Updated: 06/27/2017

2017
MARYLAND STANDARD OFFER SERVICE
REQUEST FOR PROPOSALS FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC POWER SUPPLY

QUESTIONS AND ANSWERS

GENERAL QUESTIONS

DATE POSTED	QUESTION	ANSWER
09/09/2016	**Q1.** **Who has the Maryland Public Service Commission chosen as a consultant for this procurement process?**	A1. The Maryland Public Service Commission has chosen Liberty Consulting Group.
10/13/2016	**Q2.** **On September 15, 2016, FERC issued an order agreeing with PJM's filing to shift the allocation of balancing congestion cost from FTR holders to Real Time load & exports. Please let us know if the Maryland utilities expect wholesale suppliers to bear the additional cost due to allocation of balance congestion once the order is implemented. Balancing congestion cost has been several hundred million dollars in the last five planning years. PJM is expecting to implement this in June 2017, please advise how the cost will be allocated by the four utilities.**	A2. Per section 2.4 of the FSA, the supplier bears the risk of changes to PJM products and pricing with the exception of Network Integration Transmission Service and Distribution Service as defined in Section 2.3. Additionally, per section 4.1 of the FSA, the supplier is responsible for any congestion costs incurred.

10/17/2016	**Q3.** **The definition of "Full Requirements Service" in Article 1 of the FSA states that the supplier will be responsible for reduction in load of customers involved in the Community Solar Energy Pilot Program. Is there any reduction in the related capacity obligation for customers who participate in the Community Solar program? In other words, do these customers leave SOS completely in order to join a community solar program, or are customers in solar programs that are also taking SOS just using less energy due to their solar supply (meaning SOS Suppliers still have a capacity obligation for these customers)?**	A3. SOS customers participating in Community Solar programs are still served under SOS; however, their energy usage may be reduced due to their solar usage. SOS suppliers would still have a capacity obligation for these customers.
10/17/2016	**Q4.** **Per Exhibit B (Renewable Energy Obligation) of the FSA, the Tier 1 Renewable Energy Portfolio Standard percentage requirements from 2017 forward are "Including an amount to be set by the MD PSC not to exceed 2.5%, derived from offshore wind energy…" Are we correct in understanding that, if offshore wind were to come into play, the percentage required for it would be a carve-out of the Tier 1 obligation?**	A4. Per information from PSC Staff, no offshore wind energy is expected during the 2017 RFP; therefore, there is no expected offshore wind obligation for the 2017 RFP term. However, when offshore wind is available, it will be a carve-out of the Tier 1 obligation.

10/17/2016	**Q5.** **In the definitions section of the FSA under "Full Requirements Service", the following statement is made: "The Maryland Public Service Commission has approved regulations that implement a community solar pilot program for about 200 MW of solar capacity to be purchased over three years."** **Is the 200MW intended to be average solar load across the system, or is that the estimated size of the installations (which will produce a much smaller amount of MWhs, based on PV installation load factors)?**	A5. The 200 MW is the state-wide maximum solar capacity to be purchased during the three-year pilot program. Please refer to Public Utilities Article 7-306.2 for more information.
10/17/2016	**Q6.** **In the FSA, page 4, it says SOS load will be reduced due to energy generating systems pilot program. Total 200 MW capacity will be procured beginning Jan 17, does it mean the energy served by default suppliers will be reduced by 200MW? How about the capacity, will it be also reduced? How does those reductions allocate to different class?**	A7. The 200 MW is the state-wide maximum solar capacity to be purchased during the three-year pilot program. SOS suppliers would still have a capacity obligation for these customers. The reductions will apply to all SOS types. Please refer to Public Utilities Article 7-306.2 for more information.

10/17/2016	**Q7.** **In the FSA, the definition for Full Requirements Service mentions that the Maryland PSC has approved regulations that implement a community solar pilot program for 200 MWs.** **1) Can you elaborate on the meaning of the following statement found in that definition? "Full Requirements Service shall not include any offsets required under the Community Solar Energy Generating Systems Pilot Program described in Public Utilities Article 7-306.2."** **2) Is the 200 MW figure specific to PEPCO MD?** **3) Can you provide a monthly forecast of solar MWs to be procured under this program as it applies to PEPCO MD's Residential and Type 1 load?**	A7. 1) Energy usage for SOS customers participating in Community Solar program may be reduced due to their solar usage, which may reduce the amount of energy required by SOS suppliers. 2) No. The 200 MW of Community Solar capacity is statewide. 3) There is no monthly forecast of solar MWs to be procured under the pilot program. Based on the legislation, the maximum MW that could be procured per project year for each MD EDC is shown in the tables below: **BGE** 7,127.7 = Total 2015 Demand (MW) 106.9 = MW available for CSEGS Type Allocation 30% 40% 30% **Project Type** / **Small/ Other** / **Open** / **Any Size LMI > 30%** / **Annual Allocation** Year 1 (MW): 12.8 / 17.1 / 12.8 / 40% Year 2 (MW): 12.8 / 17.1 / 12.8 / 40% Year 3 (MW): 6.4 / 8.6 / 6.4 / 20% **Total MW**: **32.1** / **42.8** / **32.1** **PE** 1,623 = Total 2015 Demand (MW) 24.3 = MW available for CSEGS Type Allocation 30% 40% 30% **Project Type** / **Small/Other** / **Open** / **Any Size LMI > 30%** / **Annual Allocation** Year 1 (MW): 2.9 / 3.9 / 2.9 / 40% Year 2 (MW): 2.9 / 3.9 / 2.9 / 40% Year 3 (MW): 1.5 / 1.9 / 1.5 / 20% **Total MW**: **7.3** / **9.7** / **7.3**

		Pepco 3,458 = Total 2015 Demand (MW) 51.7 = MW Available for CSEGS Type Allocation 30% 40% 30% Project Type / Small/ Other / Open / Any Size LMI > 30 / Annual Allocation Year 1 (MW) 6.2 8.3 6.2 40% Year 2 (MW) 6.2 8.3 6.2 40% Year 3 (MW) 3.1 4.1 3.1 20% Total MW 15.5 20.7 15.5 **DPL** 1,024 = Total 2015 Demand (MW) 15.4 = MW Available for CSEGS Type Allocation 30% 40% 30% Project Type / Small/ Other / Open / Any Size LMI > 30 / Annual Allocation Year 1 (MW) 1.9 2.5 1.9 40% Year 2 (MW) 1.8 2.5 1.8 40% Year 3 (MW) 0.9 1.2 0.9 20% Total MW 4.6 6.2 4.6 Year 1 starts on the first date of application of a Community Solar Energy Generating System or approximately January 2017 (whichever is earlier). Capacity unused in each year shall be added to the capacity of the following year.
10/17/2016	**Q8.** **Can you comment on any efforts in Maryland to pass legislation to allow municipalities to aggregate electrical loads for the purpose of contracting for 3rd party electrical supply, aka Municipal Aggregation?**	A8. We are not aware of any current Municipal Aggregation efforts.

03/10/2017	**Q9.** **Are the Renewable Energy Obligations provided in Exhibit B of the FSA fixed in terms of MD SOS RFP Suppliers obligations, or do new rules enacted in early 2017 override these percentages an apply on a go-forward basis?**	A9. A supplier's renewable energy obligation is set-forth in Exhibit B of the Full Requirements Service Agreement (FSA) at time of the Request-For-Proposals (RFP) issuance, for the supply period covered by the FSA and RFP. Any subsequent changes to the renewable energy law(s) will be incorporated into the FSA in the next procurement cycle. Please refer to Article 4.4 Renewable Energy Obligation, of the FSA for additional information on renewable energy law changes, supplier responsibility and cost recovery associated with such changes which may occur during the supply period covered by the FSA.
4/20/2017	**Q10.** **Will suppliers be responsible for providing Off Shore Wind Renewable Energy Credits if a new obligation to provide them arises during the term of these contracts?**	A10. When Offshore Wind Energy becomes available, suppliers will be responsible for meeting the Tier 1 carve-out obligation as set forth in Exhibit B of the Full Requirements Service Agreement (FSA) at time of the Request for Proposals (RFP) issuance, for the supply period covered by the FSA and RFP. Please refer to Article 4.4 Renewable Energy Obligation, of the FSA for additional information on renewable energy law changes, supplier responsibility and cost recovery associated with such changes which may occur during the supply period covered by the FSA.
6/27/2017	**Q11.** **1) If a supplier or its guarantor is only rated by one of the three credit rating agencies (S&P, Moody's, and Fitch) listed in the FSA, does it not qualify for unsecured credit? The RFP indicates that ratings from two of the three agencies is required in order to qualify for unsecured credit however the FSA**	A11. 1) Section 3.1 of the RFP states that "if qualifying for unsecured credit, its, or its guarantor's unsecured senior long-term debt is currently rated by at least two of the following three credit ratings agencies, Standard & Poor's Ratings Group, Fitch Investor Services or Moody's Investor Services…Rated applicants must submit all available credit ratings from the aforementioned rating agencies. Credit ratings are required to establish the pre-bid creditworthiness of the rated applicant or its Guarantor, and to determine the maximum amount of unsecured credit to be extended in accordance with Article

	only references the lowest rating as the determining factor for the amount of unsecured credit. **2) Can an applicant's financial institution act as the guarantor?**	14 of the FSA. The lowest credit rating will be used to determine creditworthiness and maximum Unsecured Credit amount. If such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by the rating agencies is acceptable. In the case of an applicant that does not rely on its own financial standing to establish creditworthiness but instead relies on a parent or other entity as Guarantor, such Guarantor must be capable of executing a Guaranty on behalf of the applicant." 2) Yes, if a financial institution is willing.

SEPTEMBER 14, 2016 PRE-BID WEBINAR

QUESTIONS AND ANSWERS

DATE POSTED	QUESTION	ANSWER
9/21/2016	**Pre-Bid Q1.** **Will you be posting these slides somewhere?**	Pre-Bid A1. The pre-bid webinar presentation is posted on each of the MD Utilities RFP websites.
9/21/2016	**Pre-Bid Q2.** **Is the time period between Sep 26 and Sep 30 still a valid period to correct deficiencies in an application for the October 2016 auction?**	Pre-Bid A2. Yes. However, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing ample time to cure incomplete information before the due date.
9/21/2016	**Pre-Bid Q3.** **Regarding the Volumetric Risk Mitigation mechanism: if the upper threshold of the VRM is triggered and the Base Load percentage is reduced, will the ownership share of existing ARR paths also reduce? Or, will the additional paths that the LSE acquires from PJM as a result of the inward migration of customers be shared (or even passed through) to the utility, leaving the ownership percentage of previously chosen paths unchanged?**	Pre-Bid A3. ARRs are reassigned on a proportional basis within the zone as load switches between LSEs during the planning period.
9/21/2016	**Pre-Bid Q4.** **Given the requirement that the Commission provide suppliers with a minimum of three years' notice of Offshore Wind obligations (see COMAR 20.61.06.07 and COMAR 20.61.06.08), are the products being offered in the October 2016 solicitation therefore not subject to any Offshore Wind obligation?**	Pre-Bid A4. The MD EDCs are responsible for meeting annual RPS obligations published in Public Utilities Article, §7-703, Annotated Code of Maryland, Renewable Energy Portfolio Standard (RPS), as contained in Exhibit B of the FSA. Therefore if no offshore wind energy component amount is set by the Commission under § 7-704.2(a) of this subtitle prior to the bid due date, there will be no offshore wind obligation. Please refer to Article 4, section 4.4 of the FSA, for changes in the RPS which may occur on or after the Initial Bid Date.

POTOMAC EDISON-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER
10/7/2016	**PE Q1.** **1. In the Potomac Edison Type II Historical PLC file on 6/1/2016 the SOS PLC is slightly different that the Default Service PLC snapshot in the Potomac Edison Type II PLC and NSPL file. Could you explain why there is a difference?** **2. In the Potomac Edison Type II Historical PLC file there appears to be extra data starting in Row 1371 for which there is no corresponding date or customer class. What does this data represent or should it be ignored?**	PE A1. 1. The difference is due to rounding. The Default Service PLC snapshot is the sum of the four rate class rounded PLC values. 2. The August PLC values were accidentally pasted twice into the table. This has been corrected and reposted.
12/13/2016	**PE Q2.** **What is the load level of the historic load provided for Potomac Edison?**	PE A2. The historic load data is meter level data and includes UFE.

DELMARVA POWER AND PEPCO-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER
9/30/2016	**DP and Pepco Q1.** **In the 2016 Jun DPL MD Historical Load file, can you please explain why the load for the DPL MD ALT SGS-S Class goes from ~10,000 Kwhr ~0 (or even negative) from HE6 to HE7?**	DP and Pepco A1. The Negative values are attributed to "behind the meter" generation, which in certain hours caused the aggregated hourly loads to be negative.
10/17/2016	**DP and Pepco Q2.** **1) Can you explain how the Demand for PLC loss factors are used?** **2) Are there any current Generator Deactivation charges for suppliers?** **3) Are there any pending Generator Deactivations that are expected to result in a cost to suppliers over the 24-mo term?**	DP and Pepco A2. 1) The PLCs provided represent load at the generation level, rather than at customer premise or retail meter level, meaning it includes demand losses, consistent with the reporting of PLC to PJM. 2) There are no current Generator Deactivation charges for suppliers. 3) Pepco is unaware of any pending Generator Deactivations that are expected to result in a cost to suppliers over the 24-month term.
4/4/2017	**DP and Pepco Q3.** **Does PEPCO and DPL generation-level data represent gross de-rated load?**	DP and Pepco A3. The generation-level data is not derated.

BALTIMORE GAS & ELECTRIC-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER
10/4/2016	**BGE Q1.** **1. In the BGE Due Diligence, when clicking on the files "2016/2017 Capacity PLC" and "BGE Bid Plan", we receive a "404 - File or directory not found error"; can you please look into?** **2. In the files "2016 NSPL Data" and "Capacity PLC for September 30, 2016", there is a rate class of "PLH", can you please tell us what group of customers this belongs with (ie, Residential, Type 1 or Type 2)?**	BGE A2. 1. The "BGE Bid Plan" document will be posted next Monday 10/10. The "2016/2017 Capacity PLC" has been removed. This file is only used for the April auction where the next delivery year's capacity figures are known. Please use the file "Capacity PLC for September 30, 2016" this contains the most up to date figures. 2. The rate class PLH is for our Hourly customers, these large industrial customers are not included in any of the groups that are being auctioned off.
12/13/2016	**BGE Q2.** **Can we get a breakdown of the months considered summer and non-summer? Will May be considered summer term for the 3 month product?**	BGE Q2. Utility summer period begins on June 1 and ends on September 30, and its non-summer period begins on October 1 and ends on May 31.