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**RIDER APM – ANNUAL PERFORMANCE MODIFIER**  
**(Applicable to Rider EE – Energy Efficiency and Demand Response Investment)**

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**PURPOSE**

The purpose of this Rider is to determine the adjustment, if any, that must be included in the computation of the return on the cost of common equity used in the determination of the Company's net revenue requirement for the annual reconciliation in accordance with the provisions of Rider EE – Energy Efficiency and Demand Response Investment (Rider EE).

**DEFINITIONS**

Generally, definitions of terms used in this Rider are provided in the Definitions section of the Customer Terms and Conditions tariff of the Company's Electric Service Schedule.

The following definitions are for use specifically in this Rider:

**Applicable Annual Incremental Goal (AAIG)**

Applicable Annual Incremental Goal means the difference between the cumulative persisting annual savings goal in the calendar year that is the subject of the independent evaluator's determination and the cumulative persisting annual savings goal for the immediately preceding calendar year.

**Independent Evaluator**

Independent Evaluator means the independent entity that performs reviews and performance assessments of energy efficiency measures, as applicable, undertaken in accordance with the Company's energy efficiency multi-year plan approved by the Illinois Commerce Commission.

**DETERMINATION OF THE PERFORMANCE ADJUSTMENT**

The Performance Adjustment (PA) determined in accordance with the provisions of this Determination of the Performance Adjustment section is inputted as the Annual Performance Modifier in Column D, Line 11 of the formula template in the Cost of Capital Computation subsection (Sch. FR D-1) of the Determination of the Revenue Requirement Section to Rider EE. The PA input is used to determine the return on common equity, which is used to develop the Company's annual net revenue requirement for the annual reconciliation in accordance with the provisions of Rider EE. Such adjustment, in percentage format converted from the basis point format used in Section 8-103B of the Act, is determined each year, beginning in 2019, for the previous calendar year. Such PA is not determined after year 2031 for application beyond the reconciliation of year 2030.

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**Performance Adjustment Determination 2019 Through 2025**

For a situation during the period 2019 through 2025 in which the Company achieved less than or equal to 100% of the AAIG, but greater than or equal to 84.4% of the AAIG, the PA is determined to be zero in accordance with subsection 8-103B(g)(8)(A)(iii) of the Act, as applicable. The PA is determined in accordance with the following equation:

$$\text{If, } 100\% \geq \text{AL} \geq 84.4\%, \text{ then PA} = 0$$

Where:

AL = Achievement Level, in percent format, equal to the percentage of the AAIG achieved by the Company.

For a situation during the period 2019 through 2025 in which the Company achieved greater than 100% of the AAIG, the PA is determined according to the following equation:

$$\text{PA} = 8 \times (\text{AL} - 100\%) / 100$$

For a situation during the period 2019 through 2025 in which the Company achieved less than 84.4% of the AAIG, the PA is determined according to the following equation:

$$\text{PA} = -8 \times (84.4\% - \text{AL}) / 100$$

Notwithstanding the provisions of the previous equation, if the AAIG was reduced in accordance with the provisions of subsection 8-103B(f)(1) or subsection 8-103B(f)(2) of the Act, as applicable, the PA is determined in accordance with the provisions of subsection 8-103B(g)(8)(C) of the Act, as applicable.

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**Performance Adjustment Determination 2026 Through 2030**

For a situation during the period 2026 through 2030 in which the Company achieved greater than 100% of the AAIG, the PA is determined according to the following equation:

$$PA = 6 \times (AL - 100\%) / 100$$

For a situation during the period 2026 through 2030 in which the Company achieved less than 100% of the AAIG, the PA is determined according to the following equation:

$$PA = -6 \times (100\% - AL) / 100$$

Notwithstanding the provisions of the previous equation, if the AAIG was reduced in accordance with the provisions of subsection 8-103B(f)(3) of the Act, as applicable, the PA is determined in accordance with the provisions of subsection 8-103B(g)(8)(C) of the Act, as applicable.

Notwithstanding the previous computations in this Determination of the Performance Adjustment section, the absolute value of the PA is never greater than 2% (200 basis points).

**REPORTING AND REVIEW REQUIREMENTS**

Each year, on or before June 1, beginning in calendar year 2019, the Company must provide the ICC with the (a) Independent Evaluator's final report of the review and performance assessment of the energy efficiency measures, as applicable, undertaken in accordance with the Company's energy efficiency multi-year plan approved by the ICC, and (b) the resultant PA, determined in accordance with the Determination of the Performance Adjustment section of this Rider, reflecting the Independent Evaluator's finding to be incorporated into the computation of the Determination of Revenue Requirement, determined in accordance with the provisions of Rider EE to be applicable during the January through December monthly Billing Periods in the following calendar year. The Company must provide such information as part of its annual update filing to the ICC in accordance with the Annual Update section of Rider EE.

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**IMPLEMENTATION OF THE ADJUSTMENT**

In its Order entered at the conclusion of a proceeding described in the Annual Updates section of Rider EE, the ICC must identify the approved PA determined in accordance with the applicable equation in the Determination of the Performance Adjustment section of this Rider. If the ICC does not identify the approved PA in its Order entered at the conclusion of a proceeding described in the Annual Updates section of Rider EE, then the PA identified by the Company in its report filed in accordance with such Reporting and Review Requirements section is deemed the ICC-approved PA at such time.

The annually updated charges determined in accordance with the provisions of Rider EE must reflect the inclusion of such PA for applicability beginning with the first January monthly Billing Period and extending through the following December monthly Billing Period. A supporting workpaper documenting the computation of such PA must accompany the informational filing, as described in the Informational Filings section of Rider EE.

**MISCELLANEOUS GENERAL PROVISIONS**

In the event Section 8-103(B)(g)(8) of the Act becomes inoperative or terminates, the provisions of this Tariff immediately become inoperative.

Service hereunder is subject to the Customer Terms and Conditions, Standards and Qualifications for Electric Service and any other tariffs, as applicable.