

Appendix 5

Priority in REC Selection

Specific Percentage Targets are Specified for each Procurement Event

- 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
- 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

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

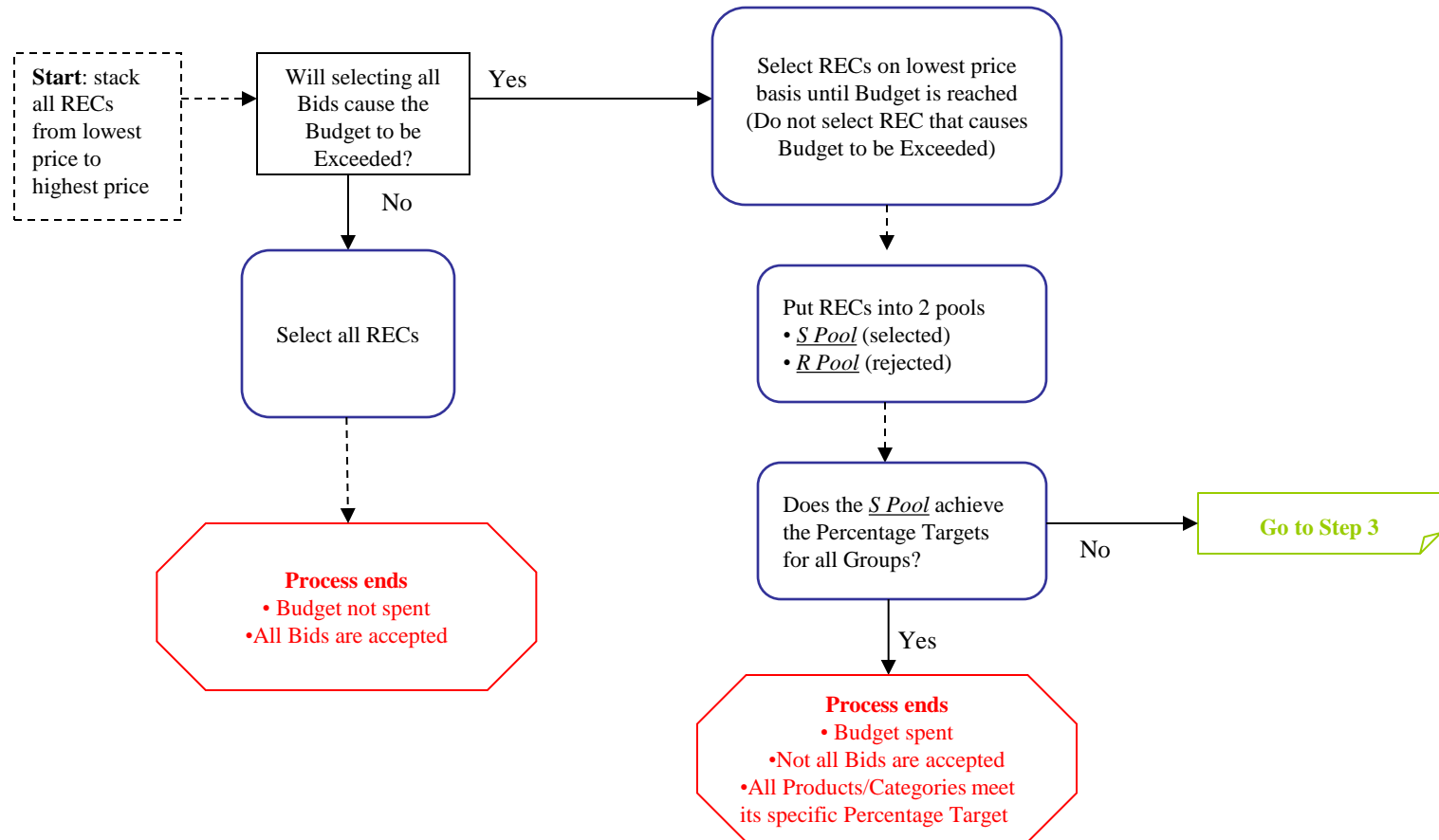
- First, the evaluation of Bids eliminates Bids that fail to meet or beat the benchmarks
- Second, Bids are selected until all Bids are selected or until the budget is exhausted
 - If the Budget is not exhausted, then all Bids are accepted
 - If the Budget is exhausted, and each Group in procurement 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 a 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

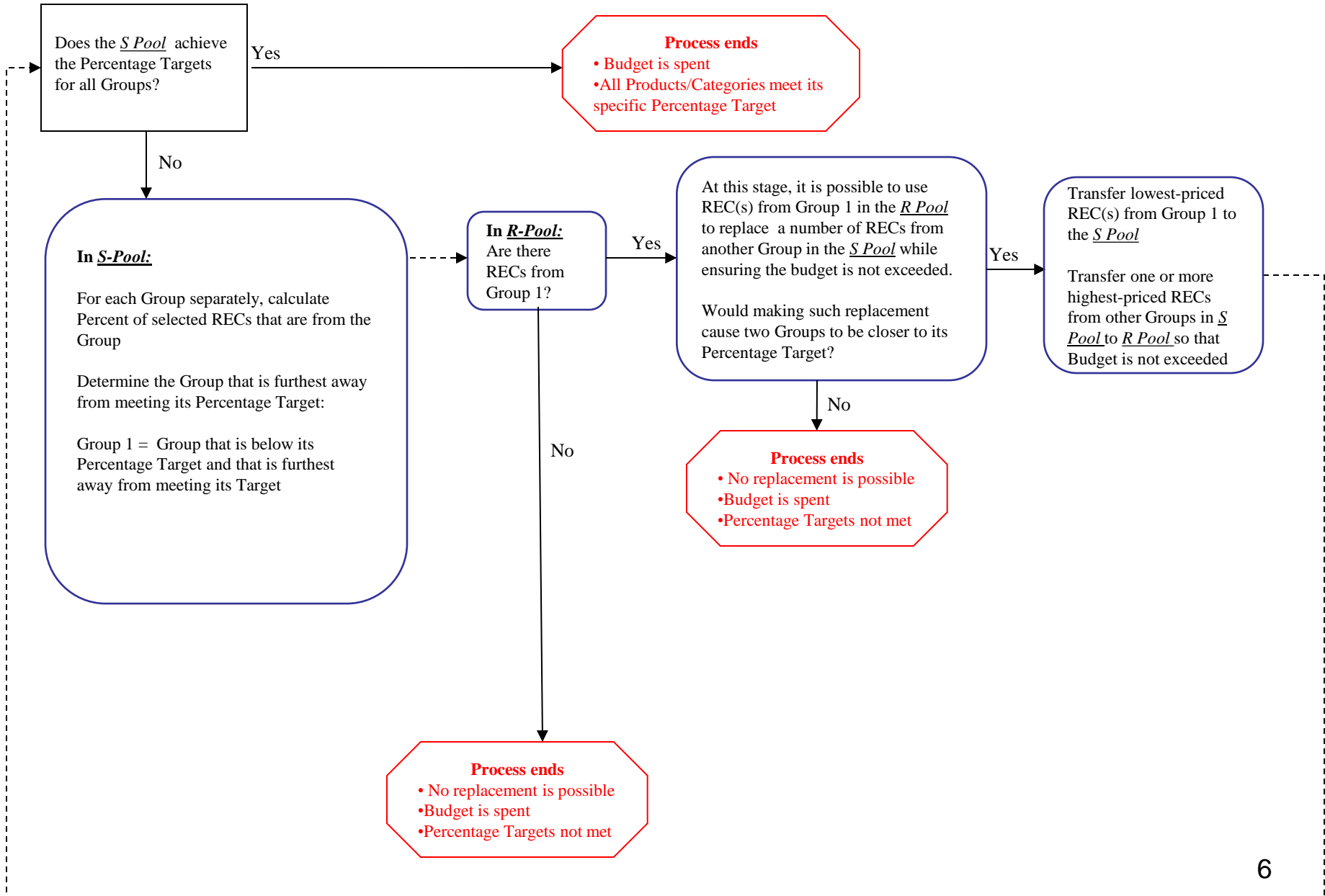
Step 1: Application of Benchmarks

- 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 be exceeded?



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



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

