

# Appendix 7

## Priority in REC Selection

## Product Definition

A Product in this RFP is defined by two (2) characteristics: (i) the resource type; and (ii) the location.

The resource type corresponds to whether a REC is produced by a wind resource (“W”), a solar photovoltaic resource (“Photovoltaic” or “P”), or a renewable energy resource as defined in the Act other than a wind or solar photovoltaic resource (non-wind, non-solar-photovoltaic, or “N”).

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.

The Procurement Plan provides for procurement events for RECs from solely photovoltaics resources for Ameren Illinois Company (“Ameren”) and Commonwealth Edison Company (“ComEd”), and from both wind and photovoltaics for MidAmerican Energy Company (“MidAmerican”).

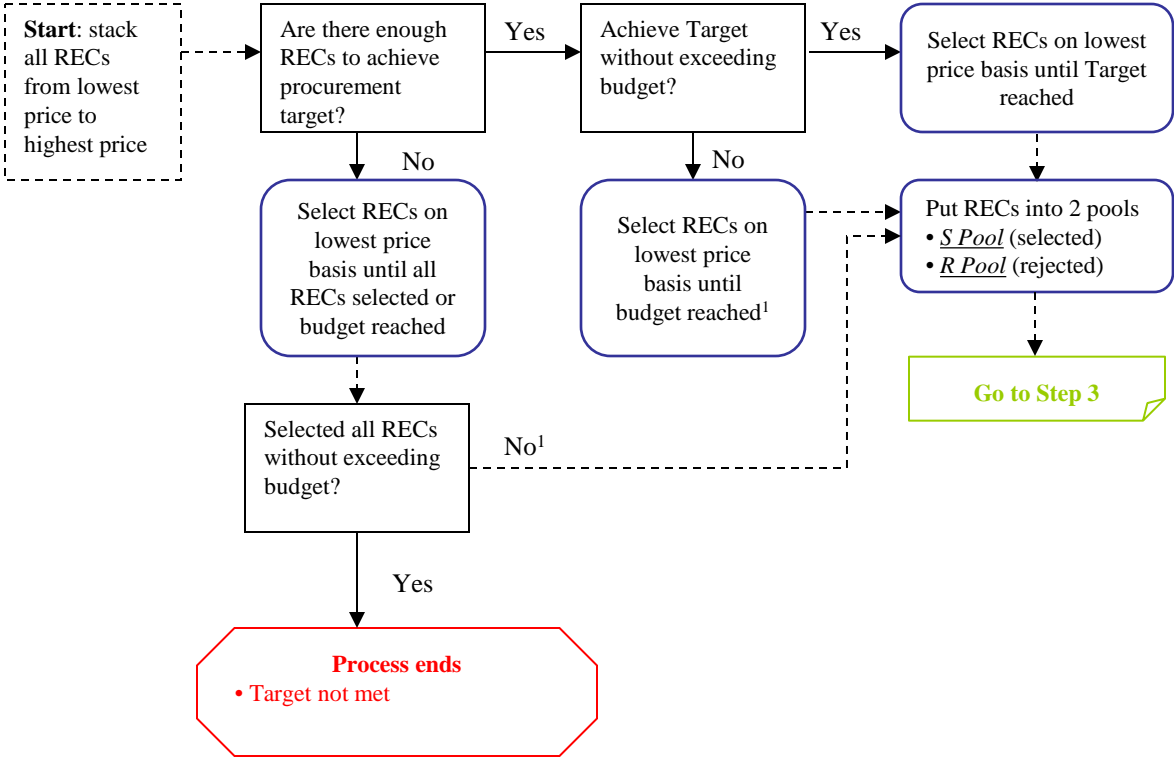
# Ameren and ComEd Priority in REC Selection

## Step 1: Application of Benchmarks

Benchmarks for RECs will be established by the Procurement Administrator, in consultation with the Illinois Power Agency (“IPA”), 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



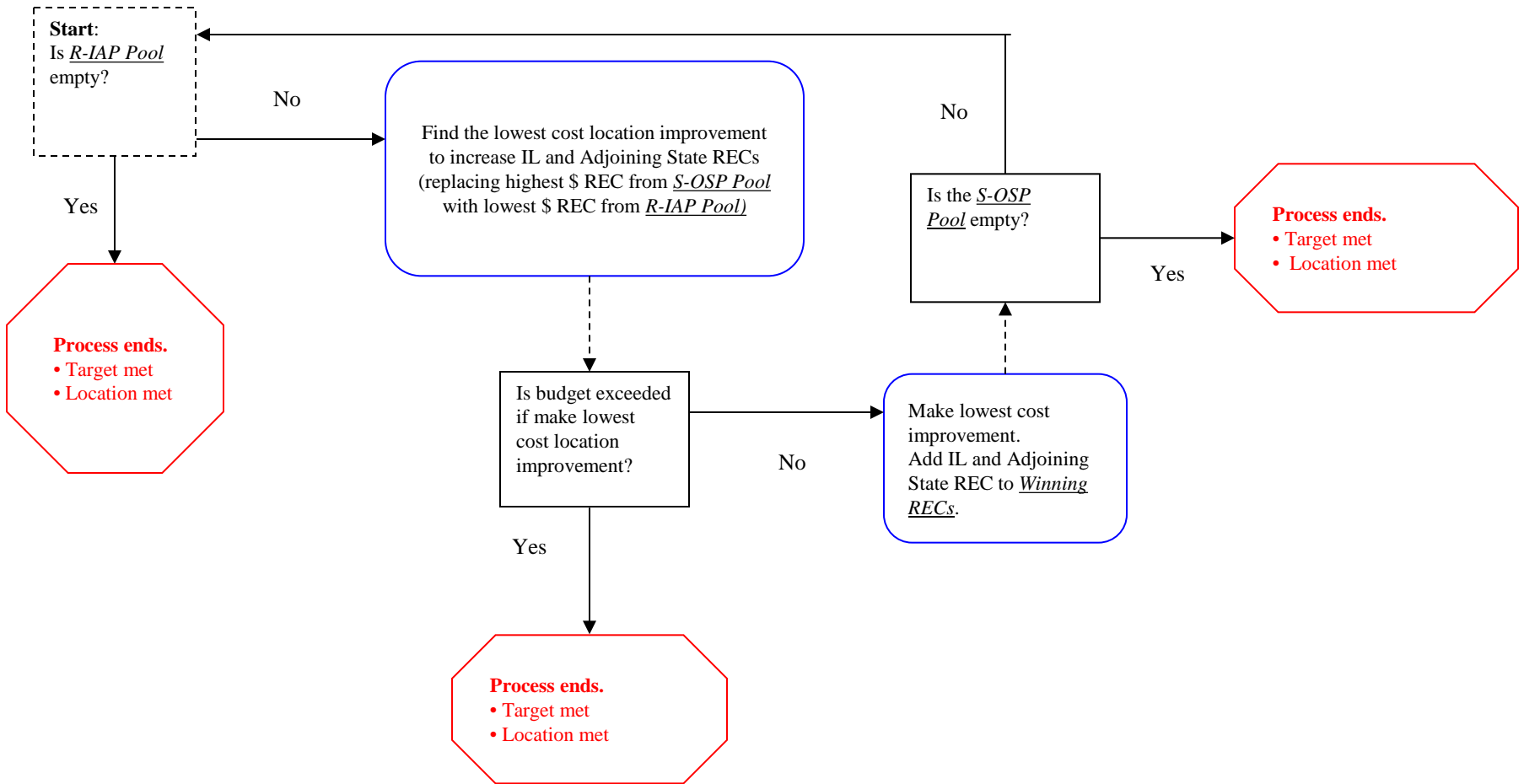
Footnote:

<sup>1</sup>In 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



# MidAmerican Priority in REC Selection

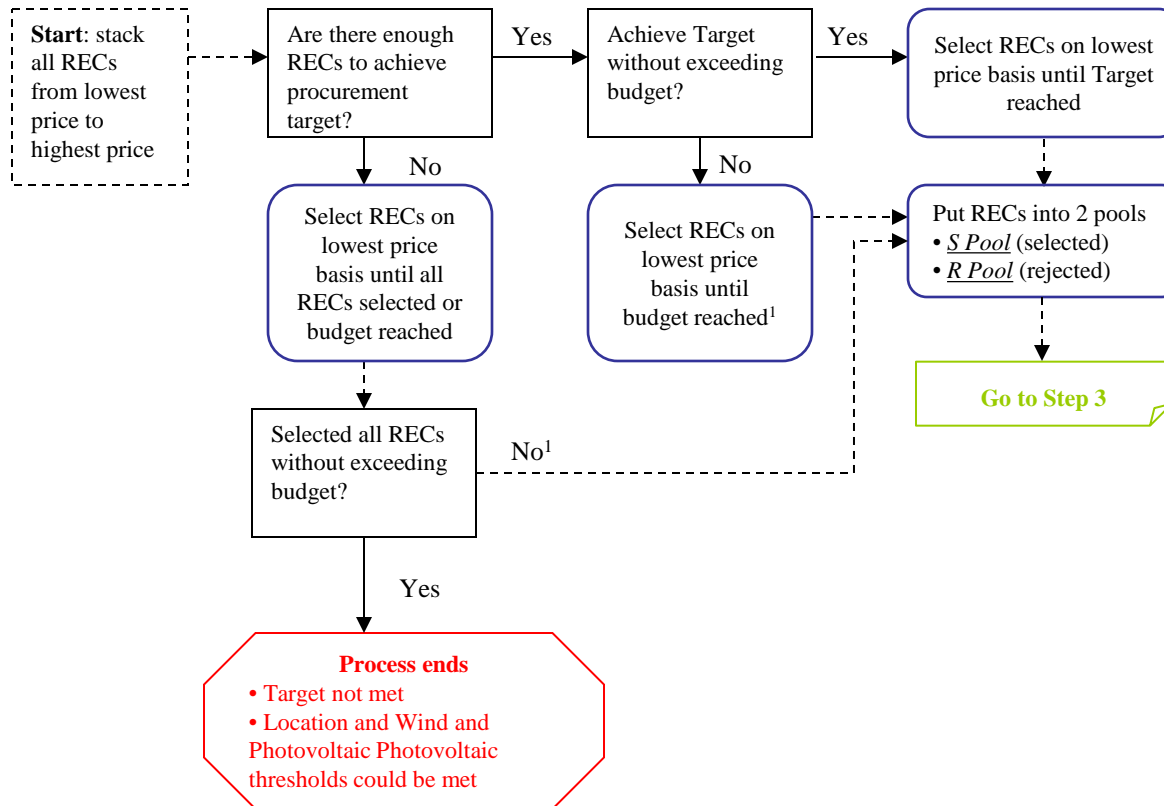


## Step 1: Application of Benchmarks

Benchmarks for RECs will be established by the Procurement Administrator, in consultation with the IPA, the Procurement Monitor, and the 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.

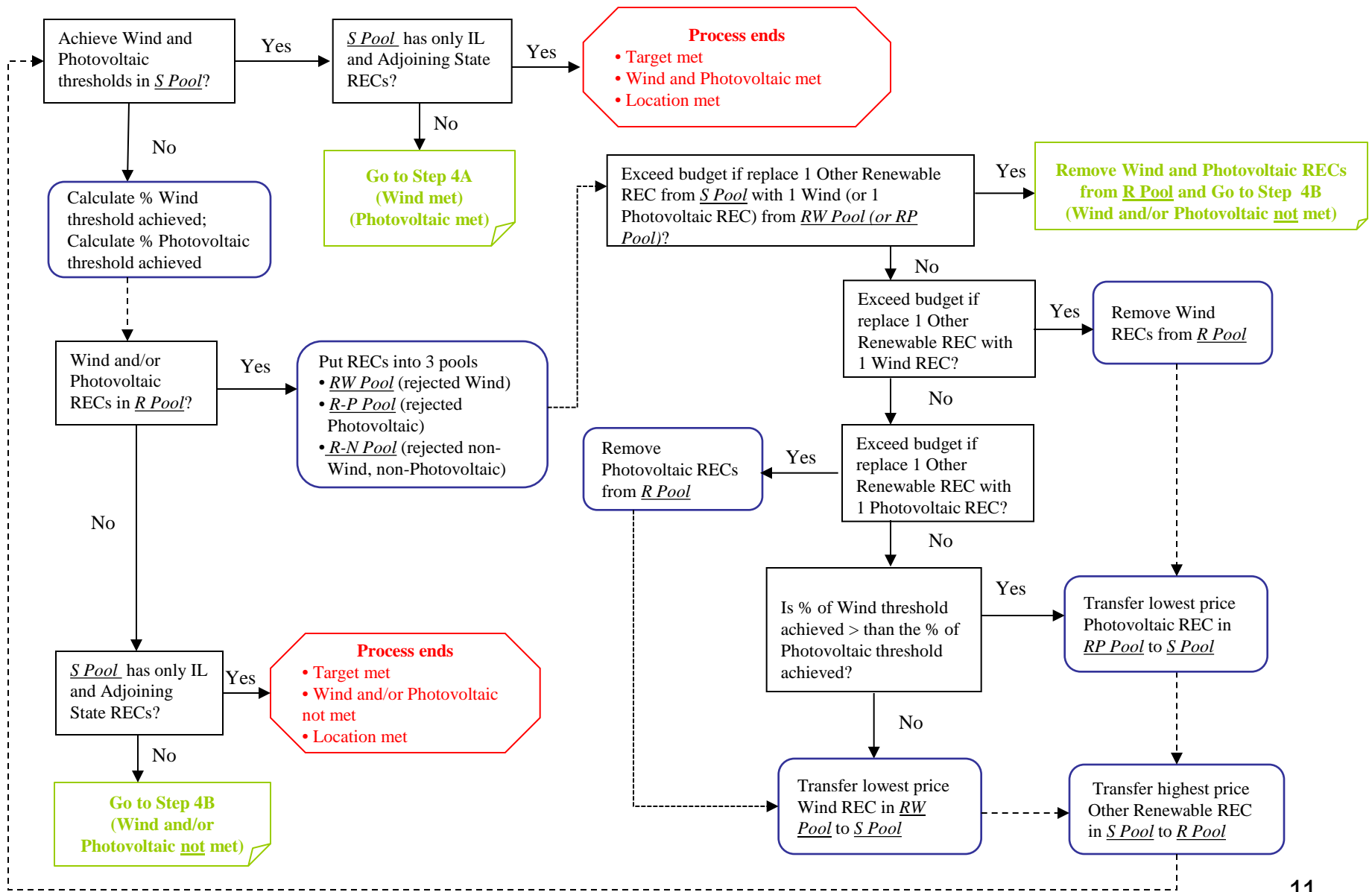
## Step 2: Target and Budget



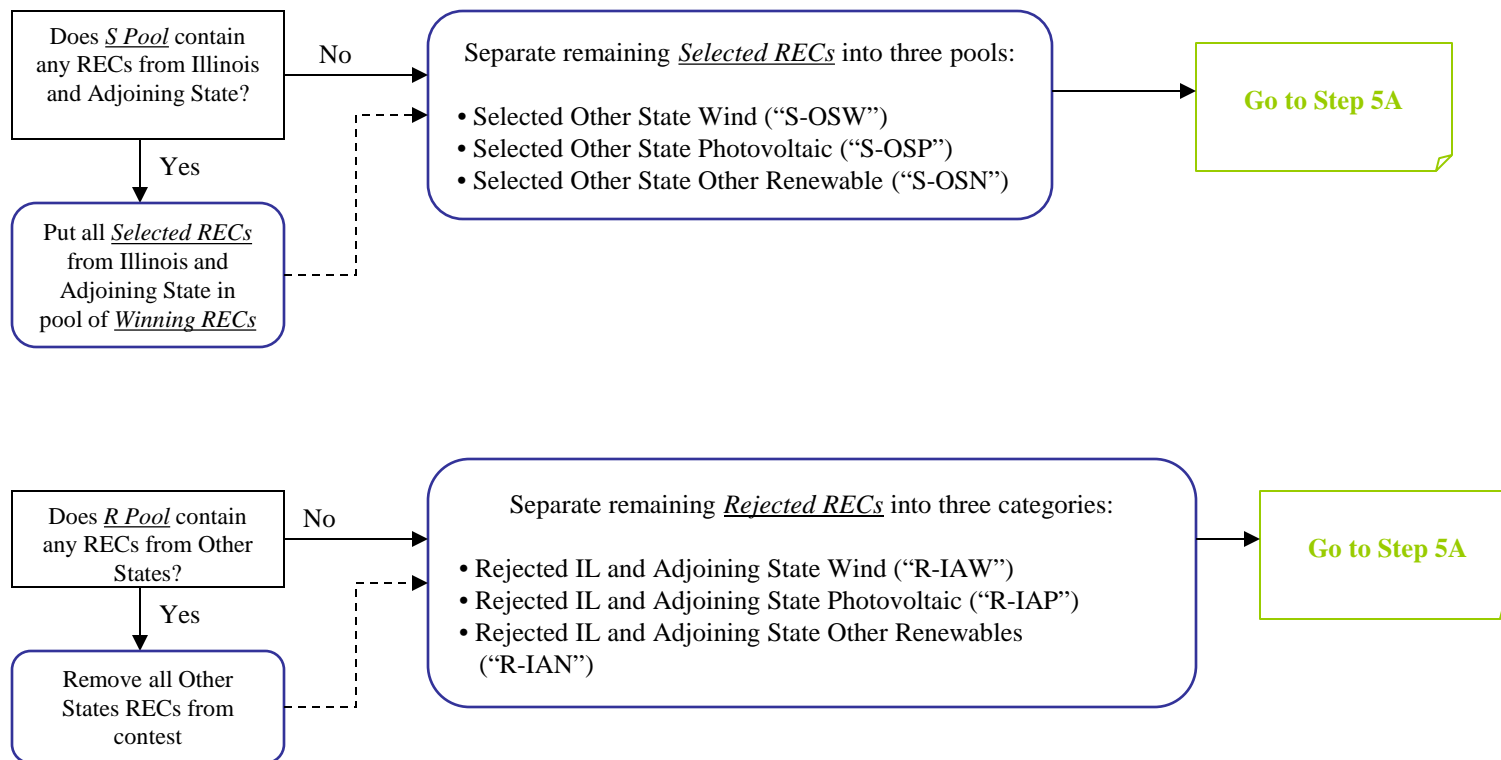
Footnote:

<sup>1</sup>In 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.

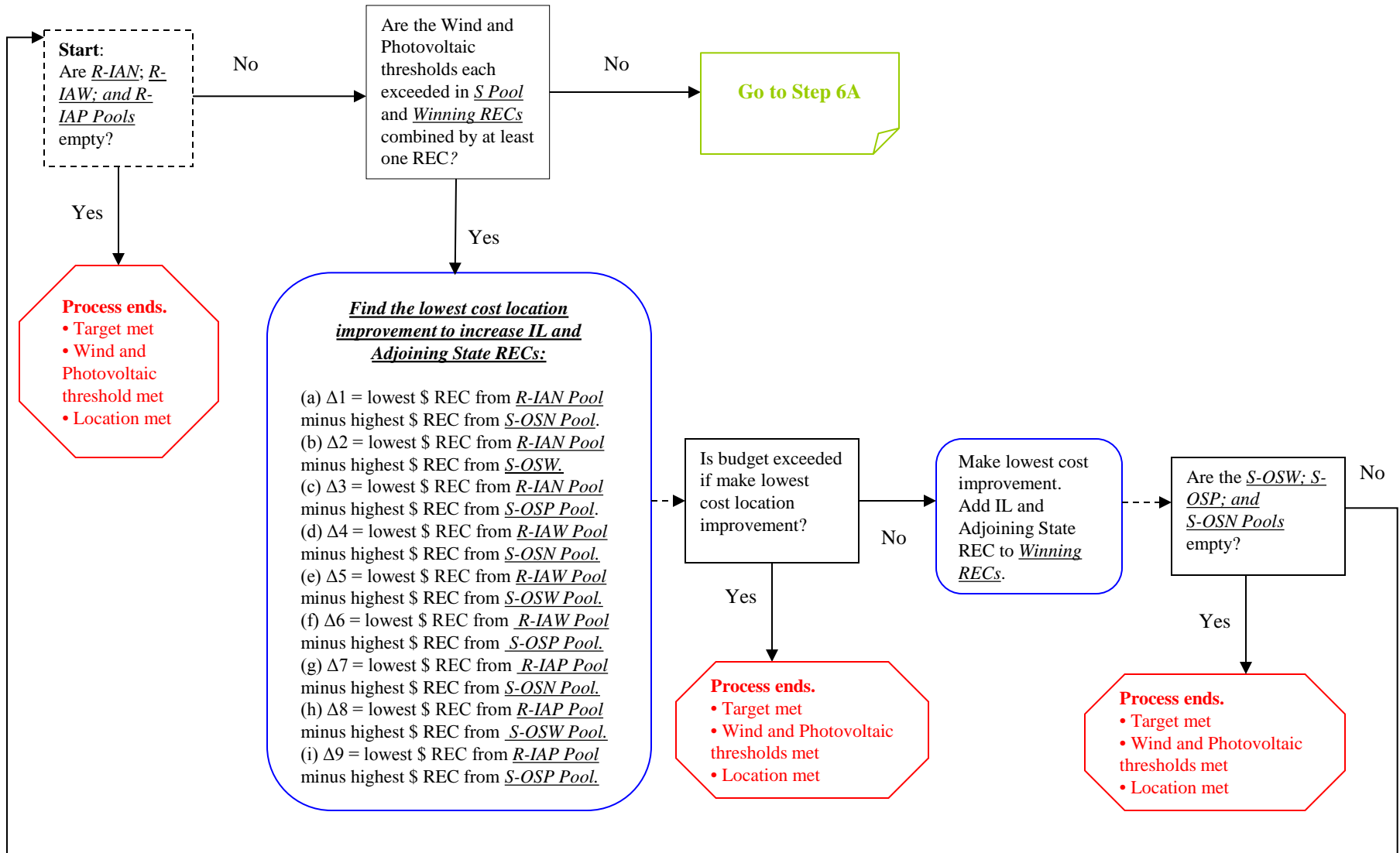
# Step 3: Wind and Photovoltaic Thresholds



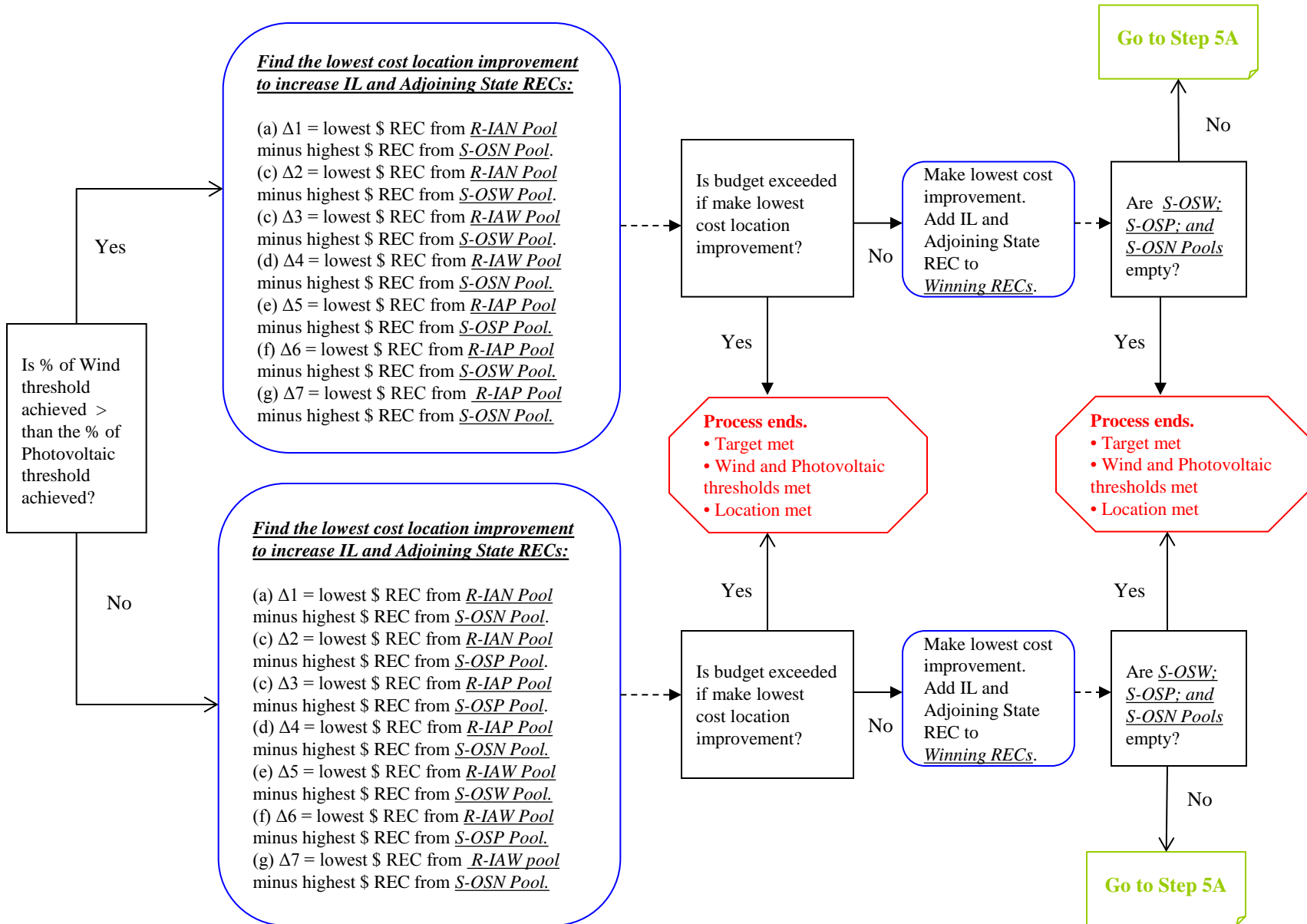
## Step 4A: Pools for Location Adjustment (Wind and Photovoltaic thresholds met)



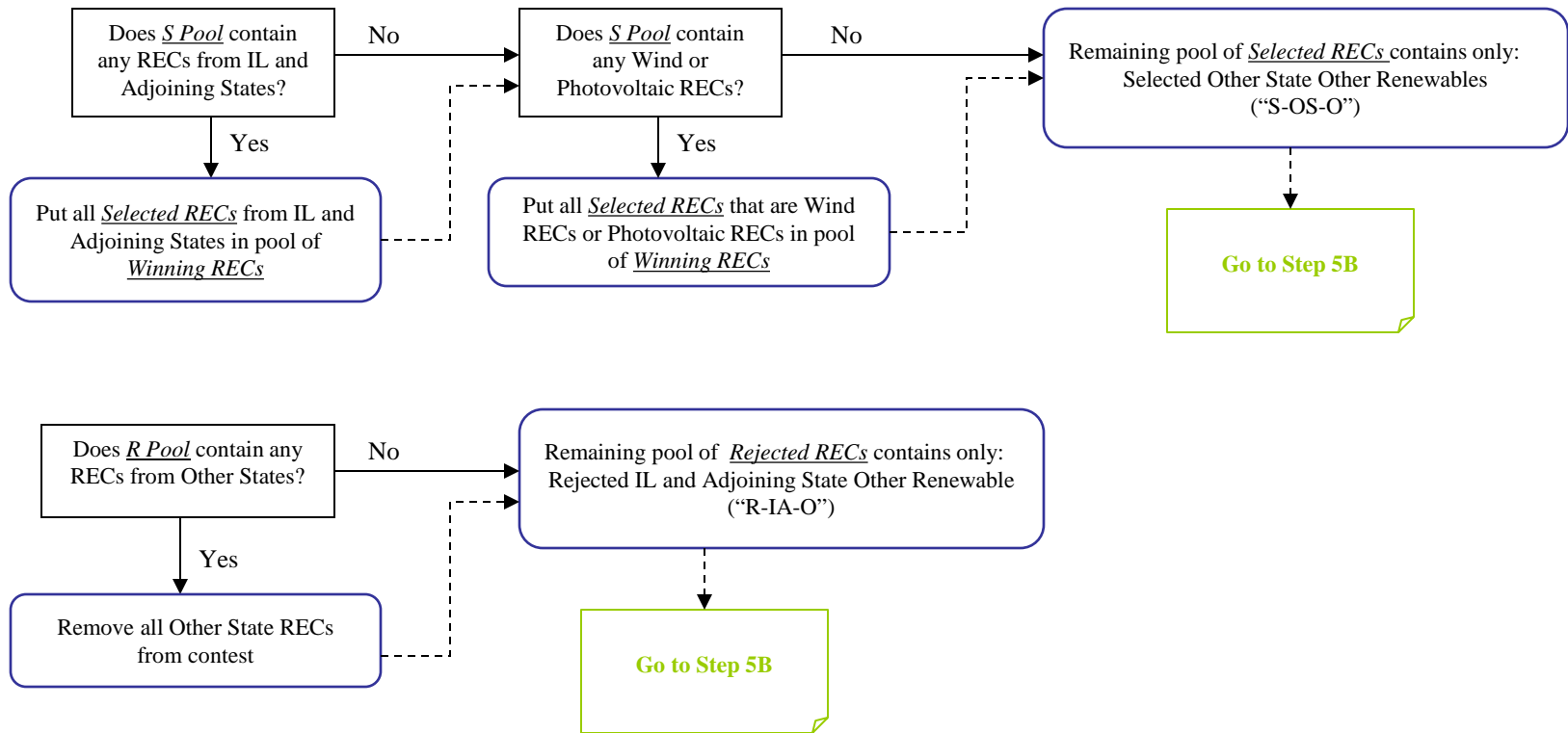
# Step 5A: Location Adjustment (Wind and Photovoltaic thresholds met)



# Step 6A: Location Adjustment (Wind and Photovoltaic thresholds met)



# Step 4B: Pools for Location Adjustment (Insufficient Bids to achieve Wind and/or Photovoltaic thresholds)



## Step 5B: Location Adjustment (Insufficient Bids to achieve Wind and/or Photovoltaic thresholds)

