Appendix 6
Priority in REC Selection
Product Definition

A Product in this RFP is a REC produced by a solar photovoltaic resource ("Photovoltaic" or "P") defined by its location. The location corresponds to whether a REC is produced by either: a renewable energy resource located within Illinois or within a state adjoining Illinois ("IA"); or: by a renewable energy resource located in another state ("OS"). Adjoining States to Illinois are Wisconsin, Iowa, Missouri, Kentucky, Indiana and Michigan. Other States are states other than Illinois, Wisconsin, Iowa, Missouri, Kentucky, Indiana, and Michigan.
Step 1: Application of Benchmarks

Benchmarks for RECs will be 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.

Bids that fail to meet the benchmarks are eliminated from consideration and are not evaluated.
Step 2: Target and Budget

Start: stack all RECs from lowest price to highest price

Are there enough RECs to achieve procurement target?

- Yes: Achieve Target without exceeding budget?
  - Yes: Select RECs on lowest price basis until Target reached
  - No: Select RECs on lowest price basis until budget reached

- No: Select RECs on lowest price basis until all RECs selected or budget reached

Selected all RECs without exceeding budget?

- Yes: Process ends
  - Target not met

- No: Select RECs on lowest price basis until budget reached

Footnote:

1In this scenario the Target is not met. The selection process continues as in the flow diagrams, although in this case, when the process ends, the Target is not met. For simplification purposes this is not shown.
Step 3: Pools for Location Adjustment

1. The *S-Pool* is divided into two sub-pools:
   - RECs from Illinois and Adjoining States. Such RECs are *Winning RECs* and are not considered again in the next step of the evaluation.
   - RECs from Other States. Such RECs are put in the *S-OSP Pool* for purposes of the next step of the evaluation.

2. The *R-Pool* is divided into two sub-pools:
   - RECs from Other States. Such RECs are removed from consideration in the next step of the evaluation.
   - RECs from Illinois and Adjoining States. Such RECs are put in the *R-IAP Pool* for purposes of the next step of the evaluation.
Step 4: Location Adjustment

Start:
Is R-IAP Pool empty?

No

Find the lowest cost location improvement to increase IL and Adjoining State REC's (replacing highest $ REC from S-OSP Pool with lowest $ REC from R-IAP Pool)

No

Is the S-OSP Pool empty?

Yes

Process ends.
• Target met
• Location met

No

Is budget exceeded if make lowest cost location improvement?

No

Make lowest cost improvement. Add IL and Adjoining State REC to Winning REC's.

Yes

Process ends.
• Target met
• Location met