Updated: 9/10/2021

2022
MARYLAND STANDARD OFFER SERVICE
REQUEST FOR PROPOSALS FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC POWER SUPPLY

QUESTIONS AND ANSWERS

GENERAL QUESTIONS

DATE POSTED	QUESTION	ANSWER
09/30/2019	**Q1.** **Who has the Maryland Public Service Commission chosen as a consultant for this procurement process?**	A1. The Maryland Public Service Commission has chosen Bates White, LLC.
10/15/2018; updated 4/16/2020	**Q2.** **Will standard offer service suppliers be responsible for providing Offshore Wind Renewable Energy Credits as a result of MD PSC Order 88192 referenced below? If so, what is the soonest date that suppliers could be responsible for providing the Offshore Wind component of the RPS obligation?** **Reference: https://www.psc.state.md.us/wp-content/uploads/Order-No.-88192-Case-No.-9431-Offshore-Wind.pdf**	A2. Yes, SOS suppliers will be responsible for providing Offshore Wind Renewable Energy Credits ("OREC") as a result of MD PSC Order 88192 referenced below. Please see Section 4.4 and Exhibit B in the Full Requirement Service Agreement (FSA). However, on April 15, 2020, the Commission granted the Motion for Clarification finding that no Offshore Renewable Energy Credits from the offshore wind project of U.S. Wind will be collected or created for purchase by any electricity supplier prior to its current projected Commercial Operational Date of December 2024. Finally, the Commission denied the motion to modify the offshore renewal credit price schedule. Note: The latest updates on the OREC obligation would be available under Case 9431 and the subsequent Case 9628 and 9629 on the Maryland Public Service Commission website https://www.psc.state.md.us/.

10/17/2018	**Q3.** **Will Maryland standard offer service suppliers be responsible for any potential increases in the cost of reserves such as those discussed in the following PJM presentation on reforms related to consolidating Tier I and Tier 2 reserves and changing the Operating Reserve Demand Curve?** **https://www.pjm.com/-/media/committees-groups/task-forces/epfstf/20180926/20180926-item-04-simulation-results-pjm-proposal.ashx**	A3. 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
10/18/2018	**Q4.** **Is the new line 1108A the responsibility of the Buyer or Seller?**	A4. Billing Line Item 1108A will be the responsibility of the Buyer and will be handled as a billing line item transfer described in Exhibit D of the FSA.
11/07/2018; updated 9/10/2021	**Q5.** **The pre-bid security requirement appears to be $600,000 per block, regardless of the size of block. Is it true that the pre-bid collateral is the same for the 3-month Type II as well as the 12- and 24-month Residential product?** **On a related note, it appears that the rounding amount is $250,000 when determining the Performance Assurance amount, meaning that if the MTM exposure were $10,000, a supplier would need to provide $250,000 in collateral. Is this correct?**	A5. Yes, per section 3.9 of the Request-For-Proposals (RFP)…*For rated bidders the amount of the bid assurance collateral is $300,000 per bid block unless a rated bidder is granted an Unsecured Credit Cap of $0.00 and has credit ratings (i) below BB- for S&P, (ii) below Ba3 for Moody's or (iii) below BB- for Fitch, which would increase the amount of bid assurance collateral required to $600,000 per bid block. For unrated bidders who do not have a rated Guarantor, or whose Guarantor is not capable of executing a Guaranty on behalf of the bidder, the amount of the bid assurance collateral is $600,000 per bid block.* The amount of collateral required is per bid block regardless of size of block and product type. Yes, per section 14.1 of the Full Requirements Service Agreement…*With respect to Aggregate Transactions,*

		if at any time and from time to time during the term of this Agreement, Aggregate Buyer's Exposure exceeds the Unsecured Credit on any Business Day, then Buyer shall request that Seller post Performance Assurance in an amount equal to the amount by which Aggregate Buyer's Exposure exceeds the Unsecured Credit (rounding upwards to the nearest $250,000), less any Performance Assurance already posted with Buyer. Subsequent and incremental requests for Performance Assurance shall be in $250,000 increments. Buyer's request for Performance Assurance shall not be disputed by Seller.
1/16/2019	**Q6.** **After reading the FSA, RFP FAQs, Public Utilities Article 7-306.2, the Community Solar Pilot Program of the Maryland PSC website and utilities tariffs, it is still not clear to us as to the exact impact a community solar project will have on the Full Requirements Service obligation of a winning supplier ("Seller") under the 2019 Full Requirements Service Agreement. As a result, we would like to submit the following questions:** **Under Public Utilities Article 7-306.2 (d) (7) it states that any unsubscribed energy generated by a community solar project shall be purchased by the respective utility at the amount it would have cost the utility to procure the energy, and in Article 7-306.2 (d) (8) it states that the energy generated from a community solar project will be used to offset purchases from wholesale electricity suppliers for standard offer service. Is the amount that is used to offset purchases from a wholesale electricity supplier for**	A6. *The entirety of the output from the Community Solar project(s) will offset EDC Zonal SOS Load. Since EDC Zonal SOS load is offset by Community Solar generation; it could potentially reduce Seller's Energy, Capacity, Ancillary Services and Renewable Energy obligations associated with the SOS Load. SumOfkWh_Premise_With_UFE will be offset by Community Solar generation which, in turn, could potentially reduce SOS payments to supplier.*

	standard offer service (i) the entirety of the output from the community solar project, or (ii) the portion that is unsubscribed, or (iii) the portion that is subscribed by SOS customers, or (iv) some other combination that is less than the entirety of the project? **Under the 2019 Full Requirements Service Agreement, a Seller is paid the price listed in the Transaction Confirmation on the volumes associated with "SOS Load" (total sales at the retail meter plus UFE) multiplied by the Base Load Percentage associated with the award. In turn, the Seller's obligation is to meet the Energy, Capacity, Ancillary Services and Renewable Energy obligations associated with the SOS Load. Which of these items will a community solar project impact? Will it reduce the SOS Load on which the Seller is paid? Will it also reduce the corresponding Energy, Capacity, Ancillary Services and Renewable Energy obligations associated with the SOS Load, or will it only impact a subset of these items? If it is a subset, which ones will it impact?**	

04/11/2019; updated 5/19/21	**Q7.** **Did the Maryland General Assembly pass any bills during the 2021 session related to utility Standard Offer Service?**	A7. Yes. Senate Bill 65, an Act concerning Electricity – Renewable Energy Portfolio Standard – Tier 2 Renewable Sources, Qualifying Biomass, and Compliance Fees, was passed. Among other things, SB 65 makes certain changes to Maryland's Renewable Energy Portfolio Standard Program. The utilities don't know when, or if, the Governor will sign the bill. The bill is available for review at: Legislation - SB0065 (maryland.gov) The Maryland Electric Distribution Companies do not express any opinion as to what, if any, impact the bill will have on previously executed or prospectively executed SOS agreements. A supplier's renewable energy obligation is set-forth in Exhibit B of the FSA at time of the RFP issuance, for the supply period covered by the FSA and RFP. Any subsequent changes to the renewable energy law(s) during this time, will be incorporated into the FSA. 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. Exhibit B has been updated with the latest requirements as referenced in SB65 effective June 1, 2021.
4/13/2020; updated 6/4/2021; 8/17/2021	**Q8** **What will the responsibilities of winning suppliers be with respect to capacity service and charges for months during the term in which the BRA price is unknown?**	A8 As stated in the RFP document (Section 2.1) and FSA document (Article 7.1), for each month in the contract term that the Zonal Net Load Price for capacity resulting from the Base Residual Auction (BRA) is unknown at the time a Supplier provides their offers in a Standard Offer Service auction pursuant to the RFP, the Supplier shall incorporate a proxy Net Load Price for capacity into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial classes. Proxy prices for the 2022 RFP are as indicated below:

		Maryland Proxy Capacity Price **Zone** / **Proxy Price for 2022 RFP ($/MW-day)** BGE — $121.29 DPL — $117.37 Pepco — $106.43 Potomac Edison — $85.78
4/14/2020	**Q9** **1) How will the proxy pricing mechanism for pricing capacity be incorporated into the Full Requirements Service Agreement?** **2) Can you provide the document which will need to be executed for this?** **3) Will all winning suppliers be required to execute this document and incorporate the proxy capacity price mechanism into the FSA?**	A9 1) Each EDC will incorporate the proxy pricing information into Article 7 (Billing and Settlement) of the FSA. 2) Yes, all winning suppliers will be required to execute the FSA document that includes the proxy price information.
4/21/2020	**Q10** **In light of the recent FERC Minimum Offer Price Rule ruling, it is possible that Maryland could pursue the Fixed Resource Requirement ("FRR") alternative as a replacement to the PJM RPM capacity market for the 2022/2023 delivery year. If an FRR procurement took the place of PJM's RPM auction to set the price of capacity, would efforts be made to leverage the same proxy true-up mechanism as is defined in the Service Agreement? Put another way, is it fair to assume that suppliers would maintain a similar obligation to meet any such FRR capacity obligations for the load with the same**	A10 The MD Utilities will follow PSC regulations and/or state legislation if a MD Utility were required to pursue the PJM Fixed Resource Requirement (FRR) option. Given the existence of the proxy price and method for collecting/charging to the total cost of capacity once known, that same concept could apply if by legislation/regulation Maryland opted to satisfy the unforced capacity obligation of the load in the EDC service areas through the FRR option. The FRR method for procuring capacity (if chosen by the Maryland General Assembly by statute or by the Maryland PSC by regulation or order) would result in a cost for capacity that would be used to collect/charge against the proxy price.

	ability/obligation to true-up the equivalent FRR capacity price against the proxy Net Load Price?	
09/17/2020	**Q11** **Will the four utilities accept DocuSign as an acceptable form of electronic signature? If it is an acceptable form, would the utilities require separate DocuSign certificates, or will a single certificate suffice?**	A11 As per RFP (section 9.2), electronic signatures are permissible, and suppliers can choose any tool or application (DocuSign or otherwise) to fulfill the requirement. Since each MD Utility uses its own version of the FSA and TC, it would be advisable that each Utility's documents be signed individually for submission to PSC.
10/14/2020	**Q12** **Based on PJM's five peak hours from the summer of 2020, we noticed a sharp increase (~10%) in the residential share of load for each of the Maryland utilities. This was likely driven by the warmer than average summer, in conjunction with increased residential demand, and corresponding the decrease in C&I load, due to COVID-19. Given the magnitude of the increase in the Residential share during these hours, and the extraordinary circumstances under which this occurred, will the Maryland utilities make any adjustments to their calculation of PLCs for PY 21/22, or will they allow this increase of ~10% to PLCs flow through to residential load?**	A12 Maryland EDC's do not plan to update or modify the PLC calculation methodology for PY 21/22.
10/15/2020	**Q13**	A13

	If MD SOS Suppliers are liable for OREC obligations in the load being put up for bid but we are not able to secure enough ORECs in the market when the time comes, would we be obligated to pay an ACP rate, and is there one that's been set in preparation for these deals?	Please see the Annotated Code of Maryland, Public Utilities, subtitle 7-704.2 which discusses the Public Utility Service Commission's ("PSC") obligation to develop the regulations associated with the OREC program. The MD EDCs are unaware of any actions to date by the PSC to address the regulations including shortfalls as discussed in subtitle 7-04.2(4)(ii). Current information on the offshore wind program can be found on the PSC website under Case 9431 and the subsequent cases 9628 and 9629 on the Maryland Public Service Commission website https://www.psc.state.md.us/.

SEPTEMBER 21, 2021 PRE-BID WEBINAR

QUESTIONS AND ANSWERS

DATE POSTED	QUESTION	ANSWER
09/10/2021	**Pre-Bid Q1.** **How can I get a copy of the webinar presentation?**	Pre-Bid A1. The pre-bid webinar presentation will be posted on each of the MD Utilities RFP websites closer to the webinar event.

POTOMAC EDISON-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER
10/16/2019	**PE Q1.** **Please explain/correct an abnormality in the APS Type I posted in the last update. File "Historical PLC by Type.xlsx" shows the Type 1 shopping capacity PLC tag increased by 25.5 MW (97% over previous day's value) on July 23, 2019. For the current average size of a type 1 customer, this would be an increase of approximately 15,000 customers, whereas file "TypeI_Customer_Count_All_Eligible.xls" only shows an increase of 29 customers from July to August. In addition, file "TypeI_Hourly_Load_Profiles_All_Eligible.xls" shows no significant load change on that date. On August 9, 2019, file "Historical PLC by Type.xlsx" shows the 25.5 MWs of PLC tag migrate from shopping to non-shopping on August 9, 2019 (an increase of 53% over the previous day's Type 1 non-shopping PLC tag). Whereas file "1_TypeI_Customer_Count_SOS.xls" shows a slight decrease in non-shopping customer count (79 customers). Please clarify the current Type 1 non-shopping PLC tag.**	PE A1. A population of load will be reclassified in the near future which will result in 25.5MW PLC and 27.1MW of NSPL to move from Type I to Type II non-residential service. The historic data cannot be adjusted, however the Historical PLC by Type file located on the load data page has been updated to identify the Capacity PLS that is to be moved prospectively.
10/16/2019	**PE Q2.** **We noticed a sharp increase in the Potomac Edison Type 1 PLC values on July 23, 2019. Between July 22 and 23, the Shopped PLC increased from 26.2 MW to 51.7 MW. Then between August 8 and 9 the Shopped PLC drops back to 26.2 MW and the Non-Shopped PLC increases from 47.8 MW to 73.3 MW which implies that 25.5 MW returned to SOS supply from a retail supplier. Even though this is a sizeable change in the Type 1 load, we did not see a commensurate change in hourly load levels or counts. Between June and August 2019, the change in Type 1 counts was an increase of 73 (September implies a decrease of 6 customers so I excluded this), and with a maximum peak of 25kW for Type 1 customers,**	PE A2. A population of load will be reclassified in the near future which will result in 25.5MW PLC and 27.1MW of NSPL to move from Type I to Type II non-residential service. The historic data cannot be adjusted, however the Historical PLC by Type file located on the load data page has been updated to identify the Capacity PLS that is to be moved prospectively.

	the customer count change could only account for a maximum of 1.8 MW of the 25.5 MW increase. **Could you please explain this change in PLC values?**	
10/17/2019	**PE Q3.** **Potomac Edison has received some follow up questions to the notice sent on October 16, 2019. The following provides some additional information for your review associated with the population of load to be reclassified.** **1. When is the reclassification going to happen? Has the date been set? Is it possible that this date could change?** **2. Do you have the Type I load & PLCs (both eligible and remaining) that are to be reclassified broken out for evaluation?** **3. Have the Type I customers that are due to be reclassified been notified of this change?** **4. Will the load reclassifications referenced in the Potomac Edison bid plan also occur in any of the other three Maryland EDCs?** **5. What type of customer types are represented in the population – i.e. small commercial, industrial, a municipality or aggregation?**	PE A3. 1. The load population in question was Type III large industrial load. The reclassification process from Type III began on July 4, 2019. It has since been determined that the load should have been reclassified as Type II eligible load. Potomac Edison's Customer Support, Settlements and Rates groups are currently working together to reclassify the load from Type I to Type II which is already in process and should be completed within the next few business days. 2. The file "Historical PLC by Type" located on the Potomac Edison Load Data page has been updated to show the date the PLC became Type I eligible, when it became non-shopping SOS load and the PLC amount associated with the load population that will be reclassified. Additionally, the file "Type I Hourly Load Profiles All Eligible" also located on the Potomac Edison Load Data has a tab titled "TypeITran". This tab provides the hourly load

		for this load population from July 4, 2019 through July 31, 2019. 3. Potomac Edison has been working with the impacted load population in the move from Type III service and is aware their classification is Type II. 4. This current load reclassification issue only impacts Potomac Edison. 5. The load population in question is preexisting industrial load that was previously classified as Type III.
10/18/2019	**PE Q4.** **In the hourly data you posted for the formerly Type 3 load that will be reclassified to Type 2 load, the average usage of the load is 4MW, whereas the PLC associated with this load is 25.5 MW. The average to peak ratio (load factor) is considerably lower than the load factor for ELIG Type 2 customers, which had an average usage of 212 MW and a PLC of 355 MW, for the same period. In order for us to better understand the cost impact of this reclassification, could you please address the following questions:** **1. Can you confirm that hourly usage is not understated or that the peaks (PLC and NSPL) are not overstated for this load** **2. Can you confirm that this load will be reclassified to Type 2 Non-Shopping load as opposed to Type 2 Shopping load?** **3. Could you also explain how this load population is classified as Type 2 when the Type 2 size is <600kW peak?**	PE A4. 1. Confirmed. The PLC and NSPL are not overstated nor is the load data posted understated. The PLC value (effective June 2019) and the NSPL value (effective January 2019) was measured and calculated based upon the load's actual operating condition during 2018, which was approximately 25+ MW. Beginning in the summer of 2019, the load's operating condition decreased to approximately 4 MW. However, the establishment of the June 2019 PLC and January 2019 NSPL values are correct based upon the measurements and calculations that occurred for the load's 2018 operating condition. The hourly load data posted is

		based on their recent operating condition. 2. Confirmed as of current facts. Unless we are notified in the future of a change in the future to shopping status for some or all of this load, it will be Type 2 Non-Shopping load. 3. The Type 2 size limitation of less than 600 kW PLC is limited solely to customers receiving service from Potomac Edison under retail tariff Rate Schedule PH. There is no PLC size limitation or criteria for customers receiving service from Potomac Edison under retail tariff Rate Schedule G. The controlling tariff language is the Definition stated on page 4-3 of Potomac Edison's retail tariff Electric P.S.C. Md. No. 54, which states: "Type II Standard Offer Service (SOS)": Type II SOS is available for non-residential Customers taking Service under Rate Schedules C, G, C-A, and CSH that are not eligible for Type I SOS, and for non-residential Customers taking Service under Rate Schedule PH with a PJM capacity peak load contribution less than 600 kilowatts as of June 1st of each year."
10/21/2019	**PE Q5.**	PE A5.

	We noticed a sharp decrease in level of DS load to Eligible load in the Residential Load data – Class AE and WWH for the September 2018. The load data level change cannot be explained with the change in customers counts. The Eligible and DS customer counts have been steady in August 2018 to October 2018. We also noticed zero values of load in the Eligible load data for several hours in month of September 2018. **Can you please explain the zero values for Eligible load for the class AE and WWH as well as the decrease in DS load levels in this month?**	During our review it was identified that higher than normal weather during the beginning of September applied to our residential profile shapes which led to the zero values in September. With regards to the large drop in DS load levels for September 2018, the data for WOWH was incorrectly included in the file rather than the AE and WWH data. The file has been updated and reposted.
9/10/2021	**PE Q6** **Can Potomac Edison include an as of date on the load settlement data?**	PE A6 All hourly and daily settlement data documents will now include a latest revision date at the top of the worksheet.

DELMARVA POWER AND PEPCO-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER
10/18/2018	**PHI Q1.** **We noticed that the historical load data for "DPL MD ELIG - TYPE I - OL & ORL" has a weird hourly shape after Jan2018.** **After Jan2018, there is a usage spike during HE21. It does not align with data from previous years, which had a smooth high usage during night time, and nearly zero usage during day time.** **Can you explain why the load shape of "DPL MD ELIG - TYPE I - OL & ORL" changed drastically after Jan2018?**	PHI A1. The profiling method used for DPL MD OL & ORL class was changed starting with the 1/1/18 settlement B data. Upon further investigation, the new profiling method for this class is incorrect. Starting with the August 2018 settlement B data, the old profile method will be used for this class. The data from 2017 is representative of what the OL & ORL hourly loads should look like.
4/9/2019	**PHI Q2.** **One follow up question I have is whether the DPL and PEPCO values have already been scaled to match the Summer 2018 Weather Normalized Coincident Peaks. If not, could you please provide the corresponding daily zonal scaling factors?**	PHI A2. Yes. The values have been scaled.
04/10/2019	**PHI Q3.** **Will you post CPLC, NSPLC and Customer Counts files for DPLMD and PEPMD as of April before the bid date?** **Also, is there an "as-of-date" for the 19/20 data in DPL Capacity Report 2019-06-01.xlsx and Preliminary Pepco CPLC, NSPLC**	PHI A3. The data has been posted. The 6/1/2019 PLC data file was run as of 1/4/2019.

	and customer counts 2019-06-01.xlsx?	
6/7/2019	**PHI Q4.** **For GS-P Eligible load, we've noticed a meaningful increase in load levels starting in the 2nd half of 2018. There is almost a 20% increase over the same period (July – December) in 2017. The difference, as compared to the prior year, increases in January 2019, which is 40% greater than January 2018. The magnitude of the load increase in not explained by weather, and cannot be seen in the customer counts. We noted that the Eligible GS-P customer count as of June 1, 2017 was 141 and as of January 31, 2019 it had increased to 146, a mere 3.5% increase. Could you provide an explanation as to the reason for this increase in load levels within this class?**	PHI A4. From our investigation the increase is due to the 6 accounts that were added to GS-P and a gradual increase in loads for GS-P as a whole. The behavior of this rate class shows monthly fluctuations.
3/31/2021	**PHI Q5.** **We noticed negative values in the DPL MD Type 1 SGS data in the months of April and May 2020. This seems to be limited to the shopping customers. We also noticed it in 2018 and 2019. What is the cause of these negative values?**	PHI A5. The negative values are a result of NEM. DPL MD tends to have very significant anniversary reconciliation KWHs in April and May each year.

BALTIMORE GAS & ELECTRIC-SPECIFIC QUESTIONS

DATE POSTED	QUESTION	ANSWER