

REPORT OF COMMUNICATIONS WITH THE ILLINOIS POWER AGENCY

This form must be completed and submitted to the Illinois Procurement Policy Board within 30 days for each communication report required by 30 ILCS 500/50-39. Submit reports to:

PROCUREMENT POLICY BOARD
511 W. CAPITOL AVENUE, SUITE 102
SPRINGFIELD, IL 62704

Or you may send a signed, scanned copy via email with *"IPA Communication Report"* in the Subject line to: ppb@illinois.gov

Date of Communication: July 2, 2012 Time of Communication: 10:00 a.m.

Type of Communication:

- Telephone
 In Person
 Electronic (Email, Fax, Etc.) – Attach A Complete Copy of the Entire Communication String
 Written – Attach Copy
 Other



Initiator:

Initiator of Communication: Arlene Juracek
Representing: Illinois Power Agency
Location: Michael A. Bilandic Bldg., 160 N. LaSalle, Chicago, Illinois

Email Address (if communication was via email)

Telephone Number (if telephonic):

Is this person a Lobbyist required to register under the Lobbyist Registration Act

Duration of Call or In-Person Communication: 1 hour

Yes No

Recipient(s): *(If there are additional persons involved in the communication, attach an additional sheet that lists the other participants' names, job titles, which entity they represent, email address and/or telephone number, if applicable)*

Recipient One Name: See attached Addendum for meeting participants

Recipient Title:

Representing:

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

Recipient Two Name:

Recipient Title:

Representing:

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

Recipient Three Name:

Recipient Title:

Representing:

Location:

Email Address (if communication was via email)

Telephone Number (if telephonic):

If any of these additional participants are lobbyists required to register under the Lobbyist Registration Act, **they** must submit a written report to be submitted with this communications report to the Procurement Policy Board that memorializes the communication that includes, but is not limited to (i) the date and time of each communication; (ii) the identity of each person from whom the written or oral communication was received, the individual or entity represented by that person, and any action the person requested or recommended; (iii) the identity and job title of the person to whom each communication was made; (iv) if a response is made, the identity and job title of the person making each response; (v) a detailed summary of the points made by each person involved in the communication; (vi) the duration of the communication; (vii) the location or locations of all persons involved in the communication and, if the communication occurred by telephone, the telephone numbers for the callers and recipients of the communication; and (viii) any other pertinent information.

Communication Details:

Provide a detailed summary of the points made by each person involved in the communication:

See attached Addendum for meeting summary

Was a response made? If so, complete the following for each person making the response (attach an additional sheet that lists the other respondents' names, job titles, which entity they represent, email address and/or telephone number, if applicable):

Respondent Name:

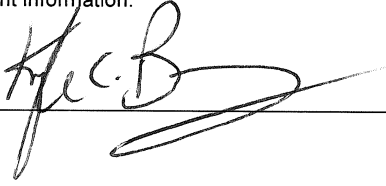
Respondent Title:

Location:

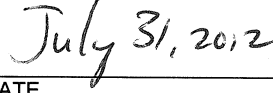
Telephone Number (if telephonic):

Provide a detailed summary of the response:

Other pertinent information:

A handwritten signature in black ink, appearing to be "H. C. B.", written over a horizontal line.

SIGNATURE

A handwritten date "July 31, 2012" written in black ink above a horizontal line.

DATE

Addendum to Communications Report with Illinois Power Agency for May 4, 2012 Meeting

On July 2, 2012, the Acting Director of the Illinois Power Agency, Arlene Juracek, hosted a meeting with officials at ComEd and Ameren, as well as officials representing various ARES, and representatives of the FutureGen Industrial Alliance at the Chicago office of Kelley, Drye & Warren.

Meeting Participants:

Name	Employer	Party represented
Arlene Juracek	Acting Director, Illinois Power Agency	Illinois Power Agency
Michael Strong	Illinois Power Agency	Illinois Power Agency
Henry Kelly	Kelley Drye & Warren	Illinois Power Agency
Michael Borovik	Kelley Drye & Warren	Illinois Power Agency
Kyle Barry	McGuire Woods	FutureGen Industrial Alliance
John Buchovecky	Van Ness Feldman	FutureGen Industrial Alliance
Paul Champagne	Acting Project Director, FutureGen Industrial Alliance, Inc., and President, PKM Energy Consulting, LLC	FutureGen Industrial Alliance
Bill McNeil	Commonwealth Edison	Commonwealth Edison
Tom Russell	Commonwealth Edison	Commonwealth Ediston
Stephen Lesniak	Commonwealth Edison	Commonwealth Edison
Richard McCartney	Ameren	Ameren
Jim Blessing	Ameren	Ameren
Brian Harms	Troutman Sanders	Ameren
John Gomoll	Ameren Energy Marketing	Ameren Energy Marketing
Kevin Wright (via telephone)	Illinois Competitive Energy Association	Illinois Competitive Energy Association
Gavin McCarty	Shefsky & Froelich	Illinois Competitive Energy Association
Ray Boston	Noble Americas	Noble Americas
David Fein	Exelon Generation	Exelon Generation
Mark McGuire (via telephone)	MC2 Energy Services	MC2 Energy Services
Cynthia Brady (by telephone)	Constellation Energy	Constellation Energy
Brenda Crockett (by telephone)	Champion Energy Services	Champion Energy Services
Lori (via telephone)	First Energy Solutions	First Energy Solutions

Teresa Ringenbach (via telephone)	Direct Energy	Direct Energy
Melissa Lauderdale (via telephone)	IntegrYS Energy Services	IntegrYS Energy Services

Summary of Substantive Content of Communication:

The participants discussed the following substantive matters/issues during the meeting:

- Director Juracek and Mr. Strong provided an introduction.
- Mr. Buchovecky provided an update on the status of the draft sourcing agreement. He advised that the Alliance had inserted true-up provisions into the draft agreement. He advised interested parties that the Alliance was more than willing to consider additional changes to the draft agreement and invited parties to submit proposed changes.
- Mr. Kelly raised a question about whether the proposed sourcing agreement would be considered a derivative under the Dodd Frank Act. Mr. Buchovecky said no conclusion had been reached on that question.
- Director Juracek pointed out that the settlement point was in MISO’s territory, and she asked whether that would work for ComEd. Mr. Lesniak indicated that ComEd should be able to make that work
- Mr. Blessing advised that there are complications associated with physical delivery. He said that as a result, Ameren was leaning toward a preference for financial settlement. Director Juracek stated that financial settlement would be preferable from a practical perspective.
- Mr. Boston asked to which node the project will deliver electricity. Mr. Champagne advised that it will be the Indiana hub.
- Mr. Champagne provided an overview of the clean coal rate adjustment (CCRA) concept. He indicated that the CCRA will be applied as a per megawatt charge. Mr. Champagne stated that the forecast for the adjustment would be on a month-to-month basis and that the mechanism has a true-up component. He stated that the CCRA allows for load adjustments and also adjusts for forward price of energy. He stated that the concept allows for a forward view, but includes a true-up mechanism. Mr. Champagne indicated that obtaining access to prompt, aggregate data would be important.
- Mr. Boston asked about what would happen after financial settlement, and whether there will be a mechanism to have a true-up after the final true-up. Mr. Champagne said the Alliance was open to a final-final true-up to make sure that costs are allocated properly.
- Mr. Kelly asked whether the Alliance would be able to provide credits to counter-party buyers, and whether this might affect the ability of the project to obtain financing. Mr. Champagne stated that the project will still be able to

obtain financing because the total revenue requirement is satisfied and that the Alliance has a contractual obligation to pay the difference.

- Mr. Lesniak advised that ComEd can generally work with the CCRA concept. Mr. Blessing stated that Ameren is also generally okay with the CCRA concept, but that Ameren was concerned that the “denominator” number, or number of buyers, is too large; instead, he said the calculation should account for all load in the state. Mr. Blessing emphasized that it is important to make the concept competitively neutral. Mr. Wright advised that the concepts discussed during the meeting were better than those presented in the first meeting, but that he had not discussed the issues with his members. Mr. Boston also advised that he had not discussed the issues with his members. Mr. Fein stated that there is some uncertainty about the authority of the ICC to compel the ARES to enter into the sourcing agreement. Ms. Lauderdale stated that Integrys was not ready to accept that the ARES could be forced to sign the sourcing agreement, but she stated that the current draft was better than the one that was first presented. Director Juracek described the CCRA concept as effectively a clean coal REC.
- Mr. Fein asked about the frequency of the CCRA true-up mechanism. Mr. Champagne proposed a quarterly approach. Director Juracek asked the ComEd and Ameren representatives whether they had access to a total zone forecast. Mr. Blessing answered yes, and stated that MISO is providing such an analysis. Mr. Kelly asked whether MISO’s data would be acceptable from Ameren’s standpoint for purposes of the true-up, and Mr. Blessing said yes. Mr. Lesniak also stated that MISO could provide a breakdown per load zone.
- Mr. Fein asked about the status of funding from the State of Illinois for the project. Mr. Champagne stated that the State had committed grant funds.
- Director Juracek discussed the timeline going forward. She advised that the IPA will be working hard to prepare a draft power procurement plan by Aug. 15th. She requested comments on the proposed sourcing agreement by the end of July. She advised that Levitan and Associates would be preparing benchmarks to evaluate the costs of the project. Director Juracek advised that the benchmarks would be based on cost component information supplied by the Alliance. She said the benchmarks will be based on the costs to build a plant like FutureGen 2.0.