

Example of REC Monthly Price and Invoice Amount Calculation

(All Prices and Quantities are Illustrative only)

Information in this example has been simplified for illustrative purposes to show how the REC Monthly Price and the associated invoice amount are calculated. If there are any inconsistencies between information provided here and the REC Contract, the REC Contract shall govern.

Example

For this example, the vintage month is June 2025, the Index Price applicable Illinois trading hub as indicated in the Product Order is PJM-NIHUB and, the RFP Project Percentage is 100%.

Timing of Activities

- **June 1, 2025 – June 30, 2025:** Vintage Month when Project generates electricity.
- **July 8, 2025 (Tues):** Seller provides to Buyer and the IPA (i) hourly MWh generation data applicable to the Project and (ii) hourly real time locational marginal prices at PJM-NIHUB. For this example, this activity must occur by the 5th business day after the end of June 2025. (See Section 6.1 of the REC Contract.)
- **July 18, 2025 (Fri):** IPA provides to Buyer and Seller the Price Calculation Notice containing information related to the REC Monthly Price of such month that has concluded. For this example, this activity must occur within 20 days after the end of June 2025. (See Section 1.74 of the REC Contract.)
- **July 31, 2025 (Thurs):** RECs are delivered from Seller to Buyer via the Standing Order by PJM-EIS GATS. (We assume that PJM-EIS GATS issues and transfers the June 2025 vintage RECs on the last business day of July 2025.)
- **August 8, 2025 (Friday):** Seller renders to Buyer an invoice for RECs by email. For this example, this activity must occur on or before the tenth (10th) day of August 2025. (See Section 5.1 of the REC Contract.)
- **August 29, 2025 (Friday):** Payment is made by Buyer to Seller (or Seller to Buyer as applicable) for timely submitted invoices. For this example, this activity must occur on the last Business Day of August 2025. (See Section 5.2 of the REC Contract.)

Step 1: REC Monthly Price Hourly Component Calculation

The REC Monthly Price Hourly Component, with respect to a given hour of a Vintage month, equals to the multiplicative product of (a) the result obtained by subtracting the Strike Price from the Index Price of such hour and (b) the MWh actual generation of the Project for such hour.

Vintage Month	June 2025
Strike Price (\$/MWh) ¹	\$40.00
Applicable Illinois trading hub ²	PJM-NIHUB

Index Price³ at the Applicable Illinois Trading Hub (\$/MWh)

Date	Hour				
	1	2	...	23	24
June 1, 2025	43.26	33.15	...	43.19	36.46
...
June 30, 2025	41.52	31.73	...	37.12	38.88

(a) Index Price – Strike Price (\$/MWh)

Date	Hour				
	1	2	...	23	24
June 1, 2025	\$3.26	(\$6.85)	...	\$3.19	(\$3.54)
...
June 30, 2025	\$1.52	(\$8.27)	...	(\$2.88)	(\$1.12)

(b) MWh Actual Generation of the Project (MWh)⁴

Date	Hour				
	1	2	...	23	24
June 1, 2025	276	270	...	288	258
...
June 30, 2025	228	297	...	203	219
Total MWh of Actual Generation of the Project in June 2025					34,538

REC Monthly Price Hourly Component Calculation [(a) x (b)]

Date	Hour				
	1	2	...	23	24
June 1, 2025	899.76	(1,849.50)	...	918.72	(913.32)
...
June 30, 2025	346.56	(2,456.19)	...	(584.64)	(245.28)
Sum of REC Monthly Price Hourly Component for June 2025					(129,107.31)

¹ Strike Price is the price as provided by Seller through the RFP as part of its Bid for the Project. The Strike Price is indicated in the Product Order of the REC Contract.

² In this example, the bidder selected PJM-NIHUB as the Illinois trading hub for purposes of the Index Price.

³ The Index Price is the real-time energy settlement price at the applicable Illinois trading hub.

⁴ Pursuant to Section 6.1 of the REC Contract, Seller shall, on a monthly basis, provide to Buyer and the IPA (i) hourly MWh generation data applicable to the Project and (ii) hourly real time locational marginal prices at the applicable hub within five (5) Business Days after the conclusion of a Vintage month.

Step 2: REC Monthly Price Calculation

The REC Monthly Price, with respect to a given hour of a Vintage month, means the price for RECs specified in the Price Calculation Notice for such Vintage as calculated by the IPA and issued to Buyer and Seller.⁵ The REC Monthly Price for a Vintage month is applicable to all Delivered RECs associated with such Vintage Month.

The REC Monthly Price equals to the result obtained by dividing **(aa)** the sum of all REC Monthly Price Hourly Components in such Vintage month by **(bb)** the MWh actual generation of the Project for such Vintage month, rounded to the nearest cent.

Vintage Month	June 2025
(aa) the sum of all REC Monthly Price Hourly Components in the Vintage month	(129,107.31)
(bb) the MWh actual generation of the Project for the Vintage month	34,538 MWh
REC Monthly Price (\$) [(aa)/(bb)]	(3.74)

Pursuant to Section 5.2(a) of the Indexed REC Contract, payment shall be made from Seller to Buyer if the REC Monthly Price is positive and payment shall be made from Buyer to Seller if the REC Monthly Price is negative.

In this illustrative example, the REC Monthly Price for RECs with June 2025 Vintage is **negative**. Buyer shall make payment to Seller.

Step 3: Invoicing

There shall be one invoice per month where the invoice amount is the sum of payments with respect to RECs delivered in a Delivery Month. Seller will calculate the payment for RECs associated with each Vintage delivered in the applicable Delivery Month.⁶

Vintage Month	June 2025
Delivery Month	July 2025 ⁷
(x) Quantity of RECs Delivered (RECs)	34,533 RECs
(y) REC Monthly Price (\$/REC)	(3.74)
Invoice Amount (\$) [(x) x (y)]⁸	\$129,153.42

⁵ The REC Monthly Price for RECs associated with each Vintage Month will be provided by the IPA in the Price Calculation Notice within twenty (20) days of the end of each month. In this example, the IPA shall issue the Price Calculation Notice containing the REC Monthly Price for such RECs no later than July 20, 2025.

⁶ This example assumes that only RECs with June 2025 Vintage were delivered in the Delivery Month of July 2025.

⁷ Seller shall render to Buyer an invoice for RECs on or before the tenth (10th) day of the month immediately following each Delivery Month.

⁸ The absolute value of the calculation is provided. Since the REC Monthly Price is negative, payment is due from Buyer to Seller.