

Appendix 8

Evaluation Process

Parameters

Target: The procurement events have a “Target” of 21,822 RECs (of which 6,813 are allocated to AIC, 14,358 are allocated to ComEd, and 651 are allocated to MidAmerican). Each Target represents an annual quantity of RECs.

Budget: The procurement events have a preliminary “Budget” of \$29,785,320. (This corresponds to (i) \$10,040,276 available on a preliminary basis from hourly ACP funds for AIC; (ii) \$19,039,957 available on a preliminary basis from hourly ACP funds for ComEd; and (iii) \$705,087 available on a preliminary basis from the renewable resources budget for MidAmerican. The Budget spans all years of the applicable supplier contracts.

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 and both Size Classes.

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).

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 for the Bidder (as Additional Blocks may consist of one Product only).

Step 1: Application of Benchmarks

Benchmarks for RECs were 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 Target is met on an annual basis or until the Budget is exhausted on a five-year basis, whichever comes first.

Target:

- The Annual Quantity associated with a system is calculated using a set capacity factors associated with the resource type of the system. This Annual Quantity is the quantity to be delivered: (i) in all years of the applicable supplier contract for existing systems; (ii) in the 2nd through 5th year of the applicable supplier contract for new systems.
- For new systems, a Bidder may specify a quantity to be delivered in the 1st year up to the Annual Quantity.
- The Annual Quantity is used for purposes of calculating whether the Target is reached.

Budget:

The total REC output over all five years is used for purposes of calculating whether the 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 Target is met on an annual basis; and (ii) one Size Product is less than 50% of the 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 Budget.
- The process continues until no more substitutions are possible or the 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. The Plan provides that “winning bids will be assigned to the utilities using as a guide factors including, but not limited to, each utility’s budget, each utility’s pro-rata share of total RECs and the objective of minimizing the number of winning bidders that have contracts with more than one utility. The Procurement Administrator may use its discretion in assigning bids (including prorated shares of bids) to each utility to accommodate the fact that the proration of the total volume of selected bids that would be allocated to each utility’s procurement target may not be evenly divided due to the size of the winning bids, and each utility’s available budget.”