RIDER REA
RENEWABLE ENERGY ADJUSTMENT

Applicable to Rates BES, BESH, and RDS

APPLICABILITY.
This rider is applicable to all retail customers.

PURPOSE.
* The purpose of this rider is to effectuate provisions in subsection 16-108(k) of the Public Utilities Act (Act) to allow the Company to recover all the costs it incurs associated with the procurement of renewable energy credits to meet the requirements of both subsection 1-75(c) of the Illinois Power Agency (IPA) Act and Section 16-111.5 of the Act.

DEFINITIONS.
Generally, definitions of terms used in this rider are provided in the Definitions part of the General Terms and Conditions of the Company’s Schedule of Rates. The following definitions are for use in this rider:

* **Delivery Year**
  Delivery Year means the annual period beginning June 1 in one calendar year and extending through May 31 in the next calendar year.

* **RRPP**
  RRPP means the renewable resources procurement plan developed by the IPA and approved by the Illinois Commerce Commission (ICC) in accordance with both Section 1-56 and subsection 1-75(c) of the IPA Act.

* **Renewable Energy Credit**
  Renewable Energy Credit (REC) means a tradable credit that represents the environmental attributes of one megawatt hour (equivalent to 1,000 kilowatt-hours (kWhs)) of energy produced from a renewable energy resource as defined under Section 1-10 of the IPA Act.

* **RE Contracts**
  RE contracts mean contractual agreements under which the Company is obligated to procure RECs in accordance with the renewable resources procurement plan (RRPP) and other applicable contractual agreements executed 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.

* **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 THE RENEWABLE ENERGY ADJUSTMENT.**
  For the monthly billing periods beginning with the October 2021 monthly billing period and extending through the January 2022 monthly billing period, the Renewable Energy (RE) Adjustment is 0.189 cents per kilowatt-hour (¢/kWh) for all retail customers.

(Continued on Sheet No. 235.1)
DETERMINATION OF THE RENEWABLE ENERGY ADJUSTMENT (CONTINUED).

* Beginning with the February 2022 monthly billing period, the RE Adjustment is 0.502 ¢/kWh for all retail customers.

* Beginning in 2023, starting with the September monthly billing period, the RE Adjustment, in ¢/kWh rounded to the thousandths of a cent, shall be calculated in accordance with the equation below. The RE Adjustment may change starting with each June and September monthly billing period thereafter from applying the following RE Adjustment equation:

\[
\text{RE Adjustment} = \frac{0.502\varepsilon}{\text{kWh}} + \left[\frac{\text{OA}}{\text{OU}} + \frac{\text{BA}}{\text{BU}}\right] \times \frac{100\varepsilon}{\$1}
\]

Where:

\( \text{OA} = \) Ordered Amount, in $, equal to any adjustment (a) directed by the ICC or (b) determined by the Company that is to be refunded to or collected from retail customers to correct for errors associated with the computation of a previously applied RE Adjustment. Such amount includes interest at the rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.40(g)(1). Such interest is calculated for the period of time beginning on the first day of the effective period during which such RE Adjustment was applied and extending through the day prior to the start of the effective period in which the OA is applied. OA may be subject to amortization and incorporated into the determination of multiple RE Adjustments.

\( \text{OU} = \) Ordered Usage, in kWh, equal to the electricity forecasted to be delivered to retail customers during the monthly billing periods during which the OA is ordered to be applicable.

(Continued on Sheet No. 235.2)
DETERMINATION OF THE RENEWABLE ENERGY ADJUSTMENT (CONTINUED).

* BA = Balancing Amount, in $, equal to zero dollars ($0.00) for RE Adjustments applicable during June, July, and August monthly billing periods; otherwise the BA determined in August of a given year, and effective beginning with the immediately following September monthly billing period, is equal to an amount determined in accordance with the following equation:

\[
BA = \left( (AC + AC_s) + BA_p + OA_p - CR \right) \times (1 + i)
\]

Notwithstanding the previous provisions of this definition, all unspent funds as of May 31, 2021, except those credited in the September 2021 monthly billing period, shall remain in the utility account and shall on a first in, first out basis be used toward utility payment obligations under contracts described in subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of the IPA Act.

If the BA equation results in a negative value for a given period, then the payment obligations required by any contracts entered into by the Company under subsection (b) of Section 1-56 and subsection (c) of Section 1-75 of IPA Act shall be applied against such negative value until the BA is equal to no more than zero, even if such payments have not yet been made and regardless of the Delivery Year in which those payment obligations were incurred.
**DETERMINATION OF THE RENEWABLE ENERGY ADJUSTMENT (CONTINUED).**

Where:

\[ AC = \text{Actual Costs, in $, equal to the total expenditures the Company incurred during the Reconciliation Year, including but not limited to (a) payments made for the procurement of RECs and reasonable costs the Company incurred as part of the renewable energy procurement processes and to implement and comply with plans and processes approved by the ICC to effectuate subsection 1-56(b) and subsection 1-75(c) of the IPA Act and subsection 16-108.12(a) and Section 16-111.5 of the Act, as applicable; and (b) costs identified through the use of a wages and salaries allocator calculated as initially directed by the ICC in its Order in Docket No. 11-0721, dated May 29, 2012, with any subsequent value of such allocator as approved by the ICC in its order in the Company’s most recent rate or Rate DSPP annual update case, or as otherwise provided by law, as applicable.} \]

Notwithstanding the previous provisions of this definition, to the extent that the maximum allowed RE Adjustment value prohibits the recovery of Actual Costs, the costs will be deferred for that Delivery Year and such unrecovered Actual Costs shall be included in AC in the following Delivery Year.

\[ AC_s = \text{Subsequent Actual Costs, in $, equal to an amount up to total expenditures of Actual Costs the Company incurred during any of the subsequent five (5) Delivery Years following the Reconciliation Year, in an amount up to the total Cost Recoveries collected from retail customers in the Reconciliation Year, less AC in the Reconciliation Year. Subsequent Actual Costs from such subsequent Delivery Years shall be included, from oldest to newest.} \]
ILL. C. C. No. 10
Commonwealth
ELECTRICITY
Edison Company
4th Revised Sheet No. 235.4
(Canceling 3rd Revised Sheet No. 235.4)

RIDER REA
RENEWABLE ENERGY ADJUSTMENT

(Continued from Sheet No. 235.3)

DETERMINATION OF THE RENEWABLE ENERGY ADJUSTMENT (CONTINUED).

* \( BA_p \) = Prior Balancing Amount, in $, 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 $, 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 $, equal to the sum of (a) revenues billed due to the application of RE Adjustment(s) during the Reconciliation Year, including the application of a negative RE Adjustment, and (b) applicable interest earned on revenues received through the application of RE Adjustment(s) that are held in an interest bearing account as described in subsection 16-108(k) of the Act, minus the sum of (a) the administrative costs that the Company incurs to administer and manage such interest bearing account, (b) any taxes due on such funds in such interest bearing account, and (c) any taxes due on the interest earned on such funds in such interest bearing account.

\( i \) = Interest, in decimal format, equal to the applicable interest rate established by the ICC in accordance with 83 Illinois Administrative Code Section 280.40(g)(1).

* \( BU \) = Balance Usage, in kWh, equal to the electricity forecasted to be delivered to retail customers during the monthly billing periods during which the BA is applicable.

(Continued on Sheet No. 235.5)
* DETERMINATION OF THE RENEWABLE ENERGY ADJUSTMENT (CONTINUED).

Notwithstanding the previous provisions of this Determination of the Renewable Energy Adjustment section, for the June 2017 through January 2022 monthly billing periods the annual weighted average of RE Adjustments may not be greater than 0.189¢/kWh and beginning with the February 2022 monthly billing period the annual weighted average of RE Adjustments may not be greater than 0.502¢/kWh with such average value determined based on the (a) annual period beginning with a June monthly billing period and extending through the following May monthly billing period and (b) weighting of kWh delivered.

Notwithstanding the previous provisions of this Determination of the Renewable Energy Adjustment section, for a retail 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 retail 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 $, 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 RECs supplied by such ARES divided by (d) such ARES’s target REC quantity, reduced by a computed share of RECs provided by Self-Direct Customers.

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, reduced by IPA-approved customer usage for RECs supplied by Self-Direct Customers 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, reduced by a computed share of RECs provided by Self-Direct Customers. 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 kWh basis for the applicable renewable portfolio standard, as described in the Alternative Retail Electric Supplier Supplied Renewable Energy Credits section of Rate RESS – Retail Electric Supplier Service (Rate RESS).
Determination of the Renewable Energy Adjustment (Continued).

Generally, beginning in calendar year 2024 after the determination of the BA in August 2023, RE Adjustments are updated in May of each calendar year to be applicable beginning with the June monthly billing period corresponding to the start of the Delivery Year beginning in such calendar year. Updates to such RE Adjustments are subsequently determined in August of such calendar year to incorporate the BA, as applicable. In addition, an RE Adjustment may be revised in order to incorporate a correction in an OA as determined by the Company or in accordance with an ICC Order issued in a proceeding as described in the Annual Review and Reconciliation section of this rider directing the Company to include an OA. 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

(Continued from Sheet No. 235.6)

* SELF-DIRECT RENEWABLE PORTFOLIO COMPLIANCE PROGRAM.
Pursuant to subsection 1-75(c)(1)(R) of the IPA Act, a retail customer account(s) that meet the requirements of such subsection may submit an application to the IPA to become a Self-Direct Customer.

Self-Direct Customer
A Self-Direct Customer is an entity with a single or multiple retail customer account(s) under the same corporate parent that has been designated as such by the IPA through the IPA’s approval of an application to become a Self-Direct Customer. Such Self-Direct Customer must meet the criteria listed in subsection 1-75(c)(1)(R) of the IPA Act, which includes but is not limited to, the following:

a. Demonstrates that its account with the Company, or that such account aggregated with one or more other retail customer accounts related by virtue of a common corporate parent, established a thirty (30) minute demand of at least 10,000 kilowatts (kW) in a single monthly billing period during the twelve (12) consecutive billing periods prior to the start of the Delivery Year in which the retail customer filed its application with the IPA to become a Self-Direct Customer;

b. Purchases RECs from new utility-scale wind or solar projects, consistent with the requirements of subsection 1-75(c)(1)(R) of the IPA Act, through long-term agreements with term lengths of at least 10-years consistent with all requirements of the self-direct renewable portfolio standard compliance program as determined by the IPA;

c. Procures a volume of RECs that is equal to at least 40% of the retail customer’s kWh usage, determined annually by aggregating the total kWh usage for each account identified in the retail customer’s application during the previous Delivery Year, measured to the nearest megawatt-hour (MWh);

d. Provides the Company with its Self-Direct Customer application form, approved by the IPA, no later than thirty (30) days prior to the start of the Delivery Year to which the customer seeks to begin receiving credits under the self-direct renewable portfolio standard compliance program pursuant to subsection 1-75(c)(1)(R) of the IPA Act;

e. Files an annual compliance report with the IPA pursuant to the terms established by the IPA; and

f. Continues to meet all requirements set by the IPA, ICC and applicable law to be a Self-Direct Customer.

(Continued on Sheet No. 235.8)
RIDER REA
RENEWABLE ENERGY ADJUSTMENT

(Continued from Sheet No. 235.7)

* SELF-DIRECT RENEWABLE PORTFOLIO COMPLIANCE PROGRAM (CONTINUED).

Credit for Self-Direct Customers
A Self-Direct Customer will receive a ¢/kWh credit for its purchase of RECs as determined pursuant to subsection 1-75(c)(1)(R) of the IPA Act. The approved RECs procured by a Self-Direct customer will be converted to a kWh value for application on the Self-Direct Customer’s account or account(s) by multiplying the number of RECs times 1,000 and dividing by 12 for the monthly kWh amount. For Self-Direct Customers with multiple accounts, the share of eligible kWhs will be spread proportionally across the multiple accounts based upon the annual kWhs used by each account. Such credit will appear as a separate line item on the Self-Direct Customer’s bill as a dollar per kWh, by dividing the approved ¢/kWh amount by 100, rate multiplied by the associated kWhs.

The Self-Direct Customer shall provide the Company with a notice containing the following IPA and ICC approved information to provide the ¢/kWh credit for the Self-Direct Customer:

a. The beginning and ending dates of the Self-Direct Customer’s long-term contract(s) for the purchase of RECs from new utility-scale wind or solar projects through long-term agreements with term lengths of at least 10-years consistent with all requirements in the IPA Act;

b. A copy of the ICC Order approving the ¢/kWh credit amount determined by the IPA for its purchase of RECs as determined pursuant to subsection 1-75(c)(1)(R) of the IPA Act;

c. A list of account numbers and addresses that qualify under the requirements to be eligible for a credit under the Self-Direct Renewable Portfolio Compliance Program. The list shall indicate the year in which the application was filed and the aggregate highest 30-minute demand for the 12 consecutive monthly billing periods in the calendar year prior to the year in which the self-direct application was filed;

d. The total number of RECs contracted by the Self-Direct Customer under its long-term contract(s) included in the Self-Direct Renewable Portfolio Compliance Program to which the Self-Direct Customer seeks a credit, by Delivery Year; and

e. No later than three (3) months after the end of the Delivery Year, the number of RECs retired by the Self-Direct Customer in the preceding Delivery Year under the Self-Direct Renewable Portfolio Compliance Program if credits were received for the purchase of RECs in that year.

* (Continued on Sheet No. 235.9)
SELF-DIRECT RENEWABLE PORTFOLIO COMPLIANCE PROGRAM (CONTINUED).

Credit for Self-Direct Customers (Continued)

The following ¢/kWh credits will be provided to a Self-Direct Customer for RECs purchased by, delivered to and retired by or on behalf of, such customer in an applicable Delivery Year:

a. Beginning with the monthly billing period that corresponds with the beginning of the next Delivery Year after submittal of its Self-Direct Customer application form, and approved by the IPA, a separate bill line-item credit will be applied to each Self-Direct Customer’s account or account(s). If the ICC has not approved the ¢/kWh bill credit amount for a given Delivery Year by the time the Company must apply the credit for the appropriate June monthly billing period, then the line-item bill credit amount shall be equivalent to the effective RE Adjustment. At such time that the ICC approves the ¢/kWh credit amount for a given Delivery Year, the Company shall reflect such amount on the customer’s bill as soon as is practicable.

Notwithstanding the previous receipt of the ICC approved credit amount, if a Self-Direct Customer does not receive its ICC approved total ¢/kWh credit amount for the Delivery Year because the RE Adjustment was applied in lieu of the ICC approved ¢/kWh value, the Company will collect the difference within four (4) monthly billing periods after the May monthly billing period of the Delivery Year.

b. Notwithstanding the previous provision, if a Self-Direct Customer receives a self-direct credit and the IPA determines the customer failed to properly procure and retire the RECs, the ICC, 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.

(Continued on Sheet No. 235.10)
APPLICATION OF THE RENEWABLE ENERGY ADJUSTMENT.
The RE Adjustment is applicable to each kWh delivered to each retail customer, as applicable, 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 retail customer, as applicable. Such line item is designated as the Renewable Portfolio
Standard.

* INFORMATIONAL FILINGS.
Beginning in 2024, in each calendar year X, the value of the RE Adjustment determined in accordance
with the provisions of Determination of the Renewable Energy Adjustment section of this rider for
application beginning with the June monthly billing period in year X must be submitted by the Company to
the ICC in an informational filing no later than May 20 in such calendar year X.

RE Adjustment values determined in accordance with the provisions of the Determination of the
Renewable Energy Adjustment section of this rider that incorporate non-zero BAs for application
beginning with a September monthly billing period must be submitted by the Company to the ICC in an
informational filing no later than August 20 preceding such September monthly billing period.

For a situation in which 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, at the conclusion of a reconciliation proceeding described in the Annual Review and
Reconciliation section of this rider, 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 twentieth day of the month prior to the monthly billing period
during which such revised RE Adjustment value becomes applicable.
INFORMATIONAL FILINGS (CONTINUED).

Any submission of an RE Adjustment after the applicable deadline identified in this Informational Filings section but prior to the start of the period during which such RE Adjustment is to be applicable is acceptable only if such submission corrects an error or errors from a timely submitted RE Adjustment for such period. Any other such submission made after such applicable deadline is acceptable only if such submission is made in accordance with the special permission provisions of Section 9-201(a) of the Act.

Each time the Company files an RE Adjustment value with the ICC for informational purposes, such filing must be accompanied by work papers supporting the determination of such RE Adjustment, as applicable.

* ANNUAL REVIEW AND RECONCILIATION.

In calendar year 2021 and each year thereafter, at least thirty (30) calendar days prior to the start of the June monthly billing period, internal administrative and operational costs expected to be incurred by the Company as a result of its REC procurement activities for retail customers beginning on June 1 corresponding to such June monthly billing period must be reviewed by Company representatives with personnel from the Accounting Department of the ICC Staff.

Beginning in 2022, in each year X the Company must conduct an audit of its costs and the recoveries associated with such costs for the Delivery Year beginning June 1 in year X-1 during which period the Company procured RECs. Such audit must be conducted within four (4) months after the end of such Delivery Year, as applicable, and must examine (a) the RE Adjustment is properly billed to retail customers, (b) costs recovered through this rider are properly reflected in the calculation of the RE Adjustment, (c) costs recovered through this rider are recorded in the appropriate accounts, (d) accounting controls are effectively preventing the double recovery of costs through this rider, and (e) costs recovered through this rider are properly reflected in the annual reconciliation pursuant to this Annual Review and Reconciliation section of this rider. The Company must prepare a report that summarizes the results of such audit. Such report must be submitted to the ICC in an informational filing, with copies of such report provided to the Director of the ICC Staff's Financial Analysis Division, and the Director of the ICC Staff's Office of Retail Market Development and e-mailed to ICC.AccountingManager@illinois.gov no later than October 1 of the calendar year in which such audit is conducted. Such report must be verified by an officer of the Company.
ANNUAL REVIEW AND RECONCILIATION (CONTINUED).
In addition, each year beginning in calendar year 2023, the Company must file a petition with the ICC that requests the ICC to initiate an RE 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, and each subsequent reconciliation proceeding will be for the next unreconciled Delivery Year. 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.

MISCELLANEOUS GENERAL PROVISIONS.
Revenue associated with the application of RE Adjustments must be recorded separately by the Company.

Participation under the provisions of the Self-Direct Portfolio Compliance Program does not preclude the retail customer from any other responsibilities under other ComEd’s tariffs including costs related to the delivery of, and purchase of, power and energy requirements under the applicable tariff.

The Company’s Schedule of Rates, of which this rider is a part, includes General Terms and Conditions and other tariffs. Service hereunder is subject to the General Terms and Conditions and such other tariffs, as applicable.