE Adjustment may change starting with each June and September monthly Billing Period thereafter from applying RE Adjustment formula calculations as follows:

$$\text{RE Adjustment} = 0.458\text{¢/kWh} + [\text{OA/OU} + \text{BA/BU}] \times 100\text{¢/\$1}$$

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

Where:

OA = Ordered Amount, in dollars, equal to an amount (a) ordered by the ICC or (b) determined by the Company that is to be refunded to or collected from Customers to correct for errors associated with the computation of a previously applied RE Adjustment. Such amount includes interest charged at the rate established by the ICC in accordance with 83 Ill. Adm. Code 280.40(g)(1) from the end of the applicable review period through the start of the monthly Billing Period during which the OA is included in the determination of the RE Adjustment or as specified by an ICC Order. OA may be subject to amortization and incorporated into the determination of multiple RE Adjustments.

OU = Ordered Usage, in kWh, equal to the electricity forecasted to be delivered to Customers during the monthly Billing Periods during which the OA is applicable.

* BA = Balancing Amount, in dollars, equal to zero dollars (\$0.00) for RE Adjustments applicable during the June, July, and August monthly Billing Periods, otherwise equal to an amount determined in accordance with the following equation:

$$BA = ((AC + PC + PO) + BA_p + OA_p - CR)$$

Where:

* AC = Actual Costs, in dollars, equal to the total expenditures the Company incurred during the Reconciliation Year that were associated with the procurement of renewable energy credits, including but not necessarily limited to payments made for the procurement of renewable energy credits and reasonable costs the Company incurred as part of the renewable energy procurement processes and to implement and comply with plans and processes approved by the ICC to effectuate subsection 1-56(b) and subsection 1-75(c) of the IPA Act and Section 16-111.5 of the Act, as applicable.

* PC = Pending Costs, in dollars, equal to an amount up to total expenditures of Actual Costs the Company incurred during any of the following five (5) Delivery Years following the Reconciliation Year, in an amount up to the total RE Adjustment Funds collected from Customers in the Reconciliation Year, less AC in the Reconciliation Year. Pending Costs from subsequent Delivery Years shall be used from oldest to newest.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

- * PO = Payment Obligation, in dollars, equal to an amount up to the amount of payment obligations required by any contracts entered into by the Company under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the IPA Act, even if such payments have not yet been made and regardless of the Delivery Year in which those payments obligations were incurred, provided such obligations have not been reflected in expenditures incurred and reflected in AC or PC. Moreover, the Company shall not be required to compute the total amount of PO and may reflect the PO as zero (\$0) for purposed of calculating this BA, when the sum of AC and PC equals or exceeds CR.

- * BA_p = Prior Balancing Amount, in dollars, equal to the BA used to determine the RE Adjustment(s) applicable beginning with the September monthly Billing Period of the Reconciliation Year.

- * OA_p = Prior Ordered Amount, in dollars, equal to the OA or portion of the OA, as applicable, used to determine the RE Adjustment(s) applicable during monthly Billing Periods corresponding to months in the Reconciliation Year.

- * CR = Cost Recoveries, in dollars, equal to the revenues billed due to the application of RE Adjustment(s) during the Reconciliation Year. In accordance with Section 16-108(k) of the Act, CR shall also include interest earned from depositing funds collected during Delivery Years commencing June 2017, June 2018, June 2019, June 2020, and each applicable period of time following the enactment of PA 102-0662 into an interest bearing account, provided that the Company shall first be reimbursed from the interest for the administrative costs incurred to administer and manage the account. Also, any taxes due on the funds in the interest bearing account or interest earned on said funds will be paid from the account, or if insufficient monies are available in the account, from monies subsequently collected under this Rider.

- *

BU = Balance Usage, in kWh, equal to the electricity forecasted to be delivered to Customers during the monthly Billing Period during which the BA is applicable.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

Notwithstanding the previous provisions of this Determination of the Renewable Energy Adjustment section, for a Customer that obtains electric power and energy supply service from an Alternative Retail Electric Supplier (ARES) that meets the requirements of items (i) through (iii) in subsection 1-75(c)(1)(H) of the IPA Act, the RE Adjustment applicable to such Customer in delivery year, X, is reduced in the following delivery year, X + 1, by a credit provided to such customer's ARES in an amount, in dollars, such that the RE Adjustment for delivery year X is equivalent to (a) the otherwise applicable RE Adjustment determined in accordance with the previous provisions of this Determination of the Renewable Energy Adjustment section multiplied by (b) 1 minus the following quotient: (c) the quantity of renewable energy credits supplied by such ARES and divided by (d) such ARES's target renewable energy credit quantity.

Such credit provided to such customers' ARES must be determined by the Company by multiplying (a) the otherwise applicable RE Adjustment determined in accordance with the previous provisions of this Determination of the Renewable Energy Adjustment section by (b) the total ARES customer usage for delivery year X and multiplying (c) the quotient of (d) the quantity of RECs supplied by such ARES divided by (e) such ARES's target REC quantity. The total ARES customer usage for delivery year X must be the meter usage for such ARES. The Company must electronically provide the total credit to each ARES that meets the requirements of items (i) through (iii) in subsection 1-75(c)(1)(H) of the IPA Act by September 1 in delivery year X+1. Such ARES customers' supply charges and any adjustments to supply charges must account for the value of the RECs supplied by an ARES that meets the requirements of items (i) through (iii) in subsection 1-75(c)(1)(H) of the IPA Act such that the otherwise applicable RE Adjustment is the maximum such ARES customer would pay on a kilowatt-hour basis for the applicable renewable portfolio standard, as described in subsection H, ARES Supplied Renewable Energy Credits, of Section 13, Miscellaneous General Provisions, of the Company's Supplier Terms and Conditions tariff provisions.

Generally, in accordance with subsection 16-108(k) of the Act and the Informational Filing section below, RE Adjustments are updated to incorporate the BA and OA, as applicable.

Moreover, the RE Adjustment may be revised by the Company in accordance with this Determination of the Renewable Energy Adjustment section if the Company determines such revised RE Adjustment results in a better match between the Company's applicable expected costs and its recovery of those costs.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

APPLICATION OF THE RENEWABLE ENERGY ADJUSTMENT

- * The RE Adjustment is applicable to each kWh delivered to each Customer during the monthly Billing Period during which the RE Adjustment is effective. The amount resulting from such application of the RE Adjustment must be shown as a separate line item on each electric service bill for each such Customer, as applicable. Such line item is designated as the Renewable Energy Adjustment.

RENEWABLE SELF-DIRECT ADJUSTMENT

- * In its (LTRRPP), the IPA shall establish a self-direct renewable portfolio standard compliance program for Eligible Self-Direct Customers that purchase renewable energy credits from utility-scale wind and solar projects through long-term agreements for purchase of renewable energy credits as described in Section 1-75(c)(1)(R) of the IPA Act.

Starting with Delivery Year beginning with June 1, 2023, a retail customer may become an Approved Self-Direct Customer and begin receiving compensation.

*

- * **Compensation for Approved Self-Direct Customers**

The IPA will determine the Renewable Self-Direct Adjustment rate in a cents per kilowatt-hour value, rounded to the thousandths of a cent, and include the rate in their compliance filing that will be submitted to the Commission prior to the June 2023 Billing Period, and annually prior to every June thereafter. If the Company does not receive a new Renewable Self-Direct Adjustment rate from the IPA by May 20th prior to the beginning of the Delivery Year, the existing Renewable Self-Direct Adjustment rate will remain in effect and any new Renewable Self-Direct Adjustment rate will go into effect the next Billing Period after the Renewable Self-Direct Adjustment rate is provided to the Company by the IPA or the ICC.

The IPA shall also provide the Company with the list of Approved Self-Direct Customers and accompanying account information necessary to identify Approved Self-Direct Customers by May 1 prior to the beginning of each Delivery Year, starting in 2023. If the Company does not receive the list of Approved Self-Direct Customers from the IPA by May 1st prior to the Delivery Year, the Renewable Self-Direct Adjustment rate will apply to the current list of Approved Self-Direct Customers. If the Company does not receive a new list of Approved Self-Direct Customers to the Company by May 1st, the Company will apply the Renewable Self-Direct Adjustment rate to current list of Approved Self-Direct Customers.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

*** Compliance Requirements**

Approved Self-Direct Customers must meet the Compliance Reporting Requirements established in the IPA's LTRRPP. If a customer receives the Renewable Self-Direct Adjustment but fails to properly procure and retire renewable energy credits as required under Section 1-75(c)(1)(R) of the IPA Act, the Commission, on petition from the IPA and after notice and hearing, may direct the Company to recover the cost of the wrongfully received self-direct credits plus interest through an adder to charges assessed pursuant to Section 16-108 of the Public Utilities Act. Approved Self-Direct Customers who knowingly fail to properly procure and retire renewable energy credits and do not notify the IPA are ineligible for continued participation in the self-direct renewable portfolio standard compliance program. The IPA will notify the Company if an Approved Self-Direct Customer becomes ineligible, and when ineligibility shall begin. The Commission shall determine the cost of any wrongfully received credits and the Company shall recover those costs through a fixed charge (in dollars) over the period of time determined by the Commission.

***APPLICATION OF THE RENEWABLE SELF-DIRECT ADJUSTMENT**

The Renewable Self-Direct Adjustment is applicable to each kWh delivered to each Approved Self-Direct Customer during the monthly Billing Period during which the Renewable Self-Direct Adjustment is effective. The amount resulting from such application of the Renewable Self-Direct Adjustment must be shown as a separate line item on each electric service bill for each such Customer, as applicable. Such line item is designated as the Renewable Self-Direct Adjustment.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

ANNUAL REVIEW AND RECONCILIATION

Annual Audit Report

In calendar year 2021, the Company must conduct an audit of its costs and the recoveries associated with such costs for the four (4) Delivery Years beginning June 1, 2017 and extending through May 31, 2021, during which period the Company procured renewable energy credits. Thereafter, beginning in 2022, following the completion of a Delivery Year, the Company will conduct an internal audit of its costs and recoveries of such costs pursuant to this Rider. The audit shall determine if 1) the Renewable Energy Adjustments and Renewable Self-Direct Adjustments, as applicable, are properly billed to Customers; 2) the costs recovered through the Renewable Energy Adjustment Rider are properly reflected in the calculation of Renewable Energy Adjustments; 3) costs recovered through the Rider REA – Renewable Energy Adjustment are recorded in the appropriate accounts; 4) accounting controls are effectively preventing the double recovery of costs through Rider REA – Renewable Energy Adjustment and through other means; and 5) costs recovered through Rider REA – Renewable Energy Adjustment are properly reflected in the annual reconciliation. The above list of determinations does not limit the scope of the audit. Such report must be submitted to the ICC and provided to ICC.AccountingMgr@illinois.gov. The audit report shall be submitted no later than October 31, 2021

By October 31, 2023, the Company must conduct an audit of its costs and recoveries associated with costs for an additional two (2) Delivery Years beginning June 1, 2021 and extending through May 21, 2023 addressing the five (5) objectives listed above. Such audit shall also determine if (6) any costs incurred in the five (5) Delivery Years following the Reconciliation Year are properly reflected in the annual reconciliation, if applicable. Audits shall be completed annually thereafter, and submitted to the ICC by October 31 after completion of the Delivery Year. Such report must be verified by an officer of the Company.

Reconciliation

In calendar year 2023, the Company must file a petition with the ICC that requests the ICC to initiate a Renewable Energy Adjustment reconciliation proceeding before August 31 of such calendar year. The initial reconciliation shall be for the Delivery Year beginning June 1, 2017 and extending through May 31, 2018, in accordance with Subsection 16-108(k) of the Act as amended in PA 102-0662. Thereafter, beginning in 2024, following the completion of a Delivery Year, the Company shall file a petition on or before August 31 of such calendar year with the ICC requesting that the ICC initiate a reconciliation proceeding for the next unreconciled Delivery Year.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

At the conclusion of such proceeding, the ICC determines the amount and timing of an OA, if any, to include in the determination of subsequent RE Adjustments determined in accordance with the provisions of the Determination of the Renewable Energy Adjustment section of this Rider in order to correct for errors in RE Adjustments applied during the June through May monthly Billing Periods addressed in the proceeding. Any such OA is determined to the extent that any such error has not been already reflected in an applicable BA or OA determined by the Company. After any such OA is determined by the ICC, the Company must reflect such OA in the determination of RE Adjustments in accordance with an order entered by the ICC that provides the terms under which the OA is to be reflected in the determination of RE Adjustments.

Moreover, the Company shall also provide the Staff of the ICC annual reports in August of 2018, 2019, 2020 and in September 2021 showing Actual Costs and Cost Recoveries. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to ICC.AccountingMgr@illinois.gov.

INFORMATIONAL FILING

- * The amount of Renewable Energy Adjustment, as applicable, shall be shown on an informational filing supplemental to this Rider. An informational filing update to the Renewable Energy Adjustment shall be filed to be effective with the first Billing Period after Commission approval incorporating changes to subparagraph 1-75(c)(1)(E) of the IPA Act pursuant to PA 102-0662. An informational filing will be submitted prior to June 2023 Billing Period and every June thereafter to show the amount of the Renewable Self-Direct Adjustment. A subsequent informational filing will be submitted prior to the September 2023 Billing Period to incorporate any nonzero BAs. Thereafter, an informational filing will be filed with the ICC at least once annually prior to the Delivery Year and prior to the September monthly Billing Period, and shall not be filed later than the 20th day of the month immediately preceding the period during which such RE Adjustment or Renewable Self-Direct Adjustment is to be applicable.

If the Company revises an RE Adjustment to provide for a better match between the Company's applicable expected costs and its recovery of those costs or to incorporate a corrective value in an OA, or the ICC orders or changes an OA to be included in the determination of an RE Adjustment value, the resultant revised RE Adjustment value must be submitted by the Company to the ICC in an informational filing no later than the 20th day of the month prior to the monthly Billing Period during which such revised RE Adjustment value becomes applicable.

RIDER REA – RENEWABLE ENERGY ADJUSTMENT

An informational filing submitted after the 20th day of the month immediately preceding the Billing Period during which such RE Adjustment is to be applicable but prior to the first day of the Billing Period will be accepted only if it corrects an error or errors for a timely filed report for the same Billing Period. Any other informational filing submitted after that date will 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 applicable Renewable Energy Adjustments. Unless otherwise required, each Renewable Energy Adjustment shall become effective as indicated on the informational filing and shall remain in effect for all kWh billed during the Delivery Year or remainder of Delivery Year, as applicable.

TERMS AND CONDITIONS

Revenue associated with the application of RE Adjustments and Renewable Self-Direct Adjustments must be recorded separately by the Company.

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.

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.

Date of Filing, February 10, 2023

Date Effective, March 27, 2023

Issued by L.P. Singh, Chairman & President
10 Richard Mark Way, Collinsville, IL 62234

*Asterisk denotes change