



component of the RCB Framework and the price paid by purchasers of RECs as part of the Company's CARES program approved in the 2022 IRP. Although valuation of the REC component in the RCB Framework for use in renewable procurements will not exactly match that of the CARES program due primarily to the difference in contract term lengths, REC valuations in both use cases will be consistent, as they will follow the same basic methodology, utilizing data from the Company's annual Avoided Cost filing as well as REC pricing provided by Evolution Markets, a company that specializes in providing environmental commodity market data and analytics. The value of RECs for years in which Evolution Markets has a REC price will determine the REC price to be used in those years of the forecast. To calculate the REC value in subsequent years of the REC forecast, a compound annual growth rate, calculated using Solar Ground-Mounted Tracking technology data from the Company's most recent Avoided Cost filing in Docket No. 4822, will be applied. The starting point used in the compound annual growth rate calculation will coincide with the start of the Company's long-term natural gas price forecast, which supports the Company's annual Avoided Cost filing, while the end point used in the calculation will coincide with the last year of data provided in the Company's annual Avoided Cost Filing.

The Company and PIA Staff have complied with the Order as pertaining to Supply Side Plan Item No. 29 of the Stipulation by developing a method to value a REC component in the RCB Framework for use in IRP-approved procurements for which RECs are conveyed. Accordingly, the Company and PIA Staff submit this joint recommendation to the Commission for approval.