

# Appendix 5 Priority in REC Selection

(DRAFT)

## Specific Percentage Targets are Specified for each Procurement Event

- In **June 2015** and **March 2016** Procurements, Percentage Targets are specified for the following Category:
  - **Sub-25 Category:** 50% Target
  - **25-Plus Category:** 50% Target
- In **November 2015** Procurement, Percentage Targets are specified for the following Products:
  - **Sub-25 Product:** 50% Target
  - **25-500 Product:** 15% Target
  - **Over 500 Product:** 35% Target

For purposes of illustrating the evaluation steps in this document, each applicable Category or Product indicated above for a procurement event will be considered a “Group”.

## Evaluation has Three Key Steps

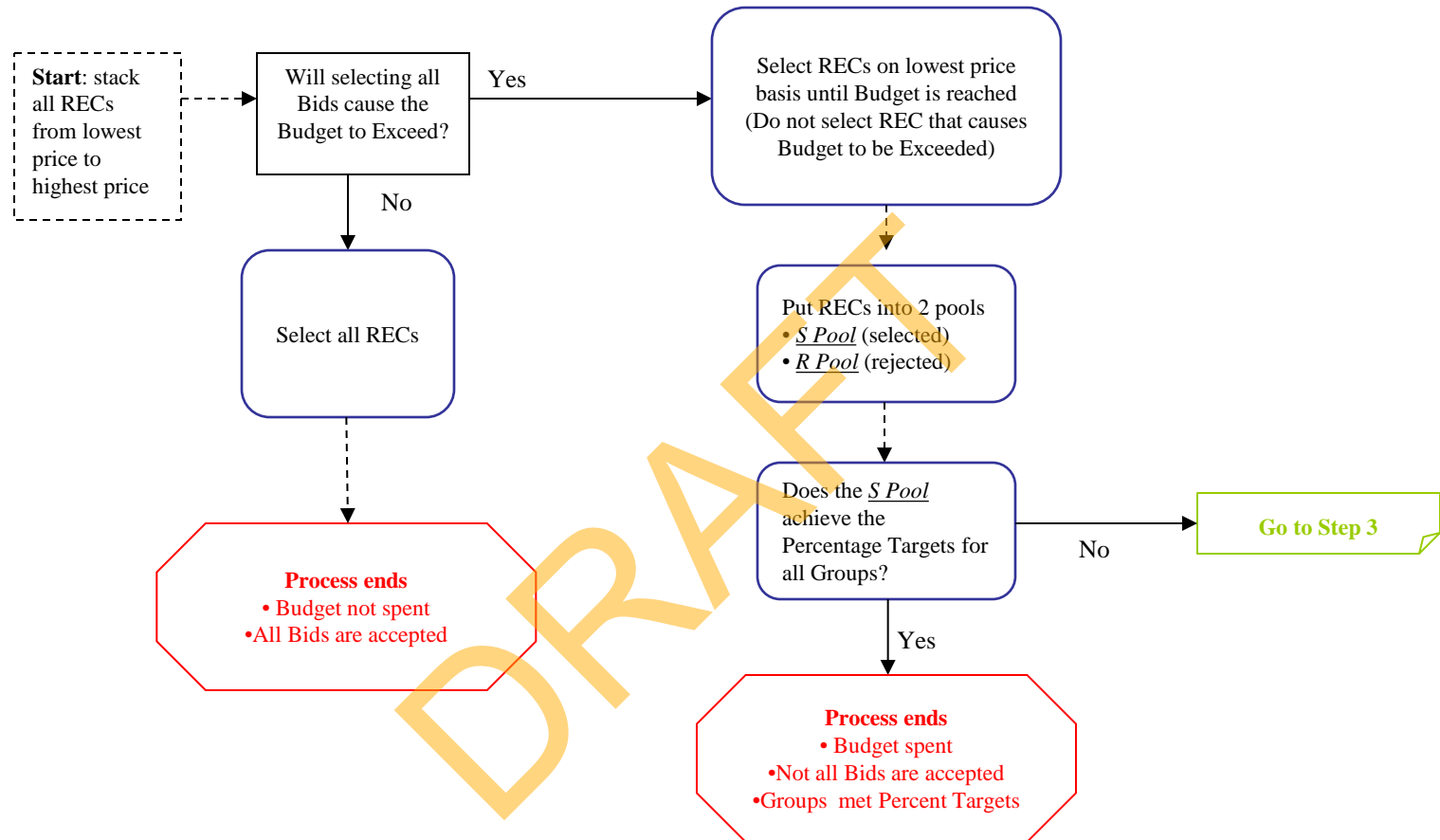
- First, the evaluation of Bids eliminates Bids that fail to meet or beat the benchmarks
- Second, Bids are selected until all Bids are selected or until the budget is exhausted
  - If the Budget is not exhausted, then all Bids are accepted
  - If the Budget is exhausted, and each Group in procurement has met its Percentage Target, then the process ends and all RECs selected at that stage are winning Bids
  - If the Budget is exhausted, and the Percentage Targets for some of the Groups are not met then proceed to Step 3
- Third, in Step 3, RECs that have not yet been selected in a Group will replace a number of RECs that have been selected from different Group with the objective of achieving the Percentage Target specified for each Group

In this process, the marginal bidder in the evaluation of bids could receive a contract for only a portion of RECs from a single system and will have the option of whether or not to accept that award

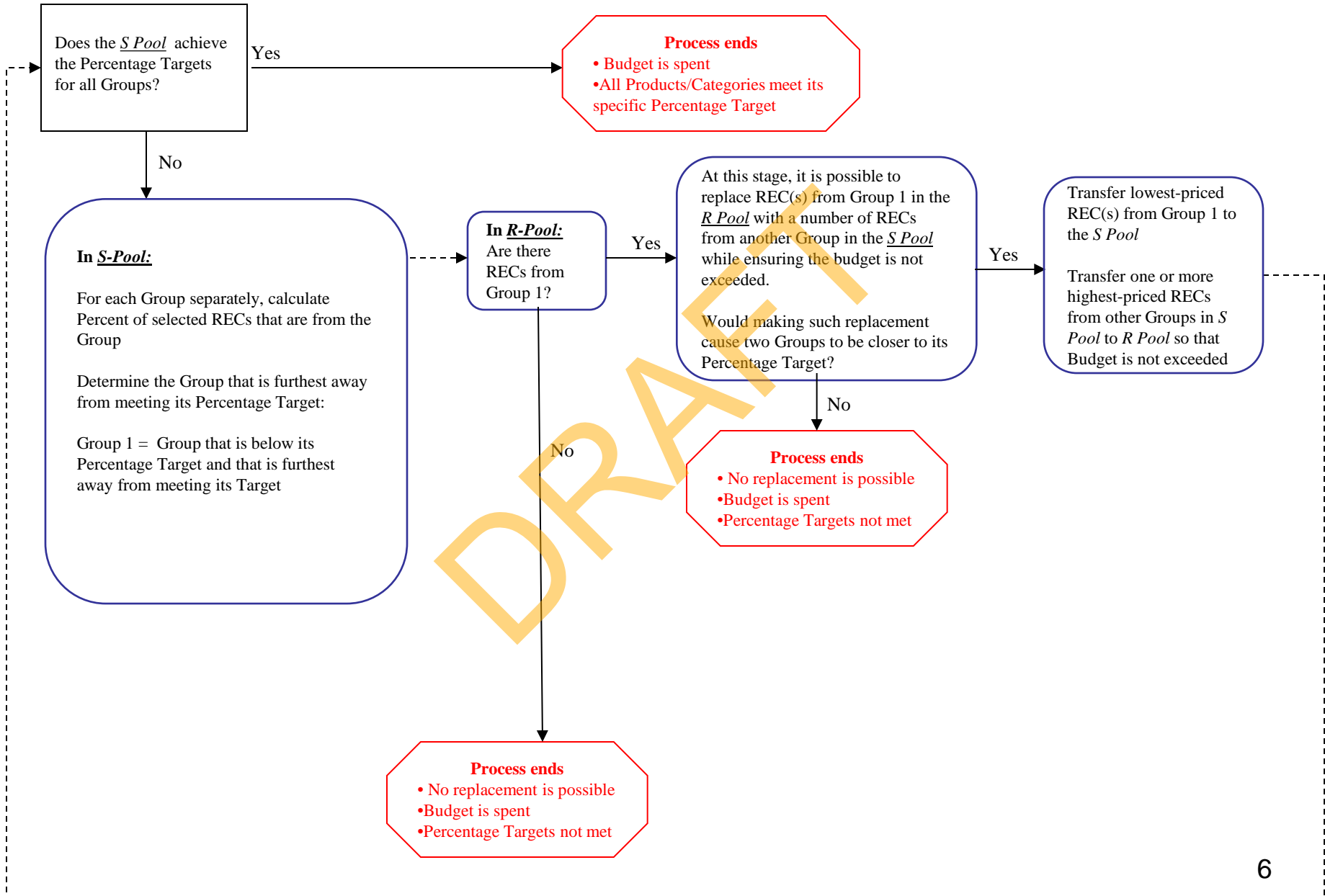
## Step 1: Application of Benchmarks

- Benchmarks are established for each Product
- Benchmarks 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 not subject to approval by the ICC.
- Bids that fail to meet the benchmarks are eliminated from consideration and are not evaluated.

## Step 2: Will Procuring all RECs cause the Budget to exceed?



# Step 3a (Example with 2 Groups): Achieving the Percentage Target



# Step 3b (Example with 3 Groups): Achieving the Percentage Target

