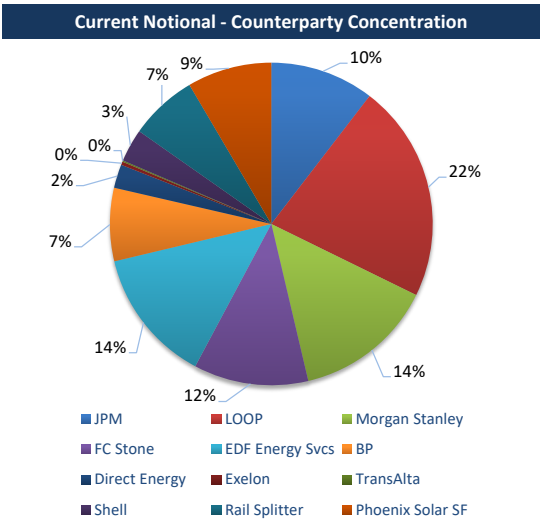
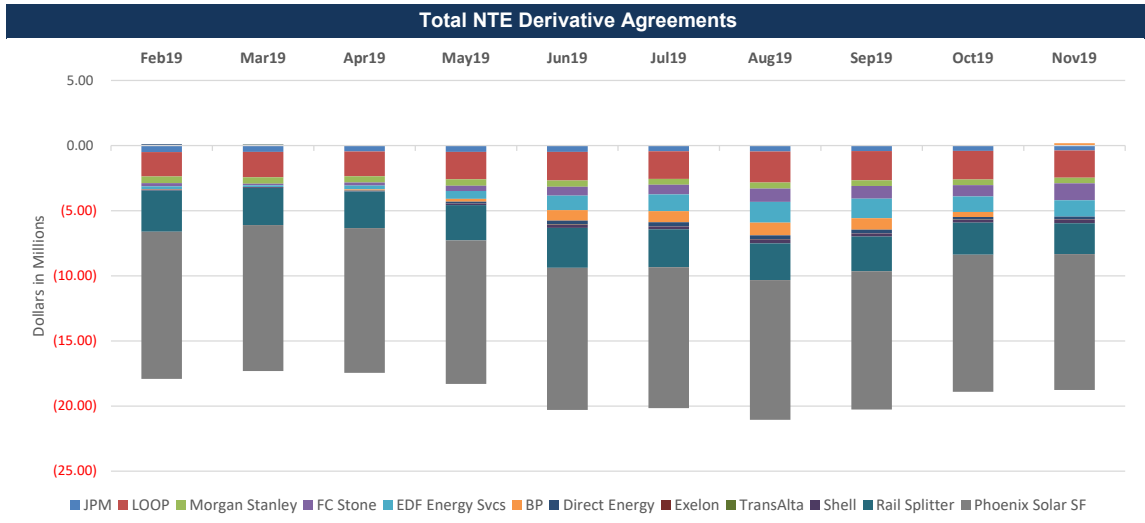


Policy Counterparty (CP) Requirements		Hedging Position Summary (In Millions)			Collateral Summary	
			Notional	NTE		
Reporting Requirements Met	Yes ⁽¹⁾ ⁽²⁾	System Interest Rate Swaps	\$ 41.75	\$ (2.86)	Collateral Held by PEI on behalf of Counterparties:	
CP Rating Qualification Met	Yes ⁽²⁾ ⁽³⁾ ⁽⁴⁾	PEI Futures Contracts, Financial	11.17	(1.31)	Rail Splitter Wind (HSBC Bank LOC)	\$ 2,500,000
Within CP Exposure Limits	Yes	PEI Forward Purchase, Physical	36.04	(3.99)	TransAlta (Bank of Nova Scotia LOC)	\$ 25,000
Under CP Concentration Limits	Yes	Solar PPAs	8.23	(10.43)	Collateral Held by Counterparty on behalf of PEI:	
		Total	\$ 97.19	\$ (18.59)	Margin Exposure with INTL FC Stone	\$ 50,505

Material Events Since Last Report	Counterparty Risk Exposure ⁽²⁾ ⁽⁴⁾	Other Comments
Purchased 270,000 MMBTU's of Natural Gas Forward Contracts for UIUC from BP totaling \$564,975 for periods October 1, 2020 - June 30, 2021.	The PEI policy, approved by the PEI Board of Directors, accepts a lower credit rating than the System policy to qualify counterparties for physical hedges (forward purchases). This exception has been approved by the U of I System CFO in accordance with the University Policy. ⁽³⁾ Rail Splitter is not rated but has provided a \$2.5 million LOC from HSBC Bank. TransAlta's rating declined below acceptable limits so they have provided a \$25,000 LOC from the Bank of Nova Scotia to meet policy qualifications.	Exelon, BP, EDF, and Direct Energy provide recourse through Credit or Adequate Assurances provisions if reasonable grounds exist regarding unsatisfactory creditworthiness or performance. It is incumbent upon PEI to monitor and request Performance Assurance if a rating change triggers the policy collateral requirements.
Purchased 688,000 MMBTU's of Natural Gas Forward Contracts for UIC from Morgan Stanley totaling \$1,766,440 for periods July 1, 2023 - June 30, 2025.		
Purchased 51,328 MWH's of Electric Forward Contracts for UIUC from Morgan Stanley totaling \$1,496,211 for higher demand periods between Dec 1, 2019 - Sept 30, 2022.		
Changed the source of the rating on interest rate swap from the parent company, Morgan Stanley (BBB+/A3), because Morgan Stanley Capital Services did not have its own independent rating; however, MSCS (A+/A1) now has its own independent rating by S&P and Moody's,	The swap agreements were approved by the Board of Trustees and executed prior to the policy. The collateral requirements for counterparties on the interest rate swaps are more risk tolerant than the System policy, however the current NTE exposure amounts are all within Policy limits.	The System and PEI policies require regular due diligence reviews of the financial strength of counterparties. It is the responsibility of the hedging transaction originator, System department or PEI, to review the related counterparties regularly in compliance with policy.
		PEI executed a contract with Morgan Stanley Capital Group to be a supplier of natural gas and electricity. PEI needs to be mindful of the Policy concentration limit <u>prior</u> to making a purchase.



-----In Millions-----												
Responsible Unit/Dept	Counterparty	CSP Rated Entity/ Exchange	Bond Rating (S&P / Moody's)	Expires FY Range	Underlying Asset / Liability	Orig Contract	Current Notional / Contract	Market Value	*MTM or NTE	System Guarantee (Credit Limit)	PCG - LOC (Credit Limit)	Counterparty Threshold (Collateral Requirements)
Financial Hedges												
System Interest Rate Swaps												
Qualifying Rating A- / A3												
SO Capital Financing	Morgan Stanley Capital Services, Inc.	Morgan Stanley Capital Services, Inc.	BBB+ / A3	1/15/2022	UIC SC 2008	\$ 27.40	10.40		(0.39)			Rating Triggers Predate Policy
SO Capital Financing	JP Morgan Chase Bank, N.A.	JP Morgan Chase Bank, N.A.	A+ / Aa2	1/15/2022	UIC SC 2008	\$ 26.85	10.13		(0.38)			Rating Triggers Predate Policy
SO Capital Financing	Loop Financial Products, I, LLC	Deutsche Bank AG (CSP)	BBB+ / A3	10/1/2026	HSFS 2008	\$ 40.88	21.23		(2.10)			Rating Triggers Predate Policy
						SUBTOTAL SWAPS	\$ 95.13	41.75	(2.86)			
SO Utilities Admin	INTL FCStone Financial Inc.	InterContinental Exchange (ICE)	A / A2	2020-2028	Natural Gas	\$ 12.69	11.17	9.86	(1.31)			Exchange Traded
						SUBTOTAL FINANCIAL	\$ 107.82	52.92	(4.17)			
Physical Hedges												
³Qualifying Rating BBB-/Baa3 or BB+/Ba1 with LOC or PCG												
SO Utilities Admin	BP Canada Energy Marketing Corp.	BP Corporation North America, Inc. (PCG)	A- / A2	2020-2023	Natural Gas	\$ 8.39	7.13	7.31	0.18	10.00	1.00	Adequate Assurance
SO Utilities Admin	Direct Energy Business Marketing	Centrica (PCG)	BBB / Baa1	2020-2022	Natural Gas	\$ 3.27	2.30	2.08	(0.22)	2.50	2.50	Adequate Assurance
SO Utilities Admin	EDF Energy Services, LLC	EDF Trading Limited (PCG)	NR / Baa2	2020-2022	Natural Gas	\$ 15.04	13.09	11.85	(1.24)	3.00	3.00	Adequate Assurance
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	BBB+ / A3	2024-2025	Natural Gas	\$ 1.77	1.77	1.75	(0.02)	5.00	Unlimited	Rating Triggers
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A+ / A2	2023	Natural Gas	\$ 2.54	2.54	2.33	(0.21)	5.00		Rating Triggers
SO Utilities Admin	Exelon Generation Company LLC	Exelon Generation Company LLC	BBB+ / Baa2	2020 - 2021	Electricity	\$ 0.41	0.32	0.29	(0.03)	5.00		Credit Assurance
SO Utilities Admin	Morgan Stanley Capital Group, Inc.	Morgan Stanley (PCG)	BBB+ / A3	2020-2023	Electricity	\$ 1.49	1.49	1.47	(0.02)	5.00	Unlimited	Rating Triggers
SO Utilities Admin	TransAlta Energy Marketing (US) Inc.	The Bank of Nova Scotia (LOC)	A+ / Aa2	2022	Electricity	\$ 0.13	0.13	0.13	0.00	2.50	0.025	LOC
SO Utilities Admin	Shell Energy North America (US), L.P.	Shell Energy North America (US), L.P.	A+ / A2	2020-2025	Electricity	\$ 1.15	0.67	0.61	(0.06)	5.00		Rating Triggers
SO Utilities Admin	Rail Splitter Wind Farm LLC	HSBC Bank USA, (LOC)	AA- / Aa3	2020-2027	Electricity Renewable	\$ 6.92	6.60	4.23	(2.37)	2.50	2.50	LOC
						SUBTOTAL PHYSICALS	\$ 41.11	36.04	32.05	(3.99)	45.50	
Solar PPAs												
Energy Services UIUC	Phoenix Solar South Farms ⁽²⁾			12/20/2025	Electricity Renewable	\$ 13.76	8.23		(10.43)			
						GRAND TOTAL	\$ 162.69	97.19	(18.59)			

*Negative termination value means the System or PEI is obligated to the counterparty (transaction is "underwater").

CP - Counterparty
 CSP - Credit Support Provider
 LOC - Letter of Credit

NTE - Net Termination Exposure
 PCG - Parental Company Guarantee
 PEI - Prairieland Energy Inc.

PPA - Power Purchase Agreement
 SO - System Offices
 WR - Withdrawn Rating

Foot Notes:

- (1) Policy exceptions approved by the CFO for Agriculture Property Services (APS) forward grain sales include release from counterparty credit rating, contract form, and monthly reporting requirements. APS reported \$111,001 in outstanding forward sales contracts as of the date of this report.
- (2) In Dec 2015, UIUC issued a Power Purchase Agreement (PPA) in conjunction with their Solar Farm I. ERM learned of the PPA in July 2019 and began reporting the derivative Oct 2019. Since there is no CP risk, a policy exception was approved by the CFO for (a) minimum counterparty credit rating requirement, (b) required parental guarantee or LOC, and (c) minimum market capitalization requirement.
- (3) Policy exceptions approved by the CFO for PEI include less restrictive CP credit rating for forward purchases and corresponding collateral requirements. Also allows for unrated CP to qualify with appropriate LOC.
- (4) On 10/3/19, an Exception for Urbana Solar Farm 2.0 was approved by the PEI Treasurer qualifying Northern Cardinal Solar SCS IL 1, LLC (NCS) as CP who was assigned the PPA from Sol Systems. Exception also qualified Capital Dynamics Clean Energy & Infrastructure VII JV, LLC as guarantor for NCS. Exception also approved the PPA requirement which allows any unrated successor guarantor to qualify with \$100 million in tangible net worth. Anticipate Solar Farm 2.0 to be operational by 1/31/2021 or sooner, at which time delivery of solar power will begin and included in the derivatives report.