**Annex 1**

**Prevailing Wage Act Annex**

If Prevailing Wage Act is applicable for a Designated System, as indicated in Schedule A (and Schedule B, if applicable) to the Product Order, then this Annex 1 amends and modifies the REC Contract as follows:

1. Section 1.78.1 is hereby added to the REC Contract as the following:
	* 1. “Prevailing Wage Act” means the Illinois Prevailing Wage Act, 820 ILCS 130.
2. Section 2.2 of the REC Contract is stricken and hereby added to the REC Contract as the following:

## Designated System Information.

RECs Delivered under this Agreement must be from one (1) or more Designated Systems and Seller represents, with respect to a Designated System, as of the date of each Delivery hereunder by such Designated System that is Delivering REC(s) that:

* + 1. Each such Designated System is not and will not be a generating unit whose costs are being recovered through rates regulated by Illinois or any other state or states.
		2. Each such Designated System is a new generating unit such that the Date of Final Interconnection Approval did not occur before June 1, 2017.
		3. Each such Designated System meets the definition of the Class of Resource indicated in the applicable Product Order and meets the requirements specified in the IPA Act or rules promulgated by the ICC for the designated Class of Resource.
		4. If required by Section 1-56(b-15) of the IPA Act, construction activities related to such Designated System shall be subject to the prevailing wage requirements included in the Prevailing Wage Act, if so indicated in Schedule A (and Schedule B, if applicable) to the Product Order. These requirements apply to the wages of laborers, mechanics, and other workers employed in construction activities related to such Designated System. Applicable construction activities related to the Designated System include not only construction, but also any maintenance, repair, assembly, or disassembly work performed on equipment whether owned, leased, or rented. All construction work performed by Seller, including its contractors and subcontractors, relating to construction, maintenance, repair, assembly, or disassembly work in relation to the Designated System has been or will be performed by employees receiving an amount equal to or greater than the “general prevailing rate of hourly wages” in the applicable trade classification, as defined in the Prevailing Wage Act. Seller, including its contractors and subcontractors, must provide express notice of these requirements to all laborers, mechanics and other workers employed to perform such work.

If a Designated System is determined by the IPA not to be in compliance with any of the applicable provisions of Sections 2.2 (a) through (d) (inclusive), then upon the occurrence of such determination, the IPA shall provide written notice of such non-compliance to Buyer and Seller, and the Designated System shall be removed from this Agreement twenty (20) Business Days after such written notice by the IPA to Buyer and Seller unless Seller demonstrates, within such twenty (20) Business Day period and to the satisfaction of Buyer and the IPA in their reasonable discretion, that such event has not occurred. As soon as practicable after the conclusion of such twenty (20) Business Day period, if Seller fails to demonstrate to the satisfaction of Buyer and the IPA that such non-compliance has not occurred, the IPA shall provide to Buyer and Seller a revised Schedule A (and Schedule B, if applicable), Schedule C and Schedule D to the Product Order for such Designated System indicating the removal of such Designated System from the Agreement.

In addition, for non-compliance with Section 2.2(a), Buyer shall be entitled to payment by Seller in the amount of the sum of (i) the Collateral Requirement calculated at the time of the Trade Date as specified in Schedule A to the Product Order with respect to such Designated System and (ii) one hundred ten percent (110%) of the total payments Seller has received from Buyer associated with RECs from such Designated System; and for non-compliance with any of the provisions of Sections 2.2(b) through (d) (inclusive), Buyer shall be entitled to payment by Seller in the amount of the sum of: (i) the Collateral Requirement calculated at the time of the Trade Date as specified in Schedule A to the Product Order with respect to such Designated System and (ii) one hundred percent (100%) of the total payments Seller has received from Buyer associated with RECs from such Designated System.

The Parties acknowledge that (A) Buyer shall be damaged by the failure of Seller to comply with one or more of Sections 2.2 (a) through (d) (inclusive), (B) it would be impracticable or extremely difficult to determine the actual damages resulting therefrom, (C) the remedies specified herein are fair and reasonable and do not constitute a penalty, and (D) the remedies specified in this Section 2.2 shall be Buyer’s sole and exclusive remedy in the event that Seller fails to comply with one or more of Sections 2.2 (a) through (d) (inclusive).

1. Section 6.5 is hereby added to the REC Contract as the following:

## 6.5 Prevailing Wage Requirements

This section applies to Designated Systems that are subject to the requirements of the Prevailing Wage Act as indicated in Schedule A (and Schedule B, if applicable) to the Product Order.

Seller, including its contractors and subcontractors, rendering services under this Agreement with respect to such Designated System, must comply with the requirements of the Prevailing Wage Act, including but not limited to, all wage requirements and notice and record keeping duties. The Prevailing Wage Act requires Seller, including its contractors and subcontractors, to pay laborers, mechanics and other workers employed in construction activities related to the Designated System an amount equal to or greater than the current “general prevailing rate of hourly wages” in the applicable trade classification, as defined in the Prevailing Wage Act. The Parties acknowledge that the IPA has provided to the Parties the Illinois Department of Labor’s website address (http://labor.illinois.gov/) as a source of information for the general prevailing rate of hourly wages. The Illinois Department of Labor regularly revises the general prevailing rate of hourly wages available on its website.

If the requirements of the Prevailing Wage Act are applicable to the Designated System, Seller shall provide to the IPA documentation and verification demonstrating that all construction work performed by Seller, including its contractors and subcontractors, relating to construction, maintenance, repair, assembly, or disassembly work in relation to the Designated System has been performed by employees who received an amount equal to or greater than the “general prevailing rate of hourly wages” in the applicable trade classification, as defined in the Prevailing Wage Act. Such documentation and verification may include, but is not limited to, the certified transcripts of payroll required to be filed with the Illinois Department of Labor.

Such documentation and verification must be provided to the IPA with Seller’s SFA Part II Application. Seller is responsible and shall provide such documentation and verification throughout the term of this Agreement to the IPA for any applicable work performed in a Delivery Year subsequent to Seller’s submission of the SFA Part II Application, which shall be provided no later than July 15 following the end of such Delivery Year. Seller’s failure to provide such documentation or verification in a timely manner shall be deemed non-compliant with Section 2.2(d) and subject to the provisions in Section 2.2 for such non-compliance.