BEFORE THE ILLINOIS POLLUTION CONTROL BOARD

AMEREN ENERGY RESOURCES,	)	
	)	
Petitioner,	)	
	)	**PCB 12-126**
v.	)	**(Variance – Air)**
	)	
ILLINOIS ENVIRONMENTAL PROTECTION AGENCY,	)	
	)	
Respondent.	)	

NOTICE OF FILING

To:

John Therriault, Assistant Clerk
Carol Webb, Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center
100 West Randolph Street, Suite 11-500
Chicago, Illinois 60601
therriaj@ipcb.state.il.us
cwebb@ipcb.state.il.us

Gina Roccaforte
Assistant Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue, East
P.O. Box 19276
Springfield, Illinois 62794-9276

PLEASE TAKE NOTICE that we have today electronically filed with the Office of the Clerk of the Illinois Pollution Control Board the attached **MOTION OF AMEREN ENERGY RESOURCES AND ILLINOIS POWER HOLDINGS, LLC TO REOPEN DOCKET AND SUBSTITUTE PARTIES**, copies of which are herewith served upon you.

Amy Antoniolli
Amy C. Antoniolli

Dated: May 2, 2013

Renee Cipriano
Amy Antoniolli
SCHIFF HARDIN LLP
233 South Wacker Drive
Suite 6600
Chicago, Illinois 60606
312-258-5500
aantoniolli@schiffhardin.com

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MOTION OF AMEREN ENERGY RESOURCES AND ILLINOIS POWER HOLDINGS, LLC TO REOPEN DOCKET AND SUBSTITUTE PARTIES

Ameren Energy Resources ("AER"), the Petitioner in Docket PCB 12-126, and Illinois Power Holdings, LLC ("IPH"), collectively the "Movants," by and through their respective counsel, hereby request the Illinois Pollution Control Board (the "Board") to reopen the docket and substitute parties. Specifically, the Movants request the Board substitute IPH for AER as grantee of the variance relief with the ongoing conditions set forth in Board's September 20, 2012 Order in Docket PCB 12-126 (the "Order").

As described more fully below, on March 14, 2013, Ameren Corporation ("Ameren"), the parent of AER, reached an agreement to convey AER's equity interest in five operating coal-fired energy centers to IPH, a subsidiary of Dynegy Inc. ("Dynegy"). Because this acquisition involves the operating coal-fired energy centers which are subject to the Order, the Movants hereby request the transfer of the variance relief to IPH, contingent and effective upon closing of the transaction between Ameren and IPH.

Procedural History

1. Through its operating subsidiaries Ameren Energy Generating Company ("AEG"), AmerenEnergy Resources Generating Company ("AERG") and Electric Energy Inc. ("EEI"), AER owns and operates the following seven coal-fired energy centers: Newton (Jasper County), Coffeen (Montgomery County), Meredosia (Morgan County), Hutsonville (Crawford County), Duck Creek (Fulton County), E.D. Edwards (Peoria County) and Joppa (Massac County). Those plants comprise the Ameren MPS Group and are subject to emission standards set forth in the Illinois Multi-Pollutant Standard ("MPS"), 35 Ill. Adm. Code § 225.233(e)(3). On May 3, 2012, AER submitted a variance petition to the Board seeking relief from certain sulfur dioxide ("SO_2") annual emission rate provisions of the MPS, specifically those set forth in Section 225.233(e)(3)(C)(iii) and (iv), applicable, respectively, in the years 2015 and 2017 and thereafter.

2. In connection with its variance petition and request for relief, AER submitted affidavits, testimony and reports establishing that compliance with the 2015 and 2017 MPS annual SO_2 emission rates would pose an arbitrary and unreasonable hardship. In an effort to comply with the MPS emission standards for SO_2 which progressively decline over time, AER had commenced construction of a flue gas desulfurization system at its Newton Energy Center ("Newton FGD Project"). *Ameren Energy Resources v. Illinois Environmental Protection Agency*, PCB 12-126, *Petition* (filed May 3, 2012), p. 7. Due to an unforeseen combination of factors, including regulatory uncertainty and declining power market prices resulting from the lingering recession and historically low natural gas prices, AER found itself faced with insufficient cash flow to finance completion of the Newton FGD Project on the schedule required to meet the 2015 and 2017 MPS annual SO_2 emission rates. *Id.*, p. 21. As a merchant generator,

AER is dependent upon strong power price markets to support capital expenditures since recovery through rates is not allowed. *Id.*, p. 16. Given the debt load and credit restrictions, third party financing for AER and its subsidiaries was not available and Ameren could not provide additional financing resources. *Id.*, pp. 19-22.

3. Without the ability to fund completion of the Newton FGD Project on schedule, AER's only viable compliance alternative would have been to shutter two or more of its energy centers. *Id.*, p. 7. AER demonstrated that ceasing operation of two of its energy centers would not only have a devastating impact on the communities surrounding the location of the energy centers, but would also result in the loss of well-paying jobs and a negative "ripple" effect to the local and state economies. *Id.*, p. 24.

4. AER further demonstrated to the Board that the hardship resulting from a denial of the variance would "outweigh any injury to the public or the environment" from granting the relief. *Id.*, pp. 25-27. In crafting its request for relief to include both an earlier more stringent SO_2 emission rate in mitigation and a Compliance Plan, AER, in fact, demonstrated that the State would realize an environmental *benefit* if the relief was granted and the Board included the voluntary, more stringent mitigation SO_2 rate and Compliance Plan in its order. *Id.*, p. 26.

The Illinois Pollution Control Board's Decision

5. The Illinois Environmental Protection Act authorizes the Board to grant a variance "beyond the limitations prescribed in [the] Act, whenever it is found, upon presentation of adequate proof, that compliance with any rule or regulation...would impose an arbitrary or unreasonable hardship." 415 ILCS 5/35(a). To obtain the variance, AER had to establish that the hardship resulting from the denial would "outweigh any injury to the public or the environment" from granting the relief. *Marathon Oil Co. v. EPA*, 242 Ill. App. 3d 200, 206, 610

N.E.2d 789, 793 (5th Dist. 1993). Thus, in deciding whether to grant a variance, the Board considers the injury to the public and the environment from granting the requested relief and the hardship resulting from having to comply with the rule. Then the Board weighs the hardship against the injury to determine if an arbitrary and unreasonable hardship will be suffered should variance relief not be granted.

6. On September 20, 2012, the Board granted AER's variance request. *Ameren Energy Resources v. Illinois Environmental Protection Agency*, PCB 12-126 (Sept. 20, 2012) (hereinafter referred to as the "*Order*"). In so granting, the Board found that AER had adequately addressed its alternatives for complying with the current MPS requirements; that AER had demonstrated that the requested variance will result in a net benefit to the environment; that AER would suffer an arbitrary and unreasonable hardship if forced to comply with the deadlines in Sections 225.233(e)(3)(C)(iii) and (iv); that granting AER's petition with conditions would be within the state's current obligation under the Illinois SIP to attain and maintain compliance with the National Ambient Air Quality Standards ("NAAQS"); and that granting AER a variance from the rule is consistent with federal law. *Order*, pp. 48-49. As an integral part of its decision to grant the variance request, the Board did impose the following conditions:

1. From the date of this order through December 31, 2012, AER must comply with an overall SO_2 annual emission rate of 0.38 lb/mmBtu.

2. From January 1, 2013 through December 31, 2019, AER must comply with an overall SO_2 annual emission rate of 0.35 lb/mmBtu.

3. Beginning January 1, 2020, AER must comply with an overall SO_2 annual emission rate of 0.23 lb/mmBtu.

4. From the date of this order through December 31, 2020, AER must not operate the electrical generating units at Meredosia and Hutsonville Power Stations. The FutureGen project at the Meredosia Energy Center is exempt from this restriction.

5. Regarding the Flue Gas Desulfurization Project at the Newton Power Station (I.D. No. 079808AAA) (Newton FGD project):

   (a) On or before July 1, 2015, AER must complete engineering work on the Newton FGD Project.

   (b) On or before December 31, 2017, AER must obtain a new or extended construction permit, if needed, for the installation of the FGD equipment at the Newton Power station.

   (c) On or before December 31, 2018, AER must complete construction of the absorber building on the Newton FGD project.

   (d) On or before July 1, 2019, AER must complete steel fabrication of ductwork and insulation activities on the Newton FGD project.

   (e) On or before July 1, 2019, AER must complete installation of electrical systems and piping on the Newton FGD project.

   (f) On or before September 1, 2019, AER must set major equipment components into final position on the Newton FGD project.

   (g) Beginning with calendar year 2012 and continuing through 2019, AER must file annual progress reports with the Agency as to the status of construction activities relating to the Newton FGD project by the end of each calendar year. AER's annual progress reports must include an itemization of activities completed during the year, activities planned to be completed in the forthcoming year, progress of the Newton FGD project to comply with the timelines specified in this variance, and the estimated in-service date. *Id.* at pp. 68-69

7. On October 30, 2012, and as required by Board rules, AER filed with the Board its acceptance of the variance and agreed to comply with all stated conditions. The Certification of Acceptance is attached as Exhibit A. On December 20, 2012, AER filed its annual progress report with the Illinois Environmental Protection Agency ("Agency") as required by the Board's Order.

Ameren Corporation: Intent to Exit Merchant Business in Illinois

8. At the time of petitioning the Board for relief and continuing through 2012, Ameren continued to be circumspect as energy pricing and market conditions continued to erode

for AER and credit agencies continued to warn of financial distress due to AER's financial health. *Affidavit of Martin J. Lyons ("Lyons Affidavit")*, p. 4; *Affidavit of George W. Bilicic ("Bilicic Affidavit")*, p. 2-4. Although AER had been placed in a somewhat better position through the grant of the variance, AER still faced the financial challenges of a business with significant exposure to depressed market prices and a heavy debt burden. *Lyons Affidavit*, p. 4. Indeed, AEG's credit ratings have been cut by S&P and Moody's, respectively, since the variance was granted. *Bilicic Affidavit*, pp. 5-6. For Ameren, it became more apparent that the volatility of the merchant generating business and the uncertainty of the power markets proved to be an imperfect fit. *Bilicic Affidavit*, pp. 7-8. Mindful of its employees and all those who have come to rely on the continuing operation of the energy centers, Ameren had sought to keep the merchant business viable. However, the drag down faced by Ameren left it with little choice but to make a difficult and fundamental decision regarding its future business operations. Accordingly, on December 20, 2012, Ameren announced its intent to exit, within five years, the merchant generation business in Illinois so as to focus on its regulated electric, natural gas and transmission businesses. In its Form 8-K filed with the Securities and Exchange Commission ("SEC"), Ameren affirmed that "a change in circumstance had occurred regarding its expected duration of ownership of its Merchant Generation business segment's energy centers" and that cash flow would be insufficient to recover the total costs of the energy centers. *Lyons Affidavit*, p. 4. As a consequence, under applicable accounting guidance, Ameren recorded impairment charges in excess of $1.95 billion in connection with the merchant business segment. *Id.* Although the specific method of divestiture was not identified, the options available to Ameren included either conveyance of the merchant business or restructuring of the debt. *Id.*

9. Shortly after Ameren's public announcement of its intent to exit the merchant business, Dynegy contacted Ameren regarding the potential acquisition of the AER merchant generating business segment. Dynegy, through its subsidiaries Dynegy Midwest Generation, LLC ("DMG") and Dynegy Kendall Energy LLC, owns and operates five coal- and natural gas-fired power plants in Illinois. *Affidavit of Daniel P. Thompson ("Thompson Affidavit")*, pp. 2-3. Dynegy has for years enjoyed a strong and meaningful presence in the State, and the prospect of a strategic sale to a company like Dynegy was attractive to Ameren, especially since such a sale could possibly increase the likelihood that the energy centers will continue to operate. *Lyons Affidavit*, p. 4; *Thompson Affidavit*, pp. 2-3.

10. On March 14, 2013, after several months of negotiations, Ameren entered into a transaction agreement with IPH. The Transaction Agreement is attached as Exhibit B. (hereinafter referred to as the "transaction", "Transaction Agreement" or "Agreement"). Although the transaction is a straightforward sale of the equity interests in Ameren's merchant generation business, finalization of the transaction will be accomplished in a series of steps. Overall, the transaction contemplates the conveyance to IPH, of an entity owning, among other things, the five operating coal-fired energy centers: Newton Energy Center, Coffeen Energy Center, Duck Creek Energy Center, E.D. Edwards Energy Center and Joppa Energy Center. Exhibit B, pp. 13, 20. The shuttered energy centers, specifically, Meredosia and Hutsonville, will be owned by a subsidiary of Ameren and will not be acquired by IPH. Exhibit B, pp. 13, 16.

11. In order to effectuate the transaction as contemplated by the Agreement, Ameren will initiate a reorganization of AER by moving the five operating energy centers into a newly formed subsidiary of AER ("New AER"). *Lyons Affidavit*, p. 5. The shuttered energy centers, Hutsonville and Meredosia, will be transferred from AER into an existing indirect subsidiary of

Ameren, AmerenEnergy Medina Valley Cogen, L.L.C. ("Medina Valley"). *Id.* At closing, the equity interest in the reorganized entity[1] will be transferred to IPH. Attached as Exhibit C are two charts that reflect the energy centers within the current organizational structure of AER as well as the transfers of assets from AER as part of the reorganization. The reorganization of AER will not occur unless and until the Board transfers the variance to IPH as respectfully requested in this Motion. *Lyons Affidavit,* p. 5.

12. IPH is an indirect wholly-owned subsidiary of Dynegy created for the special purpose of acquiring Ameren's merchant utility businesses. *Affidavit of Mario E. Alonso ("Alonso Affidavit"),* p. 2. Because the five operating energy centers face the same financial burdens and constraints that they faced at the time of the original petition seeking the Order, the contemplated acquisition is possible for IPH only if the variance applies to the energy centers immediately after the closing with terms identical in all material respects as those set forth in the Order (and with no material additional terms or conditions imposed). *Alonso Affidavit,* p. 6. Accordingly, the successful transfer of the Order or such other legally binding approval of the Board which has the effect of making the Order applicable to IPH immediately after closing is a mandatory condition to closing the transaction. Exhibit B, p. 67.

13. Additionally, as part of the transaction, the Put Option Agreement described in the testimony and during the public hearing has been amended and exercised. Exhibit B, p. 1 (Recital). As the Board may recall, the Put Option is a mechanism to provide cash liquidity to AEG, a subsidiary of AER. *Aug. 1, 2012 Hearing Transcript,* p. 51. In exchange, Ameren retained ownership of the Elgin, Gibson City, and Grand Tower natural gas plants. *Lyons*

[1] The reorganized company is denominated in the Transaction Agreement as "New AER". Per Section 5.13(a) of the Transaction Agreement, following closing, IPH will rename the acquired entity and remove all references to "Ameren" from its organizations documents and public representation materials. Exhibit B, pp. 63-64.

Affidavit, p. 5. As part of the Transaction Agreement, AEG has exercised the "put" and Ameren, through its subsidiary, transferred approximately $100 million to AEG. *Id.* The exercise of the "put" option accelerates the proceeds that AEG would have realized from the sale of the gas plants because once the transaction closes, the put proceeds can be used to support working capital needs associated with continued operation of the AEG energy centers to meet, in part, ongoing obligations. *Lyons Affidavit,* p. 6. Importantly, after closing, IPH will use such proceeds to fund operations/potential losses, pay interest and provide working capital for three of the operating energy centers. *Alonso Affidavit,* p. 9-10.

14. As required by law and after closing, IPH will take the steps necessary to ensure that all permits for the continuing operation of the five operating energy centers are held by, and are in the correct name of, the appropriate entity. Through the variance period, the Ameren MPS Group will remain as currently composed and IPH will, upon closing, notify the Agency of its assumption of MPS compliance responsibility for the Group. In order to satisfy the variance condition within the Board Order relating to the operation of Hutsonville and Meredosia, Medina Valley has agreed to not operate these plants and will provide an annual certification to IPH regarding its compliance with Condition (4) so that both the Board and the Agency can be assured the condition will continue to be met in the future. *Lyons Affidavit,* p. 6.

15. The operation of the five operating energy centers will not change as a result of the transaction. *Thompson Affidavit,* pp. 9-10. The energy centers will continue producing electricity as currently expected. *Thompson Affidavit,* p. 9. Environmental compliance will remain a top priority for each energy center. *Thompson Affidavit,* p. 10. Indeed, Dynegy and its subsidiaries have a strong commitment to operate safely and in an environmentally responsible manner in Illinois. *Thompson Affidavit,* p. 3. The energy centers will continue to meet their

environmental obligations, including SO_2, nitrogen oxide ("NO_x") and mercury control, and more specifically, the overall SO_2 annual emission rates set forth in the Order. *Thompson Affidavit,* pp. 5, 8. Dynegy, as the ultimate parent of IPH, will also continue to take action to voluntarily reduce greenhouse gas emissions. *Thompson Affidavit,* p. 8. Operation of the FGD systems at the Coffeen and Duck Creek Energy Centers will continue to be maximized so as to comply with the SO_2 mitigation rate set forth in the Order. *Thompson Affidavit,* p. 7. IPH, through its operating subsidiaries, will also honor the commitment made by AER to limit the use of higher sulfur coal to the Duck and Coffeen Energy Centers and to use ultra-low sulfur coal at the Edwards, Newton and Joppa Energy Centers. *Thompson Affidavit,* p. 7. Cross-media impacts resulting from the variance remain a non-issue as they were for AER. *Thompson Affidavit*, p. 8.

16. As noted above, once transferred from AER, Medina Valley will continue to ensure that the electric generating units at Hutsonville and Meredosia do not operate through December 31, 2020, as provided in the Order. *Lyons Affidavit*, p. 6.

17. After closing, IPH will continue the construction of the Newton FGD Project. IPH will also comply with the terms of the Board's Order relating to the Newton FGD Project construction milestones and reporting requirements. *Thompson Affidavit,* p. 5.

Request to Transfer Variance Relief Is Consistent with Prior Board Precedent

18. As the Board has previously noted, neither the Illinois Environmental Protection Act nor the Board's procedural rules directly address the assignment or transfer of relief following a change of control with respect to a facility or source subject to a Board Order. *In the matter of: Petition of Commonwealth Edison Co. for an Adjusted Standard from 35 Ill. Adm. Code 302.211(d) and (e) ("Petition of ComEd"),* AS 96-10, slip op. at 4 (Mar. 16, 2000). However, on at least three other occasions, the Board has transferred various forms of relief

following the sale or transfer of assets: *In the matter of Ensign-Bickford Co. for an Adjusted Standard from 35 Ill. Adm. Code 237.103, AS 00-5 (Jun. 5, 2003) (adjusted standard)*; *Petition of ComEd,* AS 96-10 (Mar. 16, 2000) (adjusted standard); *In the matter of: Petition of Envirite Corporation for a revised Adjusted Standard from 35 Ill. Adm. Code 721 Subpart D,* PCB 94-10 (Dec. 19, 1996) (adjusted standard). In each circumstance, the requested transfer or substitution was granted following a demonstration by the parties that the relevant factors relied on by the Board in rendering the Board's original decision had not changed.

19. In granting AER's variance request, the Board considered a number of factors and those factors remain unchanged by the transaction. First, the Board assessed whether AER adequately examined the range of compliance options in support of its petition. *Order*, pp. 49-51. AER presented a full range of alternatives and explained why the alternatives were not viable alternatives for the company. *Petitioner's Post-Hearing Brief*, pp. 15-25 (filed Aug. 15, 2012). The Board agreed that AER's chosen alternative to proceed with the completion of the Newton FGD Project was appropriate. *Order*, p. 51. As explained further in paragraph 24, the range of compliance alternatives examined through the AER variance proceeding remain the same today and IPH is committed to continuing construction of the Newton FGD Project as set forth in the Order. *Thompson Affidavit,* pp. 5-8.

20. In rendering its decision to grant the variance request, the Board also considered the environmental impact of the variance. To demonstrate a net environmental benefit, AER voluntarily offered to meet an earlier and more stringent emission rate resulting in total SO_2 mass emissions lower than the projected emissions under the "on the books" MPS declining rate scheme. *Petitioner's Post-Hearing Brief*, pp. 3-5. By offering the voluntary SO_2 mitigation rate, AER committed itself to maintain the shuttering of both the Hutsonville and Meredosia Energy

Centers through the variance period. *Id.* The Board found that AER had demonstrated through its commitment to the voluntary mitigation emission rate together with AER's commitment to not operate Meredosia and Hutsonville through December 31, 2020, that an overall net environmental benefit to air quality would result. *Order*, p. 34. The transaction with IPH will not alter the net environmental benefit of the variance relief. IPH will continue to meet the SO_2 mitigation emission rate at the operating energy centers as required by the Board's Order. *Thompson Affidavit*, pp. 7-8. Further, Medina Valley has agreed not to operate the generating units at Hutsonville and Meredosia as required by the Board's Order through December 31, 2020. *Lyons Affidavit*, p. 6. Together, the same overall reduction of SO_2 emissions and, hence, the environmental benefit, will be achieved during the variance period.

21. The Board further considered the undue hardship to be suffered by AER should compliance with the 2015 and 2017 SO_2 MPS annual emission rates be required. AER's demonstration focused on essentially three main hardship drivers: regulatory uncertainty; declining power prices; and the inability to obtain the injection of capital funding to complete the Newton FGD Project from lenders, a captive customer rate base or its parent, Ameren Corporation. *Petitioner's Post-Hearing Brief*, pp. 8-15. Having found that there would be an overall reduction in SO_2 emissions during the variance period, the Board also found that requiring AER to comply with the 2015 and 2017 MPS annual SO_2 emission rates would "impose an arbitrary and unreasonable hardship on AER." *Order*, p. 63. Again, the factors relied on by the Board in reaching the conclusion remain unchanged by the transaction. Regulatory uncertainty still exists at the federal level as the remand of the Clean Air Interstate Rule ("CAIR") and the status of Cross-State Air Pollution Rule ("CSAPR") have yet to be

resolved[2], and several other substantive multi-media regulatory proposals are still under consideration and development. The Illinois specific MPS requirements also impose an additional regulatory burden that those units operating in surrounding states do not face. *Alonso Affidavit,* p. 7. There is also no question that declining power prices continue to erode available operating proceeds generated by the operating energy centers with no certain end in sight. *Bilicic Affidavit,* pp. 2-4. The transaction will not change the fact that the declining power prices continue to adversely impact AER's ability to obtain lender financing, whether short term or long term, and with prices remaining depressed it is certain that IPH will continue to face the same financial pressures and restrictions AER faced at the time of the petition. *Bilicic Affidavit,* pp. 3-4; *Alonso Affidavit,* pp. 4-5; 7-8. Effectuation of the Transaction Agreement also will not change the fact that unregulated power companies are generally more challenged by increasingly stringent environmental mandates than their regulated peers. *Bilicic Affidavit,* p. 5; *Alonso Affidavit,* p. 4. Furthermore, as is the case while owned by AER, following completion of the transaction, the energy centers must succeed on their own financially without support for major capital projects coming from other sources such as IPH's parent or affiliated companies after the transaction closes. *Alonso Affidavit,* pp. 4-6. The same credit pressures that prevented Ameren from financially supporting the operating energy centers also impose similar constraints on Dynegy, as the ultimate parent of IPH. *Alonso Affidavit,* p. 5. The credit agencies made it quite clear that if Dynegy were to provide financial support to New AER, negative financing consequences would result. *Id.; Bilicic Affidavit,* pp. 13-14. Dynegy emerged from bankruptcy in late 2012 through which it was able to restructure its balance sheet. *Alonso Affidavit,* p. 6. Dynegy cannot, for the sake of its financial health, endanger its balance sheet and simply could

[2] On March 29, 2013, the United States Environmental Protection Agency ("USEPA") petitioned the U.S. Supreme Court to reconsider the U.S. Court of Appeals for the D.C. Circuit's decision to overturn, vacate and remand CSAPR.

not have contemplated the Ameren-IPH transaction under those conditions. *Alonso Affidavit*, p. 5. Although the exercise of the put option has made additional cash available for the operation of three of the energy centers, the fact remains that it is not feasible over the next several years to simultaneously have adequate liquidity necessary to continue operating the energy centers and also spend hundreds of millions on capital investments to accelerate installation of the Newton FGD Project, install air pollution controls or otherwise comply with the MPS without the Variance Relief. *Alonso Affidavit,* pp. 8-9*; Bilicic Affidavit,* pp. 13, 15. As was the case at the time of the petition, the energy centers must be economically viable on their own and be an independent sustaining, self-funding business. This is only possible with the continued relief in the Order. *Alonso Affidavit,* p. 8*; Bilicic Affidavit,* p. 15.

22. In contemplating the decision to move forward with the transaction, IPH also considered the range of compliance alternatives without the variance in order to evaluate the viability of a transfer of the five operating energy centers without the variance in place. The same MPS compliance options analyzed by AER at the time of the petition, and ultimately considered by the Board in issuing its Order, still exist today. That is, without the capital funding necessary to complete the Newton FGD Project on the schedule needed to achieve the 2015 and 2017 MPS annual SO_2 emission rates, the only true compliance alternative remains unit shuttering. *Thompson Affidavit,* pp. 6-7. Indeed, there is no question that the same potential hardship to energy center employees, the local communities, and local and state economies is just as real today as it was at the time of the Board variance proceeding.

23. The Board also considered the consistency of the variance relief with federal law and the impact of granting the relief on the Agency's ability to rely on the adjusted MPS reductions in the Illinois state implementation plan ("SIP"). *Order*, pp. 63-64. Relying on the

representations of the Agency and the record as a whole, the Board found that granting the petition with the conditions imposed "would be within Illinois' current obligation under the Illinois SIP to attain and maintain the NAAQS [National Ambient Air Quality Standards]." *Order,* p. 63. The Board further found that "granting AER a variance from the rule is consistent with federal law." *Id.* Again, these factors remain unchanged by the Transaction Agreement. In its discussion of "Consistency with Federal Law," the Board noted two NAAQS related federal rulemaking developments: the new primary one-hour NAAQS for SO_2 adopted in 2010 and the June 2012 proposed revisions to the primary and secondary NAAQS for particulate matter (PM2.5 and PM10). *Id.,* pp. 63-64. Subsequent to the Board's issuance of the variance, the USEPA recommended to Illinois that Hollis Township in Peoria County, Illinois, the location of the E.D. Edwards Energy Center, be designated as nonattainment with the one-hour SO_2 NAAQS. *See* 78 Fed. Reg. 11124 (Feb. 15, 2013). USEPA's recommendation conflicts with the State's recommended SO2 nonattainment areas (i.e., Illinois did not identify Peoria County as an SO_2 nonattainment area). While the deadline for final one-hour SO_2 NAAQS area designations is June 3, 2013, states with areas designated nonattainment will have five years to achieve attainment. Additionally, in December 2012, USEPA adopted a revised PM2.5 NAAQS, with an effective date of March 18, 2013. 78 Fed. Reg. 3086 (Jan. 15, 2013). Initial PM2.5 nonattainment area designations are not required until December 2014, and states with designated nonattainment areas will not be required to achieve attainment until approximately 2020. Notably, the MPS does not address particulate matter emissions, nor does the variance directly concern such emissions.

24. These recent developments regarding the one-hour SO_2 NAAQS and the PM2.5 NAAQS do not undermine or otherwise conflict with the Board's finding that the variance is

consistent with federal law. As of the filing of this Motion, neither development renders the variance inconsistent with federal law nor will a transfer of the variance relief violate Illinois' current SIP obligation. And even if an area where one of the five operating energy centers is located is ultimately designated nonattainment with either NAAQS, at the time of the expected closing of the IPH transaction in fall 2013, there will not be any Illinois SIP requirement yet promulgated applicable to any of the subject energy centers to address such nonattainment designation. In any event, the variance remains consistent with federal law because the variance itself does not exempt any of the operating energy centers from compliance with otherwise applicable more stringent Clean Air Act requirements. IPH understands that even with the variance, if federal Clean Air Act rules go into effect in the future, additional controls might need to be implemented at any of the generating units.

25. Lastly, IPH recognizes and accepts each condition placed by the Board on the relief granted. *Thompson Affidavit,* p. 5. AER has already notified the Board of its acceptance of the variance and the conditions imposed. *See* Exhibit A. AER will continue to satisfy those conditions until such time as the transaction closes and the subject energy centers are acquired by IPH. Furthermore, Medina Valley has agreed to continue to not operate Hutsonville and Meredosia through December 31, 2020, and will provide an annual certification to IPH to this effect. *Lyons Affidavit,* p. 6. Once the Board substitutes IPH for AER on the Order and the closing of the transaction occurs, IPH will assume the responsibility of each of the Order's conditions, contingent and effective on the date of the closing. This approach will ensure that there is seamless and uninterrupted responsibility for compliance with the conditions of the Order. As indicated, Movants currently anticipate that, subject to, among other things, the

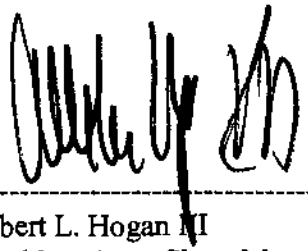
Board's granting of this Motion, closing on the transaction will occur during the fourth quarter of 2013. IPH will promptly notify the Board when the closing occurs.

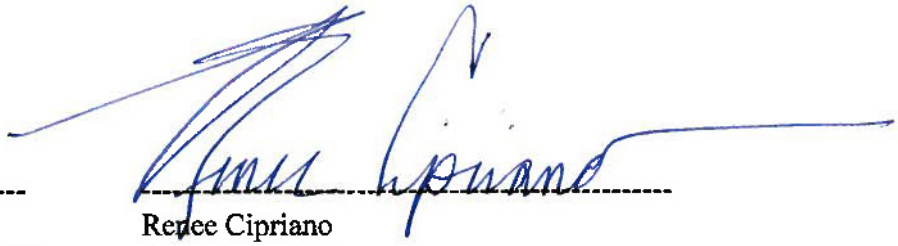
26. The Movants respectfully request that the Board grant this motion contingent on the parties closing under the Transaction Agreement and to be effective on the date of the closing. The Movants respectfully include a draft order with this Motion as Exhibit D for the Board's consideration and use. The Board has granted variance relief contingent on a future event occurring on at least one occasion. *City of West Chicago v. IEPA*, PCB 85-2 (Jun 13, 1985). The Board has even granted variance relief that applied retroactively. In prior variances that have requested a retroactive effective date, the Board has emphasized that a principal consideration is a showing that the petitioner has diligently sought relief and has made good faith efforts at achieving compliance. *DMI, Inc., v. IEPA*, PCB 90-227, slip op. at 8, 10 (Dec. 19, 1991); citing *Deere & Co. v. EPA*, PCB 88-22, slip op. at 3 (Sept. 8, 1989). In this instance, the Movants are requesting prospective relief to effectuate a seamless transition with respect to the variance relief and its conditions and exhibiting diligence through the seeking of the Board's approval in advance so that a smooth compliance path can be demonstrated to the Board, the Agency and the public. In addition, as explained above, the transfer of the variance relief by the Board is a condition to the closing of the transaction with IPH. Thus conditional, prospective relief is necessary in this case to allow the transaction to move forward.

27. AER and IPH waive hearing in this matter.

WHEREFORE, for the reasons set forth above, Movants Ameren Energy Resources and Illinois Power Holdings, LLC, respectfully request that the Board grant the motion to reopen the docket and substitute parties. Specifically, the Movants request the Board substitute IPH for AER as grantee of the variance relief with the ongoing conditions set forth in Board's September 20, 2012 Order, contingent on the parties closing under the Transaction and to be effective on the date of transaction closing.

Respectfully submitted,





Albert L. Hogan III
Skadden, Arps, Slate, Meagher & Flom LLP
155 North Wacker Drive
Chicago, Illinois 60606
Tel: 312-407-0700

Counsel for Illinois Power Holdings, LLC

Renee Cipriano
Amy Antoniolli
Schiff Hardin LLP
233 South Wacker Drive, Suite 6600
Chicago, IL 60606
Tel: 312-258-5500

Counsel for Ameren Energy Resources

CERTIFICATE OF SERVICE

I, the undersigned, certify that on this 2nd day of May, 2013, I have served electronically the attached **MOTION OF AMEREN ENERGY RESOURCES AND ILLINOIS POWER HOLDINGS, LLC TO REOPEN DOCKET AND SUBSTITUTE PARTIES,** upon the following persons:

John Therriault, Assistant Clerk
Carol Webb, Hearing Officer
Illinois Pollution Control Board
James R. Thompson Center
Suite 11-500
100 West Randolph
Chicago, Illinois 60601
therriaj@ipcb.state.il.us
cwebb@ipcb.state.il.us

and electronically and by first class mail, postage affixed, upon:

Gina Roccaforte
Assistant Counsel
Division of Legal Counsel
Illinois Environmental Protection Agency
1021 North Grand Avenue, East
P.O. Box 19276
Springfield, Illinois 62794-9276

Amy Antoniolli
Amy C. Antoniolli

Renee Cipriano
Amy Antoniolli
SCHIFF HARDIN LLP
233 South Wacker Drive
Suite 6600
Chicago, Illinois 60606
312-258-5500
aantoniolli@schiffhardin.com

TESTIMONY OF MARTIN J. LYONS

I. BACKGROUND AND QUALIFICATIONS

My name is Martin J. Lyons, Jr. I am employed by Ameren Corporation ("Ameren") as Executive Vice President and Chief Financial Officer. My business address is 1901 Chouteau Avenue, St. Louis, Missouri, 63103. I am responsible for corporate planning, business and commodity risk management, internal audit, treasury, tax, investor relations, accounting and financial reporting. I received my Bachelor of Science in Business Administration degree, with a major in Accountancy, from St. Louis University. I received my Master of Business Administration degree from Washington University in St. Louis. I was named to my current position in 2009.

Before joining Ameren, I served as a partner in PricewaterhouseCoopers LLP's St. Louis office providing auditing services to companies in a variety of industries. In 2001, I joined Ameren Corporation as the Controller. I was named Vice President and Controller in 2003 and in 2008 became Senior Vice President and Chief Accounting Officer.

II. SUMMARY OF TESTIMONY

I would like to address the following issues:

- Ameren Corporation's Decision to Exit Merchant Generation Business
- Sale of AER Business Segment to Illinois Power Holding Company (IPH)
- Ongoing Compliance Obligations Under Illinois Pollution Control Board Order (PCB Docket 12-126)

Ameren Corporation's Decision to Exit Merchant Generation Business

Ameren is public utility holding company whose primary assets are the common stock of its subsidiaries including Ameren Missouri, Ameren Illinois, Ameren Transmission Company

and Ameren Energy Resources ("AER"). Ameren's subsidiaries are separate, independent legal entities with separate businesses, assets, and liabilities. Dividends to Ameren stockholders depend on distributions made to it from its subsidiaries. Ameren's core business and source of earnings is its utility operations (rate-regulated natural gas delivery, rate- regulated transmission and rate-regulated generation and delivery). AER has not made a distribution to Ameren since 2009.

AER's financial prospects have been increasingly dire. A depressed power price market, economic malaise, and heavy debt burdens including at the AER subsidiary, Ameren Energy Generating Company (GENCO), have all contributed to its poor financial performance. Net income for GENCO[1], a registered company with the Securities and Exchange Commission (SEC), has plummeted from $162 million in 2009 and is summarized below:

	Year Ended December 31,			
	2009	2010	2011	2012
Net income (loss in millions)	162	$ (36)	$ 45	$ (40)

In addition, cash flow from operations over this same period has dropped 45% from $253 million in 2009 to $139 million in 2012. The erosion of income and related cash flows has a direct and adverse impact on creditworthiness. Over the last fourteen months the credit agencies (Standard & Poor's, Moody's and Fitch) have repeatedly downgraded GENCO's bonds indicating increasing uncertainty as to whether AEG will be able to meet its ongoing debt obligations[2].

[1] AER and AmerenEnergy Resources Generating (AERG) are not publicly registered companies. GENCO's financial predicament, however, is reflective of the AER and AERG's financial status.
[2] Investment grade rankings are BBB- and above (Baa3 Moody's) while BB+ (Ba1 Moody's) and below are considered speculative investments. GENCO's bond ratings fall within the junk" or speculative category.

Ameren Energy Generating Company Rate Changes
(January 2009 – April 2013)

	Fitch		Moody's		S&P		
	Unsecured	Issuer	Unsecured	Issuer	Unsecured	Issuer	Rating Change
As of 01/01/09	BBB+	BBB+	Baa3	NR	BBB-	BBB-	
07/30/10	BBB	BBB					Downgrade
03/01/11			Ba1	NR			Downgrade
05/23/11	BB+	BB+					Downgrade
01/27/12	BB-	BB-					Downgrade
02/28/12					BB	BB	Downgrade
02/29/12			Ba2	NR			Downgrade
03/05/12					BB-	BB-	Downgrade
04/12/12			Ba3	NR			Downgrade
11/26/12					B+	B	Downgrade
12/21/12	B+	B-			B	B-	Downgrade
01/10/13			B2	NR			Downgrade
01/28/13	CCC-	CC					Downgrade
02/08/13					CCC+	CCC+	Downgrade
03/14/13			B3	NR			Downgrade

Under accounting standards[3], publicly traded companies such as Ameren Corporation must perform impairment assessments when events and circumstances suggest that the value of an asset (or group of assets) has declined such that its carrying costs may not be recoverable. For example, a dramatic change in market conditions could trigger an impairment assessment. If the carrying cost or book value exceeds the undiscounted future cash flows of the asset(s), then an impairment charge must be recognized in the company's financial statements. On December 30, 2011, the United States D.C. Circuit Court of Appeals issued a stay of USEPA's Cross-State Air Pollution Rule "CSAPR".[4] Following the stay, in early 2012 natural gas prices declined sharply. These events triggered Ameren to perform an impairment evaluation of its merchant generation assets. Impairment charges of $628 million pre-tax were recorded in the first quarter of 2012 to reduce the carrying value of AERG's Duck Creek to approximate it estimated fair market value. However, under applicable accounting guidance, the estimated undiscounted future cash flows of

[3] Accounting Standards Codification (ASC) 360 Property, Plant and Equipment.
[4] The Court ultimately vacated the CSAPR in its entirety.

the remainder of the merchant assets retained sufficient value to avoid impairment charges. *Note 17 – Impairment and Other Charges, Ameren Corporation 2012 Form 10k.*

As 2012 progressed, however, market conditions continued to erode forcing Ameren to make a fundamental decision regarding its business operations. The volatility and bleak outlook of earnings and cash flow from the merchant segment threatened to impede Ameren's ability to focus on its core rate-regulated operations and maximize long term value for its shareholders. Accordingly, in a Form 8K filed on December 20, 2012, with the Securities and Exchange Commission (SEC), Ameren announced its intent to exit the merchant generation business and affirmed that "a change in circumstances had occurred regarding its expected duration of ownership of its Merchant Generation business segment's energy centers" and that cash flows would be insufficient to recover the total costs of the energy centers. As a consequence, and under applicable accounting guidance, Ameren recorded an impairment charge of $1.95 billion in connection with merchant business segment. The specific method of divestiture was not identified but the options included either conveyance or the restructuring of debt.

Divestiture of AER Business Segment to Dynegy (IPH)

Shortly after that public announcement, Dynegy, Inc. contacted Ameren regarding the potential acquisition of the AER merchant generating business segment. Dynegy, Inc. owns and operates through two if its subsidiaries coal and natural gas fired power plants in Illinois. Due to its Illinois presence and its ownership of a variety of merchant generation assets throughout the country, Dynegy was viewed as a strategic buyer for the AER assets. (During the summer and fall of 2012, other firms expressed interest in the merchant business but those discussions did not culminate in a viable transaction for Ameren.)

By agreement dated March 14, 2013, Ameren agreed to convey to Illinois Power Holdings, LLC (IPH), an indirect subsidiary of Dynegy, the equity interest of AER (once reorganized). AER, through its various operating subsidiaries (AERG, AEG, EEI), owns the following coal-fired energy centers: Joppa, Edwards, Newton, Coffeen, Duck Creek, Meredosia and Hutsonville. However, not all assets and liabilities of AER are part of the IPH transaction. As directly relevant to the variance and assuming the Board grants the Motion to Transfer, Ameren will initiate a reorganization of AER by moving the five operating energy centers (Joppa, Edwards, Newton, Coffeen, and Duck Creek) into a newly formed subsidiary of AER. ("New AER"). The shuttered energy centers, Meredosia and Hutsonville, will also be transferred from AER but to an existing indirect subsidiary of Ameren, AmerenEnergy Medina Valley Cogen LLC ("Medina Valley"). The reorganized company is referred to as "New AER" in the Transaction Agreement and is the entity that IPH will be acquiring. After closing, the reorganized company acquired by IPH will be renamed and will no longer operate under the name of "Ameren" or any other similarly derived name.

A number of activities have or will occur to facilitate the transaction. Specifically, the Put Option Agreement described in testimony and during the public hearing in PCB 12-126 has been modified and exercised. As the Board may recall from the testimony of Gary Rygh (Barclay's Capital) and Ryan Martin (Ameren), the Put Option Agreement was designed as a mechanism to provide cash liquidity to GENCO. In essence, GENCO agreed to transfer ownership of the Elgin, Gibson City and Grand Tower natural gas plants in exchange for an irrevocable commitment that, upon exercise of the Put, the remittance of $100 million would immediately be made by Ameren to GENCO indirectly through a cash infusion into AERG. GENCO would subsequently receive additional funds to the extent of appraised values of the

three natural gas plants was determined to be greater than $100M As part of the negotiations with Dynegy, Ameren agreed to modify the Put Option Agreement and substituted Medina Valley in place of AERG as a party to that agreement. GENCO has exercised the "Put" and Ameren, through a subsidiary, has remitted $100 million to GENCO. In addition, subject to and following approval from FERC, ownership of the three natural gas facilities will be transferred to Medina Valley. The gas plant facilities will be marketed and sold by Medina Valley as soon as practicable. Once the transaction closes, the Put Proceeds can be used to support working capital needs associated with continued operation of the GENCO energy centers and to meet, in part, ongoing obligations. Copies of the Put Option Agreements and Amendments thereto are appended to my testimony.

Compliance Obligations Under Board Order (PCB 12-126)

As indicated above, to facilitate the transaction, Ameren will reorganize AER so as to segregate the assets to be conveyed from those retained by Ameren through Medina Valley. Along with the natural gas plants identified above, and just prior to the closing of the IPH transaction, as noted above, ownership of the Hutsonville and Meredosia energy centers will be transferred to Medina Valley. I am the Executive Vice President and Chief Financial Officer of Medina Valley and a member of its Board of Managers. I can confirm and represent that during the term of the variance neither Hutsonville nor Meredosia will operate its generating units, consistent with the Board Order. Medina Valley will provide annual certifications to IPH or its designated representative confirming compliance with Condition 4 of the Board Order. As mentioned at the beginning of my testimony, I simply wish to reiterate that Ameren is committed to exiting the merchant generation business in an orderly fashion so as to focus on its core utility operations. If the transaction does not close, Ameren would continue to explore exit possibilities

which could include the sale asset(s), the restructuring of debt or some combination thereof. In Ameren's view, the conveyance of the merchant business to IPH represents the best path forward for the continued operation of those facilities. As the Board is well aware from the public comments and testimony during AER's variance hearing, the energy centers are an integral part of the Southern and central Illinois economy. The transfer of the variance relief from AER to IPH represents the best alternative for the merchant business as it struggles through very distressed and uncertain economic and power market conditions.

FURTHER, Affiant sayeth not.

DATED: May 1, 2013

Name: Martin J. Lyons, Jr.
Title: Executive Vice President and Chief Financial Officer

Subscribed and swore to before me
this 1st day of May, 2013

Lynn M. Smith
Notary Public

LYNN M. SMITH
Notary Public – Notary Seal
STATE OF MISSOURI
Commission for St. Louis City
My Commission Expires Sept. 28, 2014
Commission #10402618

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EXECUTION VERSION

FORM OF

ASSET PURCHASE AGREEMENT

by and between

AMERENENERGY MEDINA VALLEY COGEN L.L.C.

and

AMEREN ENERGY GENERATING COMPANY

dated as of

March 14, 2013

PURCHASE OF GRAND TOWER,
GIBSON CITY AND ELGIN ENERGY CENTERS AND RELATED ASSETS

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SCHEDULES

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of March 14, 2013, is entered into by and between Ameren Energy Generating Company, an Illinois corporation (the "Seller"), and AmerenEnergy Medina Valley Cogen L.LC., an Illinois limited liability company (the "Buyer").

RECITALS

A. The Seller has exercised its rights under the Put Option Agreement between the parties dated as of March 28, 2012, as amended by that certain Novation and Amendment, dated as of March 14, 2013, between the Seller, the Buyer, AmerenEnergy Resources Generating Company, an Illinois corporation, and, solely with respect to Section 4 thereof, Ameren Corporation, a Missouri corporation (as amended, the "Put Option Agreement") to put the Energy Centers to the Buyer.

B. At the Closing described below, upon the satisfaction of the conditions set forth herein, and pursuant to the terms hereunder, Buyer will purchase, acquire, accept and assume, and the Seller will sell and assign, certain assets and liabilities associated with the Energy Centers, as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1.

Definitions

Section 1.1 Defined Terms. Unless the context requires otherwise, capitalized terms used in this Agreement shall have the meanings specified in this Section 1.1.

"AER Transaction Agreement" means that certain Transaction Agreement, dated as of March 14, 2013, by and between Ameren Corporation and Illinois Power Holdings, LLC, a Delaware limited liability company.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Agreement" has the meaning set forth in the preamble hereto.

"Allocation" has the meaning set forth in Section 9.4(a).

"Assumed Agreements" means all agreements entered into by the Seller primarily in connection with the ownership, operation and maintenance of the Energy Centers.

"Assumed Environmental Matters" means (i) any known or unknown violations of Environmental Law occurring at any time at, on or prior to the Closing Date in connection with

any of the Purchased Assets or the Energy Centers, or (ii) the known or unknown presence or Release of any Hazardous Substances at, on or prior to the Closing Date to soil, sediment, surface water, groundwater or air on, at, under, or from any Purchased Asset, including any migration of such Hazardous Substances from the Energy Centers or any Purchased Asset to any off-site location, (iii) any Hazardous Substances generated by or at any of the Purchased Assets or the Energy Centers at, on or prior to the Closing Date and sent to an offsite location for treatment, storage, disposal or recycling prior to the Closing Date, or (iv) any other liabilities arising under any Environmental Law in connection with the Purchased Assets or Energy Centers.

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Burdened Property" has the meaning set forth in Section 4.15.

"Buyer" has the meaning set forth in the preamble hereto.

"Buyer Additional Consents" has the meaning set forth in Section 5.6.

"Buyer Governmental Consents" has the meaning set forth in Section 5.5.

"Buyer Indemnified Party" means Buyer and all of its Affiliates, and each of their respective shareholders, partners, members, investors, directors, officers, employees and agents.

"Buyer Required Consents" means, collectively, the Buyer Governmental Consents and Buyer Additional Consents.

"Cap Amount" means an amount equal to ten percent (10%) of the Purchase Price.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the United States Internal Revenue Code of 1986, and any successor statute.

"Collective Bargaining Agreement" has the meaning set forth in Section 4.11.

"Contracts" has the meaning set forth in Section 4.10.

"Credit Support Obligations" has the meaning set forth in Section 7.5.

"Deeds" has the meaning set forth in Section 3.2.1(a)(i).

"Dollars" or "$" means the lawful currency of the United States of America.

"Elgin Energy Center" means the 476 nameplate MW simple cycle, natural gas fired power generation facility located at 1559 Gifford Rd., Elgin, Illinois.

"Emissions Credits" means credits, allowances or other similar measures, in units established by applicable Governmental Authorities, resulting from the reduction of pollutants or substances (including volatile organic compounds, greenhouse gasses, NOx and SOx) or changes in technology from or related to the Energy Centers, that have been issued by the applicable Governmental Authority.

"Employee Benefit Plan" means any plan, program, or policy, including but not limited to an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, providing for health or welfare benefits, retirement, deferred compensation, or savings benefits, fringe benefits, incentive compensation, paid time off, or similar benefits.

"Employees" means persons employed at one of the Energy Centers, and who are not covered by the Collective Bargaining Agreement or any other collective bargaining agreement.

"Encumbrance" means any mortgage, deed of trust, claim, charge, easement, encumbrance, lease, covenant, security interest, lien (statutory or otherwise), option, pledge, charge, condition, covenant, easement and any right of first refusal or first offer or other rights of others or restrictions (whether on voting, sale, transfer disposition or otherwise), whether imposed by agreement, understanding, law, equity or otherwise, or other encumbrance or title defect of any kind.

"Energy Centers" means collectively the Grand Tower Energy Center, Gibson City Energy Center and Elgin Energy Center.

"Environmental Laws" means any Governmental Rule relating to pollution or protection of human health, human safety or the environment (including ambient air, surface water, groundwater, wetlands, land surface and subsurface strata), including Governmental Rules relating to emissions, discharges, Releases or threatened Releases of hazardous materials or substances or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of hazardous materials or substances, including the Comprehensive Environmental Response, Compensation, and Liability Act.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"Excluded Software" has the meaning set forth in Section 2.2(h).

"FERC" means the Federal Energy Regulatory Commission.

"FIRPTA" means the Foreign Investment in Real Property Tax Act.

"Final Order" shall mean any order of a Governmental Authority which has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by law before the transactions contemplated thereby may be consummated has expired (but without the requirement for the expiration of any applicable rehearing or appeal period), and as to which all conditions to the consummation of such transactions prescribed by

law have been satisfied or could be satisfied in the future without causing a material adverse effect in the business, condition (financial or otherwise), properties, assets or results of operation of Buyer or the Purchased Assets.

"Gibson City Energy Center" means the 234 nameplate MW simple cycle, natural gas fired power generation facility located at 545 N. Jordan Drive, Gibson City, Illinois.

"Governmental Approval" means any authorization, consent, approval, waiver, exception, variance, order, franchise, permit (including the Permits hereunder), agreement, license or exemption issued by, or entered into with, any Governmental Authority, including any Governmental Filing that constitutes an authorization required in order to consummate the Closing or in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers.

"Governmental Authority" means any federal, state, county, municipal or local government or regulatory or supervisory department, body, political subdivision, commission, agency, instrumentality, ministry, court, judicial or administrative body, taxing authority, or other authority thereof (including any corporation or other entity owned or controlled by any of the foregoing) having jurisdiction over the matter or Person in question.

"Governmental Filing" means any filings, reports, registrations, notices, applications, certifications or other submissions to or with any Governmental Authority.

"Governmental Rule" means, with respect to any Person, any applicable law, statute, treaty, rule, regulation, permit conditions, ordinance, order, code, judgment, decree, injunction or writ issued by any Governmental Authority.

"Grand Tower Energy Center" means the 488 nameplate MW combined cycle, natural gas fired power generation facility located at 1820 Power Plant Rd., Grand Tower, Illinois.

"Hazardous Substances" means any chemical, material or substance that is listed or regulated under applicable Environmental Laws as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous substance," "toxic substance," "toxic pollutant," "contaminant" or "pollutant," as any of such terms is currently defined or used in any applicable Environmental Law, or that is otherwise listed or regulated under applicable Environmental Laws because it poses a hazard to human health or the environment.

"Indemnified Party" has the meaning set forth in Section 8.4.

"Indemnifying Party" has the meaning set forth in Section 8.4.

"Inventory" means those items which are described in Sections 2.1(c) and 2.1(d).

"Knowledge" means the knowledge of the following individuals, including actual knowledge and knowledge or information that would be discovered by a reasonable investigation (except that such a reasonable investigation standard will not require any external investigation in relation to statements regarding Seller's knowledge as to the actions or omissions of third

parties): (a) with respect to Seller, those persons listed on Schedule 1.1(a), and (b) with respect to Buyer, those persons listed on Schedule 1.1(b).

"Losses" means all damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, losses, and expenses and fees, including court costs and reasonable attorneys' fees and expenses.

"Material Adverse Effect" means any fact, event, change or effect that is (or would reasonably be expected to be) materially adverse to the Energy Centers or the Purchased Assets taken as a whole, or the ability of Seller to consummate the transactions contemplated by this Agreement in a timely manner, except any material adverse effect (a) cured, including by payment of money or credit to the Purchase Price, before the Closing Date, or (b) resulting from an Excluded Matter. For purposes of this definition, "Excluded Matter" means one or more of the following: (i) any change in the national, regional, or local markets or industries in which Seller operates, (ii) any Governmental Rule, other than any Governmental Rule adopted or issued specifically with respect to the Energy Centers or the transactions contemplated by this Agreement, (iii) any change in accounting standards, principles, or interpretations, (iv) any change in the national, regional, or local economic, regulatory, or political conditions, including prevailing interest rates, (v) any matter disclosed in this Agreement, any Schedule or Exhibit hereto, or any other certificate or instrument delivered to Buyer under or in accordance herewith, (vi) any change in the market price of commodities or publicly traded securities, or (vii) any action permitted under this Agreement, all except to the extent that any of the facts, events, changes or effects described in subsections (i) – (vii) above disproportionately and materially impact the Energy Centers or the Purchased Assets, taken as a whole, in relation to other Energy Centers and assets similar to the Energy Centers and the Purchased Assets, taken as a whole.

"MISO" means the Midwest Independent Transmission System Operator, Inc.

"MW" means megawatt.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation and by-laws, and with respect to any limited liability company, its articles or certificate of organization or formation and its operating agreement or limited liability company agreement or documents of similar substance.

"Permit" means any authorization, consent, approval, zoning ordinance (including zoning amendment), site plan approval, subdivision approval, agreement waiver, exception, variance, order, franchise, permit, license or exemption issued by any Governmental Authority in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers, including any Governmental Filing that constitutes an authorization required in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers.

"Permitted Encumbrances" means (i) Encumbrances securing or created by or in respect of any of the Assumed Liabilities; (ii) statutory liens for current Taxes or assessments not yet due or delinquent or the validity or amount of which is being contested in good faith by appropriate proceedings, none of which contested matters is material; (iii) mechanics', carriers', workers',

repairers', landlords', and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of Seller or the validity or amount of which is being contested in good faith by appropriate proceedings, none of which contested matters is material, or pledges, deposits, or other liens securing the performance of bids, trade contracts, leases, or statutory obligations (including workers' compensation, unemployment insurance, or other social security legislation); (iv) usual and customary zoning, entitlement, restriction, and other land use and environmental regulations by Governmental Authorities which do not materially interfere with the present use or normal operation of the Energy Centers or the Purchased Assets; (v) any Encumbrances set forth in any state, local, or municipal franchise or governing ordinance under which any portion of the Energy Centers or the Purchased Assets is conducted; (vi) all rights of condemnation, eminent domain, or other similar rights of any Governmental Authority; and (vii) such other Encumbrances (including requirements for consent or notice in respect of assignment of any rights) which do not materially interfere with Seller's current use of the Energy Centers or the Purchased Assets, and do not secure indebtedness or the payment of the deferred purchase price of property (except for Assumed Liabilities).

"Person" means any individual, corporation, partnership, trust, joint venture, unincorporated association, limited liability company, Governmental Authority or other entity.

"Proposed Allocation" has the meaning set forth in Section 9.4(a).

"Purchase Price" has the meaning set forth in Section 2.5.1.

"Purchased Assets" has the meaning set forth in Section 2.1.

"Purchased Assets Fair Market Value" means the value of the Purchased Assets determined in accordance with the procedures set forth in the Put Option Agreement.

"Put Option Agreement" has the meaning provided for in the Recitals.

"Put Option Deposit" means the deposit of one hundred million dollars ($100,000,000) paid by Buyer to Seller pursuant to the Put Option Agreement.

"Real Property Interests" has the meaning set forth in Section 2.1(a).

"Related Agreements" means, collectively any other documents, instruments and agreements provided for herein.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment.

"Seller" has the meaning set forth in the preamble hereto.

"Seller Indemnified Party" means Seller and all of its Affiliates, and each of their shareholders, partners, members, investors, directors, officers, employees and agents.

"Seller Additional Consents" has the meaning set forth in Section 4.6.

"Seller Governmental Consents" has the meaning set forth in Section 4.5.

"Seller Required Consents" means, collectively, the Seller Governmental Consents and the Seller Additional Consents.

"Software" means computer software programs and software systems, including all databases, compilations, tool sets, compilers, higher level or "proprietary" languages, related documentation and materials, whether in source code, object code or human readable form.

"Straddle Period" means any taxable period that begins on or before and ends after the Closing Date.

"Tax" means (a) any federal, state, local or foreign income, gross receipts, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, alternative minimum, estimated or any other tax of any kind whatsoever, including any interest, penalties and additions to tax thereto.

"Tax Proceeding" means any audit, examination, judicial, or administrative proceeding related to Taxes.

"Threshold Amount" means an amount equal to one percent (1%) of the Purchase Price.

"Transfer Taxes" means any and all transfer, registration, stamp, value added, documentary, sales, excise, use and similar Taxes (including all applicable real estate transfer or gains Taxes) any penalties interest and additions to tax, and fees.

"Union Employees" means persons employed at one of the Energy Centers who are covered by the Collective Bargaining Agreement or any other collective bargaining agreement.

"Workforce" means Employees, Union Employees and individuals formerly employed at one of the Energy Centers, excluding any individual who is a "Transferred Company Employee" (as defined in the AER Transaction Agreement).

Section 1.2 Rules of Interpretation. For purposes of this Agreement, except where otherwise expressly provided or unless the context otherwise necessarily requires:

1.2.1 references to this Agreement shall include a reference to all appendices, annexes, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time;

1.2.2 the words "herein," "hereof," "hereunder" and "herewith" shall refer to this Agreement as a whole and not to any particular section or subsection of this Agreement;

1.2.3 the terms "include," "includes" and "including" shall be construed to mean "including, without limitation" or "including but not limited to" and shall not be construed to mean that the examples given are an exclusive list of the topics covered;

1.2.4 references to "Articles," "Sections," "Schedules" or "Exhibits" (if any) shall be to articles, sections, schedules or exhibits (if any) of this Agreement;

1.2.5 references to a given agreement, instrument or other document shall be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made;

1.2.6 references to a Person include its successors and permitted assigns;

1.2.7 the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa; and

1.2.8 reference to a given Governmental Rule is a reference to that Governmental Rule and the rules and regulations adopted or promulgated thereunder, in each case, as amended, modified, supplemented or restated as of the date on which the reference is made.

ARTICLE 2.

Sale and Purchase

Section 2.1 Purchased Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller will sell, transfer, assign, convey and deliver to Buyer, and Buyer agrees to purchase and acquire from Seller and to pay Seller for, free and clear of all Encumbrances, except the Permitted Encumbrances, all of Seller's right, title and interest in, to and under all assets and properties of every kind and description owned, leased or used primarily in and for the operation of the Energy Centers, wherever located, real, personal or mixed, tangible or intangible, other than the Excluded Assets (herein collectively called the "Purchased Assets"), including all right, title and interest of Seller in, to and/or under the following:

(a) the real property and the real property interests listed on Schedule 2.1(a), in each case together with all buildings, structures, generators, improvements and fixtures thereon) and all rights, title and interests in and to the rights, privileges, easements, minerals, oil, gas and other hydrocarbon substances on and under such real property, all development rights, air rights, water, water rights, riparian rights, and water stock relating to such real property, any rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of such real property, and all roads adjoining or servicing such real property and other appurtenances thereto (collectively the matters described in this Section 2.1(a) are called the "Real Property Interests");

(b) all other tangible personal property and interests therein, including all machinery, equipment, furniture, furnishings and vehicles, and all warranties against manufacturers or vendors relating thereto, to the extent such warranties are transferable or assignable;

(c) all spare, wear, replacement, consumable or other similar parts or tangible property held for use in connection with the generators, machinery, equipment, furniture, furnishings, vehicles and other tangible personal property described in Section 2.1(b), and all

warranties against manufacturers or vendors relating thereto, to the extent such warranties are transferable or assignable;

(d) all raw materials, fuel, supplies and other materials;

(e) all Emissions Credits;

(f) all Governmental Approvals, to the extent such Governmental Approvals can be transferred or assigned to Buyer;

(g) all of the Assumed Agreements (all of which are set forth on Schedule 2.1(g));

(h) all Software other than the Excluded Software;

(i) all rights, defenses, claims or causes of action against third parties relating to the Purchased Assets;

(j) all surveys, books and records (including all data and other information stored on discs, tapes or other media) related to the Purchased Assets, the Assumed Liabilities and the ownership, operation or maintenance of the Energy Centers, except for records which by law Seller is required to retain in its possession; provided that Buyer may to the extent permitted by law retain copies of such surveys, books and records;

(k) all telephone, telex and telephone facsimile numbers and other directory listings (other than internal directory listings of Seller and its Affiliates); and

(l) all tradenames, patents, copyrights, general intangibles and all other intellectual property rights.

Section 2.2 Excluded Assets. Notwithstanding the provisions of Section 2.1, the Purchased Assets shall not include the following (herein referred to as the "Excluded Assets"):

(a) any property interests or rights not owned by Seller;

(b) Seller's rights, defenses, claims or causes of action against third parties relating to any Excluded Liabilities or Excluded Assets;

(c) all corporate minute books and stock transfer books and the corporate seals of Seller;

(d) any assets that have been disposed of in the ordinary course of business consistent with past practice or otherwise in compliance with this Agreement prior to the Closing;

(e) all cash and cash equivalents, bank deposits, and accounts receivable and all other receivables (including income, sales, payroll or other tax receivables) arising or relating

to the periods prior to the Closing, including amounts owed (or reportedly owed) to Seller by MISO;

(f) assets used for performance of central or shared services by the Seller;

(g) all insurance policies of the Seller and rights thereunder, including any such policies and rights in respect of the Purchased Assets or the Energy Centers;

(h) the Software listed on Schedule 2.2(h) (the "Excluded Software"); and

(i) all other assets (including agreements and contracts) of the Seller not owned, leased or used primarily in the operation of the Energy Centers.

Section 2.3 Assumed Liabilities. On the Closing Date, Buyer shall assume and thereafter agree to pay, perform, discharge or otherwise satisfy in accordance with their terms any and all liabilities or obligations whatsoever (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise) of Seller or any subsidiaries of Seller to the extent (but only to the extent) arising out of or relating to the Energy Centers and the Assumed Assets, excluding, for the avoidance of doubt, the Excluded Assets ("Assumed Liabilities"). The Assumed Liabilities shall include, but not be limited to, the following:

(a) any obligations under the Assumed Agreements,

(b) any Assumed Environmental Matters, and

(c) any liabilities or obligations attributable to the Workforce, (i) under any Employee Benefit Plan, compensation arrangement, or the Collective Bargaining Agreement. or (ii) arising from Buyer's or its Affiliates' breach of any laws applicable to the employment of the Workforce.

Section 2.4 Excluded Liabilities. Buyer shall not assume or be obligated to pay, perform, or otherwise discharge any liabilities or obligations whatsoever (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise) to the extent they relate to any Excluded Assets (the "Excluded Liabilities").

Section 2.5 Purchase Price; Payment; Proration.

2.5.1 Purchase Price. The aggregate purchase price to be paid by Buyer for the purchase of the Purchased Assets shall be the greater of (i) one hundred million dollars ($100,000,000); or (ii) the Purchased Assets Fair Market Value (the "Purchase Price").

Section 2.6 Payment of Purchase Price. If the Purchase Price is greater than the Put Option Deposit, Buyer shall pay to Seller at Closing by wire transfer to an account designated by Seller the difference between the Purchase Price and the Put Option Deposit.

ARTICLE 3.

Closing Date and Actions at Closing

Section 3.1 Closing Date. Upon and subject to the satisfaction of the conditions contained in Article 6 of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall be held at the offices of Armstrong Teasdale LLP in St. Louis, Missouri, at 10:00 A.M., local time on the third business day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the parties will take at the Closing itself), or such other date, time and place as the parties may mutually agree (the "Closing Date"). The Closing shall not be deemed to have occurred until all actions necessary to complete the Closing have occurred, and then the Closing shall be effective (with retroactive effect) for all purposes as of 12:01 a.m. on the Closing Date.

Section 3.2 Actions to be Taken at Closing. At the Closing, each of the following shall occur:

3.2.1 Deliveries by Seller to Buyer. Seller shall deliver (or cause to be delivered) the following documents to Buyer, duly executed (as applicable):

(a) The following documents relating to Real Property Interests:

(i) special warranty deeds (the "Deeds") as to the Real Property Interests owned in fee by Seller, in a form to be reasonably agreed upon by the Buyer and Seller;

(ii) assignments of all easement rights, and other customary conveyancing documents as to the Real Property Interests other than those owned in fee by Seller, in a form to be reasonably agreed upon by the Buyer and Seller; and

(iii) affidavits of Seller as to title and other customary documents reasonably required by a reputable title company to obtain the Title Insurance Policies.

(b) bills of sale and assignments for any Purchased Assets other than the Real Property Interests, in a form to be reasonably agreed upon by the Buyer and Seller;

(c) a certificate of good standing for Seller issued by the Illinois Secretary of State dated not more than five (5) days prior to the Closing Date;

(d) each of the certificates described in Sections 6.2.1 and 6.2.2;

(e) evidence reasonably satisfactory to Buyer that Seller has obtained all of the Seller Required Consents;

(f) the FIRPTA certificate described in Section 9.3;

(g) transfer tax declarations as to the Deeds in customary form required by state and local law, executed by Seller; and

(h) such other documents as Buyer may reasonably request.

3.2.2 Deliveries by Buyer to Seller. Buyer shall deliver the following documents to Seller, duly executed (as applicable):

(a) one or more instruments of assumption of the Assumed Liabilities in a form to be reasonably agreed upon by the Buyer and Seller;

(b) a certificate of good standing for Buyer issued by the Illinois Secretary of State dated not more than five days prior to the Closing Date;

(c) each of the certificates described in Sections 6.3.1 and 6.3.2;

(d) evidence satisfactory to Seller that Buyer has obtained all of the Buyer Required Consents.

(e) such other documents as Seller may reasonably request.

ARTICLE 4.

Representations and Warranties Relating to Seller

Seller hereby represents and warrants to Buyer that the statements contained in this Article 4 are correct and complete as of the date hereof, and will be correct and complete as of the Closing Date, except as otherwise disclosed on the disclosure schedules referenced below. The fact that any item of information is contained in a disclosure schedule shall not be construed as an admission of liability under applicable law, or to mean that such information is material. Unless otherwise indicated, such information shall not be used as the basis for interpreting the term "material," "materially" or "Material Adverse Effect," or any similar qualification in this Agreement.

Section 4.1 Due Organization and Qualification. Seller is a corporation duly formed, validly existing and in good standing under the laws of Illinois.

Section 4.2 Power and Authority. Seller has full power and authority to carry on its businesses as now conducted, to own or hold under lease its properties, and to enter into and perform its obligations under each Contract to which it is a party. Seller has authorized the execution, delivery and performance of this Agreement and such other documents, instruments and agreements to which it is a party in connection with the transactions contemplated by this Agreement.

Section 4.3 No Violations. Subject to Seller obtaining the Seller Required Consents, neither the execution nor the delivery of this Agreement or the Related Agreements, and the consummation of the transactions contemplated hereby and thereby, by Seller, will (a) violate any Governmental Rule to which Seller or its assets is subject, except as would not result in a

Material Adverse Effect, (b) violate or conflict with Seller's Organizational Documents, or (c) except as would not result in a Material Adverse Effect or prevent Seller from consummating the transactions contemplated hereby, violate, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Seller is a party or by which any its assets is subject.

Section 4.4 Valid, Binding and Enforceable Obligation. Each of this Agreement and any Related Agreements to which Seller is a party has been duly and validly executed by Seller, and, assuming due authorization, execution and delivery of this Agreement and the Related Agreements by Buyer, constitutes a valid, binding, and enforceable obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and the enforcement of debtors' obligations generally and by general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 4.5 Governmental Consents. Except for the Governmental Approvals set forth on Schedule 4.5 (collectively, the "Seller Governmental Consents"), no Governmental Approval is necessary in connection with the execution and delivery by Seller of this Agreement and the Related Agreements to which it is a party, or the consummation of the transactions by Seller contemplated hereby and thereby, other than where the failure to obtain a required Governmental Approval would not have a Material Adverse Effect.

Section 4.6 Additional Consents. No filing, registration, qualification, notice, consent, approval or authorization to, with or from any Person (excluding Governmental Authorities) is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Seller, or the consummation by Seller of the transactions contemplated hereby and thereby.

Section 4.7 No Litigation.

(a) Seller has not received any written notice from a third Person of any pending action or investigation against Seller or request for information from any Governmental Authority or third Person about Seller in connection therewith, which, (a) could result, or has resulted in the institution of legal proceedings to prohibit or restrain the performance of this Agreement or any of the Related Agreements or the consummation of the transactions contemplated hereby or thereby or (b) could result, or has resulted, in a claim for damages as a result of this Agreement or any of the Related Agreements, or the consummation of the transactions contemplated hereby or thereby.

(b) Except as would not have a Material Adverse Effect, since September 30, 2012, Seller has not received any written notice from any third Person of any claim or pending action or investigation against Seller or request for information by any Governmental Authority or third Person about Seller in connection therewith which, in either case, relates to the Purchased Assets or the business or operations of the Energy Centers.

Section 4.8 Absence of Certain Changes. Seller has not (a) suffered any damage, destruction or other casualty loss with respect to any of the Purchased Assets in excess of $1,000,000, or (b) suffered any Material Adverse Effect.

Section 4.9 No Undisclosed Liabilities. To Seller's Knowledge, except for (i) matters arising under the Assumed Agreements and (ii) liabilities incurred in the ordinary course of business consistent with past practice (none of which relate to any breach of contract, tort, infringement or product liability) there are no liabilities or obligations of Seller with respect to the Purchased Assets or the Energy Centers of any nature (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise).

Section 4.10 Contracts.

(a) Schedule 4.10(a) sets forth a list of each material agreement, contract, instrument, license and franchise to which Seller is a party and which relates to the Energy Centers (other than any agreement, contract, instrument, license or franchise which has been terminated or under which the Seller has no remaining rights or obligations), including any agreement, contract, instrument, license and franchise which relates to the ownership, operation or maintenance of the Energy Centers or the sale of electric energy, capacity, ancillary services or Emissions Credits from or relating to the Energy Centers or the interconnection of the Energy Centers to any transmission or distribution system (collectively, to the extent material, the "Contracts"). A true, correct and complete copy of the current form of each Contract has been made available to Buyer. For purposes of this Section 4.10(a), "material" refers to any agreement, contract, instrument, license and franchise involving annual consideration in excess of $100,000 and cannot be terminated without penalty or premium upon written notice (not to exceed 90 days written notice).

(b) The Seller has performed in all material respects all obligations required to be performed by it under each Contract, as the case may be, and has observed all terms required to be observed by it under such Contracts.

Section 4.11 Labor Matters. Seller is a party to the collective bargaining agreement described on Schedule 4.11 (the "Collective Bargaining Agreement"). At the time of execution of this Agreement, there is no labor strike, slow down, work stoppage, or lock-out pending or, to Seller's Knowledge, threatened with respect to Seller, any Purchased Asset or the Energy Centers. To Seller's Knowledge it is in compliance with applicable laws respecting labor, employment and employment practices, its collective bargaining agreement and wages and hours, and there is no unfair labor practice charge or complaint against Seller or involving the Purchased Assets pending or, to Seller's Knowledge, threatened before the National Labor Relations Board or any similar Governmental Authority with respect to Seller, any Purchased Asset or the Energy Centers. There is no pending or, to Seller's Knowledge, threatened employee or governmental claim or investigation regarding employment matters, including any charges before the Equal Employment Opportunity Commission, state employment practice agency, state or federal Departments of Labor, or audits by the Office of Federal Contract Compliance Programs.

Section 4.12 Legal Compliance; Governmental Approvals.

(a) Seller is, and to its Knowledge has at all times been, in compliance in all respects with all Governmental Rules with respect to the Energy Centers and the Purchased Assets, except for such noncompliance as would not have a Material Adverse Effect.

(b) The Seller has timely filed all applications, reports and other disclosures required by Governmental Rules in each case where the failure to do so could result in a Material Adverse Effect.

Section 4.13 Environmental, Health and Safety Matters.

(a) Seller is in compliance with all applicable Environmental Laws, except as would not have a Material Adverse Effect.

(b) Within the last three (3) years, Seller has not received any written notice, report or other information alleging, and to Seller's Knowledge there are no conditions that constitute, a violation of Environmental Laws, or any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise) relating to the Energy Centers arising under Environmental Laws, except as would not have a Material Adverse Effect.

(c) Seller has not caused or allowed the generation, treatment, manufacture, processing, distribution, use, storage, disposal, Release, transport or handling of any Hazardous Substances at any of the Purchased Assets that has resulted in (i) an investigation or cleanup required under Environmental Laws or (ii) a violation of any Environmental Law, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(d) There are no pending or, to Seller's Knowledge, threatened legal proceedings with respect to the Purchased Assets alleging or concerning any violation of or responsibility or liability under any Environmental Law or the Release, threatened Release or presence of any Hazardous Substances at, on, beneath, to, from or in the indoor or outdoor environment at any of the Purchased Assets or any off-site location (including soil sediment, surface water, groundwater, air or any component of a structure), except as would not have a Material Adverse Effect.

(e) Seller holds all material Governmental Approvals from all Governmental Authorities under all Environmental Laws required for the Energy Centers and the Purchased Assets and is in compliance with all such Governmental Approvals (except for such noncompliance as would not have a Material Adverse Effect). There are no pending or, to Seller's Knowledge, threatened actions seeking to modify, revoke or deny renewal of any such Governmental Approvals.

(f) Notwithstanding any of the representations and warranties contained elsewhere in this Agreement, all matters relating in any way to compliance with or liability under or in connection with any representations and warranties regarding Environmental Laws and related matters shall be governed exclusively by this Section 4.13.

Section 4.14 Ownership of Purchased Assets; Permitted Encumbrances. Seller owns or leases all of the Purchased Assets, free and clear of all Encumbrances except for the Permitted Encumbrances.

Section 4.15 Real Property Interests. The Real Property Interests (and each portion thereof) are in all material respects suitable and sufficient for the uses to which they are currently being used by Seller or contemplated by Seller to be used in connection with the Energy Centers. With respect to all Real Property Interests:

(a) Seller has good, valid, marketable and insurable fee simple title to the Real Property Interests (including any and all appurtenant easements or other similar appurtenant rights), in each case free and clear of any Encumbrances (other than Permitted Encumbrances);

(b) each easement, license or other agreement or instrument benefiting, entered into or obtained by Seller with respect to any portion of gas supply rights or other utility or access rights, whether or not appurtenant to the Real Property Interests constituting fee simple or leasehold interests in the Energy Centers, and which burden real properties owned by parties other than Seller (any such burdened real property, a "Burdened Property") is, to Seller's Knowledge, a valid and binding agreement in full force and effect and enforceable by Seller against the other parties thereto, no default or claim of default by Seller or, to Seller's Knowledge, by any other party exists under any provision thereof and no condition or event exists which after notice or lapse of time or both would constitute a default thereunder by Seller or, to Seller's Knowledge, any other party; and

(c) except as set forth on Schedule 4.7(b), there are no pending or, to Seller's Knowledge, threatened condemnation or similar proceedings for assessment or collection of taxes, impact fees or special assessments relating to any of the Real Property Interests, and no condemnation or eminent domain proceeding or other such similar proceeding against any of the Real Property Interests is pending or threatened.

Section 4.16 Good Faith. To Seller's Knowledge, the negotiations regarding the transactions contemplated by this Agreement have been conducted in good faith and at arms-length.

ARTICLE 5.

Representations and Warranties Relating to Buyer

Buyer represents and warrants to Seller that the statements in this Article 5 are correct and complete as of the date hereof, and will be correct and complete on the Closing Date.

Section 5.1 Due Organization. Buyer is an Illinois limited liability company, duly organized and validly existing under the laws of the state of Illinois.

Section 5.2 Power and Authority. Buyer has full power and authority to enter into and perform its obligations hereunder and under the Related Agreements to which it is a party, and to consummate the transactions herein and therein contemplated in accordance with the terms, provisions and conditions hereof and thereof. Buyer has duly and validly authorized the

execution, delivery and performance of this Agreement and the Related Agreements to which it is a party in connection with the transactions contemplated by this Agreement.

Section 5.3 Valid, Binding and Enforceable Obligations. Each of this Agreement and the Related Agreements to which Buyer is a party has been duly and validly executed by Buyer and, assuming due authorization, execution and delivery of this Agreement and the Related Agreements by the Seller constitutes a valid, binding and enforceable obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and the enforcement of debtors' obligations generally and by general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 5.4 No Violations. Subject to Buyer obtaining the Buyer Required Consents, neither the execution or delivery by Buyer of this Agreement and the Related Agreements to which it is a party, nor the consummation of the transactions contemplated hereby and thereby will (a) violate any Governmental Rule to which it is subject or its Organizational Documents, except as would not materially and adversely impact Buyer's ability to consummate the transactions contemplated herein in a timely manner, or (b) except as would not result in a Material Adverse Effect or prevent Buyer from consummating the transactions contemplated hereby, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Buyer is a party or by which it or any of its assets is subject.

Section 5.5 Governmental Consents. Except for the Governmental Approvals set forth on Schedule 5.5 (collectively, the "Buyer Governmental Consents"), no Governmental Approval is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Buyer or the consummation of the transactions by Buyer contemplated hereby and thereby, other than where the failure to obtain a required Governmental Approval would not materially and adversely impact Buyer's ability to consummate the transactions contemplated herein in a timely manner.

Section 5.6 Additional Consents. No filing, registration, qualification, notice, consent, approval or authorization to, with or from any Person (excluding Governmental Authorities) is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Buyer, or the consummation of the transactions by Buyer contemplated hereby.

Section 5.7 No Litigation. Buyer has received no written notice from a third Person of any pending action or investigation against Buyer or request for information from any Governmental Authority or third Person about Buyer in connection therewith, and Buyer has no Knowledge of any notice from a third Person of any threatened action or investigation against Buyer or request for information by any Governmental Authority or third Person about Buyer in connection therewith, which, in either case, could result, or has resulted, in (a) the institution of legal proceedings to prohibit or restrain the performance of this Agreement or any of the Related Agreements, or the consummation of the transactions contemplated hereby or thereby, or (b) a claim for damages as a result of this Agreement or any of the Related Agreements.

Section 5.8 Due Diligence. Buyer has had the opportunity to inspect the Purchased Assets and all of the information made available by Seller, and to ask questions of and receive answers from the Seller with respect to the Purchased Assets and the Energy Centers, and otherwise to conduct all due diligence it deems necessary with respect to the subject matter of this Agreement.

Section 5.9 Exculpation. Buyer agrees that except for the representations and warranties expressly set forth in this Agreement and the Related Agreements, the Purchased Assets are being sold on an "AS IS, WHERE IS" basis and in "WITH ALL FAULTS" condition. Without limiting the generality of the foregoing, except for the representations and warranties expressly set forth in this Agreement and the Related Agreements Seller makes no written or oral representation or warranty, either express or implied, with respect to the fitness, merchantability or suitability of the Energy Centers or the Purchased Assets for any particular purpose or the operation of the Energy Centers or the Purchased Assets by Buyer.

Section 5.10 Good Faith. To Buyer's Knowledge, the negotiations regarding the transactions contemplated by this Agreement have been conducted in good faith and at arms-length.

ARTICLE 6.

Conditions Precedent to Closing

Section 6.1 Conditions Precedent to the Parties' Obligations. The obligations of the parties to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, the parties of each of the following conditions on or prior to the Closing:

6.1.1 No Termination. This Agreement shall not have been terminated pursuant to Article 10.

6.1.2 No Adverse Proceedings. On the Closing Date, no action or proceeding shall be pending before any Governmental Authority to restrain, enjoin or otherwise prevent the consummation of this Agreement or the transactions contemplated hereby or to recover any damages or obtain other relief as a result of the transactions proposed hereby.

6.1.3 No Violations. The consummation of the transactions contemplated hereby and by the Related Agreements shall not violate any Governmental Rule.

Section 6.2 Conditions Precedent to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, Buyer, of each of the following conditions on or prior to the Closing:

6.2.1 Seller's Representations True and Correct; Certificate. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects (other than any representation or warranty qualified as to materiality, which shall be true and correct in all respects) as of the Closing Date as if made on the Closing Date,

except to the extent that any such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct in all material respects as of such date (unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing), and Seller shall have executed and delivered to Buyer a certificate confirming the same.

6.2.2 Seller's Compliance with Covenants; Certificate. Seller shall have performed and complied with, in all material respects, all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date, and Seller shall have executed and delivered to Buyer a certificate confirming the same.

6.2.3 Execution and Delivery of Related Agreements. Each of the Related Agreements to which Seller is a party shall have been duly authorized, executed and delivered by the parties thereto other than Buyer, and shall be in full force and effect on the Closing Date without any material breach hereof or thereof having occurred and be continuing hereunder or thereunder. The documents contemplated to be delivered pursuant to Section 3.2.1 hereof shall have been delivered by the Seller to Buyer.

6.2.4 Consents. All Buyer Required Consents shall have been duly obtained and shall continue to be in full force and effect.

6.2.5 No Material Adverse Change. From the date hereof through the Closing, (a) there shall have been no material adverse change in the condition, compliance, operation, business, assets, liabilities or prospects of the Energy Centers, the Purchased Assets or the Assumed Liabilities, which would result in a Material Adverse Effect, and (ii) no material loss or damage shall have been sustained to the Purchased Assets, whether or not insured, which would result in a Material Adverse Effect.

6.2.6 Lien Releases. Seller shall have obtained and delivered all lien releases and instruments necessary for the release and termination of any liens, security interests and encumbrances upon the Purchased Assets, including all releases and terminations for all mortgages, assignments and UCC financing statements, except for the Permitted Encumbrances.

Section 6.3 Conditions Precedent to Seller's Obligations. The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, Seller, of each of the following conditions on or prior to the Closing:

6.3.1 Buyer's Representations True and Correct; Certificate. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects (other than any representation or warranty that contains a materiality standard, which shall be true and correct in all respects) as of the Closing Date as if made on the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date (unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing) and Buyer shall have executed and delivered to Seller a certificate confirming the same.

6.3.2 Buyer's Compliance with Covenants; Certificate. Buyer shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date and Buyer shall have executed and delivered to Seller a certificate confirming the same.

6.3.3 Execution and Delivery of Related Agreements. Each of the Related Agreements to which Buyer is a party shall have been duly authorized, executed and delivered by the other parties thereto and shall be in full force and effect on the Closing Date without any material breach hereof or thereof having occurred and continuing hereunder or thereunder.

6.3.4 Consents. All Seller Required Consents shall have been duly obtained and shall continue to be in full force and effect.

Section 6.4 Frustration of Closing Conditions. No party may rely on the failure of any conditions set forth in this Article 6 to be satisfied if such failure was caused by such party's failure to act in good faith or to use its commercially reasonable efforts to cause the Closing to occur, as required by Section 7.3.

ARTICLE 7.

Additional Covenants

Section 7.1 Conduct of Business. Except as expressly contemplated by this Agreement or the AER Transaction Agreement, from the date of this Agreement until the Closing, Seller shall carry on its businesses and operations in the ordinary course consistent with past practice and prudent utility practices, and continue to use, operate, maintain and repair all Purchased Assets in good operating condition and repair and in accordance with all Governmental Approvals, all Contracts and all applicable Governmental Rules and otherwise in accordance with prudent business and utility practices consistent with past practice.

Section 7.2 General Pre-Closing Covenants of Seller. Until the Closing Date, Seller shall, unless Buyer shall otherwise agree in writing, or except as shall otherwise be required in order to comply with the requirements of any Contract, Governmental Rule or Governmental Approval, do or cause to be done the following:

7.2.1 Full Access. Permit Buyer and its representatives, agents, counsel and accountants upon reasonable notice and in compliance with reasonable rules and regulations of Seller (and any Affiliate thereof) to have access, at Buyer's expense, during normal business hours to all properties, books, accounts, records, contracts, files, correspondence and documents of or relating to the Purchased Assets, and permit Buyer to cause its agents to conduct such reviews, inspections, surveys, tests and investigations of the Energy Centers, the Purchased Assets and the Assumed Liabilities, as Buyer deems reasonably necessary or advisable regarding Buyer's due diligence review or preparations for Closing, so long as the same does not unreasonably interfere with the conduct of business by Seller (or its Affiliates); provided, however, that Buyer will not be entitled to conduct any "Phase 2" environmental studies or assessments or take any samples of water or other materials or conduct any tests that involve removing soil or penetrating the subsurface of any lands; provided, further, that Buyer will

indemnify and hold harmless Seller from and against any Losses caused to them by or in connection with any such reviews, inspections, surveys, tests and investigations by Buyer or its representatives, agents, counsel and accountants (including restoring any such premises to the condition substantially equivalent to the condition such premises were in prior to any such investigation).

7.2.2 Furnishing Information. To the extent not otherwise publicly available through FERC, the U.S. Securities and Exchange Commission, the Illinois Environmental Protection Agency, the Illinois Public Utilities Commission, the Illinois Secretary of State or the applicable county registrar, make available or cause to be made available to Buyer and its representatives originals or copies of all Governmental Approvals, Contracts and other documents, records, data and information concerning such businesses, assets, finances and properties of or relating to the Energy Centers, the Purchased Assets or the Assumed Liabilities that may be reasonably requested by Buyer, in each case that are in the possession or control of any Seller Party. If Buyer desires to retain copies of any such information, the cost of making such copies shall be for Buyer's account. To the extent reasonably requested by Buyer, Seller will assist Buyer in obtaining such information relating to the Purchased Assets that is reasonably available to Seller.

7.2.3 Representations and Warranties. Refrain from doing, or causing to be done, or permitting (to the extent within its reasonable control) to occur anything which would cause the representations and warranties set forth in Article 4 or hereof from being true, complete and accurate in all material respects on the Closing Date.

7.2.4 Notification. Promptly after obtaining knowledge of the same notify Buyer in writing of any event, circumstance or condition that results in, with the passage of time or notice, or both, would reasonably be likely to result in (a) any representation or warranty made to or for the benefit of Buyer under this Agreement being false in any material respect at any time, (b) any condition to Closing for the benefit of Buyer being unable to be satisfied or (c) the inability of Seller to perform any of its obligations hereunder. Notwithstanding the giving of any notice under this Section 7.2.4, the closing condition set forth in Section 6.2.1 must be satisfied (or waived by Buyer) in accordance with its terms.

Section 7.3 Filings, Consents and Satisfaction of Closing Conditions. As promptly as practicable, Seller and Buyer shall each use its commercially reasonable efforts to make, or cause to be made, all such filings and submissions and obtain or cause to be obtained all such consents and approvals applicable to it, in order to consummate the transactions contemplated by this Agreement in accordance with the terms hereof. Each party will reasonably cooperate with the other with respect to all such filings, submissions consents and approvals, as requested by the party seeking the same. Copies of all filings and submissions, consents and approvals received by any party shall promptly be delivered to the other parties hereto. Seller and Buyer will each execute and deliver at the Closing each document such entity is required to execute and deliver as a condition to the Closing, will take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each other condition to Closing within such entity's reasonable control, and will not take or fail to take any action that could reasonably be expected to result in the nonfulfillment of any such condition.

Section 7.4 Provision of Information. The originals (or where not available a copy thereof) of the books and records, accounts, contracts and other documents (including all Contracts and Governmental Approvals) constituting Purchased Assets or Assumed Liabilities shall be delivered to Buyer on the Closing Date or promptly thereafter, but in no event later than fifteen (15) days after the Closing Date, subject to the right of Seller to have access to such originals for review and copying (at Seller's expense) upon certification of reasonable need therefor. Such originals shall be delivered at the Closing or at such other locations as mutually agreed by the parties.

Section 7.5 Credit Support Obligations. Schedule 7.5 sets forth each guarantee and other credit support obligation of Seller (other than any Assumed Agreement) under or related to the Assumed Agreements (the "Credit Support Obligations"). Buyer agrees that, to the extent reasonably required by a beneficiary of any such Credit Support Obligation, Buyer shall deliver to each such beneficiary a replacement guarantee or other credit support obligation acceptable to such beneficiary, with respect to each Credit Support Obligation of the Seller.

Section 7.6 Employee Matters.

(a) Effective as of immediately before the Closing , Buyer (i) shall cause the employment of each Employee and Union Employee to be transferred to Buyer , and (ii) shall assume the obligations of the Seller under the Collective Bargaining Agreement.

(b) Nothing contained herein shall be construed to require the Buyer to continue the employment of any Employee or Union Employee for any period of time following the Closing, or to restrict the ability of the Buyer to terminate the employment of any Employee or Union Employee, or to amend or terminate any Employee Benefit Plan, or otherwise to alter in any way the terms and conditions of employment of the Employees or Union Employees, after the Closing, to the maximum extent permitted by applicable law and, with respect to Union Employees, the Collective Bargaining Agreement.

Section 7.7 Further Assurances. Each party shall, on request, before, on and after the Closing Date, cooperate with each other by furnishing any additional information, executing and delivering any additional documents and/or instruments and doing any and all such other things as may be reasonably requested by any of the parties or their counsel to consummate or otherwise further implement or effectuate the transactions contemplated by this Agreement and the Related Agreements; provided that no party shall be required to incur any additional liability or unreimbursed expenses in connection with any such request.

Section 7.8 Revenue Allocation. Each of the parties hereby agrees to use commercially reasonable efforts to amend its current contractual arrangement, if any, with Ameren Energy Marketing Company ("AEM") so that the revenues received by AEM from capacity, energy and/or ancillary services sales sourced solely from one or more of the transferred Energy Centers is allocated by AEM solely to the owner of such applicable Energy Center.

ARTICLE 8.

Remedies for Breaches of this Agreement

Section 8.1 Survival.

The representations and warranties of Buyer shall survive for one year following the Closing Date.

Section 8.2 Remedies of Buyer and Indemnification by Seller.

(a) Seller shall indemnify, defend, reimburse and hold harmless the Buyer Indemnified Parties from and against any and all Losses due to the Excluded Liabilities, without any application of the Threshold Amount or Cap Amount.

Section 8.3 Indemnification by Buyer. In the event that Buyer breaches any of its representations, warranties, covenants and agreements contained herein and, provided that Seller makes a written claim for indemnification against Buyer pursuant to Section 11.7 regarding a fact, event or circumstance occurring within the applicable survival period specified in Section 8.1, then Buyer shall indemnify, defend, reimburse and hold harmless a Seller Indemnified Party from and against the entirety of any Losses suffered by a Seller Indemnified Party in connection with such breach; provided, however, that (i) Buyer shall only have any obligation to indemnify, defend, reimburse and hold harmless any Seller Indemnified Party from and against Losses arising from a breach of representations or warranties to the extent the Seller Indemnified Party has suffered Losses by reason of such breach in excess of the Threshold Amount (it being understood that subject to the following clause (ii), the full amount of such Losses (including the Threshold Amount) shall be indemnifiable), and (ii) the maximum amount of all indemnification payments with respect to representations and warranties made by Buyer under this Section 8.3 to any and all Seller Indemnified Parties shall not exceed an amount equal to the Cap Amount. Buyer will indemnify and hold harmless the Seller Indemnified Parties from and against any and all Losses due to (i) the Assumed Liabilities, (ii) breaches of covenants or agreements (other than representations and warranties), or (iii) matters constituting fraud or intentional misrepresentation, all without any application of the Threshold Amount or Cap Amount.

Section 8.4 Procedure for Third-Party Claims. Promptly after receipt by a party (the "Indemnified Party") of notice of a claim by a third party which may give rise to a claim for indemnification against the other party (the "Indemnifying Party"), the Indemnified Party shall notify the Indemnifying Party thereof in writing; provided, however, that the failure promptly to give such notice shall not affect any right to indemnification hereunder except to the extent that such failure has prejudiced the Indemnifying Party. The Indemnifying Party shall, within ten (10) days of receipt of such written notice, assume on behalf of the Indemnified Party and conduct with due diligence and in good faith the defense thereof with counsel reasonably satisfactory to the Indemnified Party; provided, however, that (a) the Indemnified Party shall have the right to be represented therein by advisory counsel of its own selection and at its own expense and (b) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be

legal defenses available to it which are different from, additional to or inconsistent with those available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel reasonably acceptable to the Indemnifying Party to participate in the defense of such action on its own behalf at the expense of the Indemnifying Party (in lieu of any counsel required to be retained pursuant to the portion of this sentence preceding this proviso). If an Indemnifying Party fails to assume the defense of an indemnifiable claim, then the Indemnified Party may at the Indemnifying Party's expense, and without prejudice to its right to indemnification, contest (or, with the prior written consent of the Indemnifying Party (not to be unreasonably withheld or delayed), settle) such claim. The Indemnifying Party may not enter into a settlement with respect to any indemnifiable claim without the consent of the Indemnified Party unless such settlement is limited to a payment of money for which the Indemnified Party is fully indemnified by the Indemnifying Party. The parties will cooperate fully with one another in connection with the defense, negotiation or settlement of any indemnifiable claim.

Section 8.5 Waiver of Closing Conditions. The parties acknowledge and agree that if any party hereto has Knowledge of a material failure of any condition set forth in Article 6 or of a material breach by any other party of any covenant or agreement contained in this Agreement, and such party proceeds with the Closing, such party shall be deemed to have waived such condition or breach (but then only to the extent of such party's Knowledge at Closing) and such party and its successors, assigns and Affiliates shall not be entitled to be indemnified pursuant to this Article 8, to sue for damages or to assert any other right or remedy for any losses arising from any matters relating to such condition or breach, notwithstanding anything to the contrary contained herein or in any Related Agreement.

Section 8.6 Materiality, Mitigation, Etc; Indemnification Payments as Adjustments to the Purchase Price.

(a) Notwithstanding anything herein to the contrary, after the occurrence of a breach of any representations and warranties contained herein or in the Related Agreements, any standard, threshold or reference to "material," "Material Adverse Effect" or other materiality qualifiers shall be disregarded for purposes of determining the Losses of an Indemnified Party under Article 8.

(b) An Indemnified Party shall use commercially reasonable efforts to mitigate all losses, damages and the like relating to a claim under this Article 8, including availing itself of any defenses, limitations, rights of contribution, claims against third parties and other rights at law or in equity. The Indemnified Party's commercially reasonable efforts shall include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any Loss or expenses for which indemnification would otherwise be due.

(c) An Indemnifying Party shall, upon the making of any indemnification payment, be subrogated in full to the rights of the Indemnified Party with respect to the losses, damages and the like to which such indemnification relates to the extent of any indemnification payment.

(d) All indemnification payments under this Article 8 shall be deemed adjustments to the Purchase Price.

Section 8.7 Exclusive Remedy. The parties acknowledge and agree that, should the Closing occur, the foregoing remedy and indemnification provisions of this Article 8 together with and the provisions of the Deeds shall be the sole and exclusive remedy of the parties with respect to the transactions contemplated by this Agreement (other than Sections 7.6 and 7.7), except in the event of fraud on the part of Buyer. In furtherance of the foregoing, each party hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action it has against the other party arising under or based upon any Federal, state or local statute, law, ordinance, rule or regulation or otherwise (except pursuant to the indemnification provisions set forth in this Article 8).

ARTICLE 9.

Tax Matters

Section 9.1 Sales and Transfer Taxes. Transfer Taxes in connection with the transfer of the Purchased Assets or otherwise in connection with the consummation of the transactions contemplated by this Agreement and the Related Agreements shall be paid by Buyer.

Section 9.2 FIRPTA Certificate. Seller shall deliver to Buyer at the Closing a certificate, in form and substance reasonably satisfactory to Buyer, certifying that the transactions contemplated hereby are exempt from withholding under Section 1445 of the Code.

Section 9.3 Purchase Price Allocation.

(a) Buyer shall present a draft (the "Proposed Allocation") of the Purchase Price allocation (the "Allocation"), prepared in accordance with the provisions of Section 1060 of the Code, to Seller for review within one hundred eighty (180) days after the Closing Date. Seller shall assist Buyer in the preparation of the Proposed Allocation and Buyer shall provide Seller and its respective employees, agents and representatives access at all reasonable times to the personnel, properties, books and records of Seller for such purpose. Except as provided in Section 9.4(b), at the close of business on such date that is thirty (30) days after delivery of the Proposed Allocation, the Proposed Allocation shall become binding upon Buyer and Seller, and shall be the Allocation.

(b) Seller shall raise any objection to the Proposed Allocation in writing within 30 days of the delivery of the Proposed Allocation. If Seller raises any such objection, Buyer shall negotiate in good faith to resolve any disputes with respect to the Proposed Allocation. If Buyer and Seller cannot resolve any such disputes, they will enter into binding arbitration with respect to the disputed items with an arbiter agreed to by the parties. The costs of such arbiter shall be borne equally by the Seller, on the one hand, and Buyer, on the other.

(c) Seller and Buyer agree, for all Tax purposes, to allocate any adjustment to the Purchase Price to the item or items to which it is principally attributable.

ARTICLE 10.

Termination

Section 10.1 Termination. This Agreement may be terminated at any time prior to the Closing as follows, and in no other manner:

(a) by the mutual agreement of Buyer and Seller in writing;

(b) by written notice from Buyer to Seller, or from Seller to Buyer, as applicable, if at any time (i) the other party fails to perform any material obligation hereunder in a timely manner and fails to cure the same promptly after written notice thereof, or (ii) any representation or warranty of the other party hereunder proves to be false in any material respect (or with respect to any representation or warranty with a materially standard, in all respects) and is not promptly cured after written notice thereof, except to the extent that any such representation or warranty is made as of a specified date, in which case, such representation or warranty shall have been true and correct in all material respects as of such date unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing; and

(c) by written notice from either party hereto to the other party hereto if the Closing contemplated hereunder has not taken place on or before March 14, 2014, as such date may be extended by either party hereto for up to thirty (30) additional days to the extent required by such party to obtain Seller Governmental Consents or Buyer Governmental Consents, as the case may be; provided, however, that a party hereto may not terminate this Agreement if the Closing fails to occur because conditions to Closing within the control of such party have not been satisfied; and

Section 10.2 Effect of Termination. In the event that this Agreement is terminated pursuant to this Article 10, then no party hereto shall have any further liability or obligation to any other party hereunder, except to the extent resulting from a party's breach of its obligations hereunder provided, that the following provisions shall survive termination: (a) Article 8, (b) this Section 10.2, and (c) Article 11.

ARTICLE 11.

Miscellaneous

Section 11.1 Transaction Costs. Except as otherwise expressly provided herein, Buyer, on the one hand, and Seller, on the other, shall pay all of its own costs and expenses (including attorneys' fees and other legal costs and expenses and accountants' fees and other accounting costs and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 11.2 Entire Agreement. This Agreement and the Put Option Agreement represent the entire understanding and agreement among the parties with respect to the subject

matter hereof and supersedes all other negotiations, understandings and representations (if any) made by and among such parties.

Section 11.3 Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a writing signed by each of the parties hereto.

Section 11.4 Assignments. No party hereto shall assign its rights and/or obligations hereunder without the prior written consent of each other party to this Agreement.

Section 11.5 Binding Effect. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

Section 11.6 Headings. The headings contained in this Agreement are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

Section 11.7 Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) (a) hand delivered by messenger or courier service, (b) delivered by express courier service (e.g., FedEx), (c) telefaxed or (d) mailed by registered or certified mail (postage prepaid), return receipt requested, addressed as follows:

To Buyer:

Attn:
AmerenEnergy Medina Valley Cogen L.L.C.
1901 Chouteau Avenue
St. Louis, Missouri 63103
Attention: General Counsel

To Seller:

Attn: Christopher A. Iselin
Ameren Energy Generating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234

or to such other address as any party may designate by notice complying with the terms of this Section 11.7. Each such notice shall be deemed delivered (i) on the date actually delivered if by messenger or courier service or express courier service; (ii) on the date of confirmed answer-back if by telefax so long as a duplicate copy is sent immediately by methods (a), (b), or (d) above; and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

Section 11.8 Severability. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary,

prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

Section 11.9 Waivers. The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver or any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any case shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances.

Section 11.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution or delivery by telefax, email or other electronic means of a signature page shall be binding upon any party so confirming or delivering.

Section 11.11 Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois other than any thereof that would require or permit the application of the laws of any other jurisdiction.

Section 11.12 No Consequential Damages. Notwithstanding anything to the contrary herein, but except for penalties, fines, fees, taxes, court costs and reasonable attorneys' fees and expenses included within Losses indemnified under Article 8 no party to this Agreement shall be liable to another party for special, punitive, indirect, incidental or consequential loss or damage of any nature, including loss of use or loss of profit or revenue, and each party hereby releases each other party, its Affiliates and their respective directors, officers, employees, successors, assigns, agents and contractors from any such liability.

Section 11.13 No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any other person except the parties hereto and their Affiliates any rights or remedies hereunder or shall create any third party beneficiary rights in any person, including, with respect to continued or resumed employment, any employee or former employee of the Seller (including any beneficiary or dependent thereof). No provision of this Agreement shall create any rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement except as expressly provided for thereunder.

Section 11.14 Conflicts. To the extent any term or provision of the AER Transaction Agreement is in conflict with any term or provision of this Agreement or any Annex, Exhibit or Schedule hereto, the terms and provisions of the AER Transaction Agreement shall govern solely to the extent of such conflict.

Section 11.15 Time of Essence. Time is of the essence with respect to the performance of any obligation under this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused their duly authorized representatives to execute and deliver this Agreement as of the date first set forth above.

AMERENENERGY MEDINA VALLEY COGEN, L.L.C.

By: _____

Name: Martin J. Lyons, Jr.
Title: Executive Vice President and Chief Financial Officer

AMEREN ENERGY GENERATING COMPANY

By: _____

Name: Gregory L. Nelson
Title: Senior Vice President, General Counsel and Secretary

Schedule 1.1(a)
Knowledge with respect to Seller

Steven R. Sullivan
Shawn E. Schukar
Christopher A. Iselin
Mark Eacret
Duane Harley

Schedule 1.1(b)
Knowledge with respect to Buyer

Marty J. Lyons
Gregory L. Nelson
Bruce A. SteinkeKendall D. Coyne
James A. Sobule

Schedule 2.1(a)
Real Property Interests

Owned Real Property

Agree Date	*Grantor*	*Grantee*	*County*
Elgin Energy Center			
07/22/2004	AEDC	AEG	Cook
Gibson City CTG Site			
08/31/2000	AERG	AEG	Ford
12/27/2005	City of Gibson	AEG	Ford
Grand Tower Power Plant			
05/01/2000	C1PS	AEG	Jackson
07/09/2001	AER	AEG	Jackson

Section 11.16

Easements, Licenses and Other Agreements

Agree Date	*Grantor*	*Grantee*	*County*	*Interest*
Elgin Energy Center				
01/27/2003	AEDC	AEG	Cook	Assignment
04/20/2004	AEDC	AEG	Cook	Assignment
04/28/2005	Realen Homes LP	AEG	Cook	Easement
Gibson City CTG Site				
07/28/2008	Natural Gas Pipeline Company of America, LLC	AEG	Ford	Easement
07/28/2008	Natural Gas Pipeline Company of America, LLC	AEG	McLean	Easement
Grand Tower Power Plant				
06/15/1998	DNR	AEG	Jackson	Permit
05/01/2000	CIP	AEG	Jackson	Assignment
06/20/2000	Illinois Department of Agriculture	AEG	Jackson	Agreement
03/19/2007	U.S. Army Corps of Engineers	AEG	Jackson	Permit
08/13/2010	ADC	AEG	Jackson	Assignment

06/23/2011	Browns Forestry Company Timber Services, Inc.	AEG	Jackson	Agreement
06/29/2012	Browns Forestry Company Timber Services, Inc.	AEG	Jackson	Agreement
07/02/2012	USFS	AEG	Jackson	Agreement
07/02/2012	USFS	AEG	Jackson	Permit

Section 11.17

Schedule 2.1(g)
Assumed Agreements

A. Long Term Service Plan Renewal for Grand Tower, Siemens Proposal No. 20120411-80DS, dated April 13, 2012, from Siemens Energy Inc.

B. Purchase Order #553597, dated June 18, 2012, between Siemens Energy Inc. and Ameren Services Company, as agent for Ameren Corporation, its subsidiaries and affiliates

C. Long Term Service Plan Renewal for Elgin and Gibson City, Siemens Proposal No. 20110427-50FE, dated April 29, 2011, from Siemens Energy Inc.

D. Purchase Order #553593, dated September 28, 2012, between Siemens Energy Inc. and Ameren Services Company, as agent for Ameren Corporation, its subsidiaries and affiliates

E. Purchase Order #543691, dated October 19, 2011, between Siemens Energy Inc. and Ameren Services Company, as agent for Ameren Corporation, its subsidiaries and affiliates

F. Grand Tower Energy Center Labor Agreement, effective November 23, 2011 – June 30, 2015, between Genco and Local Union No. 148 of the International Union of Operating Engineers; AER Amendment to Grand Tower Reorganization Agreement March 15, 2010

G. Parallel Operating Agreement, dated May 8, 2001, between Ameren Services, as agent for CIPS and AmerenUE, and AEDC for the Grand Tower generating facility.

H. Interconnection Agreement, dated June 30, 1999, between Ameren Services, as agent for CIPS and AmerenUE, and Union Electric Development Corporation for the Gibson City Plant, assigned to Genco pursuant to Assignment and Assumption Agreement, dated March 30, 2008, between Union Electric Development Corporation and Genco

I. Interconnection Service Agreement Among PJM Interconnection LLC and Ameren Energy Generating Company and Commonwealth Edison Company, effective January 7, 2013 which superseded the Interconnection Agreement, dated March 29, 2001, between Commonwealth Edison Company and AEDC assigned to Genco pursuant to the Assignment and Assumption Agreement, dated January 3, 2013, between the Transferred Company (as successor to AEDC) and Genco for the Elgin generating facility.

J. Interconnection Agreement, dated March 18, 1999, between Genco (as successor in interest to Union Electric Development Corporation and Ameren Intermediate Holding Co.) and Natural Gas Pipeline Company of America, assigned to Ameren Intermediate Holding Co. pursuant to the Assignment of Agreement, dated October 27, 1999, between Union Electric Development Corporation and Ameren Intermediate Holding Co., split pursuant to Agreement (Interconnect), dated May 2, 2005, by which UEDC (predecessor to Genco) transferred Kinmundy plant to an affiliate and retained the Gibson City Plant.

K. Operation and Maintenance Agreement, dated June 1, 2000, between Genco and Natural Gas Pipeline Company of America, split pursuant to Agreement (O&M), dated May 2, 2005 by

which Genco transferred the Pinckneyville and Kinmundy plants to an affiliate and retained Gibson City and Grand Tower plants.

L. Interconnection Agreement, dated January 10, 2000, between the Transferred Company (f/k/a Ameren Intermediate Holding Co.) and Natural Gas Pipeline Company of America for Grand Tower.

M. Interconnection Agreement, dated July 27, 2001, between Genco and Horizon Pipeline Company, LLC for the Elgin Energy Center.

Schedule 2.2(h)
Excluded Software

None.

Schedule 4.5
Seller Governmental Consents

FERC approval under FPA Section 203

Schedule 4.10(a)
Contracts

A. Interconnection Agreement, dated March 29, 2001, between Commonwealth Edison Company and Ameren Energy Development Company assigned to Genco pursuant to the Assignment and Assumption Agreement, dated August 11, 2010, between Ameren Energy Resources, LLC and Genco for the Elgin generating facility

Schedule 4.11
Labor Matters

A. Grand Tower Energy Center Labor Agreement

Local 148 International Union of Operating Engineers
November 23, 2011 – June 30, 2015

- AER Amendment to Grand Tower Reorganization Agreement
  March 15, 2010

Schedule 4.15
Real Property Interests

Agree Date	*Grantor*	*Grantee*	*County*	*Interest*
Gibson City CTG Site				
12/09/2008	AEG	One Earth Energy LLC	McLean	Easement
Grand Tower Power Plant				
05/01/2000	AEG	CIPS	Jackson	Easement
05/01/2000	AEG	CIPS	Jackson	Easement
05/01/2000	AEG	CIPS	Jackson	Easement
05/01/2000	AEG	CIPS	Jackson	Easement
09/07/2012	AEG	Stan Wilson & Sons LLC	Jackson	Agreement

Real Property Leased to Others

Agree Date	*Lessor*	*Lessee*	*County*
Grand Tower Power Plant			
03/18/2011	AEG	Hileman, Gary & Todd	Jackson

(a)

Schedule 5.5
Buyer Governmental Consents

FERC approval under FPA Section 203

Schedule 7.5
Credit Support Obligations

None.

EXEUCTION VERSION

Novation and Amendment of Put Option Agreement

This Novation and Amendment (this "Amendment") of that certain Put Option Agreement, dated as of March 28, 2012 (the "Put Option Agreement"), by and between AmerenEnergy Resources Generating Company, an Illinois corporation ("AERG"), and Ameren Energy Generating Company, an Illinois corporation ("Grantee" or "Seller"), is entered into as of March 14, 2013 (the "Effective Date"), by and between AERG, Grantee, AmerenEnergy Medina Valley Cogen L.L.C., an Illinois limited liability company ("Medina Valley") and, with respect to Section 4 only, Ameren Corporation, a Missouri corporation (the "Ameren").

WITNESSETH:

WHEREAS, for the consideration provided for therein AERG granted to Grantee an irrevocable option to sell the Put Option Assets to AERG at a future date pursuant to the terms and conditions of the Put Option Agreement and Ameren guaranteed the prompt payment when due of all sums owed by AERG to Grantee under the Put Option Agreement and the Asset Purchase Agreement pursuant to that Guaranty, dated March 28, 2012 (the "Guaranty"); and

WHEREAS, in connection with that certain Transaction Agreement, dated as of the date hereof (the "AER Transaction Agreement"), by and between Ameren and Illinois Power Holdings, LLC, a Delaware limited liability company, Ameren desires to cause (a) AERG (and AERG desires) to novate the Put Option Agreement and be forever released and discharged from its rights and obligations thereunder and (b) Medina Valley (and Medina Valley desires) to be added as a party to the Put Option Agreement in place of AERG and to perform, discharge and observe the terms of the Put Option Agreement as if Medina Valley were named in place of AERG in accordance with the terms of the Put Option Agreement.

NOW, THEREFORE, in consideration of the premises and the mutual promises herein made, and in consideration of the representations, warranties, and covenants herein contained, the parties agree as follows:

1. **DEFINITIONS**

Capitalized terms used in this Amendment but not otherwise defined herein shall have the meanings ascribed to them in the Put Option Agreement.

2. **NOVATION**.

(a) Effective as of the Effective Date, AERG hereby ceases to be a party to the Put Option Agreement and Medina Valley hereby becomes a party thereto in place of AERG.

(b) Effective as of the Effective Date, Medina Valley hereby (i) undertakes to Seller to accept, observe, perform and discharge all of the liabilities and obligations of AERG under the Put Option Agreement (howsoever arising and whether arising on, before or after the Effective Date) in substitution for AERG as if Medina Valley had at all times been a party to the Put Option Agreement in lieu of AERG and (ii) agrees to be bound by all the provisions of the Put

Option Agreement by which AERG would, but for this Amendment, be bound on and after the Effective Date.

(c) Seller hereby (a) agrees to the substitution of Medina Valley in place of AERG and that Medina Valley may exercise and enjoy all of the rights of AERG arising under the Put Option Agreement (howsoever arising and whether arising on, before or after the Effective Date) in substitution for AERG as if Medina Valley had at all times been a party to the Put Option Agreement in lieu of AERG, (b) releases and discharges AERG from all claims, demands, liabilities and obligations under the Put Option Agreement (howsoever arising and whether arising on, before or after the Effective Date) and accepts the assumption of liabilities and performance of obligations by Medina Valley thereunder in place of AERG and (iii) waives any notice, termination or other rights or remedies it may have under the Put Option Agreement resulting from or in connection with the actions contemplated by Section 2 of this Amendment.

3. **AMENDMENTS TO THE PUT OPTION AGREEMENT**

(a) Amendment to Section 1.

(i) The following definitions are amended and restated as follows:

"Agreement" means this Put Option Agreement by and between AmerenEnergy Medina Valley Cogen L.L.C. and Ameren Energy Generating Company, dated March 28, 2012, and all exhibits hereto.

"Buyer" means AmerenEnergy Medina Valley Cogen L.L.C.

"Grantor" means AmerenEnergy Medina Valley Cogen L.L.C.

(ii) The following definition is added as follows:

"AER Transaction Agreement" means that certain Transaction Agreement, dated as of the date hereof, by and between Ameren Corporation, a Missouri corporation and Illinois Power Holdings, LLC, a Delaware limited liability company.

(b) Amendment to Section 3(a). The first sentence of Section 3(a) is hereby amended and restated as follows:

"Seller may exercise the Put Option with regard to the Put Option Assets by giving written notice thereof to Buyer (the "Exercise Notice") at any time during the period commencing on the Effective Date and ending at 5:00 p.m. (Central Prevailing Time) on March 28, 2014 ("Put Option Period"); provided, however, that on or before the first anniversary of the Effective Date, and on or prior to each anniversary thereafter, provided the Agreement has not been terminated, the Put Option Period may be extended for additional one (1) year periods upon the mutual agreement of both parties; provided, further, that, notwithstanding the foregoing, Seller shall be deemed to exercise the Put Option and to have sent the Exercise Notice to Buyer

concurrently with the execution of the AER Transaction Agreement subject only to the consummation of the transactions contemplated thereunder."

(c) Amendment to Section 3(b). Section 3(b) is hereby amended and restated as follows:

"Within two (2) Business Day of the Exercise Date, Buyer shall pay to Seller a down payment on the Put Option Exercise Price equal to ONE HUNDRED MILLION US DOLLARS ($100,000,000.00 US) ("Put Option Down Payment")."

(d) Amendment to Section 5(a)(vii). Section 5(a)(vii) is hereby deleted in its entirety and replaced with the following:

"Not sell, lease (as lessor), pledge, mortgage, encumber, restrict, transfer or otherwise dispose of, or grant any right, or suffer to be imposed any Encumbrance with respect to, any of the Put Option Assets, except for Permitted Encumbrances; provided, however, that Seller shall have the right to take any and all actions and satisfy all obligations contemplated by the AER Transaction Agreement."

(e) Amendment to Section 7(a)(i). Section 7(a)(i) is hereby deleted in its entirety and replaced with the following:

Due Organization. Buyer is an Illinois limited liability company, duly organized and validly existing under the laws of the state of Illinois.

(e) Amendment to Exhibit A. The form of Asset Purchase Agreement attached as Exhibit A is hereby deleted in its entirety and replaced with Exhibit A attached to this Amendment.

4. **AMENDMENTS TO GUARANTY**

(a) Ameren and Grantee hereby acknowledge and agree that the Guaranty is hereby amended to replace all references to AERG with references to Medina Valley.

(b) Ameren and Grantee hereby acknowledge and agree that from and after the date hereof, Ameren shall be obligated under the Guaranty to guarantee the prompt payment when due of all sums owed by Medina Valley to Grantee under the terms of the Put Option Agreement and Asset Purchase Agreement (in each case, as amended hereby).

5. **MISCELLANEOUS**

(a) Effect on the Put Option Agreement. This Amendment shall be deemed incorporated into the Put Option Agreement and shall be construed and interpreted as though fully set forth therein. Except as amended and modified herein, the Put Option Agreement remains in full force and effect.

(b) Further Assurances. Each of Seller, AERG and Medina Valley agrees to perform (or procure the performance of) all further acts and things, and execute and deliver (or procure the execution and delivery of) such further documents, as may be required by law or as may be necessary or reasonably desirable to implement and give effect to this Amendment.

(c) Notices. From and from and after the Effective Date, Seller agrees to give any notices under the Put Option Agreement to Buyer at the following address:

AmerenEnergy Medina Valley Cogen L.L.C.
1901 Chouteau Avenue
St. Louis, Missouri 63103
Attention: General Counsel

(d) Miscellaneous. Section 8 of the Put Option Agreement shall apply *mutatis mutandis* to this Amendment.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused their duly authorized representatives to execute and deliver this Novation and Amendment as of the date first set forth above.

AMERENENERGY RESOURCES GENERATING COMPANY

By: _____
Name: Gregory L. Nelson
Title: Senior Vice President, General Counsel and Secretary

AMEREN ENERGY GENERATING COMPANY

By: _____
Name: Gregory L. Nelson
Title: Senior Vice President, General Counsel and Secretary

AMERENENERGY MEDINA VALLEY COGEN, L.L.C.

By: _____
Name: Martin J. Lyons, Jr.
Title: Executive Vice President and Chief Financial Officer

With respect to Section 4 only:

AMEREN CORPORATION

By: _____
Name: Martin J. Lyons, Jr.
Title: Executive Vice President and Chief Financial Officer

EXHIBIT A

FORM OF

ASSET PURCHASE AGREEMENT

BY AND BETWEEN

AMERENENERGY MEDINA VALLEY COGEN L.L.C.

AND

AMEREN ENERGY GENERATING COMPANY

DATED AS OF

MARCH 14, 2013

PURCHASE OF GRAND TOWER,
GIBSON CITY AND ELGIN ENERGY CENTERS AND RELATED ASSETS

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SCHEDULES

ASSET PURCHASE AGREEMENT

THIS ASSET PURCHASE AGREEMENT (this "Agreement"), dated as of March 14, 2013, is entered into by and between Ameren Energy Generating Company, an Illinois corporation (the "Seller"), and AmerenEnergy Medina Valley Cogen L.LC., an Illinois limited liability company (the "Buyer").

RECITALS

A. The Seller has exercised its rights under the Put Option Agreement between the parties dated as of March 28, 2012, as amended by that certain Novation and Amendment, dated as of March 14, 2013, between the Seller, the Buyer, AmerenEnergy Resources Generating Company, an Illinois corporation, and, solely with respect to Section 4 thereof, Ameren Corporation, a Missouri corporation (as amended, the "Put Option Agreement") to put the Energy Centers to the Buyer.

B. At the Closing described below, upon the satisfaction of the conditions set forth herein, and pursuant to the terms hereunder, Buyer will purchase, acquire, accept and assume, and the Seller will sell and assign, certain assets and liabilities associated with the Energy Centers, as more fully set forth herein.

NOW, THEREFORE, in consideration of the foregoing premises and the mutual covenants set forth below, the parties hereto, intending to be legally bound, hereby agree as follows:

ARTICLE 1.

Definitions

Section 1.1 Defined Terms. Unless the context requires otherwise, capitalized terms used in this Agreement shall have the meanings specified in this Section 1.1.

"AER Transaction Agreement" means that certain Transaction Agreement, dated as of March 14, 2013, by and between Ameren Corporation and Illinois Power Holdings, LLC, a Delaware limited liability company.

"Affiliate" has the meaning set forth in Rule 12b-2 of the regulations promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

"Agreement" has the meaning set forth in the preamble hereto.

"Allocation" has the meaning set forth in Section 9.4(a).

"Assumed Agreements" means all agreements entered into by the Seller primarily in connection with the ownership, operation and maintenance of the Energy Centers.

"Assumed Environmental Matters" means (i) any known or unknown violations of Environmental Law occurring at any time at, on or prior to the Closing Date in connection with any of the Purchased Assets or the Energy Centers, or (ii) the known or unknown presence or

Release of any Hazardous Substances at, on or prior to the Closing Date to soil, sediment, surface water, groundwater or air on, at, under, or from any Purchased Asset, including any migration of such Hazardous Substances from the Energy Centers or any Purchased Asset to any off-site location, (iii) any Hazardous Substances generated by or at any of the Purchased Assets or the Energy Centers at, on or prior to the Closing Date and sent to an offsite location for treatment, storage, disposal or recycling prior to the Closing Date, or (iv) any other liabilities arising under any Environmental Law in connection with the Purchased Assets or Energy Centers.

"Assumed Liabilities" has the meaning set forth in Section 2.3.

"Burdened Property" has the meaning set forth in Section 4.15.

"Buyer" has the meaning set forth in the preamble hereto.

"Buyer Additional Consents" has the meaning set forth in Section 5.6.

"Buyer Governmental Consents" has the meaning set forth in Section 5.5.

"Buyer Indemnified Party" means Buyer and all of its Affiliates, and each of their respective shareholders, partners, members, investors, directors, officers, employees and agents.

"Buyer Required Consents" means, collectively, the Buyer Governmental Consents and Buyer Additional Consents.

"Cap Amount" means an amount equal to ten percent (10%) of the Purchase Price.

"Closing" has the meaning set forth in Section 3.1.

"Closing Date" has the meaning set forth in Section 3.1.

"Code" means the United States Internal Revenue Code of 1986, and any successor statute.

"Collective Bargaining Agreement" has the meaning set forth in Section 4.11.

"Contracts" has the meaning set forth in Section 4.10.

"Credit Support Obligations" has the meaning set forth in Section 7.5.

"Deeds" has the meaning set forth in Section 3.2.1(a)(i).

"Dollars" or "$" means the lawful currency of the United States of America.

"Elgin Energy Center" means the 476 nameplate MW simple cycle, natural gas fired power generation facility located at 1559 Gifford Rd., Elgin, Illinois.

"Emissions Credits" means credits, allowances or other similar measures, in units established by applicable Governmental Authorities, resulting from the reduction of pollutants or substances (including volatile organic compounds, greenhouse gasses, NOx and SOx) or changes in

technology from or related to the Energy Centers, that have been issued by the applicable Governmental Authority.

"Employee Benefit Plan" means any plan, program, or policy, including but not limited to an employee benefit plan as defined in Section 3(3) of the Employee Retirement Income Security Act of 1974, providing for health or welfare benefits, retirement, deferred compensation, or savings benefits, fringe benefits, incentive compensation, paid time off, or similar benefits.

"Employees" means persons employed at one of the Energy Centers, and who are not covered by the Collective Bargaining Agreement or any other collective bargaining agreement.

"Encumbrance" means any mortgage, deed of trust, claim, charge, easement, encumbrance, lease, covenant, security interest, lien (statutory or otherwise), option, pledge, charge, condition, covenant, easement and any right of first refusal or first offer or other rights of others or restrictions (whether on voting, sale, transfer disposition or otherwise), whether imposed by agreement, understanding, law, equity or otherwise, or other encumbrance or title defect of any kind.

"Energy Centers" means collectively the Grand Tower Energy Center, Gibson City Energy Center and Elgin Energy Center.

"Environmental Laws" means any Governmental Rule relating to pollution or protection of human health, human safety or the environment (including ambient air, surface water, groundwater, wetlands, land surface and subsurface strata), including Governmental Rules relating to emissions, discharges, Releases or threatened Releases of hazardous materials or substances or otherwise relating to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of hazardous materials or substances, including the Comprehensive Environmental Response, Compensation, and Liability Act.

"Excluded Assets" has the meaning set forth in Section 2.2.

"Excluded Liabilities" has the meaning set forth in Section 2.4.

"Excluded Software" has the meaning set forth in Section 2.2(h).

"FERC" means the Federal Energy Regulatory Commission.

"FIRPTA" means the Foreign Investment in Real Property Tax Act.

"Final Order" shall mean any order of a Governmental Authority which has not been reversed, stayed, enjoined, set aside, annulled or suspended, with respect to which any waiting period prescribed by law before the transactions contemplated thereby may be consummated has expired (but without the requirement for the expiration of any applicable rehearing or appeal period), and as to which all conditions to the consummation of such transactions prescribed by law have been satisfied or could be satisfied in the future without causing a material adverse effect in the business, condition (financial or otherwise), properties, assets or results of operation of Buyer or the Purchased Assets.

"Gibson City Energy Center" means the 234 nameplate MW simple cycle, natural gas fired power generation facility located at 545 N. Jordan Drive, Gibson City, Illinois.

"Governmental Approval" means any authorization, consent, approval, waiver, exception, variance, order, franchise, permit (including the Permits hereunder), agreement, license or exemption issued by, or entered into with, any Governmental Authority, including any Governmental Filing that constitutes an authorization required in order to consummate the Closing or in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers.

"Governmental Authority" means any federal, state, county, municipal or local government or regulatory or supervisory department, body, political subdivision, commission, agency, instrumentality, ministry, court, judicial or administrative body, taxing authority, or other authority thereof (including any corporation or other entity owned or controlled by any of the foregoing) having jurisdiction over the matter or Person in question.

"Governmental Filing" means any filings, reports, registrations, notices, applications, certifications or other submissions to or with any Governmental Authority.

"Governmental Rule" means, with respect to any Person, any applicable law, statute, treaty, rule, regulation, permit conditions, ordinance, order, code, judgment, decree, injunction or writ issued by any Governmental Authority.

"Grand Tower Energy Center" means the 488 nameplate MW combined cycle, natural gas fired power generation facility located at 1820 Power Plant Rd., Grand Tower, Illinois.

"Hazardous Substances" means any chemical, material or substance that is listed or regulated under applicable Environmental Laws as a "hazardous substance," "hazardous waste," "hazardous material," "extremely hazardous substance," "toxic substance," "toxic pollutant," "contaminant" or "pollutant," as any of such terms is currently defined or used in any applicable Environmental Law, or that is otherwise listed or regulated under applicable Environmental Laws because it poses a hazard to human health or the environment.

"Indemnified Party" has the meaning set forth in Section 8.4.

"Indemnifying Party" has the meaning set forth in Section 8.4.

"Inventory" means those items which are described in Sections 2.1(c) and 2.1(d).

"Knowledge" means the knowledge of the following individuals, including actual knowledge and knowledge or information that would be discovered by a reasonable investigation (except that such a reasonable investigation standard will not require any external investigation in relation to statements regarding Seller's knowledge as to the actions or omissions of third parties): (a) with respect to Seller, those persons listed on Schedule 1.1(a), and (b) with respect to Buyer, those persons listed on Schedule 1.1(b).

"Losses" means all damages, dues, penalties, fines, costs, reasonable amounts paid in settlement, liabilities, obligations, taxes, losses, and expenses and fees, including court costs and reasonable attorneys' fees and expenses.

"Material Adverse Effect" means any fact, event, change or effect that is (or would reasonably be expected to be) materially adverse to the Energy Centers or the Purchased Assets taken as a whole, or the ability of Seller to consummate the transactions contemplated by this Agreement in a timely manner, except any material adverse effect (a) cured, including by payment of money or credit to the Purchase Price, before the Closing Date, or (b) resulting from an Excluded Matter. For purposes of this definition, "Excluded Matter" means one or more of the following: (i) any change in the national, regional, or local markets or industries in which Seller operates, (ii) any Governmental Rule, other than any Governmental Rule adopted or issued specifically with respect to the Energy Centers or the transactions contemplated by this Agreement, (iii) any change in accounting standards, principles, or interpretations, (iv) any change in the national, regional, or local economic, regulatory, or political conditions, including prevailing interest rates, (v) any matter disclosed in this Agreement, any Schedule or Exhibit hereto, or any other certificate or instrument delivered to Buyer under or in accordance herewith, (vi) any change in the market price of commodities or publicly traded securities, or (vii) any action permitted under this Agreement, all except to the extent that any of the facts, events, changes or effects described in subsections (i) – (vii) above disproportionately and materially impact the Energy Centers or the Purchased Assets, taken as a whole, in relation to other Energy Centers and assets similar to the Energy Centers and the Purchased Assets, taken as a whole.

"MISO" means the Midwest Independent Transmission System Operator, Inc.

"MW" means megawatt.

"Organizational Documents" means, with respect to any corporation, its articles or certificate of incorporation and by-laws, and with respect to any limited liability company, its articles or certificate of organization or formation and its operating agreement or limited liability company agreement or documents of similar substance.

"Permit" means any authorization, consent, approval, zoning ordinance (including zoning amendment), site plan approval, subdivision approval, agreement waiver, exception, variance, order, franchise, permit, license or exemption issued by any Governmental Authority in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers, including any Governmental Filing that constitutes an authorization required in connection with the ownership, operation and maintenance of the Purchased Assets or the Energy Centers.

"Permitted Encumbrances" means (i) Encumbrances securing or created by or in respect of any of the Assumed Liabilities; (ii) statutory liens for current Taxes or assessments not yet due or delinquent or the validity or amount of which is being contested in good faith by appropriate proceedings, none of which contested matters is material; (iii) mechanics', carriers', workers', repairers', landlords', and other similar liens arising or incurred in the ordinary course of business relating to obligations as to which there is no default on the part of Seller or the validity or amount of which is being contested in good faith by appropriate proceedings, none of which

contested matters is material, or pledges, deposits, or other liens securing the performance of bids, trade contracts, leases, or statutory obligations (including workers' compensation, unemployment insurance, or other social security legislation); (iv) usual and customary zoning, entitlement, restriction, and other land use and environmental regulations by Governmental Authorities which do not materially interfere with the present use or normal operation of the Energy Centers or the Purchased Assets; (v) any Encumbrances set forth in any state, local, or municipal franchise or governing ordinance under which any portion of the Energy Centers or the Purchased Assets is conducted; (vi) all rights of condemnation, eminent domain, or other similar rights of any Governmental Authority; and (vii) such other Encumbrances (including requirements for consent or notice in respect of assignment of any rights) which do not materially interfere with Seller's current use of the Energy Centers or the Purchased Assets, and do not secure indebtedness or the payment of the deferred purchase price of property (except for Assumed Liabilities).

"Person" means any individual, corporation, partnership, trust, joint venture, unincorporated association, limited liability company, Governmental Authority or other entity.

"Proposed Allocation" has the meaning set forth in Section 9.4(a).

"Purchase Price" has the meaning set forth in Section 2.5.1.

"Purchased Assets" has the meaning set forth in Section 2.1.

"Purchased Assets Fair Market Value" means the value of the Purchased Assets determined in accordance with the procedures set forth in the Put Option Agreement.

"Put Option Agreement" has the meaning provided for in the Recitals.

"Put Option Deposit" means the deposit of one hundred million dollars ($100,000,000) paid by Buyer to Seller pursuant to the Put Option Agreement.

"Real Property Interests" has the meaning set forth in Section 2.1(a).

"Related Agreements" means, collectively any other documents, instruments and agreements provided for herein.

"Release" means any spilling, leaking, pumping, pouring, emitting, emptying, discharging, injecting, escaping, leaching, dumping or disposing into the environment.

"Seller" has the meaning set forth in the preamble hereto.

"Seller Indemnified Party" means Seller and all of its Affiliates, and each of their shareholders, partners, members, investors, directors, officers, employees and agents.

"Seller Additional Consents" has the meaning set forth in Section 4.6.

"Seller Governmental Consents" has the meaning set forth in Section 4.5.

"Seller Required Consents" means, collectively, the Seller Governmental Consents and the Seller Additional Consents.

"Software" means computer software programs and software systems, including all databases, compilations, tool sets, compilers, higher level or "proprietary" languages, related documentation and materials, whether in source code, object code or human readable form.

"Straddle Period" means any taxable period that begins on or before and ends after the Closing Date.

"Tax" means (a) any federal, state, local or foreign income, gross receipts, payroll, employment, excise, severance, stamp, occupation, premium, windfall profits, customs duties, capital stock, franchise, profits, withholding, social security (or similar), unemployment, disability, real property, personal property, sales, use, transfer, registration, value-added, alternative minimum, estimated or any other tax of any kind whatsoever, including any interest, penalties and additions to tax thereto.

"Tax Proceeding" means any audit, examination, judicial, or administrative proceeding related to Taxes.

"Threshold Amount" means an amount equal to one percent (1%) of the Purchase Price.

"Transfer Taxes" means any and all transfer, registration, stamp, value added, documentary, sales, excise, use and similar Taxes (including all applicable real estate transfer or gains Taxes) any penalties interest and additions to tax, and fees.

"Union Employees" means persons employed at one of the Energy Centers who are covered by the Collective Bargaining Agreement or any other collective bargaining agreement.

"Workforce" means Employees, Union Employees and individuals formerly employed at one of the Energy Centers, excluding any individual who is a "Transferred Company Employee" (as defined in the AER Transaction Agreement).

Section 1.2 Rules of Interpretation. For purposes of this Agreement, except where otherwise expressly provided or unless the context otherwise necessarily requires:

1.2.1 references to this Agreement shall include a reference to all appendices, annexes, schedules and exhibits hereto, as the same may be amended, modified, supplemented or replaced from time to time;

1.2.2 the words "herein," "hereof," "hereunder" and "herewith" shall refer to this Agreement as a whole and not to any particular section or subsection of this Agreement;

1.2.3 the terms "include," "includes" and "including" shall be construed to mean "including, without limitation" or "including but not limited to" and shall not be construed to mean that the examples given are an exclusive list of the topics covered;

1.2.4 references to "Articles," "Sections," "Schedules" or "Exhibits" (if any) shall be to articles, sections, schedules or exhibits (if any) of this Agreement;

1.2.5 references to a given agreement, instrument or other document shall be a reference to that agreement, instrument or other document as modified, amended, supplemented and restated through the date as of which such reference is made;

1.2.6 references to a Person include its successors and permitted assigns;

1.2.7 the singular shall include the plural and the masculine shall include the feminine and neuter and vice versa; and

1.2.8 reference to a given Governmental Rule is a reference to that Governmental Rule and the rules and regulations adopted or promulgated thereunder, in each case, as amended, modified, supplemented or restated as of the date on which the reference is made.

ARTICLE 2.

Sale and Purchase

Section 2.1 Purchased Assets. Upon the terms and subject to the conditions of this Agreement, at the Closing, Seller will sell, transfer, assign, convey and deliver to Buyer, and Buyer agrees to purchase and acquire from Seller and to pay Seller for, free and clear of all Encumbrances, except the Permitted Encumbrances, all of Seller's right, title and interest in, to and under all assets and properties of every kind and description owned, leased or used primarily in and for the operation of the Energy Centers, wherever located, real, personal or mixed, tangible or intangible, other than the Excluded Assets (herein collectively called the "Purchased Assets"), including all right, title and interest of Seller in, to and/or under the following:

(a) the real property and the real property interests listed on Schedule 2.1(a), in each case together with all buildings, structures, generators, improvements and fixtures thereon) and all rights, title and interests in and to the rights, privileges, easements, minerals, oil, gas and other hydrocarbon substances on and under such real property, all development rights, air rights, water, water rights, riparian rights, and water stock relating to such real property, any rights-of-way or other appurtenances used in connection with the beneficial use and enjoyment of such real property, and all roads adjoining or servicing such real property and other appurtenances thereto (collectively the matters described in this Section 2.1(a) are called the "Real Property Interests");

(b) all other tangible personal property and interests therein, including all machinery, equipment, furniture, furnishings and vehicles, and all warranties against manufacturers or vendors relating thereto, to the extent such warranties are transferable or assignable;

(c) all spare, wear, replacement, consumable or other similar parts or tangible property held for use in connection with the generators, machinery, equipment, furniture, furnishings, vehicles and other tangible personal property described in Section 2.1(b), and all

warranties against manufacturers or vendors relating thereto, to the extent such warranties are transferable or assignable;

(d) all raw materials, fuel, supplies and other materials;

(e) all Emissions Credits;

(f) all Governmental Approvals, to the extent such Governmental Approvals can be transferred or assigned to Buyer;

(g) all of the Assumed Agreements (all of which are set forth on Schedule 2.1(g));

(h) all Software other than the Excluded Software;

(i) all rights, defenses, claims or causes of action against third parties relating to the Purchased Assets;

(j) all surveys, books and records (including all data and other information stored on discs, tapes or other media) related to the Purchased Assets, the Assumed Liabilities and the ownership, operation or maintenance of the Energy Centers, except for records which by law Seller is required to retain in its possession; provided that Buyer may to the extent permitted by law retain copies of such surveys, books and records;

(k) all telephone, telex and telephone facsimile numbers and other directory listings (other than internal directory listings of Seller and its Affiliates); and

(l) all tradenames, patents, copyrights, general intangibles and all other intellectual property rights.

Section 2.2 Excluded Assets. Notwithstanding the provisions of Section 2.1, the Purchased Assets shall not include the following (herein referred to as the "Excluded Assets"):

(a) any property interests or rights not owned by Seller;

(b) Seller's rights, defenses, claims or causes of action against third parties relating to any Excluded Liabilities or Excluded Assets;

(c) all corporate minute books and stock transfer books and the corporate seals of Seller;

(d) any assets that have been disposed of in the ordinary course of business consistent with past practice or otherwise in compliance with this Agreement prior to the Closing;

(e) all cash and cash equivalents, bank deposits, and accounts receivable and all other receivables (including income, sales, payroll or other tax receivables) arising or relating

to the periods prior to the Closing, including amounts owed (or reportedly owed) to Seller by MISO;

(f) assets used for performance of central or shared services by the Seller;

(g) all insurance policies of the Seller and rights thereunder, including any such policies and rights in respect of the Purchased Assets or the Energy Centers;

(h) the Software listed on Schedule 2.2(h) (the "Excluded Software"); and

(i) all other assets (including agreements and contracts) of the Seller not owned, leased or used primarily in the operation of the Energy Centers.

Section 2.3 Assumed Liabilities. On the Closing Date, Buyer shall assume and thereafter agree to pay, perform, discharge or otherwise satisfy in accordance with their terms any and all liabilities or obligations whatsoever (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise) of Seller or any subsidiaries of Seller to the extent (but only to the extent) arising out of or relating to the Energy Centers and the Assumed Assets, excluding, for the avoidance of doubt, the Excluded Assets ("Assumed Liabilities"). The Assumed Liabilities shall include, but not be limited to, the following:

(a) any obligations under the Assumed Agreements,

(b) any Assumed Environmental Matters, and

(c) any liabilities or obligations attributable to the Workforce, (i) under any Employee Benefit Plan, compensation arrangement, or the Collective Bargaining Agreement. or (ii) arising from Buyer's or its Affiliates' breach of any laws applicable to the employment of the Workforce.

Section 2.4 Excluded Liabilities. Buyer shall not assume or be obligated to pay, perform, or otherwise discharge any liabilities or obligations whatsoever (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise) to the extent they relate to any Excluded Assets (the "Excluded Liabilities").

Section 2.5 Purchase Price; Payment; Proration.

2.5.1 Purchase Price. The aggregate purchase price to be paid by Buyer for the purchase of the Purchased Assets shall be the greater of (i) one hundred million dollars ($100,000,000); or (ii) the Purchased Assets Fair Market Value (the "Purchase Price").

Section 2.6 Payment of Purchase Price. If the Purchase Price is greater than the Put Option Deposit, Buyer shall pay to Seller at Closing by wire transfer to an account designated by Seller the difference between the Purchase Price and the Put Option Deposit.

ARTICLE 3.

Closing Date and Actions at Closing

Section 3.1 Closing Date. Upon and subject to the satisfaction of the conditions contained in Article 6 of this Agreement, the closing of the transactions contemplated by this Agreement (the "Closing") shall be held at the offices of Armstrong Teasdale LLP in St. Louis, Missouri, at 10:00 A.M., local time on the third business day following the satisfaction or waiver of all conditions to the obligations of the parties to consummate the transactions contemplated hereby (other than conditions with respect to actions the parties will take at the Closing itself), or such other date, time and place as the parties may mutually agree (the "Closing Date"). The Closing shall not be deemed to have occurred until all actions necessary to complete the Closing have occurred, and then the Closing shall be effective (with retroactive effect) for all purposes as of 12:01 a.m. on the Closing Date.

Section 3.2 Actions to be Taken at Closing. At the Closing, each of the following shall occur:

3.2.1 Deliveries by Seller to Buyer. Seller shall deliver (or cause to be delivered) the following documents to Buyer, duly executed (as applicable):

(a) The following documents relating to Real Property Interests:

(i) special warranty deeds (the "Deeds") as to the Real Property Interests owned in fee by Seller, in a form to be reasonably agreed upon by the Buyer and Seller;

(ii) assignments of all easement rights, and other customary conveyancing documents as to the Real Property Interests other than those owned in fee by Seller, in a form to be reasonably agreed upon by the Buyer and Seller; and

(iii) affidavits of Seller as to title and other customary documents reasonably required by a reputable title company to obtain the Title Insurance Policies.

(b) bills of sale and assignments for any Purchased Assets other than the Real Property Interests, in a form to be reasonably agreed upon by the Buyer and Seller;

(c) a certificate of good standing for Seller issued by the Illinois Secretary of State dated not more than five (5) days prior to the Closing Date;

(d) each of the certificates described in Sections 6.2.1 and 6.2.2;

(e) evidence reasonably satisfactory to Buyer that Seller has obtained all of the Seller Required Consents;

(f) the FIRPTA certificate described in Section 9.3;

(g) transfer tax declarations as to the Deeds in customary form required by state and local law, executed by Seller; and

(h) such other documents as Buyer may reasonably request.

3.2.2 Deliveries by Buyer to Seller. Buyer shall deliver the following documents to Seller, duly executed (as applicable):

(a) one or more instruments of assumption of the Assumed Liabilities in a form to be reasonably agreed upon by the Buyer and Seller;

(b) a certificate of good standing for Buyer issued by the Illinois Secretary of State dated not more than five days prior to the Closing Date;

(c) each of the certificates described in Sections 6.3.1 and 6.3.2;

(d) evidence satisfactory to Seller that Buyer has obtained all of the Buyer Required Consents.

(e) such other documents as Seller may reasonably request.

ARTICLE 4.

Representations and Warranties Relating to Seller

Seller hereby represents and warrants to Buyer that the statements contained in this Article 4 are correct and complete as of the date hereof, and will be correct and complete as of the Closing Date, except as otherwise disclosed on the disclosure schedules referenced below. The fact that any item of information is contained in a disclosure schedule shall not be construed as an admission of liability under applicable law, or to mean that such information is material. Unless otherwise indicated, such information shall not be used as the basis for interpreting the term "material," "materially" or "Material Adverse Effect," or any similar qualification in this Agreement.

Section 4.1 Due Organization and Qualification. Seller is a corporation duly formed, validly existing and in good standing under the laws of Illinois.

Section 4.2 Power and Authority. Seller has full power and authority to carry on its businesses as now conducted, to own or hold under lease its properties, and to enter into and perform its obligations under each Contract to which it is a party. Seller has authorized the execution, delivery and performance of this Agreement and such other documents, instruments and agreements to which it is a party in connection with the transactions contemplated by this Agreement.

Section 4.3 No Violations. Subject to Seller obtaining the Seller Required Consents, neither the execution nor the delivery of this Agreement or the Related Agreements, and the consummation of the transactions contemplated hereby and thereby, by Seller, will (a) violate any Governmental Rule to which Seller or its assets is subject, except as would not result in a

Material Adverse Effect, (b) violate or conflict with Seller's Organizational Documents, or (c) except as would not result in a Material Adverse Effect or prevent Seller from consummating the transactions contemplated hereby, violate, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Seller is a party or by which any its assets is subject.

Section 4.4 Valid, Binding and Enforceable Obligation. Each of this Agreement and any Related Agreements to which Seller is a party has been duly and validly executed by Seller, and, assuming due authorization, execution and delivery of this Agreement and the Related Agreements by Buyer, constitutes a valid, binding, and enforceable obligation, enforceable against Seller in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and the enforcement of debtors' obligations generally and by general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 4.5 Governmental Consents. Except for the Governmental Approvals set forth on Schedule 4.5 (collectively, the "Seller Governmental Consents"), no Governmental Approval is necessary in connection with the execution and delivery by Seller of this Agreement and the Related Agreements to which it is a party, or the consummation of the transactions by Seller contemplated hereby and thereby, other than where the failure to obtain a required Governmental Approval would not have a Material Adverse Effect.

Section 4.6 Additional Consents. No filing, registration, qualification, notice, consent, approval or authorization to, with or from any Person (excluding Governmental Authorities) is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Seller, or the consummation by Seller of the transactions contemplated hereby and thereby.

Section 4.7 No Litigation.

(a) Seller has not received any written notice from a third Person of any pending action or investigation against Seller or request for information from any Governmental Authority or third Person about Seller in connection therewith, which, (a) could result, or has resulted in the institution of legal proceedings to prohibit or restrain the performance of this Agreement or any of the Related Agreements or the consummation of the transactions contemplated hereby or thereby or (b) could result, or has resulted, in a claim for damages as a result of this Agreement or any of the Related Agreements, or the consummation of the transactions contemplated hereby or thereby.

(b) Except as would not have a Material Adverse Effect, since September 30, 2012, Seller has not received any written notice from any third Person of any claim or pending action or investigation against Seller or request for information by any Governmental Authority or third Person about Seller in connection therewith which, in either case, relates to the Purchased Assets or the business or operations of the Energy Centers.

Section 4.8 Absence of Certain Changes. Seller has not (a) suffered any damage, destruction or other casualty loss with respect to any of the Purchased Assets in excess of $1,000,000, or (b) suffered any Material Adverse Effect.

Section 4.9 No Undisclosed Liabilities. To Seller's Knowledge, except for (i) matters arising under the Assumed Agreements and (ii) liabilities incurred in the ordinary course of business consistent with past practice (none of which relate to any breach of contract, tort, infringement or product liability) there are no liabilities or obligations of Seller with respect to the Purchased Assets or the Energy Centers of any nature (whether accrued, absolute, fixed or unfixed, known or unknown, asserted or unasserted, contingent, by guaranty, surety or assumption or otherwise).

Section 4.10 Contracts.

(a) Schedule 4.10(a) sets forth a list of each material agreement, contract, instrument, license and franchise to which Seller is a party and which relates to the Energy Centers (other than any agreement, contract, instrument, license or franchise which has been terminated or under which the Seller has no remaining rights or obligations), including any agreement, contract, instrument, license and franchise which relates to the ownership, operation or maintenance of the Energy Centers or the sale of electric energy, capacity, ancillary services or Emissions Credits from or relating to the Energy Centers or the interconnection of the Energy Centers to any transmission or distribution system (collectively, to the extent material, the "Contracts"). A true, correct and complete copy of the current form of each Contract has been made available to Buyer. For purposes of this Section 4.10(a), "material" refers to any agreement, contract, instrument, license and franchise involving annual consideration in excess of $100,000 and cannot be terminated without penalty or premium upon written notice (not to exceed 90 days written notice).

(b) The Seller has performed in all material respects all obligations required to be performed by it under each Contract, as the case may be, and has observed all terms required to be observed by it under such Contracts.

Section 4.11 Labor Matters. Seller is a party to the collective bargaining agreement described on Schedule 4.11 (the "Collective Bargaining Agreement"). At the time of execution of this Agreement, there is no labor strike, slow down, work stoppage, or lock-out pending or, to Seller's Knowledge, threatened with respect to Seller, any Purchased Asset or the Energy Centers. To Seller's Knowledge it is in compliance with applicable laws respecting labor, employment and employment practices, its collective bargaining agreement and wages and hours, and there is no unfair labor practice charge or complaint against Seller or involving the Purchased Assets pending or, to Seller's Knowledge, threatened before the National Labor Relations Board or any similar Governmental Authority with respect to Seller, any Purchased Asset or the Energy Centers. There is no pending or, to Seller's Knowledge, threatened employee or governmental claim or investigation regarding employment matters, including any charges before the Equal Employment Opportunity Commission, state employment practice agency, state or federal Departments of Labor, or audits by the Office of Federal Contract Compliance Programs.

Section 4.12 Legal Compliance; Governmental Approvals.

(a) Seller is, and to its Knowledge has at all times been, in compliance in all respects with all Governmental Rules with respect to the Energy Centers and the Purchased Assets, except for such noncompliance as would not have a Material Adverse Effect.

(b) The Seller has timely filed all applications, reports and other disclosures required by Governmental Rules in each case where the failure to do so could result in a Material Adverse Effect.

Section 4.13 Environmental, Health and Safety Matters.

(a) Seller is in compliance with all applicable Environmental Laws, except as would not have a Material Adverse Effect.

(b) Within the last three (3) years, Seller has not received any written notice, report or other information alleging, and to Seller's Knowledge there are no conditions that constitute, a violation of Environmental Laws, or any liabilities or potential liabilities (whether accrued, absolute, contingent, unliquidated or otherwise) relating to the Energy Centers arising under Environmental Laws, except as would not have a Material Adverse Effect.

(c) Seller has not caused or allowed the generation, treatment, manufacture, processing, distribution, use, storage, disposal, Release, transport or handling of any Hazardous Substances at any of the Purchased Assets that has resulted in (i) an investigation or cleanup required under Environmental Laws or (ii) a violation of any Environmental Law, except, in each case, as would not reasonably be expected to have a Material Adverse Effect.

(d) There are no pending or, to Seller's Knowledge, threatened legal proceedings with respect to the Purchased Assets alleging or concerning any violation of or responsibility or liability under any Environmental Law or the Release, threatened Release or presence of any Hazardous Substances at, on, beneath, to, from or in the indoor or outdoor environment at any of the Purchased Assets or any off-site location (including soil sediment, surface water, groundwater, air or any component of a structure), except as would not have a Material Adverse Effect.

(e) Seller holds all material Governmental Approvals from all Governmental Authorities under all Environmental Laws required for the Energy Centers and the Purchased Assets and is in compliance with all such Governmental Approvals (except for such noncompliance as would not have a Material Adverse Effect). There are no pending or, to Seller's Knowledge, threatened actions seeking to modify, revoke or deny renewal of any such Governmental Approvals.

(f) Notwithstanding any of the representations and warranties contained elsewhere in this Agreement, all matters relating in any way to compliance with or liability under or in connection with any representations and warranties regarding Environmental Laws and related matters shall be governed exclusively by this Section 4.13.

Section 4.14 Ownership of Purchased Assets; Permitted Encumbrances. Seller owns or leases all of the Purchased Assets, free and clear of all Encumbrances except for the Permitted Encumbrances.

Section 4.15 Real Property Interests. The Real Property Interests (and each portion thereof) are in all material respects suitable and sufficient for the uses to which they are currently being used by Seller or contemplated by Seller to be used in connection with the Energy Centers. With respect to all Real Property Interests:

(a) Seller has good, valid, marketable and insurable fee simple title to the Real Property Interests (including any and all appurtenant easements or other similar appurtenant rights), in each case free and clear of any Encumbrances (other than Permitted Encumbrances);

(b) each easement, license or other agreement or instrument benefiting, entered into or obtained by Seller with respect to any portion of gas supply rights or other utility or access rights, whether or not appurtenant to the Real Property Interests constituting fee simple or leasehold interests in the Energy Centers, and which burden real properties owned by parties other than Seller (any such burdened real property, a "Burdened Property") is, to Seller's Knowledge, a valid and binding agreement in full force and effect and enforceable by Seller against the other parties thereto, no default or claim of default by Seller or, to Seller's Knowledge, by any other party exists under any provision thereof and no condition or event exists which after notice or lapse of time or both would constitute a default thereunder by Seller or, to Seller's Knowledge, any other party; and

(c) except as set forth on Schedule 4.7(b), there are no pending or, to Seller's Knowledge, threatened condemnation or similar proceedings for assessment or collection of taxes, impact fees or special assessments relating to any of the Real Property Interests, and no condemnation or eminent domain proceeding or other such similar proceeding against any of the Real Property Interests is pending or threatened.

Section 4.16 Good Faith. To Seller's Knowledge, the negotiations regarding the transactions contemplated by this Agreement have been conducted in good faith and at arms-length.

ARTICLE 5.

Representations and Warranties Relating to Buyer

Buyer represents and warrants to Seller that the statements in this Article 5 are correct and complete as of the date hereof, and will be correct and complete on the Closing Date.

Section 5.1 Due Organization. Buyer is an Illinois limited liability company, duly organized and validly existing under the laws of the state of Illinois.

Section 5.2 Power and Authority. Buyer has full power and authority to enter into and perform its obligations hereunder and under the Related Agreements to which it is a party, and to consummate the transactions herein and therein contemplated in accordance with the terms, provisions and conditions hereof and thereof. Buyer has duly and validly authorized the

execution, delivery and performance of this Agreement and the Related Agreements to which it is a party in connection with the transactions contemplated by this Agreement.

Section 5.3 Valid, Binding and Enforceable Obligations. Each of this Agreement and the Related Agreements to which Buyer is a party has been duly and validly executed by Buyer and, assuming due authorization, execution and delivery of this Agreement and the Related Agreements by the Seller constitutes a valid, binding and enforceable obligation, enforceable against Buyer in accordance with its terms, except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or similar laws affecting creditors' rights and the enforcement of debtors' obligations generally and by general principles of equity, regardless of whether enforcement is pursuant to a proceeding in equity or at law.

Section 5.4 No Violations. Subject to Buyer obtaining the Buyer Required Consents, neither the execution or delivery by Buyer of this Agreement and the Related Agreements to which it is a party, nor the consummation of the transactions contemplated hereby and thereby will (a) violate any Governmental Rule to which it is subject or its Organizational Documents, except as would not materially and adversely impact Buyer's ability to consummate the transactions contemplated herein in a timely manner, or (b) except as would not result in a Material Adverse Effect or prevent Buyer from consummating the transactions contemplated hereby, conflict with, result in a breach of, constitute a default under, result in the acceleration of, create in any party the right to accelerate, terminate, modify or cancel or require any notice under any agreement, contract, lease, license, instrument or other arrangement to which Buyer is a party or by which it or any of its assets is subject.

Section 5.5 Governmental Consents. Except for the Governmental Approvals set forth on Schedule 5.5 (collectively, the "Buyer Governmental Consents"), no Governmental Approval is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Buyer or the consummation of the transactions by Buyer contemplated hereby and thereby, other than where the failure to obtain a required Governmental Approval would not materially and adversely impact Buyer's ability to consummate the transactions contemplated herein in a timely manner.

Section 5.6 Additional Consents. No filing, registration, qualification, notice, consent, approval or authorization to, with or from any Person (excluding Governmental Authorities) is necessary in connection with the execution and delivery of this Agreement and the Related Agreements by Buyer, or the consummation of the transactions by Buyer contemplated hereby.

Section 5.7 No Litigation. Buyer has received no written notice from a third Person of any pending action or investigation against Buyer or request for information from any Governmental Authority or third Person about Buyer in connection therewith, and Buyer has no Knowledge of any notice from a third Person of any threatened action or investigation against Buyer or request for information by any Governmental Authority or third Person about Buyer in connection therewith, which, in either case, could result, or has resulted, in (a) the institution of legal proceedings to prohibit or restrain the performance of this Agreement or any of the Related Agreements, or the consummation of the transactions contemplated hereby or thereby, or (b) a claim for damages as a result of this Agreement or any of the Related Agreements.

Section 5.8 Due Diligence. Buyer has had the opportunity to inspect the Purchased Assets and all of the information made available by Seller, and to ask questions of and receive answers from the Seller with respect to the Purchased Assets and the Energy Centers, and otherwise to conduct all due diligence it deems necessary with respect to the subject matter of this Agreement.

Section 5.9 Exculpation. Buyer agrees that except for the representations and warranties expressly set forth in this Agreement and the Related Agreements, the Purchased Assets are being sold on an "AS IS, WHERE IS" basis and in "WITH ALL FAULTS" condition. Without limiting the generality of the foregoing, except for the representations and warranties expressly set forth in this Agreement and the Related Agreements Seller makes no written or oral representation or warranty, either express or implied, with respect to the fitness, merchantability or suitability of the Energy Centers or the Purchased Assets for any particular purpose or the operation of the Energy Centers or the Purchased Assets by Buyer.

Section 5.10 Good Faith. To Buyer's Knowledge, the negotiations regarding the transactions contemplated by this Agreement have been conducted in good faith and at arms-length.

ARTICLE 6.

Conditions Precedent to Closing

Section 6.1 Conditions Precedent to the Parties' Obligations. The obligations of the parties to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, the parties of each of the following conditions on or prior to the Closing:

6.1.1 No Termination. This Agreement shall not have been terminated pursuant to Article 10.

6.1.2 No Adverse Proceedings. On the Closing Date, no action or proceeding shall be pending before any Governmental Authority to restrain, enjoin or otherwise prevent the consummation of this Agreement or the transactions contemplated hereby or to recover any damages or obtain other relief as a result of the transactions proposed hereby.

6.1.3 No Violations. The consummation of the transactions contemplated hereby and by the Related Agreements shall not violate any Governmental Rule.

Section 6.2 Conditions Precedent to Buyer's Obligations. The obligation of Buyer to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, Buyer, of each of the following conditions on or prior to the Closing:

6.2.1 Seller's Representations True and Correct; Certificate. The representations and warranties of Seller contained in this Agreement shall be true and correct in all material respects (other than any representation or warranty qualified as to materiality, which shall be true and correct in all respects) as of the Closing Date as if made on the Closing Date,

except to the extent that any such representation and warranty is made as of a specified date, in which case such representation and warranty shall have been true and correct in all material respects as of such date (unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing), and Seller shall have executed and delivered to Buyer a certificate confirming the same.

6.2.2 Seller's Compliance with Covenants; Certificate. Seller shall have performed and complied with, in all material respects, all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date, and Seller shall have executed and delivered to Buyer a certificate confirming the same.

6.2.3 Execution and Delivery of Related Agreements. Each of the Related Agreements to which Seller is a party shall have been duly authorized, executed and delivered by the parties thereto other than Buyer, and shall be in full force and effect on the Closing Date without any material breach hereof or thereof having occurred and be continuing hereunder or thereunder. The documents contemplated to be delivered pursuant to Section 3.2.1 hereof shall have been delivered by the Seller to Buyer.

6.2.4 Consents. All Buyer Required Consents shall have been duly obtained and shall continue to be in full force and effect.

6.2.5 No Material Adverse Change. From the date hereof through the Closing, (a) there shall have been no material adverse change in the condition, compliance, operation, business, assets, liabilities or prospects of the Energy Centers, the Purchased Assets or the Assumed Liabilities, which would result in a Material Adverse Effect, and (ii) no material loss or damage shall have been sustained to the Purchased Assets, whether or not insured, which would result in a Material Adverse Effect.

6.2.6 Lien Releases. Seller shall have obtained and delivered all lien releases and instruments necessary for the release and termination of any liens, security interests and encumbrances upon the Purchased Assets, including all releases and terminations for all mortgages, assignments and UCC financing statements, except for the Permitted Encumbrances.

Section 6.3 Conditions Precedent to Seller's Obligations. The obligations of Seller to consummate the transactions contemplated hereby shall be subject to the fulfillment to the satisfaction of, or waiver by, Seller, of each of the following conditions on or prior to the Closing:

6.3.1 Buyer's Representations True and Correct; Certificate. The representations and warranties of Buyer contained in this Agreement shall be true and correct in all material respects (other than any representation or warranty that contains a materiality standard, which shall be true and correct in all respects) as of the Closing Date as if made on the Closing Date, except to the extent that any such representation or warranty is made as of a specified date, in which case such representation or warranty shall have been true and correct in all material respects as of such date (unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing) and Buyer shall have executed and delivered to Seller a certificate confirming the same.

6.3.2 Buyer's Compliance with Covenants; Certificate. Buyer shall have performed and complied with in all material respects all covenants, agreements and conditions required by this Agreement to be performed or complied with by it prior to or on the Closing Date and Buyer shall have executed and delivered to Seller a certificate confirming the same.

6.3.3 Execution and Delivery of Related Agreements. Each of the Related Agreements to which Buyer is a party shall have been duly authorized, executed and delivered by the other parties thereto and shall be in full force and effect on the Closing Date without any material breach hereof or thereof having occurred and continuing hereunder or thereunder.

6.3.4 Consents. All Seller Required Consents shall have been duly obtained and shall continue to be in full force and effect.

Section 6.4 Frustration of Closing Conditions. No party may rely on the failure of any conditions set forth in this Article 6 to be satisfied if such failure was caused by such party's failure to act in good faith or to use its commercially reasonable efforts to cause the Closing to occur, as required by Section 7.3.

ARTICLE 7.

Additional Covenants

Section 7.1 Conduct of Business. Except as expressly contemplated by this Agreement or the AER Transaction Agreement, from the date of this Agreement until the Closing, Seller shall carry on its businesses and operations in the ordinary course consistent with past practice and prudent utility practices, and continue to use, operate, maintain and repair all Purchased Assets in good operating condition and repair and in accordance with all Governmental Approvals, all Contracts and all applicable Governmental Rules and otherwise in accordance with prudent business and utility practices consistent with past practice.

Section 7.2 General Pre-Closing Covenants of Seller. Until the Closing Date, Seller shall, unless Buyer shall otherwise agree in writing, or except as shall otherwise be required in order to comply with the requirements of any Contract, Governmental Rule or Governmental Approval, do or cause to be done the following:

7.2.1 Full Access. Permit Buyer and its representatives, agents, counsel and accountants upon reasonable notice and in compliance with reasonable rules and regulations of Seller (and any Affiliate thereof) to have access, at Buyer's expense, during normal business hours to all properties, books, accounts, records, contracts, files, correspondence and documents of or relating to the Purchased Assets, and permit Buyer to cause its agents to conduct such reviews, inspections, surveys, tests and investigations of the Energy Centers, the Purchased Assets and the Assumed Liabilities, as Buyer deems reasonably necessary or advisable regarding Buyer's due diligence review or preparations for Closing, so long as the same does not unreasonably interfere with the conduct of business by Seller (or its Affiliates); provided, however, that Buyer will not be entitled to conduct any "Phase 2" environmental studies or assessments or take any samples of water or other materials or conduct any tests that involve removing soil or penetrating the subsurface of any lands; provided, further, that Buyer will

indemnify and hold harmless Seller from and against any Losses caused to them by or in connection with any such reviews, inspections, surveys, tests and investigations by Buyer or its representatives, agents, counsel and accountants (including restoring any such premises to the condition substantially equivalent to the condition such premises were in prior to any such investigation).

7.2.2 Furnishing Information. To the extent not otherwise publicly available through FERC, the U.S. Securities and Exchange Commission, the Illinois Environmental Protection Agency, the Illinois Public Utilities Commission, the Illinois Secretary of State or the applicable county registrar, make available or cause to be made available to Buyer and its representatives originals or copies of all Governmental Approvals, Contracts and other documents, records, data and information concerning such businesses, assets, finances and properties of or relating to the Energy Centers, the Purchased Assets or the Assumed Liabilities that may be reasonably requested by Buyer, in each case that are in the possession or control of any Seller Party. If Buyer desires to retain copies of any such information, the cost of making such copies shall be for Buyer's account. To the extent reasonably requested by Buyer, Seller will assist Buyer in obtaining such information relating to the Purchased Assets that is reasonably available to Seller.

7.2.3 Representations and Warranties. Refrain from doing, or causing to be done, or permitting (to the extent within its reasonable control) to occur anything which would cause the representations and warranties set forth in Article 4 or hereof from being true, complete and accurate in all material respects on the Closing Date.

7.2.4 Notification. Promptly after obtaining knowledge of the same notify Buyer in writing of any event, circumstance or condition that results in, with the passage of time or notice, or both, would reasonably be likely to result in (a) any representation or warranty made to or for the benefit of Buyer under this Agreement being false in any material respect at any time, (b) any condition to Closing for the benefit of Buyer being unable to be satisfied or (c) the inability of Seller to perform any of its obligations hereunder. Notwithstanding the giving of any notice under this Section 7.2.4, the closing condition set forth in Section 6.2.1 must be satisfied (or waived by Buyer) in accordance with its terms.

Section 7.3 Filings, Consents and Satisfaction of Closing Conditions. As promptly as practicable, Seller and Buyer shall each use its commercially reasonable efforts to make, or cause to be made, all such filings and submissions and obtain or cause to be obtained all such consents and approvals applicable to it, in order to consummate the transactions contemplated by this Agreement in accordance with the terms hereof. Each party will reasonably cooperate with the other with respect to all such filings, submissions consents and approvals, as requested by the party seeking the same. Copies of all filings and submissions, consents and approvals received by any party shall promptly be delivered to the other parties hereto. Seller and Buyer will each execute and deliver at the Closing each document such entity is required to execute and deliver as a condition to the Closing, will take all commercially reasonable steps necessary or desirable and proceed diligently and in good faith to satisfy each other condition to Closing within such entity's reasonable control, and will not take or fail to take any action that could reasonably be expected to result in the nonfulfillment of any such condition.

Section 7.4 Provision of Information. The originals (or where not available a copy thereof) of the books and records, accounts, contracts and other documents (including all Contracts and Governmental Approvals) constituting Purchased Assets or Assumed Liabilities shall be delivered to Buyer on the Closing Date or promptly thereafter, but in no event later than fifteen (15) days after the Closing Date, subject to the right of Seller to have access to such originals for review and copying (at Seller's expense) upon certification of reasonable need therefor. Such originals shall be delivered at the Closing or at such other locations as mutually agreed by the parties.

Section 7.5 Credit Support Obligations. Schedule 7.5 sets forth each guarantee and other credit support obligation of Seller (other than any Assumed Agreement) under or related to the Assumed Agreements (the "Credit Support Obligations"). Buyer agrees that, to the extent reasonably required by a beneficiary of any such Credit Support Obligation, Buyer shall deliver to each such beneficiary a replacement guarantee or other credit support obligation acceptable to such beneficiary, with respect to each Credit Support Obligation of the Seller.

Section 7.6 Employee Matters.

(a) Effective as of immediately before the Closing , Buyer (i) shall cause the employment of each Employee and Union Employee to be transferred to Buyer , and (ii) shall assume the obligations of the Seller under the Collective Bargaining Agreement.

(b) Nothing contained herein shall be construed to require the Buyer to continue the employment of any Employee or Union Employee for any period of time following the Closing, or to restrict the ability of the Buyer to terminate the employment of any Employee or Union Employee, or to amend or terminate any Employee Benefit Plan, or otherwise to alter in any way the terms and conditions of employment of the Employees or Union Employees, after the Closing, to the maximum extent permitted by applicable law and, with respect to Union Employees, the Collective Bargaining Agreement.

Section 7.7 Further Assurances. Each party shall, on request, before, on and after the Closing Date, cooperate with each other by furnishing any additional information, executing and delivering any additional documents and/or instruments and doing any and all such other things as may be reasonably requested by any of the parties or their counsel to consummate or otherwise further implement or effectuate the transactions contemplated by this Agreement and the Related Agreements; provided that no party shall be required to incur any additional liability or unreimbursed expenses in connection with any such request.

Section 7.8 Revenue Allocation. Each of the parties hereby agrees to use commercially reasonable efforts to amend its current contractual arrangement, if any, with Ameren Energy Marketing Company ("AEM") so that the revenues received by AEM from capacity, energy and/or ancillary services sales sourced solely from one or more of the transferred Energy Centers is allocated by AEM solely to the owner of such applicable Energy Center.

ARTICLE 8.

Remedies for Breaches of this Agreement

Section 8.1 Survival.

The representations and warranties of Buyer shall survive for one year following the Closing Date.

Section 8.2 Remedies of Buyer and Indemnification by Seller.

(a) Seller shall indemnify, defend, reimburse and hold harmless the Buyer Indemnified Parties from and against any and all Losses due to the Excluded Liabilities, without any application of the Threshold Amount or Cap Amount.

Section 8.3 Indemnification by Buyer. In the event that Buyer breaches any of its representations, warranties, covenants and agreements contained herein and, provided that Seller makes a written claim for indemnification against Buyer pursuant to Section 11.7 regarding a fact, event or circumstance occurring within the applicable survival period specified in Section 8.1, then Buyer shall indemnify, defend, reimburse and hold harmless a Seller Indemnified Party from and against the entirety of any Losses suffered by a Seller Indemnified Party in connection with such breach; provided, however, that (i) Buyer shall only have any obligation to indemnify, defend, reimburse and hold harmless any Seller Indemnified Party from and against Losses arising from a breach of representations or warranties to the extent the Seller Indemnified Party has suffered Losses by reason of such breach in excess of the Threshold Amount (it being understood that subject to the following clause (ii), the full amount of such Losses (including the Threshold Amount) shall be indemnifiable), and (ii) the maximum amount of all indemnification payments with respect to representations and warranties made by Buyer under this Section 8.3 to any and all Seller Indemnified Parties shall not exceed an amount equal to the Cap Amount. Buyer will indemnify and hold harmless the Seller Indemnified Parties from and against any and all Losses due to (i) the Assumed Liabilities, (ii) breaches of covenants or agreements (other than representations and warranties), or (iii) matters constituting fraud or intentional misrepresentation, all without any application of the Threshold Amount or Cap Amount.

Section 8.4 Procedure for Third-Party Claims. Promptly after receipt by a party (the "Indemnified Party") of notice of a claim by a third party which may give rise to a claim for indemnification against the other party (the "Indemnifying Party"), the Indemnified Party shall notify the Indemnifying Party thereof in writing; provided, however, that the failure promptly to give such notice shall not affect any right to indemnification hereunder except to the extent that such failure has prejudiced the Indemnifying Party. The Indemnifying Party shall, within ten (10) days of receipt of such written notice, assume on behalf of the Indemnified Party and conduct with due diligence and in good faith the defense thereof with counsel reasonably satisfactory to the Indemnified Party; provided, however, that (a) the Indemnified Party shall have the right to be represented therein by advisory counsel of its own selection and at its own expense and (b) if the defendants in any such action include both the Indemnified Party and the Indemnifying Party and the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it which are different from, additional to or inconsistent with those

available to the Indemnifying Party, the Indemnified Party shall have the right to select separate counsel reasonably acceptable to the Indemnifying Party to participate in the defense of such action on its own behalf at the expense of the Indemnifying Party (in lieu of any counsel required to be retained pursuant to the portion of this sentence preceding this proviso). If an Indemnifying Party fails to assume the defense of an indemnifiable claim, then the Indemnified Party may at the Indemnifying Party's expense, and without prejudice to its right to indemnification, contest (or, with the prior written consent of the Indemnifying Party (not to be unreasonably withheld or delayed), settle) such claim. The Indemnifying Party may not enter into a settlement with respect to any indemnifiable claim without the consent of the Indemnified Party unless such settlement is limited to a payment of money for which the Indemnified Party is fully indemnified by the Indemnifying Party. The parties will cooperate fully with one another in connection with the defense, negotiation or settlement of any indemnifiable claim.

Section 8.5 Waiver of Closing Conditions. The parties acknowledge and agree that if any party hereto has Knowledge of a material failure of any condition set forth in Article 6 or of a material breach by any other party of any covenant or agreement contained in this Agreement, and such party proceeds with the Closing, such party shall be deemed to have waived such condition or breach (but then only to the extent of such party's Knowledge at Closing) and such party and its successors, assigns and Affiliates shall not be entitled to be indemnified pursuant to this Article 8, to sue for damages or to assert any other right or remedy for any losses arising from any matters relating to such condition or breach, notwithstanding anything to the contrary contained herein or in any Related Agreement.

Section 8.6 Materiality, Mitigation, Etc; Indemnification Payments as Adjustments to the Purchase Price.

(a) Notwithstanding anything herein to the contrary, after the occurrence of a breach of any representations and warranties contained herein or in the Related Agreements, any standard, threshold or reference to "material," "Material Adverse Effect" or other materiality qualifiers shall be disregarded for purposes of determining the Losses of an Indemnified Party under Article 8.

(b) An Indemnified Party shall use commercially reasonable efforts to mitigate all losses, damages and the like relating to a claim under this Article 8, including availing itself of any defenses, limitations, rights of contribution, claims against third parties and other rights at law or in equity. The Indemnified Party's commercially reasonable efforts shall include the reasonable expenditure of money to mitigate or otherwise reduce or eliminate any Loss or expenses for which indemnification would otherwise be due.

(c) An Indemnifying Party shall, upon the making of any indemnification payment, be subrogated in full to the rights of the Indemnified Party with respect to the losses, damages and the like to which such indemnification relates to the extent of any indemnification payment.

(d) All indemnification payments under this Article 8 shall be deemed adjustments to the Purchase Price.

Section 8.7 Exclusive Remedy. The parties acknowledge and agree that, should the Closing occur, the foregoing remedy and indemnification provisions of this Article 8 together with and the provisions of the Deeds shall be the sole and exclusive remedy of the parties with respect to the transactions contemplated by this Agreement (other than Sections 7.6 and 7.7), except in the event of fraud on the part of Buyer. In furtherance of the foregoing, each party hereby waives, from and after the Closing, to the fullest extent permitted under applicable law, any and all rights, claims and causes of action it has against the other party arising under or based upon any Federal, state or local statute, law, ordinance, rule or regulation or otherwise (except pursuant to the indemnification provisions set forth in this Article 8).

ARTICLE 9.

Tax Matters

Section 9.1 Sales and Transfer Taxes. Transfer Taxes in connection with the transfer of the Purchased Assets or otherwise in connection with the consummation of the transactions contemplated by this Agreement and the Related Agreements shall be paid by Buyer.

Section 9.2 FIRPTA Certificate. Seller shall deliver to Buyer at the Closing a certificate, in form and substance reasonably satisfactory to Buyer, certifying that the transactions contemplated hereby are exempt from withholding under Section 1445 of the Code.

Section 9.3 Purchase Price Allocation.

(a) Buyer shall present a draft (the "Proposed Allocation") of the Purchase Price allocation (the "Allocation"), prepared in accordance with the provisions of Section 1060 of the Code, to Seller for review within one hundred eighty (180) days after the Closing Date. Seller shall assist Buyer in the preparation of the Proposed Allocation and Buyer shall provide Seller and its respective employees, agents and representatives access at all reasonable times to the personnel, properties, books and records of Seller for such purpose. Except as provided in Section 9.4(b), at the close of business on such date that is thirty (30) days after delivery of the Proposed Allocation, the Proposed Allocation shall become binding upon Buyer and Seller, and shall be the Allocation.

(b) Seller shall raise any objection to the Proposed Allocation in writing within 30 days of the delivery of the Proposed Allocation. If Seller raises any such objection, Buyer shall negotiate in good faith to resolve any disputes with respect to the Proposed Allocation. If Buyer and Seller cannot resolve any such disputes, they will enter into binding arbitration with respect to the disputed items with an arbiter agreed to by the parties. The costs of such arbiter shall be borne equally by the Seller, on the one hand, and Buyer, on the other.

(c) Seller and Buyer agree, for all Tax purposes, to allocate any adjustment to the Purchase Price to the item or items to which it is principally attributable.

ARTICLE 10.

Termination

Section 10.1 Termination. This Agreement may be terminated at any time prior to the Closing as follows, and in no other manner:

(a) by the mutual agreement of Buyer and Seller in writing;

(b) by written notice from Buyer to Seller, or from Seller to Buyer, as applicable, if at any time (i) the other party fails to perform any material obligation hereunder in a timely manner and fails to cure the same promptly after written notice thereof, or (ii) any representation or warranty of the other party hereunder proves to be false in any material respect (or with respect to any representation or warranty with a materially standard, in all respects) and is not promptly cured after written notice thereof, except to the extent that any such representation or warranty is made as of a specified date, in which case, such representation or warranty shall have been true and correct in all material respects as of such date unless the circumstances that made any such representation or warranty false or misleading at the time shall no longer be continuing; and

(c) by written notice from either party hereto to the other party hereto if the Closing contemplated hereunder has not taken place on or before March 14, 2014, as such date may be extended by either party hereto for up to thirty (30) additional days to the extent required by such party to obtain Seller Governmental Consents or Buyer Governmental Consents, as the case may be; provided, however, that a party hereto may not terminate this Agreement if the Closing fails to occur because conditions to Closing within the control of such party have not been satisfied; and

Section 10.2 Effect of Termination. In the event that this Agreement is terminated pursuant to this Article 10, then no party hereto shall have any further liability or obligation to any other party hereunder, except to the extent resulting from a party's breach of its obligations hereunder provided, that the following provisions shall survive termination: (a) Article 8, (b) this Section 10.2, and (c) Article 11.

ARTICLE 11.

Miscellaneous

Section 11.1 Transaction Costs. Except as otherwise expressly provided herein, Buyer, on the one hand, and Seller, on the other, shall pay all of its own costs and expenses (including attorneys' fees and other legal costs and expenses and accountants' fees and other accounting costs and expenses) incurred in connection with this Agreement and the transactions contemplated hereby.

Section 11.2 Entire Agreement. This Agreement and the Put Option Agreement represent the entire understanding and agreement among the parties with respect to the subject

matter hereof and supersedes all other negotiations, understandings and representations (if any) made by and among such parties.

Section 11.3 Amendments. The provisions of this Agreement may not be amended, supplemented, waived or changed orally, but only by a writing signed by each of the parties hereto.

Section 11.4 Assignments. No party hereto shall assign its rights and/or obligations hereunder without the prior written consent of each other party to this Agreement.

Section 11.5 Binding Effect. All of the terms and provisions of this Agreement, whether so expressed or not, shall be binding upon, inure to the benefit of and be enforceable by the parties and their respective successors and permitted assigns.

Section 11.6 Headings. The headings contained in this Agreement are for convenience of reference only, are not to be considered a part hereof and shall not limit or otherwise affect in any way the meaning or interpretation of this Agreement.

Section 11.7 Notices. All notices, requests, consents and other communications required or permitted under this Agreement shall be in writing and shall be (as elected by the person giving such notice) (a) hand delivered by messenger or courier service, (b) delivered by express courier service (e.g., FedEx), (c) telefaxed or (d) mailed by registered or certified mail (postage prepaid), return receipt requested, addressed as follows:

To Buyer:

Attn:
AmerenEnergy Medina Valley Cogen L.L.C.
1901 Chouteau Avenue
St. Louis, Missouri 63103
Attention: General Counsel

To Seller:

Attn: Christopher A. Iselin
Ameren Energy Generating Company
1500 Eastport Plaza Drive
Collinsville, IL 62234

or to such other address as any party may designate by notice complying with the terms of this Section 11.7. Each such notice shall be deemed delivered (i) on the date actually delivered if by messenger or courier service or express courier service; (ii) on the date of confirmed answer-back if by telefax so long as a duplicate copy is sent immediately by methods (a), (b), or (d) above; and (iii) on the date upon which the return receipt is signed or delivery is refused or the notice is designated by the postal authorities as not deliverable, as the case may be, if mailed.

Section 11.8 Severability. If any provision of this Agreement or any other agreement entered into pursuant hereto is contrary to, prohibited by or deemed invalid under applicable law or regulation, such provision shall be inapplicable and deemed omitted to the extent so contrary,

prohibited or invalid, but the remainder hereof shall not be invalidated thereby and shall be given full force and effect so far as possible. If any provision of this Agreement may be construed in two or more ways, one of which would render the provision invalid or otherwise voidable or unenforceable and another of which would render the provision valid and enforceable, such provision shall have the meaning which renders it valid and enforceable.

Section 11.9 Waivers. The failure or delay of any party at any time to require performance by another party of any provision of this Agreement, even if known, shall not affect the right of such party to require performance of that provision or to exercise any right, power or remedy hereunder. Any waiver by any party of any breach of any provision of this Agreement should not be construed as a waiver or any continuing or succeeding breach of such provision, a waiver of the provision itself, or a waiver of any right, power or remedy under this Agreement. No notice to or demand on any party in any case shall, of itself, entitle such party to any other or further notice or demand in similar or other circumstances.

Section 11.10 Counterparts. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Confirmation of execution or delivery by telefax, email or other electronic means of a signature page shall be binding upon any party so confirming or delivering.

Section 11.11 Governing Law. This Agreement and all transactions contemplated by this Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of Illinois other than any thereof that would require or permit the application of the laws of any other jurisdiction.

Section 11.12 No Consequential Damages. Notwithstanding anything to the contrary herein, but except for penalties, fines, fees, taxes, court costs and reasonable attorneys' fees and expenses included within Losses indemnified under Article 8 no party to this Agreement shall be liable to another party for special, punitive, indirect, incidental or consequential loss or damage of any nature, including loss of use or loss of profit or revenue, and each party hereby releases each other party, its Affiliates and their respective directors, officers, employees, successors, assigns, agents and contractors from any such liability.

Section 11.13 No Third Party Beneficiaries. Nothing in this Agreement is intended to confer upon any other person except the parties hereto and their Affiliates any rights or remedies hereunder or shall create any third party beneficiary rights in any person, including, with respect to continued or resumed employment, any employee or former employee of the Seller (including any beneficiary or dependent thereof). No provision of this Agreement shall create any rights in any such persons in respect of any benefits that may be provided, directly or indirectly, under any employee benefit plan or arrangement except as expressly provided for thereunder.

Section 11.14 Conflicts. To the extent any term or provision of the AER Transaction Agreement is in conflict with any term or provision of this Agreement or any Annex, Exhibit or Schedule hereto, the terms and provisions of the AER Transaction Agreement shall govern solely to the extent of such conflict.

Section 11.15 Time of Essence. Time is of the essence with respect to the performance of any obligation under this Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF, the parties hereto, intending to be legally bound, have caused their duly authorized representatives to execute and deliver this Agreement as of the date first set forth above.

AMERENENERGY MEDINA VALLEY COGEN L.L.C.

By: _____

Name:

Title:

AMEREN ENERGY GENERATING COMPANY

By: _____

Name:

Title:

AFFIDAVIT OF GEORGE W. BILICIC

I. BACKGROUND AND QUALIFICATIONS

1. My name is George Bilicic. I am employed by Lazard Frères & Co. LLC ("Lazard" or the "Firm") in the Financial Advisory practice. Lazard is an independent financial advisory and asset management firm. With over 160 years of history, Lazard, together with its affiliates, operates in 26 countries and employs approximately 2,500 people. Lazard's Financial Advisory practice provides advice to corporate, institutional, government, sovereign and individual clients on a broad array of strategic and financial matters.

2. I am currently a Managing Director and Vice Chairman of Investment Banking at Lazard, and head the Firm's global efforts in Power, Energy and Infrastructure. I serve as a member of the Firm's Investment Banking Committee and Deputy Chairman Committee. I have worked extensively on a variety of transactional, strategic and financial advisory assignments in the power, utility, alternative energy and infrastructure sectors for over 20 years. I have a B.A. from DeSales University and a J.D. from Georgetown University Law Center.

3. In my testimony, I will refer to the following: Ameren Corporation ("Ameren"); Ameren Energy Resources Company ("AER"); a newly formed limited liability company that is a direct wholly owned subsidiary of AER ("New AER" or the "Company"); each of the (i) Coffeen Plant, (ii) Duck Creek Plant, (iii) E.D. Edwards Plant, (iv) Newton Power Plant, and (v) Joppa Generating Station (collectively, the "Acquired Plants"); each of the (i) Ameren Energy Generating Company ("GENCO"), (ii) AmerenEnergy Resources Generating Company, (iii) Ameren Energy Marketing Company, (iv) Electric Energy, Inc., and (v) Midwest Electric Power, Inc. (collectively, the "Ameren Merchant Utilities"); and each of the (i) Grand Tower Energy Center, (ii) Gibson City Energy Center and (iii)

Elgin Energy Center (collectively, the "Put Assets").

4. The purpose of my testimony is to provide an overview of how the challenges cited in the September 20, 2012 Opinion and Order by the Illinois Pollution Control Board granting AER variance relief, Docket PCB 12-126, from the sulfur dioxide emission rate in the multi-pollutant standard ("MPS") rules ("Variance Relief") are expected to continue to be faced by New AER following its sale to Dynegy Inc.'s ("Dynegy's") wholly-owned subsidiary Illinois Power Holdings, LLC ("IPH"). My testimony will also describe how, as was the case with AER under Ameren, these challenges are expected to limit New AER's ability to access third-party capital for investment in state- and federally-mandated environmental control equipment (or otherwise) on economic terms supportable by New AER's financial condition, if at all.

II. THE EXPECTED FINANCIAL CONDITION OF NEW AER

5. AER's financial outlook, credit profile and access to third-party capital have weakened further since AER received the Variance Relief, as a result of persistently low power prices and ongoing uncertainty regarding federal environmental regulations. Ameren specifically cited its *"analysis of the current and projected future financial condition of [AER], including the need to fund GENCO debt maturities*" as one of its chief motivations for exiting the merchant generation business in December 2012.[1] Similarly, as described below, New AER's financial condition outlook is expected to be challenged. Thus, the Variance Relief will continue to play a critical role in allowing the Company to manage its liquidity and credit quality in the midst of a currently challenged merchant generation operating environment.

[1] Ameren Form 8-K filing (December 20, 2012).

6. AER continues to face a persistently low power price environment that has impaired its credit profile and its ability to fund capital expenditures and cash flow shortfalls. As a merchant generator, AER's earnings and cash flow exhibit significant volatility and are materially impacted by changes in the relationship between fuel and power prices. The ongoing decline in power prices has pressured the earnings of AER's primarily coal-fired generation fleet, impairing AER's financial health and access to third-party capital on economic terms supportable by AER's financial condition. Forecasts of future market conditions suggest that earnings pressure at New AER may continue for the foreseeable future. Moody's Investor Services ("Moody's") recently stated:

> *"Energy prices for power continue to trade at depressed levels owing in large part to low natural gas prices. Gas prices, which once lifted the overall price of power, have declined significantly over the past several years. While natural gas prices have recovered somewhat from a low in 2012, they are expected to remain depressed for the foreseeable future due to market fundamentals driven by the glut of shale gas supply. ... Outside of ERCOT, most of the deregulated markets have significant surplus capacity. ... To have shortages, another round of widespread shutdowns would be required, involving many gigawatts of large coal or nuclear plant capacity. This scenario is unlikely to occur unless the price of gas falls further on a sustained basis or there is a marked shift in the economic calculus of power plant owners. Demand growth is also not expected to be helpful in closing the surplus gap any time soon."*[2]

While power prices in all markets have been negatively affected by low natural gas

[2] Moody's, "Unregulated Utility & Power Companies: Still No Sign of Recovery" (February 6, 2013).

prices, certain regions have fared worse on a relative basis. Energy and capacity prices in MISO, for example, have been particularly depressed, given an oversupply of low-marginal-cost generation. Moody's, in the same report, stated:

> *"The downturn [for merchant generators] is most severe in the MISO and upstate New York regions. MISO and upstate New York have very low capacity prices as well as low energy prices, because these regions are dominated by coal and nuclear generation and, in upstate New York, significant hydropower. Companies most concentrated in these regions include Dynegy and Ameren GENCO."*

Similarly, equity analyst Steve Fleishman of Wolfe Trahan suggested that the outlook for power and natural gas prices is unlikely to change in the near term:

> *"We see limited upside potential for power and natural gas prices in the near term since key structural changes in these markets do not come until 2015 or beyond. In power, there will be some shutdowns over this period to implement EPA rules and also some regions, such as Texas, are already tight. For the most part, however, power markets should have ample supply. More importantly, power demand shows little sign of turning and may even contract in certain regions. For natural gas, there will likely be ebbs and flows in pricing due to weather and coal-to-gas switching, but forward prices likely stay range bound in the $3.50 - $4.50 area until the new structural demand forces kick in. Even when demand ultimately drives prices above this trading range, we do not expect natural gas to rise above $5.00 - $6.00 long term, given the vast*

supply of shale gas in the United States."[3]

7. AER's credit profile has been further challenged by the ongoing uncertainty regarding potential federally-mandated environmental regulations. Incremental expenditures stemming from the potential federal regulation of greenhouse gasses and coal combustion residuals, for example, could further exacerbate AER's currently weak liquidity profile. Unregulated power companies are generally more challenged by increasingly stringent environmental mandates than their regulated utility peers. Environmental regulations increase the operating costs of all fossil generation. However, while regulated power companies are able to recover the costs of environmental regulations through authorized rates, unregulated power companies recover their costs through market driven prices and earnings.

8. As shown in Table 1 below, GENCO, AER's only rated subsidiary, has seen its credit rating cut 7 notches by both Standard & Poor's ("S&P") and Moody's since 2008. The downgrades appear to be attributable to a decline in net income and cash flow during that time period, among other factors. AER's recurring net income declined from $352 million in 2008 to $41 in 2012. Since receiving the Variance Relief, AER's financial outlook has worsened, as market expectations of power prices have not improved, but, in fact, have deteriorated further beyond the 2014 time horizon.[5] GENCO's credit rating has been cut 4 and 3 notches by S&P and Moody's, respectively, since AER was granted the Variance Relief.

[3] Steve Fleishman (Wolfe Trahan), "Utilities and Power: Income But Little Growth; Patience on Power" (March 13, 2013).

TABLE 1 ($ IN MILLIONS)						
	2008	**2009**	**2010**	**2011**	**2012**	**2013**
S&P Rating /Outlook	BBB-/Stable	BBB-/Stable	BBB- /Negative	BBB- /Negative	B-/Stable	CCC+/ Negative
Moody's Rating /Outlook	Baa2/Stable	Baa3/Stable	Baa3/ Stable	Baa3/Stable	Ba3/Negative	B3/ Negative
Recurring Net Income	$352	$247	$113	$45	$41	NA

The challenged financial outlook for AER (and, accordingly, New AER) is further evidenced by the trading performance of the GENCO bond prices (Table 2), which were trading relatively close to par at the time AER was granted the Variance Relief. GENCO bond prices traded down significantly following Ameren's announcement on December 20, 2012 that it planned to exit the merchant generation business, and still trade well below par, which I believe reflects the understanding that Dynegy will not provide liquidity support, investor concern regarding the long-term financial health of New AER, and the attendant effect of such concern on the Company's ability to access the capital markets in order to refinance the GENCO debt at maturity, among other factors.

TABLE 2			
	7.00%—Due 4/2018	**6.30%—Due 2/2020**	**7.95%—Due 6/2032**
Price on 9/20/2012	$97.19	$89.69	$91.56
Price on 12/21/2012	$75.44	$75.31	$74.06
Price on 3/13/2013	$55.69	$52.56	$53.19
Price on 3/15/2013	$75.81	$71.19	$71.56
Price on 4/15/2013	$85.81	$77.31	$76.56

9. With Ameren retaining the Put Assets, nearly 100% of New AER's energy production and gross margin will be derived from coal-fired generation facilities. Moody's

recently stated:

> *"Falling natural gas prices have had the most dramatic impact on the operating cash flow of coal and nuclear generation. As the price of natural gas falls, it drives down the energy price of power. For a natural gas plant, there is a corresponding fall in its fuel cost, which is also based on price of natural gas. But for coal and nuclear plants, there has not been much of a decline for delivered price of coal or processed uranium. To make matters worse, coal and nuclear plants also have a much higher fixed operating cost on a $/kW basis than gas plants. ... Though they are both heavily impacted by low natural gas prices, nuclear plants generally fare better than coal plants because their all-in production cost tends to be lower and they have much less burden in terms of environmental compliance costs."*[4]

10. Ameren specifically cited AER's challenged financial condition as one of its chief motivations for exiting the merchant generation business:

> *"Ameren's Merchant Generation business segment and GENCO have experienced decreasing earnings and cash flows from operating activities over the past few years, including the current year, as margins have declined principally as a result of weaker power prices. In addition, environmental regulations have resulted in significant investment requirements over the same timeframe. ... Ameren has sought to have its Merchant Generation business segment and GENCO fund their operations internally and not rely on financing from Ameren. In December 2012, Ameren determined that it intends to, and it is*

[4] Moody's, "Unregulated Utility & Power Companies: Still No Sign of Recovery" (February 6, 2013).

probable that it will, exit its Merchant Generation business segment before the end of the previously estimated useful lives of that business segment's long-lived assets. This determination resulted from Ameren's analysis of the current and projected future financial condition of its Merchant Generation business segment, including the need to fund GENCO debt maturities beginning in 2018."[5]

Prior to its decision to divest its merchant generation business, Ameren had taken several measures to preserve liquidity and manage its credit profile with the goal of weathering the power market downturn. Specifically, Ameren reduced operating and maintenance capital expenditures, divested selected generating plants, and established an internal plant "put" mechanism to provide GENCO with an emergency standby liquidity. Despite these measures, Ameren appears to have ultimately determined that market conditions were not improving quickly enough to allow AER to fund its cash needs and debt maturities without parent support. Furthermore, Ameren expected that GENCO would violate a debt incurrence covenant in 1Q 2013, effectively precluding it from raising additional debt backed by cash flows at GENCO. In its 2012 10-K, Ameren stated:

"Based on projections as of December 31, 2012, of its operating results and cash flows, Genco expects that, by the end of the first quarter of 2013, its interest coverage ratio will be less than the minimum ratio required for the company to borrow additional funds from external, third-party sources."

Given the debt incurrence covenant under the terms of its current bond indenture, and its weakened financial condition and outlook, Dynegy has indicated that GENCO, based on

[5] Ameren Form 8-K filing (December 20, 2012).

information disclosed by GENCO in its filings with the U.S. Securities and Exchange Commission, under the terms of its existing indebtedness, is currently contractually prohibited from incurring any additional debt financing which could be used by New AER to meet the MPS requirements without the Variance Relief, or to accelerate installation of the remainder of the approximately $500 million Newton FGD project.

11. Importantly, based on Dynegy analysis, both the upfront cash at closing of the transaction and the synergies that Dynegy projects following the transaction are required to provide comfort that the business will have the necessary liquidity over the next several years and adequate liquidity will not exist over the next several years to simultaneously continue operating the Acquired Plants and also spend hundreds of millions on capital investments to accelerate installation of the Newton FGD project. Dynegy makes this clear in the following passage:

> *"In evaluating the contemplated transaction, Dynegy's position has always been that, given the depressed commodity markets and volatile nature of the merchant energy business, at the closing of the transaction, New AER must have sufficient liquidity for the next several years to meet its needs of funding operations/potential losses, paying interest, and providing working capital. Furthermore, without the approximate $60 million in annual operational synergies that Dynegy estimates it will realize in this transaction by 2015, the approximate $220 million in cash at closing would not be sufficient to fund operations over the next several years. Both the upfront cash at closing and the synergies are required to provide comfort that the business will have the necessary liquidity over the next several years, particularly given the volatile*

nature of the markets. Simply stated, it is not feasible over the next several years to simultaneously have adequate liquidity necessary to continue operating the Acquired Plants and also spend hundreds of millions on capital investments to accelerate installation of the Newton FGD project, install air pollution controls or otherwise comply with the MPS without the Variance Relief."[6]

Likewise, Dynegy has stated that New AER's affiliation with Dynegy will not improve the Company's ability to fund environmental-related expenditures, whether via Dynegy parent equity contributions or enhanced access to third-party capital:

"[a]s was the case under AER, under IPH, the Acquired Merchant Utilities must be self-funding and support their own expenses through their own operating revenues."[8]

Dynegy's commitment to its investors and bondholders that New AER will need to be self-sufficient was made clear by Dynegy CEO Bob Flexon on a recent investor call:

"The acquisition of AER is being accomplished through a newly created subsidiary of Dynegy, IPH, which will be a ring-fenced non-recourse subsidiary ... that will observe corporate separateness formalities. In structuring the transaction, we established and followed these principles: IPH must stand on its own and be a viable self-sustaining business; Dynegy cannot and will not put its balance sheet at risk; and there is no intent, no plans and no reason to engage in any type of financial restructuring of Genco's public debt."

Feedback received by Dynegy from credit rating agencies suggests that the agencies would likely view any Dynegy provision of financial support to New AER negatively:

"As part of its diligence process prior to entering the Transaction Agreement,

[6] See Affidavit of Mario E. Alonso (paragraph 14).

> *Dynegy contacted the credit rating agencies (Moody's and Standard & Poor's) with respect to the transaction's structure and Dynegy's obligations under the Transaction Agreement. Both credit rating agencies agreed that, as structured, the transaction was a credit neutral event because of the non-recourse nature of IPH. The credit rating agencies did, however, make clear that the transaction would have a negative effect on the credit rating of Dynegy if the acquired entities were to be absorbed into the Dynegy capital structure or if Dynegy were to provide financial support to New AER other than limited amounts of working capital."*[7]

Thus, given (a) Dynegy's analysis that New AER will not have adequate liquidity necessary to spend hundreds of millions on capital investments; (b) the commitments Dynegy has made to its equity investors in respect of not placing its balance sheet at risk by providing capital to New AER; and (c) commentary of credit rating agencies in respect of Dynegy potentially providing capital to New AER, as described below, it appears that for Dynegy to operate New AER absent the Variance Relief and to provide capital to New AER, other than limited amounts of working capital, would adversely affect its own access to capital (e.g., a credit rating downgrade could materially increase Dynegy's cost of capital). In other words, Dynegy's view that the upfront cash at closing of the transaction and the synergies that it projects following the transaction are required to provide comfort that the business will have the necessary liquidity over the next several years, coupled with apparent credit rating agency constraints, among other factors, suggest that New AER will not be able to meet the MPS requirements without the Variance Relief, or to accelerate installation of the remainder of the approximately $500 million Newton FGD project.

[7] See Affidavit of Mario E. Alonso (paragraph 9).

III. INVESTOR AND RATING AGENCY ANALYSES OF NEW AER

12. Highlighted below is the current commentary of certain equity analysts that are responsible for providing independent guidance to large institutional and retail investors regarding the power sector. In their commentary, equity analysts highlight New AER's challenged cash flow profile, but note the limited potential downside for Dynegy shareholders, given the non-recourse nature of the transaction.

> *"The debt assumed is non-recourse back to Dynegy and does not directly deteriorate Dynegy's preexisting liquidity or capital structure. ... Our analysis presumes current forward power prices and a $1/kW-month capacity price. Under these conditions, we believe the [New AER] portfolio will not likely be free cash flow positive on an unhedged basis in 2015, which is a more conservative outlook than Dynegy's guidance." – Citi, 3/15/2013*
>
> *"[The] acquisition yields little equity value, as we expect restructuring to continue. Consistent with the structuring of NRG and GenOn's transaction, the deal will be done at a non-recourse subsidiary. ... We believe the Genco subsidiary (Joppa, Newton, Coffeen) does not have equity value net of its debt, and believe the fact that Ameren would transact its non-encumbered assets (Edwards, Duck Creek) for nothing is suggestive of limited underlying value in those assets, net of liabilities, which includes coal ash ponds (which has recently attracted some attention). ... We estimate the portfolio in aggregate continues to generate cash losses; we anticipate the Company will continue to use its existing liquidity to fund these losses." – UBS, 3/14/2013*

The equity analyst commentary suggests that the Acquired Plants may have negative equity

value, even with the benefit of the Variance Relief. As such, any investment to meet the MPS requirements without the Variance Relief, or to accelerate installation of the remainder of the approximately $500 million Newton FGD project, would likely be viewed as uneconomic and imprudent by investors.

13. The credit rating agencies, whose views are taken into consideration by investors in debt securities and lenders, have taken an increasingly negative view on the credit quality of AER since the time it received the MPS Variance Relief because of ongoing deterioration of power market conditions. Given the expectation that Dynegy will not provide additional funds to New AER, the agencies have also made clear that they have not penalized Dynegy's credit rating. Below are samplings of credit rating agency commentary following the announcement of IPH's agreement to acquire New AER:

Credit Rating Agency Statements Regarding the Outlook for New AER

"The negative outlook reflects our base case scenario that Genco's financial measures and profit margins will meaningfully deteriorate over the next few years because of continued weak power prices. These trends could result in lower ratings during the next 12 months and, absent a reversal of price trends, could lead to a payment default or debt restructuring. ... Genco's 'vulnerable' business risk profile reflects its dependence on the commodity price of electricity, its competitive position in its markets, and its reliance on a meaningful improvement to power prices to fully meet its financial obligations. ... Over the next year, we expect that expiring higher-priced hedges will continue to be replaced by lower market prices. While we expect that management may continue to identify further cost reduction opportunities, the

business risk profile and operating results will continue to be pressured by continued weak electricity prices and the company's Midwest location, which lacks a robust capacity market. ... Genco has 'less than adequate liquidity', reflecting the following qualitative factors and assumptions: the Company lacks a core bank relationship and essentially relies on its ability to generate cash, cash on hand, and its asset put option as its sole sources of liquidity; the Company has a poor standing in the credit markets as demonstrated by the Company's debt, which is trading with a yield to maturity of about 20%; in our view, the Company would not be able to withstand a material low probability event, such as a prolonged plant outage." – S&P, 3/28/2013

Credit Rating Agency Statements Regarding Dynegy Support of New AER

"In March, Dynegy secured an agreement to acquire the AER merchant assets and operations from Ameren, with the closing planned by the end of 2013. We have not factored any cash flow from AER into our analysis. Dynegy will hold the acquired assets as a ring-fenced subsidiary, to shield Dynegy from risk associated with them. We do not expect Dynegy to financially support the acquired assets over the next two years, since Ameren is essentially providing deal liquidity to get them through the next few years of likely depressed power prices." – S&P, 4/2/2013

IV. CONCLUSION

14. AER's financial outlook and credit profile have weakened further since the Company received the Variance Relief—I believe this is a result of persistently low power prices and ongoing uncertainty regarding federal environmental regulations. Accordingly, the prospects of sourcing additional third-party capital on economic terms supportable by New

AER's financial condition, if at all, are likely to remain challenged. In fact, Dynegy was unable to obtain a debt facility at New AER on economic terms coincident with the Transaction, *"given the low cash flow profile [of the Acquired Plants], negligible lien capacity of the assets, existing debt and weak credit profile."*[8] Importantly, based on Dynegy analysis, both the upfront cash at closing of the AER transaction and the synergies that it projects following the transaction are required to provide comfort that the business will have the necessary liquidity over the next several years, particularly given the volatile nature of the markets. Dynegy has stated, therefore, that it is not feasible over the next several years to simultaneously have adequate liquidity necessary to continue operating the Acquired Plants and also spend hundreds of millions on capital investments to accelerate installation of the Newton FGD project, install air pollution controls or otherwise comply with the MPS without the Variance Relief. Moreover, given the potential adverse reaction of investors and bondholders were Dynegy to provide financial support, New AER's affiliation with Dynegy will not improve its financial outlook or its ability to fund environmental-related expenditures on a more accelerated timeframe. In short, I believe that the various challenges faced by New AER are the same, if not worse, than those faced by AER when it was granted the Variance Relief. The rationale for the Variance Relief remains unchanged—it will continue to play a critical role in allowing the Company to manage its liquidity and credit quality in the midst of a currently challenged merchant generation operating environment.

[8] See Affidavit of Mario E. Alonso (paragraph 8).

FURTHER, Affiant sayeth not.

George Bilicic

George W. Bilicic

Subscribed and swore to before
me this 2ND day of May, 2013

Notary Public

IRENE M. MONTERO
Notary Public, State of New York
No. 01MO6270607
Qualified in Queens County
Commission Expires October 22, 2016

AFFIDAVIT OF DANIEL P. THOMPSON

I. BACKGROUND AND QUALIFICATIONS

1. My name is Daniel P. Thompson. I am Vice President and General Manager for Dynegy Midwest Generation, LLC ("DMG"), an indirect, wholly owned subsidiary of Dynegy Inc. ("Dynegy"). I also serve as Vice President of Illinois Power Holdings, LLC ("IPH"), which is also an indirect, wholly owned subsidiary of Dynegy. My business address is 604 Pierce Blvd., O'Fallon, Illinois, 62269. I provide this affidavit in support of the Motion of Ameren Energy Resources ("AER") and Illinois Power Holdings, LLC to Reopen Docket and Substitute Parties ("Motion"). I make this affidavit based on personal knowledge or on knowledge I have obtained through inquiry of individuals employed by Dynegy or its affiliates.

2. As Vice President of DMG, I am responsible for the safe and efficient operation of Dynegy's coal-fired electric generating fleet in Illinois. My responsibilities include oversight of environmental compliance at Dynegy's Illinois coal fleet.

3. Prior to my current position with Dynegy, I served as Dynegy's Vice President of Operations, West Region from 2007 to late 2011; Vice President, Northeast Operations (New York) from 2001 to 2007; and Vice President, Engineering for Generation from 1999 to 2001. Prior to that, I had worked for Illinois Power since 1987 in numerous capacities, including the Manager of the Vermilion and Hennepin Stations; Operations Supervisor at Baldwin Station, Plant Manager at Havana Station; Manager of Nuclear Training at Clinton Nuclear Station and Manager of Nuclear Engineering. Prior to joining Illinois Power, I was Maintenance Manager for Pfizer Inc. at its Minerals and Pigments Division in East St. Louis, Illinois from 1980 to 1982 and the Maintenance Superintendent for the Allis Chalmers Coal Gasification R&D Facility at East Alton, Illinois from 1982 to 1987. I graduated in 1975 from the United States Naval

Academy, subsequently completed Naval Nuclear Power School and then served as a Nuclear Propulsion/Surface Warfare Officer aboard the USS Long Beach (CNG-9) until 1980. I hold an MBA from Southern Illinois University Edwardsville (1984).

4. I am familiar with the contemplated transaction between IPH and Ameren Corporation ("Ameren") and led Dynegy's due diligence efforts on operations-related issues for the transaction. I have read and am familiar with the September 20, 2012 Opinion and Order by the Illinois Pollution Control Board ("Board"), Docket PCB 12-126, granting AER variance relief from the sulfur dioxide ("SO_2") annual emission rates in the multi-pollutant standard ("MPS") rules applicable to the Ameren MPS Group.

II. DYNEGY'S PRESENCE AND EXPERIENCE IN ILLINOIS

5. Dynegy is a holding company that conducts substantially all of its business operations through its subsidiaries. Dynegy's primary business is the production and sale of electric energy, capacity and ancillary services on a wholesale basis to Regional Transmission Organizations ("RTOs"), Independent System Operators ("ISOs"), integrated utilities, electric cooperatives, municipalities and other energy companies in the Midwest, Northeast and West Coast regions of the U.S. Dynegy's power generation portfolio consists of twelve operating power plants in six states totaling approximately 9,800 megawatts ("MW") of baseload, intermediate and peaking generation fueled by a mix of coal, fuel oil and natural gas.

6. Through its subsidiaries Dynegy Midwest Generation, LLC ("DMG") and Dynegy Kendall Energy, LLC, Dynegy owns and operates five coal and natural gas-fired power generation facilities in Illinois, with the capacity of producing approximately 4,200 MW of reliable, low cost energy for wholesale customers. Dynegy has had a strong and meaningful presence in the State of Illinois since its February 2000 acquisition of Illinova Corporation (*i.e.*, the fossil fuel-fired electric generating assets of Illinois Power Company), which formed the

basis of DMG's current generating fleet in Illinois. In 2004, Dynegy sold the Illinois Power Company regulated energy delivery business to Ameren Corporation, but retained the generating assets.

7. DMG's generating assets include four operating coal-fired electric generating stations located in southern Illinois: the Baldwin Energy Complex in Randolph County, the Havana Power Station in Mason County, the Hennepin Power Station in Putnam County, and the Wood River Power Station in Madison County. In November 2011, DMG permanently retired a fifth coal-fired power plant, the Vermilion Power Station, located in Vermilion County. Through its subsidiaries operating in Illinois, Dynegy has approximately 600 full-time employees statewide, employing approximately 550 persons at its Illinois power stations and approximately 50 persons at its corporate office located in O'Fallon, Illinois. The economic impact of Dynegy's operations in Illinois and in the affected local Illinois communities is significant. For example, in 2012, through its subsidiaries, Dynegy's direct investments in Illinois (*i.e.*, maintenance, capital, and taxes) totaled approximately $261 million.

8. Dynegy and its subsidiaries have a strong commitment to safe and environmentally responsible operations in Illinois. DMG has invested approximately $1 billion in air pollution controls at its Illinois facilities (including installation of flue gas desulfurization, activated carbon injection systems, and/or baghouses on select generating units) to comply with the Illinois Mercury Rule, including the MPS, and DMG's Consent Decree.[1] Since 1998, DMG's fleet has reduced its aggregate annual emissions by almost 90 percent. Dynegy is very familiar and experienced with the Illinois MPS requirements. DMG's five coal-fired stations elected into the MPS in 2007 (i.e., the DMG MPS Group) and Dynegy's environmental support

[1] *United States, et al. v. Illinois Power Co., et al.*, No. 99-CV-833-MJR (S.D. Ill.) (Consent Decree entered May 27, 2005) (a copy of the Consent Decree as originally entered is available at: http://www.epa.gov/compliance/resources/decrees/civil/caa/dmgfinal-cd.pdf.

group staff was directly involved in the MPS rulemakings. DMG has met its MPS limits. Indeed, DMG has met the MPS's mercury emission rate limit at all but one of its MPS generating units three years earlier than the required January 1, 2015 deadline.

III. TRANSACTION AGREEMENT WITH AMEREN

9. On March 14, 2013, IPH entered a Transaction Agreement with Ameren to acquire the equity interest in Ameren's merchant utilities businesses (collectively, the "Acquired Merchant Utilities"). The transaction is described in greater detail in the Affidavits of Mario E. Alonso and Martin J. Lyons. In brief, upon closing of the transaction, IPH would own the Acquired Merchant Utilities which own and operate five operating coal-fired electric energy generating centers in central and southern Illinois -- specifically the Duck Creek Energy Center in Fulton County, the Coffeen Energy Center in Montgomery County, the E.D. Edwards Energy Center in Peoria County, the Newton Energy Center in Jasper County, and the Joppa Energy Center in Massac County (the five operating energy centers, collectively, the "Acquired Plants"). Under the Transaction Agreement, the shuttered Hutsonville and Meredosia power plants would remain with AmerenEnergy Medina Valley Cogen L.L.C. ("Medina Valley"), a subsidiary of Ameren, and will not be acquired by IPH.

10. The Transaction Agreement expressly provides that IPH's obligation to close on the transaction is conditioned on having obtained the transfer of, or such other legal binding approval by the Board which has the effect of making applicable immediately after the closing to IPH, the Variance with terms identical in all material respects to the terms set forth in the Board's September 20, 2012 Order and with no new material terms.

11. Given Dynegy's experience in Illinois, IPH's acquisition of the Acquired Merchant Utilities will position the businesses and the Acquired Plants to move forward with a company committed to Illinois and with a history of providing environmentally sound, safe,

affordable, and reliable power in Illinois. However, without the Variance, both near and mid-term capital requirements of the Acquired Merchant Utilities, including the Acquired Plants, would significantly increase, which would make the transaction as negotiated prohibitively uneconomical. Indeed, this is why the transfer of the Variance is a condition of the transaction.

IV. IPH IS COMMITTED TO MEETING THE TERMS OF THE VARIANCE

12. IPH is committed to meeting the terms of Variance and conditions. After closing, through its operating subsidiaries, IPH will continue the construction of the Newton FGD Project and comply with the terms of the Board's Order relating to the Newton FGD Project construction milestones and reporting requirements. Likewise, through its operating subsidiaries, IPH will ensure that the Acquired Plants meet the applicable overall annual SO_2 emission rates established in the Variance (*i.e.*, 0.35 lb/mmBtu in 2013 through 2019, and 0.23 lb/mmBtu thereafter).

13. In order to satisfy the Variance condition within the Board Order relating to the non-operation of Hutsonville and Meredosia, IPH will provide an annual certification from Medina Valley regarding Medina Valley's compliance with Condition 4 of the Board Order so that both the Board and the Agency can be assured the condition will continue to be met for the duration of the Variance period.

V. THE IPH TRANSACTION WILL NOT CHANGE THE FINDINGS ON WHICH THE BOARD GRANTED THE VARIANCE RELIEF

14. The Board found that: (i) AER had adequately considered alternative compliance mechanisms but that none were cost effective or feasible; (ii) AER had demonstrated that there would be a net environmental benefit from the Variance Relief; (iii) granting AER's petition for variance with conditions in the Order would be within the State's current obligation under the Illinois State Implementation Plan ("SIP") to attain and maintain compliance with the National Ambient Air Quality Standards ("NAAQS"); and (iv) granting AER a variance from the MPS

was consistent with federal law. *IPCB Order at p. 48-49.* Each of these findings remains unchanged today and will not be altered by the IPH transaction.

A. Compliance Alternatives

15. It remains the case that there are no other viable alternatives to allow the Acquired Plants to comply with the MPS. In reviewing AER's original petition, the Board agreed that curtailment of operation would not be economically feasible because the fixed costs would be the same while revenue would be less because less power would be generated. *IPCB Order at p. 49.* This conclusion is still accurate with respect to the Acquired Plants. Notwithstanding the IPH acquisition, a reduction in operations would put jobs at risk, result in negative cash flow, and not allow the Acquired Plants to generate sufficient funds to sustain their operations and obligations. Simply put, the IPH transaction will not change the fact that, as would have been the case for AER, de-rating of a unit(s) to comply with the MPS would mean reduced sales of electricity, less revenue generated and less funds to run the business and cover fixed operating costs. Without the variance, IPH's only MPS compliance alternative would be to shutdown units, which would vastly reduce needed cash flow and essentially ruin the economics of the contemplated transaction; thus, IPH had no choice but to insist that its obligations to consummate the acquisition be conditioned upon the Variance Relief continuing to apply without material change.

16. The Board also reviewed the availability of alternative control technologies and agreed with AER's conclusion that these technologies would cost more than the Newton FGD Project. *IPCB Order at p. 49.* The costs and technological limits prevailing at the time of the Board's opinion in September 2012 have not changed in any material way. Thus, it remains the case that notwithstanding the IPH acquisition, there are no other cost effective control technologies that can be used at the Acquired Plants to achieve compliance with the MPS.

17. The use of low sulfur coal was also reviewed as a compliance mechanism in AER's petition, and AER expressed a commitment to limiting the use of higher sulfur coal to the Duck Creek and Coffeen stations, both of which have wet FGD systems, and to using ultra low-sulfur coal at the Edwards, Newton and Joppa stations. *IPCB Order at p. 50.* Through its operating subsidiaries, IPH will honor these commitments upon closing of the transaction. Likewise, through its operating subsidiaries, IPH will, upon closing, honor the commitment to maximize operation of the existing FGD systems at the Duck Creek and Coffee stations at a 98-99 percent SO_2 removal rate.

18. The Board also examined AER's analysis of converting to natural gas at Edwards and Joppa. *IPCB Order at p. 50.* AER found that under current market conditions a natural gas conversion at Joppa would reduce operations to a seasonal basis only and lead to reduced revenue and a loss of jobs. *Id.* Furthermore, the absence of natural gas pipelines located near Edwards and the cost of developing such pipelines would be cost prohibitive. *Petitioner's Post Hearing Brief at p. 24.* The IPH transaction will not change those conclusions. As explained in the Affidavit of Mario E. Alonso, IPH will not have sufficient liquidity to fund any such large scale capital projects over the next several years. Thus, it remains infeasible to convert the Acquired Plants to natural gas.

B. Environmental Benefit

19. In granting the Variance Relief, the Board found that the variance would result in a net benefit to air quality by reducing SO_2 emissions during the term of the Variance from 2012 through 2020. *IPCB Order at p. 54.* Upon closing, IPH, through its operating subsidiaries, will meet the same overall annual SO_2 emission rates at the Acquired Plants that AER committed to by accepting the Order (*i.e.*, an overall SO_2 emission rate of 0.35 lb/mmBtu in 2013 through December 31, 2019, and 0.23 lb/mmBtu thereafter). Medina Valley has also committed not to

operate the generating units at Hutsonville and Meredosia consistent with the Board Order. Further, upon closing, IPH, through its operating subsidiaries, will ensure that the seven-plant Ameren MPS Group meets the overall SO_2 mass emission reductions over the variance period that AER identified in Exhibit 4 of its Post-Hearing Brief (*i.e.*, net benefit of reducing SO_2 emissions by 33,545 tons from 2012 through 2020). *IPCB Order at p. 54.* In addition, IPH, through its operating subsidiaries will, upon closing, meet the applicable MPS NO_x and mercury emission rate limits at the Acquired Plants. Cross-media impacts resulting from the Variance will remain a non-issue as they were for AER. Therefore, the net environmental benefit of the Variance will remain unchanged after consummation of the transaction.

20. Consistent with AER's representations in its petition regarding Ameren's voluntary greenhouse gas reduction efforts, Dynegy, as the ultimate parent company of IPH, also participates voluntarily in several programs that offset or mitigate GHG emissions. In the lower Mississippi River Valley, Dynegy has partnered with the U.S. Fish & Wildlife Service to restore more than 45,000 acres of hardwood forests by planting more than 8 million bottomland hardwood seedlings. In 2012, a portion of the lower Mississippi River Valley reforestation project was registered under the Verified Carbon Standard, the first U.S. forest carbon offset project to receive this certification. In Illinois, Dynegy has previously funded tree planting projects in partnership with the Illinois Conservation Foundation. Dynegy also reuses coal ash produced at its Illinois coal-fired generating facilities through agreements with cement manufacturers that incorporate the material into cement products, helping to reduce carbon dioxide emissions from the cement manufacturing process.

C. SIP Obligations and Consistency with Federal Law

21. The Board found that granting the petition with the conditions imposed by the Order would be within Illinois' current obligation under the Illinois SIP to attain and maintain compliance with the NAAQS and, therefore, would be consistent with federal law. *IPCB Order at p. 63*. The IPH transaction does not change Illinois' SIP obligation or federal law. Thus, the Variance as applied to IPH and the Acquired Plants after the transaction closes would remain within the Illinois SIP obligation and consistent with federal law.

22. IPH understands that even with the Variance, if federal Clean Air Act rules go into effect in the future, additional controls might need to be implemented at an Acquired Plant(s).

VI. THE IPH TRANSACTION WILL NOT CHANGE OPERATION OF THE ACQUIRED PLANTS

23. IPH's acquisition of the Acquired Merchant Utilities will not alter the primary operations of the Acquired Plants. The five operating energy centers will continue producing electricity as before consummation of the transaction. IPH has no plans to shut down or retire any of the Acquired Plants or any or their individual generating units. The energy centers will be operated in materially the same way as they are operated today under AER. That is, electricity output and emissions from the energy centers will be determined by the same factors (*e.g.*, electricity demand, cost of production, unit availability, and compliance with all applicable regulatory requirements) that would govern if AER were to continue to operate the energy centers. Under IPH, the Acquired Plants will continue to meet their environmental obligations, including the overall annual SO_2 emission rate limits established in the Variance, as well as the applicable MPS NO_x and mercury emission limits.

24. Upon closing, IPH will keep intact the Ameren MPS Group, which currently consists of seven power plants including the shutdown Hutsonville and Meredosia plants, as a seven-plant MPS Group through the Variance period. IPH will, however, rename the seven-plant MPS Group as the "IPH MPS Group." Even though IPH will not acquire the Hutsonville and Meredosia plants, IPH will agree to keep these two shutdown plants in the "Ameren MPS Group" for MPS compliance determination purposes, including MPS reporting, through December 31, 2020, the end of the Variance period. In the Motion and Affidavit of Martin J. Lyons, Medina Valley has independently committed to the Board that it will keep the electric generating units at the Hutsonville and Meredosia plants shutdown for the duration of the Variance period.

25. Environmental compliance and safety at each of the Acquired Plants will remain a top priority under IPH. Although the exact organizational structure and staffing of the Acquired Plants post-closing has not yet been determined, it is anticipated that environmental staff currently at the Acquired Plants will be retained in significant part.

VII. CONCLUSION

26. I have read the Motion and the facts stated therein with regard to the subject matters of this affidavit are true and correct to the best of my knowledge and belief.

FURTHER, Affiant sayeth not.

DATED: 5/2/2013

Daniel P. Thompson

Subscribed and swore to before me
this 2nd day of May, 2013

Notary Public

KATHERINE D. FISHER
Notary Public
STATE OF TEXAS
My Comm. Exp. November 18, 2016

AFFIDAVIT OF MARIO E. ALONSO

I. BACKGROUND AND QUALIFICATIONS

1. My name is Mario E. Alonso and I am the Vice President Strategic Development for Dynegy Inc. ("Dynegy"). I also am a member of Dynegy's Executive Management Team and am Vice President Strategic Planning and Development for Illinois Power Holdings, LLC ("IPH"), a wholly owned, indirect subsidiary of Dynegy. My business address is 601 Travis Street, Suite 1400, Houston, Texas 77002. I provide this affidavit in support of the Motion of Ameren Energy Resources ("AER") and Illinois Power Holdings, LLC to Reopen Docket and Substitute Parties ("Motion"). I make this affidavit based on personal knowledge or on knowledge I have obtained through inquiry of individuals employed by Dynegy or its affiliates.

2. As Dynegy's Vice President Strategic Development, I am responsible for leading Dynegy's strategic planning and corporate development activities, including long-term strategic planning and mergers and acquisitions. Prior to taking on this role in July 2012, I served as Dynegy's Treasurer from August 2011 to July 2012. I previously served as Vice President, Mergers and Acquisitions from 2008-2011 and held various other key roles in Mergers and Acquisitions and Treasury at Dynegy from 2001 to 2008. Prior to joining Dynegy in 2001, I worked as an associate with Enron Corporation. I received my undergraduate business degree from the University of Virginia in 1993 with a major in finance. I received my MBA from the University of Virginia in 1999.

3. I am familiar with the planned transaction between IPH and Ameren Corporation ("Ameren"). I have read and am familiar with the September 20, 2012 Opinion and Order by the Illinois Pollution Control Board (the "Board" or "IPCB"), PCB 12-126, granting Ameren Energy

Resources variance relief from the sulfur dioxide ("SO_2") emission rates in the multi-pollutant standard ("MPS") rules applicable to the Ameren MPS Group.

II. ILLINOIS POWER HOLDINGS, LLC

4. IPH is a Delaware limited liability company owned directly by Illinois Power Holdings II, LLC, a Delaware limited liability company ("Holdings II"). Holdings II is a directly wholly owned subsidiary of Dynegy. IPH is a non-recourse entity formed with the purpose of acquiring the equity interest in Ameren's merchant utilities (as further discussed below), pursuant to the Transaction Agreement, dated March 14, 2013, between Ameren and IPH (the "Transaction Agreement"). No entity in Dynegy's corporate structure, outside of Holdings II and Dynegy, holds any direct or indirect interest in IPH and IPH maintains corporate separateness from Dynegy and Dynegy's existing subsidiaries. Attached Affidavit Exhibit 1 is a simplified corporate organization diagram for Dynegy Inc. as would exist upon closing of the transaction, including IPH's position as a parent company of the acquired merchant utilities. Each of Dynegy's subsidiaries is an independent legal entity with separate assets and liabilities.

5. Following the consummation of the acquisition under the Transaction Agreement, IPH will own, directly and indirectly, all of Ameren's interest in Ameren Energy Generating Company ("GENCO" also referred to as "AEG"), AmerenEnergy Resources Generating Company ("AERG"), Ameren Energy Marketing Company ("Ameren Marketing"), Electric Energy, Inc. ("EEI"), and Midwest Electric Power, Inc. ("MEPI") (GENCO, AERG, Ameren Marketing, EEI, and MEPI, collectively, the "Acquired Merchant Utilities"). IPH and each of the Acquired Merchant Utilities will maintain corporate separateness from all of Dynegy's current legal entities. As of the date of this affidavit, IPH does not own any assets or conduct any business in the state of Illinois.

III. THE ACQUISITION OF NEW AER

6. The transaction between IPH and Ameren is functionally a straightforward sale of equity interests in the company owning the generating assets. At the closing of the transaction and after a reorganization of AER that, to IPH's understanding Ameren intends to undertake prior to closing of the transaction with IPH (the reorganized company is referred to in the Transaction Agreement as "New AER"), Ameren will transfer 100 percent of its equity interest in New AER to IPH with the result that Dynegy will indirectly acquire all of Ameren's interests in the Acquired Merchant Utilities and the operating generating facilities they hold at closing, specifically the: (i) Coffeen Plant (located in Coffeen, Illinois), (ii) Duck Creek Plant (located in Canton, Illinois), (iii) E.D. Edwards Plant (located in Bartonville, Illinois), (iv) Newton Power Plant (located in Newton, Illinois), and (v) Joppa Generating Station (located in Joppa, Illinois) (collectively, the "Acquired Plants").

7. The closing of the transaction is expected to occur during the fourth quarter of 2013 and is subject to certain conditions. IPH's obligation to close is subject to two specific conditions relevant to the Motion before the Board. The first is the transfer to IPH, or such other legally binding approval by the Board which has the effect of making applicable immediately after closing of the transaction to IPH, of the variance relief, Docket PCB 12-126, granted by the Board on September 20, 2012 to AER (the "Variance Relief") without material change. The second is the successful transfer of the Grand Tower, Gibson City and Elgin natural gas-fired energy centers (collectively, the "Put Assets") to AmerenEnergy Medina Valley Cogen L.L.C.

IV. THE IPH TRANSACTION WILL NOT CHANGE THE FINDINGS ON WHICH THE BOARD GRANTED THE VARIANCE RELIEF

Financial Hardship

8. In its petition for relief, AER explained to the Board the financial hardship preventing the completion of the Newton FGD Project within the timeframe needed to comply with the Ameren MPS Group's 2015 and 2017 SO_2 annual emission rates. As presented in its petition, AER analyzed several financing alternatives including self-funding, third party financing and financing through its parent company, Ameren. No viable funding mechanism for the completion of the Newton FGD Project existed for AER. This will still be the case after the consummation of the transaction with IPH. As was the case under AER, under IPH, the Acquired Merchant Utilities must be self-funding and support their own expenses through their own operating revenues. Under IPH, the Acquired Merchant Utilities will remain in the merchant power generation market without a rate base, meaning that environmental or other compliance costs cannot be recovered by rates from captive consumers. As before, the Acquired Merchant Utilities will face significant exposure to market prices, swings in load demand, and commodity price volatility. Finally, neither IPH nor its subsidiaries will likely be able to access credit markets for several years due to the distressed power market in which the Acquired Merchant Utilities will operate. Indeed, prior to entering the Transaction Agreement, Dynegy approached several financial institutions to inquire about the possibility of obtaining a credit facility to support the Acquired Plants once transferred to IPH. Given the low cash flow profile, negligible lien capacity of the assets, existing debt and weak credit profile of the Acquired Merchant Utilities, the financial institutions contacted replied that they would not extend a credit facility. Moreover, based on information disclosed by GENCO in its filings with the U.S.

Securities and Exchange Commission, under the terms of its existing indebtedness, GENCO is not currently permitted to borrow additional funds from third parties and would not even be permitted to make interest payments on intercompany borrowings after closing.

9. Furthermore, the same credit pressures that prevented Ameren from financially supporting the Acquired Plants at the time of the original petition impose similar constraints on Dynegy. As part of its diligence process prior to entering the Transaction Agreement, Dynegy contacted the credit rating agencies (Moody's and Standard & Poor's) with respect to the transaction's structure and Dynegy's obligations under the Transaction Agreement. Both credit rating agencies agreed that, as structured, the transaction was a credit neutral event because of the non-recourse nature of IPH. The credit rating agencies did, however, make clear that the transaction would have a negative effect on the credit rating of Dynegy if the acquired entities were to be absorbed into the Dynegy capital structure or if Dynegy were to provide financial support to New AER other than limited amounts of working capital. A downgrade in Dynegy's credit rating would mean less favorable terms and conditions for Dynegy's financing (e.g., increased interest rates for borrowing, more restrictive covenants) and loss of investor confidence, ultimately jeopardizing Dynegy's balance sheet and liquidity. In fact, Dynegy very recently completed a refinancing, through which it was able to reduce its interest expense by approximately $70 million per year. In this refinancing, Dynegy made it clear to the rating agencies and equity and debt investors that IPH would be non-recourse to the Dynegy balance sheet. Today, Dynegy is recognized as having a good balance sheet within the industry and thus is able to obtain the benefits of this, as demonstrated by the recent favorable refinancing. Simply stated, Dynegy will not -- and, in effect, cannot -- endanger its balance sheet or its credit rating by integrating IPH and the Acquired Merchant Utilities into the Dynegy capital structure. Thus,

Dynegy has publicly communicated to investors that the Acquired Merchant Utilities must stand on their own financially. Confidence from our investor base (both debt and equity) is key to Dynegy's future success and we cannot, without jeopardizing Dynegy's financial future, backtrack on our commitment to the non-recourse nature of IPH, particularly in the context that Dynegy emerged from bankruptcy in late 2012 through which it was able to restructure its balance sheet. Financial support from Dynegy to IPH, if any, will be limited in amount and targeted only to providing necessary working capital support. This limited support will not be for the purposes of making capital investments at the Acquired Plants (e.g., pollution controls, equipment replacements) and, in any event, would only be a small fraction of the significant capital needed for a large scale capital project such as the Newton FGD Project. In short, a core pillar of the transaction is that, the Acquired Merchant Utilities must be economically viable on their own and be independent self-sustaining, self-funding businesses.

10. As indicated above, IPH's obligation to close on the transaction with Ameren is conditioned on the Board allowing IPH and its operating subsidiaries to operate under the Variance Relief. IPH will not move forward with the planned transaction without the Variance. In that case, Ameren, through its subsidiaries, will continue to own the energy centers. IPH insisted its obligations to close the acquisition from Ameren be conditioned upon the applicability of the Variance Relief after the transaction without material change because the Acquired Plants will simply not be financially viable without the relief. This is true for a number of reasons.

11. First, there remains significant federal regulatory uncertainty. To date, USEPA has not announced formal plans or a timeline for developing a valid replacement rule for the Cross State Air Pollution Rule ("CSAPR"). Further, on March 29, 2013, USEPA and others

filed petitions for writ of certiorari to the United States Supreme Court seeking review of the decision vacating CSAPR. It is uncertain whether the Court will, in the first instance, grant review, let alone ultimately reverse the decision and reinstate CSAPR, in whole or in part. In the absence of an effective federal SO_2 and NO_x program that "levels the playing field" among competitors in the electric generation market, the Illinois-specific MPS requirements continue to place the Acquired Plants at a competitive disadvantage with electric generators in nearby states that have not deregulated their energy markets (and, thus, in contrast to the Acquired Plants, are able to recover environmental costs through revenues from a captive rate base) and have not required electric generators to significantly reduce SO_2 and NO_x emissions. Simply put, the IPH transaction will not change the uncertainty and competitive disadvantage caused by the absence of an effective and permanent federal air emission program controlling SO_2 and NO_x.

12. Second, as shown in the table below, power prices remain depressed and are not expected to improve over the next several years. The table below summarizes an independent third-party market assessment identifying future expected natural gas and power prices on May 3, 2012 (the date the variance petition was filed) and subsequently on April 18, 2013.[1] The prices in the table below represent hub pricing for natural gas and power in the Midwest Independent Transmission System Operator ("MISO") region, where the Acquired Plants are located and sell almost all of their power.[2] Although natural gas prices are marginally higher since the petition was filed in May 2012, they remain at historically distressed levels. The data

[1] SunGard Kiodex LLC (Kiodex). Kiodex surveys a variety of market sources in creating its daily market assessments and, therefore, generates a reliable unbiased market expectation.

[2] In table column "2013", May 3, 2012 figures represent full year 2013, and April 18, 2013 figures represent the balance of 2013.

clearly shows that market expectations of future power prices have not improved and, in fact, have further deteriorated in 2014 through 2017 since the initial filing of the petition.

MISO Gas Price	**2013**	**2014**	**2015**	**2016**	**2017**
5/3/2012	3.58	$3.98	$4.16	$4.33	$4.51
4/18/2013	4.58	$4.44	$4.44	$4.51	$4.61
MISO Power Price	**2013**	**2014**	**2015**	**2016**	**2017**
5/3/2012	31.26	$33.38	$35.43	$37.31	$37.33
4/18/2013	34.66	$32.75	$33.18	$34.01	$35.18

13. Third, the transaction will not alter the ability of IPH or the Acquired Plants to obtain financial support from lenders, rate base or corporate affiliates. As explained above, under IPH, the Acquired Merchant Utilities must stand on their own financially. Upon closing of the transaction, IPH and New AER will not have sufficient liquidity to fund the immediate or accelerated installation of the Newton FGD project or other large environmental capital projects. At closing, IPH, New AER and its consolidated subsidiaries will have approximately $220 million in cash, of which $203 million will be at GENCO and approximately $17 million at AERG/Ameren Marketing. Depending on the results of the sale process of the Put Assets, the total cash figure at closing for GENCO could be higher. However, the majority (depending largely on volatile commodity markets) of this approximate $220 million in cash available at closing will be utilized over the next several years to fund operations/potential losses, pay interest, and provide working capital. Moreover, in two years, New AER will need to replace its existing credit support, which may be a significant amount.

14. In evaluating the contemplated transaction, Dynegy's position has always been that, given the depressed commodity markets and volatile nature of the merchant energy business, at the closing of the transaction, New AER must have sufficient liquidity for the next

several years to meet its needs of funding operations/potential losses, paying interest, and providing working capital. Furthermore, without the approximate $60 million in annual operational synergies that Dynegy estimates it will realize in this transaction by 2015, the approximate $220 million in cash at closing would not be sufficient to fund operations over the next several years. Both the upfront cash at closing and the synergies are required to provide comfort that the business will have the necessary liquidity over the next several years, particularly given the volatile nature of the markets. Simply stated, it is not feasible over the next several years to simultaneously have adequate liquidity necessary to continue operating the Acquired Plants and also spend hundreds of millions on capital investments to accelerate installation of the Newton FGD project, install air pollution controls or otherwise comply with the MPS without the Variance Relief.

15. At closing, New AER and its consolidated subsidiaries will have approximately $160 million in working capital. This does not, however, mean that the Acquired Merchant Utilities will have an incremental $160 million of liquidity to spend above the approximate $220 million in cash available at closing. This $160 million of working capital is tied up in the business as the typical capital required to simply run the business day to day and maintain appropriate fuel (coal) inventory and materials/supplies (e.g., spare parts). In fact, the majority of this $160 million working capital is for maintaining adequate levels of fuel inventory and materials/supplies.

16. While the exercise of the put option has infused additional capital into GENCO, the proceeds from exercising the put option (a minimum of $133 million) are part of the approximate $220 million in cash that New AER and its subsidiaries will have at closing. However, as explained above, this cash is needed to fund operations/losses and pay interest at

GENCO over the next several years, and there are no excess funds to accelerate the installation of the Newton FGD Project or make any other MPS compliance alternatives feasible. In addition, this cash would also be used for purposes of replacing New AER's credit support in two years.

17. In short, at closing, the Acquired Merchant Utilities are expected to have sufficient liquidity and collateral support to meet expected operating obligations, including sufficient funds to continue construction of the Newton FGD project in accordance with the schedule in the Order, as well as to maximize the existing FGD systems at Duck Creek and Coffeen and utilize ultra low sulfur coal at the other Acquired Plants. The Acquired Merchant Utilities will not, however, have sufficient funds to meet the MPS requirements without the Variance Relief or to accelerate installation of the Newton FGD Project.

VI. CONCLUSION

18. I have read the Motion and the facts stated therein with regard to subject matters of this affidavit are true and correct to the best of my knowledge and belief.

FURTHER, Affiant sayeth not.

DATED: 5-02-2013

Mario E. Alonso

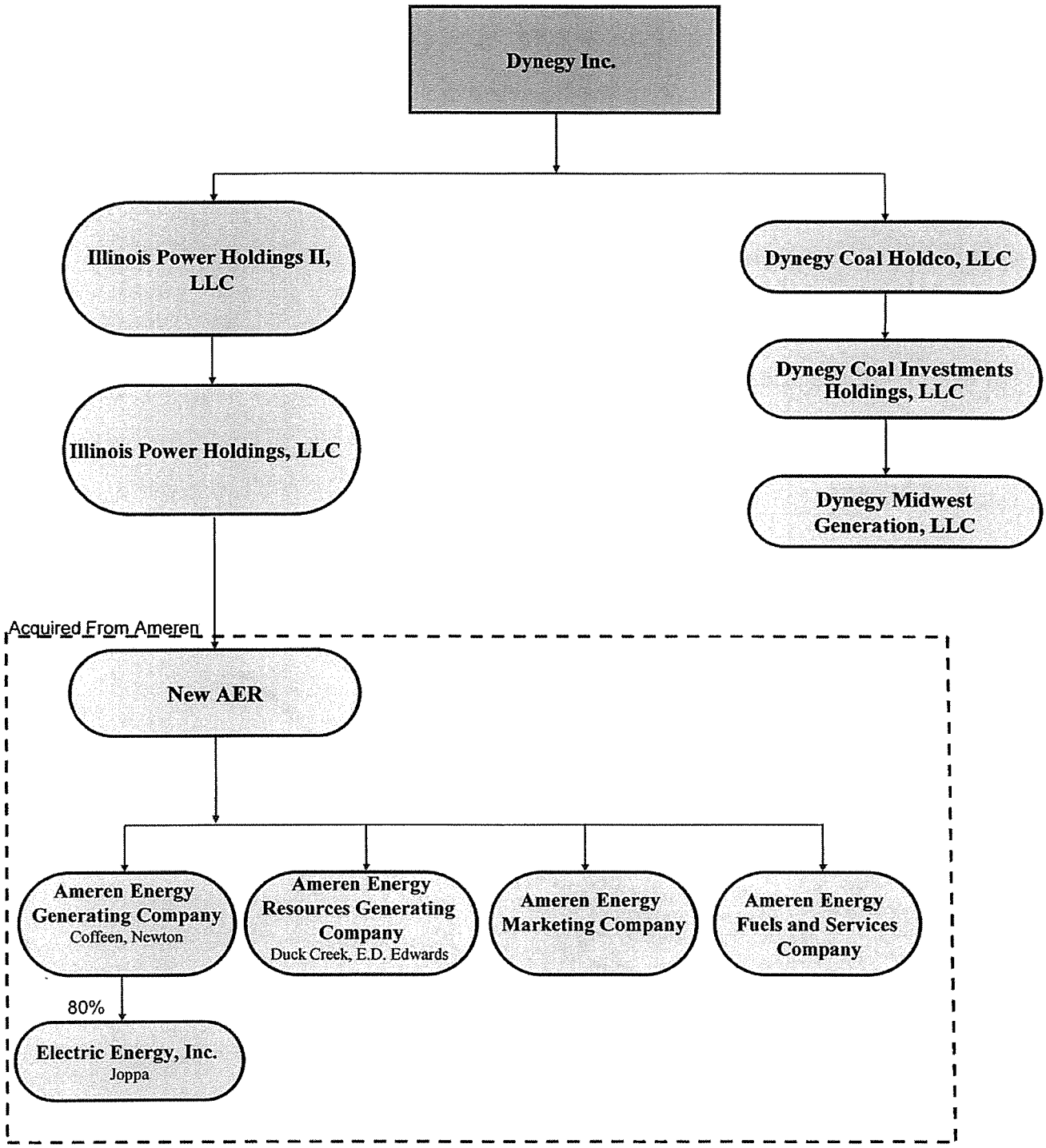
Subscribed and swore to before me
this 2nd day of May, 2013

Notary Public

KATHERINE D. FISHER
Notary Public
STATE OF TEXAS
My Comm. Exp. November 18, 2016

Dynegy Inc. -- Simplified Corporate Structure Post-Closing

(Exhibit 1 to Affidavit of Mario E. Alonso)



Notes:

Unless otherwise specified, all subsidiary entities directly owned 100%.

Pursuant to the Transaction Agreement, following closing, IPH will rename the acquired entities to remove all references to "Ameren".

All subsidiaries are not identified in this simplified diagram.