

Appendix 8

Evaluation Process

Parameters – Target and Budget

Target: The Spring and Fall DG procurement events have an “Overall Target” of 27,702 RECs (of which 7,040 are allocated to AIC, 20,138 are allocated to ComEd, and 524 are allocated to MidAmerican). The “Spring Targets” for AIC, ComEd, and MEC in this Spring DG RFP are: 4,928 RECs, 14,097 RECs, and 524 RECs respectively. The “Spring Overall Target”, which is the sum of the Spring Targets across all three (3) Companies in this Spring 2017 DG RFP, is 19,549 RECs. Each Target represents an annual quantity of RECs.

Budget: The Spring and Fall DG procurement events have a preliminary “Overall Budget” of \$46,538,119. (This corresponds to (i) \$ 14,300,040 available on a preliminary basis from hourly ACP funds for AIC; (ii) \$ 29,266,989 available on a preliminary basis from hourly ACP funds for ComEd; and (iii) \$ 2,971,090 available on a preliminary basis from the Renewable Resources Budget for MidAmerican.) The Budget spans all years of the applicable supplier contracts. The preliminary “Spring Budgets” for AIC, ComEd, and MEC in this Spring DG RFP are: \$10,010,028, \$20,486,892, and \$2,971,090 respectively. The preliminary “Spring Overall Budget”, which is the sum of the preliminary Spring Budgets across all three (3) Companies in this Spring 2017 DG RFP, is \$33,468,010.

Other Parameters

Resource Type and Location: All RECs procured through this RFP must be from Illinois and there are no preferences in the evaluation for one type of eligible renewable resource over another.

Below 25 kW: To the extent possible, 50% of RECs procured will come from systems in the Small Size Class (below 25 kW) and 50% of the RECs procured will come from systems in the Large Size Class (25kW to 2,000kW).

Blocks

Bidders submit Bids in two types of Blocks:

First Block: The “First Block” of systems presented by a Bidder must include at least one megawatt, which can include different technologies, both Size Classes, identified systems and a Forecast Quantity.

Additional Blocks: All “Additional Blocks” presented by the Bidder must include at least 100 kW of systems from the same Size Class (but may include systems of different technologies). An additional Block of RECs of the Small Size Product must include either identified systems of the Small Size Class, or a Forecast Quantity, or both.

Bids

A “Bid” is a price per REC for a Product rounded to the nearest cent.

First Block: If this block includes RECs from both Products, a Bidder must submit a Bid for each Product and otherwise the Bidder submits a single Bid for the First Block.

Additional Blocks: The Bid is a single price specified by the Bidder (as Additional Blocks may consist of one Product only).

Step 1: Application of Benchmarks

Benchmarks for RECs are established by the Procurement Administrator, in consultation with the Illinois Power Agency, the Procurement Monitor, and the Illinois Commerce Commission (“ICC”) Staff. The benchmarks are confidential and are subject to review and approval by the ICC.

Step 2: Price Order

Bids are ranked in price order until the Spring Overall Target is met on an annual basis or until the Spring Overall Budget is exhausted on a five-year basis, whichever comes first.

Spring Overall Target:

- The Annual Quantity associated with a system and Forecast Quantity is calculated using set capacity factors associated with the resource type of the system or as provided in the RFP Rules. This Annual Quantity is the quantity to be delivered in a delivery year of the applicable supplier contract.
- The Annual Quantity is used for purposes of calculating whether the Spring Overall Target is reached.

Spring Overall Budget:

The total REC output over five years is used for purposes of calculating whether the Spring Overall Budget is reached.

Step 3: Substitution

Substitution to reach the objective of obtaining 50% of the RECs from the Small Size Product and 50% of RECs from the Large Size Product will occur if, after placing Bids in price order: (i) The Spring Overall Target is met on an annual basis; and (ii) one Size Product is less than 50% of the Spring Overall Target and there are rejected Bids of that Product.

Substitution process: Assume that less than 50% of the RECs come from the Small Size Product.

- Substitution is made on a REC basis.
- The lowest priced RECs from the Small Size Product not yet selected are considered to replace RECs from the Large Size Product in selected Blocks. Replacement occurs if it can be made without exceeding the Spring Overall Budget.
- The process continues until no more substitutions are possible or the Spring Overall Budget is spent.
- Thus, RECs from the Small Size Product can replace RECs from the Large Size Product with a lower price, but only if that selection is required to reach the 50% objective for the Small Size Product.
- The process is analogous if the price order yields less than 50% of RECs from the Large Size Product.

Step 4: Allocation to AIC, ComEd, and MidAmerican

The winning Bids will be allocated to AIC, ComEd, and MidAmerican considering each Company’s Spring Budget, and implementing the following priorities: 1) to minimize the administrative burden for the Companies and Bidders by having each Bidder have a single contract with a single Company to the extent feasible; 2) to have Companies get their pro-rata share of the RECs; and 3) to have 50% of the RECs for each Company come from each Product.

The Procurement Administrator may use its discretion in assigning selected Bids to accommodate the fact that the pro-ration of selected Bids that would be allocated to each Company may not be evenly divided due to the size of the winning Bids and each Company’s Spring Budget. In particular, the Procurement Administrator may assign selected Bids for ComEd or Ameren that exceed that Company’s Spring Target as long as such selected Bids do not exceed 80% of that Company’s Target and as long as such selected Bids do not use more than 80% of that Company’s Budget. Furthermore, the evaluation and selection of RECs in no case will result in the procurement of RECs that exceed the Overall Target on an annual basis or that combine to cost more than the Spring Overall Budget.

For MEC, the allocation of winning Bids in no case will result in the purchase of RECs by MEC that exceed the Spring Target for MEC or that combine to cost more than the Budget for MEC. The allocation of winning Bids of a particular Bidder in no case will result in the RECs from a given system being delivered to more than one Company.