

Model RFP 2019 08092018

[UTILITY NAME]

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**REQUEST FOR PROPOSALS**  
**FOR**  
**FULL REQUIREMENTS WHOLESALE ELECTRIC**  
**POWER SUPPLY**

**DATED**  
**TBD**

[Utility Name]  
~~2018-2019~~ Request for Proposals

**Request for Proposals  
For  
Full Requirements Wholesale Electric Power Supply**

**Table of Contents**

1. Introduction .....	4
2. Services Requested.....	5
2.1. Supply Requirement Overview .....	5
2.2. Product Definition .....	7
2.3. Multi-Procurement Process .....	7
2.4. Supplier Step-Up Provision .....	8
2.5. Customer Restrictions.....	9
3. Eligibility of Applicants .....	9
3.1. Overview of Eligibility .....	9
3.2. Form of Document Submission .....	10
3.3. Submittal of Expression of Interest .....	10
3.4. Confidentiality Agreement .....	10
3.5. Submittal of Applicant's PJM and FERC Qualifications .....	11
3.6. Submittal of Credit Application and Financial Information .....	11
3.7. Submittal of Binding Bid Agreement .....	12
3.8. Cure Time for Deficiencies in Qualification Requirements .....	13
3.9. Bid Assurance Collateral and Alternative Letter of Credit Form.....	13
3.10. Alternative Forms of Performance Assurance .....	14
4. Proposals .....	14
4.1. Bid Format.....	14
4.2. Submittal of Proposals.....	17
4.3. Confirmation and Proposal Tagging Process .....	18
4.4. Conforming Proposals .....	18
4.5. Expiration of Proposals .....	18
4.6. Evaluation of Proposals .....	18
4.7. Bid Contingency .....	19
5. Full Requirements Service Agreement .....	19
6. Schedule for 2017 RFP Process .....	20
7. RFP Website.....	23
8. Reserved Rights.....	<del>24</del> <del>25</del>
8.1. Bidder Elimination Right.....	<del>24</del> <del>25</del>
8.2. FSA Termination Right .....	25
9. Miscellaneous.....	25
9.1. Warranty on Information .....	25
9.2. Electronic Signatures .....	25
9.3. Hold Harmless .....	26
9.4. Proposals Become Utility Property .....	26
9.5. Bidder's Acceptance.....	26
9.6. Permits, Licenses and Compliance with the Law.....	26
9.7. Proprietary Information .....	<del>26</del> <del>27</del>

~~Model RFP 2019 08092018~~~~Model RFP 2018 06282017~~

9.8. Disclosure of Awarded Bid Information ..... 26-27  
9.9. Regulatory Approvals..... 27

**Appendices**

1. Expression of Interest Form
2. Confidentiality Agreement
3. PJM Qualification Certification Form
4. FERC Authorization Certification Form
5. Credit Application
6. Bid Assurance Letter of Credit
7. Bid Form Spreadsheets
8. Binding Bid Agreement
9. Binding Bid Withdrawal Agreement
10. Price Anomaly Threshold Procedure
11. Full Requirements Service Agreement
12. Contingency Bid Matrix

**Request for Proposals  
For  
Full Requirements Wholesale Electric Power Supply**

**1. Introduction**

The four Maryland investor-owned electric companies (“Maryland Utilities”) are The Potomac Edison Company (“Potomac Edison”), Baltimore Gas and Electric Company (“BGE”), Delmarva Power & Light Company (“Delmarva”), and Potomac Electric Power Company (“Pepco”). Electric supply service is currently available to the vast majority of Maryland customers through fixed price power supply tariffs offered by Maryland’s electric utilities. In December 2001, the Maryland Public Service Commission (“Commission” or “PSC”) established Case No. 8908 to investigate options for the competitive provision of Standard Offer Service (SOS) to electric customers. On November 15, 2002, a settlement was presented to the Commission proposing the terms and conditions for provision of electric service (Phase I settlement). On April 29, 2003, in Order No. 78400, the Commission approved the Phase I settlement agreement among the “Settling Parties” by which the utilities will procure standard offer service to customers through the competitive selection of wholesale supply. A Phase II settlement agreement, addressing the details for implementing the Phase I settlement, including the mechanics of the Request for Proposal (RFP) process, was filed on July 2, 2003 and approved by the Commission on September 30, 2003, in Order No. 78710. In May 2005, the Commission established Case No. 9037 regarding the continued provision of Type II Non-Residential SOS once the Phase I and Phase II settlement provisions for Type II Non-Residential SOS expire. On September 20, 2005, and October 12, 2005, the Commission issued Orders No. 80272 and No. 80342 regarding the provisions under which Type II Non-Residential SOS will continue in Maryland through May 31, 2007. As set forth in the Orders, the former Type II was replaced by Type II-A, and, for BGE and Pepco, Type II-B. Type II-A contains certain provisions that are significantly different than the former Type II, while the Type II-B provisions are the same as the former Type II. In February 2006, the Commission established Case No. 9056 regarding the continued provision of Type II Non-Residential SOS once the provisions in Orders No. 80272 and No. 80342 in Case No. 9037 expire on May 31, 2007. On August 28, 2006, the Commission issued Order No. 81019 regarding the provisions under which Type II Non-Residential SOS will continue in Maryland beyond May 31, 2007. As set forth in Order 81019, effective, June 1, 2007, the Type II-A and Type II-B services have been reunited into a single Type II SOS which will be procured using three-month contracts, and will continue until changed by the Commission. In May 2006, the Commission established Case No. 9064 regarding the provisions under which Residential and Type I Non-Residential SOS will continue in Maryland. On November 8, 2006, the Commission issued Order No. 81102 in Case No. 9064, and on December 6, 2006, the Commission approved the utilities’ Compliance Plans to implement Order 81102 in Case No. 9064. Among several other important changes, Order 81102 and the accompanying Compliance Plans provide that Residential SOS will be procured twice a year using two-year contracts effective June 1, 2007, and subject to a contract term transition period; and that Type I Non-Residential SOS will be procured twice a year using two-year contracts effective June 1, 2008, and subject to a contract term transition period; and that Type I and Type II Non-residential SOS will be re-defined effective June 1, 2008. All approved settlement agreements, Procurement Improvement Reports, and related Commission Orders in

[Utility Name]4  
~~2018-2019~~ Request for Proposals

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~~Model RFP 2019 08092018~~~~Model RFP 2018 06282017~~

Case Nos. 8908, 9037, 9056, and 9064 dockets (“Maryland PSC Orders and Settlements”) have been posted on [utility name] (“Utility”) RFP website.

This RFP reflects the wholesale bidding process set forth in Maryland PSC Orders and Settlements to solicit proposals from suppliers interested in providing SOS to Utility for the customer classes and terms indicated in Section 2.2 (Product Definition). The RFP is for full requirements wholesale supply service to meet the needs of Utility’s SOS retail load obligation as described in the Settlements and Orders and further discussed in this document.

## 2. Services Requested

### 2.1. Supply Requirement Overview

Utility is requesting full requirements wholesale supply service generally including energy, capacity, ancillary services, renewable energy obligations and losses, but excluding network integration transmission service. A supplier of full requirements service will have an obligation stated as a specific percentage of Utility’s retail load for specific service types or customer classes, and as such, full requirements service encompasses any changes in customers' demand for any reason.

In order to mitigate wholesale suppliers' exposure to the volumetric risk associated with Residential and non-residential customer migration, an increment and decrement load pricing mechanism, as described in the Full Requirements Service Agreement (FSA), has been included in this RFP for Residential SOS and Type I Non-Residential SOS. The Type II Non-residential SOS does not have a volume risk mitigation (VRM) mechanism associated with it.

Generally, upon a date certain associated with each awarded bid block, Utility will determine the specific amount of capacity peak load contribution (PLC) in megawatts (MW) represented by each awarded bid block (base load). As set forth in Section 2.3 (Multi-Procurement Process), each bid block equates to a specific and fixed percentage of the load, or specific and fixed percentages of load for multiple customer classes represented within a single bid block, and at the time of this RFP, such percentage(s) were designed to be as close as practicable to 50 MW. However, over time as Utility’s load changes, the MW equivalency of such fixed percentage(s) shall change accordingly.

Under the VRM mechanism for Residential and Type I SOS, Utility is the supplier of the incremental load. The incremental load is defined as the load exceeding a 5 MW per bid block threshold, and does not include the load up to that threshold. Utility will purchase the incremental load from the PJM spot market, including energy, capacity (or any successor price for capacity as may be employed in PJM), ancillary services, renewable energy certificates, and any other PJM-administered costs related to the incremental load. Utility will include in the Residential and Type I retail rates the costs it incurs to purchase the incremental load, plus the administrative charges, including return, as set forth in the Case No. 8908 settlements for the Residential and Type I SOS.

[Utility Name]5

~~2018-2019~~ Request for Proposals

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The specific definition of full requirements service and associated responsibilities are stated in the FSA, which is included as part of this RFP document as Appendix 11. The current PLC associated with the customer classes for which Utility is soliciting wholesale supply in this RFP is stated in the following table. Two representations of PLC are provided. The first represents the PLC associated with customers currently receiving SOS from Utility. The second represents the PLC associated with all customers currently eligible for a specific service type within Utility’s service territory. Where applicable, the customer classes that comprise a service type are listed.

Service Type	Capacity PLC Megawatts as of [date of RFP]	
	<u>SOS</u>	<u>Eligible</u>
Residential SOS		
Customer Class xxx		
Customer Class xxx		
Type I Non-Residential SOS		
Customer Class xxx		
Customer Class xxx		
Type II Non-Residential SOS		
Customer Class xxx		
Customer Class xxx		
Total		

Pursuant to Maryland PSC Orders and Settlements, the composition of Utility’s entire portfolio of contracts will target the following load percentages for each contract term for the various service types. The specific contracts for which Utility is soliciting in this RFP are indicated in Section 2.2 (Product Definition).

Service Type	Contract Term <sup>1</sup>	
	<u>3-Month</u>	<u>24-Month</u>
Residential SOS		100%
Type I Non-Residential SOS		100%
Type II Non-Residential SOS	100%	

<sup>1</sup> The Potomac Edison Company’s supply requirement for Residential load includes a combination of 12 month and 24 month contracts per the Potomac Edison Bid Plan. This differentiation will be illustrated in the Potomac Edison specific RFP in sections 2.1, 2.2, 2.3 and 6.

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## 2.2. Product Definition

In this RFP, Utility is soliciting full requirements wholesale service for the terms indicated below by an "X" next to the term description. As shown in Section 6 (Schedule for RFP Process), the contracts noted below will be procured in multiple procurements over the next twelve months.

### Term Description

- \_\_\_ Residential SOS: 24-Month Term, June 1, ~~2018-2019~~ - May 31, ~~2020~~2021
- \_\_\_ Residential SOS: 24-Month Term, October 1, ~~2018-2019~~ - September 30, ~~2020~~2021
- \_\_\_ Type I Non-Residential SOS: 24-Month Term, June 1, ~~2018-2019~~ - May 31, ~~2020~~2021
- \_\_\_ Type I Non-Residential SOS: 24-Month Term, October 1, ~~2018-2019~~ - September 30, ~~2020~~2021
- \_\_\_ Type II Non-Residential SOS: 3-Month Term, December 1, ~~2017-2018~~ - February 28, ~~2018~~2019
- \_\_\_ Type II Non-Residential SOS: 3-Month Term, March 1, ~~2018-2019~~ - May 31, ~~2018~~2019
- \_\_\_ Type II Non-Residential SOS: 3-Month Term, June 1, ~~2018-2019~~ - August 31, ~~2019~~2018
- \_\_\_ Type II Non-Residential SOS: 3-Month Term, September 1, ~~2018-2019~~ - November 30, ~~2018~~2019

## 2.3. Multi-Procurement Process

The selection of proposals by Utility will be conducted through a multi-procurement process following the contract term portfolio criteria stated in Section 2.1 (Supply Requirement Overview). As specified in Section 6 (Schedule for RFP Process), this process will have four procurements per delivery year (plus reserve procurements, if necessary) to fulfill Utility's requests for its various customer service types. The load within each procurement is divided into bid blocks. Each bid block represents a certain and specific percentage(s) of the associated load and, as of the date indicated in the header of the capacity PLC table in Section 2.1 (Supply Requirement Overview), such specific percentage(s) are designed to be as close as practicable to 50 MW. The bid block design for this RFP is as follows.

	<u>Contract Term</u>
<b>Residential SOS</b>	<u>24-Month</u>
[Utility Name]7	
<del>2018-2019</del> Request for Proposals	

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~~Model RFP 2019 08092018~~~~Model RFP 2018 06282017~~

Approximate Total PLC, MW

Block Size, %

Approximate Block Size, MW

Total # of Blocks

Oct ~~171522, 2016-2018~~ Procurement

Apr ~~2415, 2017-2019~~ Procurement

**Type I Non-Residential SOS** 24-Month

Approximate Total PLC, MW

Block Size, %

Approximate Block Size, MW

Total # of Blocks

Oct ~~171522, 2016-2018~~ Procurement

Apr ~~2415, 2017-2019~~ Procurement

**Type II Non-Residential SOS** 3-Month

Approximate Total PLC, MW

Block Size, %

Approximate Block Size, MW

Total # of Blocks

Oct ~~171522, 2016-2018~~ Procurement

Jan ~~1430, 2017-2019~~ Procurement

Apr ~~2415, 2017-2019~~ Procurement

Jun ~~1210, 2017-2019~~ Procurement

*Unfilled Procurement Targets:*

The number of blocks in each procurement for each contract term is Utility's targets. If the amount of conforming bids is unable to meet Utility's targets, then a reserve procurement will be conducted to solicit for any deficiencies.

**2.4. Supplier Step-Up Provision**

As set forth in the FSA, in the event of an early termination of a FSA, all other wholesaler suppliers serving Utility's SOS load, pursuant to the Maryland PSC Orders and Settlements, will have the option to take a full or partial pro-rata share of the load for the balance of the terminated FSA term, under the same pricing, terms and conditions of the terminated FSA. Such option to take a pro-rata share of the load will include a transfer to the step-up supplier of any rights associated with congestion management. The supplier to which the option is offered shall meet any additional collateral requirements related to the step-up of its obligation. If any supplier does not exercise its option to increase its obligation, the other suppliers will have the option to take a

[Utility Name]8

~~2018-2019~~ Request for Proposals

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pro-rata share of the amount of the increased obligation that such supplier declined to take. A supplier's pro-rata share will be the ratio of the supplier's load obligation, stated on a capacity PLC basis, to the total load being served under FSAs pursuant to the Maryland PSC Orders and Settlements, excluding the terminated FSA and, if applicable, FSAs under which suppliers decline to exercise their step-up option in part or full.

## 2.5. Customer Restrictions

### *Residential SOS:*

Pursuant to Maryland PSC Orders and Settlements, subject to Utility's customer enrollment rules and tariffs, customers may leave and return to Residential SOS at any time without switching restrictions.

### *Type I and Type II Non-Residential SOS:*

Pursuant to Maryland PSC Orders and Settlements, subject to Utility's customer enrollment rules and tariffs, customers may leave and return to Type I and Type II Non-Residential SOS at any time without switching restrictions.

## 3. Eligibility of Applicants

### 3.1. Overview of Eligibility

The purpose of the eligibility process is to provide information to the applicants regarding their eligibility to bid. An applicant is eligible to bid if, in a timely and complete fashion, it: (a) submits an Expression of Interest Form; (b) executes the Confidentiality Agreement; (c) certifies that it meets the PJM membership and FERC authorization requirements stated in Section 3.5 (Submittal of Applicant's PJM and FERC Qualifications); (d) 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; (e) submits the Credit Application and associated financial information requested in Section 3.6 (Submittal of Credit Application and Financial Information); and (f) submits an executed copy of the Binding Bid Agreement provided as Appendix 8. If an applicant is not rated and has a rated Guarantor, the applicant must provide a Guaranty from Guarantor. If an applicant does not have a rated Guarantor, or their Guarantor is unable to issue a Guaranty, the applicant will be subject to the increased bid assurance requirements in Section 3.9.

—Rated applicants must submit all available credit ratings from the aforementioned rating agencies. Credit ratings are required to establish the prebid creditworthiness of the rated applicant or its Guarantor, and to determine the maximum amount of unsecured credit to be extended in accordance with Article 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

[Utility Name]9

~~2018-2019~~ Request for Proposals

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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.

Upon submission of bids, eligible bidders will be required to post bid assurance collateral in an amount directly proportional to the amount of load blocks bid upon or if a bid contingency is applicable, the bid assurance collateral shall be in accordance with Section 4.7 (Bid Contingency). The bid assurance collateral will be returned to the bidder subsequent to contract execution or the rejection of its bid(s), as described in Section 3.9 (Bid Assurance Collateral and Alternative Letter of Credit Form).

Once an applicant is deemed eligible, such applicant is eligible for all procurements being conducted through this RFP, as long as the applicant's credit rating is not downgraded or its good-standing membership with PJM or its FERC authorization to make sales of energy, capacity and ancillary services at market based rates are not adversely affected. If any of these adverse effects occur, it is the responsibility of the applicant to immediately notify Utility of such events. Once notified, Utility will make any appropriate adjustments to the applicant's eligibility status.

### 3.2. Form of Document Submission

All executed eligibility documents may be submitted by mail, courier service, fax, or scanned image file via e-mail. Contact information for document submission is:

[name]

[address]

[fax number]

[e-mail address for scanned documents]

### 3.3. Submittal of Expression of Interest

Applicants interested in participating in this RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix 1). An electronic copy of the Expression of Interest Form can be found on Utility's RFP website. The applicant will not be eligible to submit proposals until such submission has been provided to Utility. Upon submission of the Expression of Interest Form an applicant will be issued a password to access a website containing additional information related to this RFP.

### 3.4. Confidentiality Agreement

An applicant and Utility will be required to execute the Confidentiality Agreement (Appendix 2). An electronic copy of the Confidentiality Agreement can be found on Utility's RFP website. The applicant will not be eligible to submit proposals until such agreement has been executed. Once the agreement is received from the applicant, Utility will complete the execution of the agreement and send a copy of the fully executed agreement to the applicant by mail, courier service or appropriate electronic means.

### 3.5. Submittal of Applicant's PJM and FERC Qualifications

An applicant must certify that it is a member of the Pennsylvania-New Jersey-Maryland Interconnection, LLC (PJM) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full requirements obligation. In addition, an applicant must certify that it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of energy, capacity and ancillary services at market based rates. The PJM Qualification Certification Form (Appendix 3) and the FERC Authorization Certification Form (Appendix 4) can be found on Utility's RFP website. Such certifications must be signed by a signatory with the authority to act on behalf of the applicant. Applicants are required to submit such certifications no later than the due date noted in Section 6 (Schedule for RFP Process). The applicant will not be eligible to submit bids until such certifications have been provided to Utility.

### 3.6. Submittal of Credit Application and Financial Information

Applicants are required to submit the Credit Application (Appendix 5) and associated financial information to Utility no later than the Application and Financial Information due date noted in Section 6 (Schedule for RFP Process). An electronic copy of the Credit Application can be found on Utility's RFP website. *Applicants may provide the required financial statements and other credit information required under this Section electronically, provided however, that electronic submissions are specifically linked to the required information.*

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the applicant's financial information is consolidated with other entities, then it is the applicant's responsibility to extract and submit as separate documents all data and information related solely to the applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).

[Utility Name]11

~~2018-2019~~ Request for Proposals

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- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information if rated (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the -foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise -formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

Applicants are urged to provide the materials necessary to establish eligibility as soon as practicable. If during the pre-bid eligibility process, applicant or its guarantor notifies Utility that information in the prescribed acceptable format is not available, the Utility may at its sole discretion, specify other format, or types of financial data that will be acceptable. Utility will endeavor, on a best efforts basis, to notify applicants of any deficiencies in their submittals by the earlier of two weeks from the time the applicant submits its material to Utility or the date by which Utility must issue applicant's eligibility status as indicated in Section 6 (Schedule for RFP Process). However, Utility does not bear any responsibility for failure to notify applicants of deficiencies prior to the date indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to the deadline. Utility will notify applicants as soon as Utility has determined that they have met the eligibility requirements. In the event the applicant's information is not submitted by the due date or submitted in an incomplete fashion, the applicant will be eliminated from further consideration in the first procurement of this RFP. Therefore, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing some time to cure incomplete information before the due date.

### **3.7. Submittal of Binding Bid Agreement**

An applicant must certify that as a bidder it agrees to be bound by the price and volume quotes entered on any Bid Form Spreadsheet(s) submitted by the bidder, and if applicable, are consistent with bidder's bid contingency as described in Section 4.7 (Bid Contingency) and as detailed in Appendix 12 (Contingency Bid Matrix), which shall constitute a firm offer to supply service in accordance with the FSA. The signatory to the Binding Bid Agreement must certify that he/she has the authority to act on behalf of, and to bind, the bidder to perform the terms and

[Utility Name]12

~~2018-2019~~ Request for Proposals

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conditions of the FSA at the prices and for the load amounts specified in its proposal(s). Applicants are required to submit such certification no later than the due date noted in Section 6 (Schedule for RFP Process).

### **3.8. Cure Time for Deficiencies in Qualification Requirements**

In the event that an applicant has not met all of the qualification requirements under Section 3 (Eligibility of Applicants) so as to not be eligible to submit proposals in the first procurement, such applicant will be allowed to cure any such deficiency and participate in subsequent procurements, if the deficiency is cured two-weeks prior to the due date of proposals for the next procurement. Eligibility notification from Utility will be issued to applicant as soon as practicable after the applicant's submission.

New applicants entering the procurement process after the initial eligibility deadline must submit eligibility documents two weeks prior to the due date of proposals for the procurement in which they intend to participate. Eligibility notification from Utility will be issued to applicant as soon as practicable after the applicant's submission.

### **3.9. Bid Assurance Collateral and Alternative Letter of Credit Form**

Accompanying each proposal in each procurement, each bidder must provide liquid bid assurance collateral. The purpose of this collateral is to assure commitment of the bidder to execute the FSA and/or transactions, and, if applicable, Form of Guarantee for the bid blocks awarded to the bidder in each procurement. The form of collateral must be either cash or an irrevocable letter of credit (LOC). An acceptable Bid Assurance LOC form is provided as Appendix 6. If an applicant prefers to use an alternative LOC form for the bid assurance collateral, the applicant must provide such form along with its Credit Application and financial information. The acceptability of such alternative LOC form will be at Utility's sole discretion, and such acceptability will be communicated to the applicant no later than the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. If additional changes are needed after an alternative LOC has been approved by the Utility, the proposed changes to the LOC must be submitted at least two weeks before the procurement. For rated bidders the amount of the bid assurance collateral is \$300,000 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. However, if a bidder submits bids pursuant to Section 4.7 (Bid Contingency), a rated bidder will be required to submit bid assurance collateral of \$300,000 per the maximum number of blocks that could be awarded. An unrated bidder submitting bids pursuant to Section 4.7 (Bid Contingency), will be required to submit bid assurance collateral of \$600,000 per the maximum number of blocks that could be awarded.

Utility will hold the bid assurance collateral until either the bidder's proposal is rejected in whole or the bidder executes all necessary documents, including the FSA and/or transactions, and, if applicable, Form of Guarantee. Upon either the bidder's proposal being rejected, or the bidder

[Utility Name]13

executing all of the necessary documents, the return of bid assurance collateral in the form of cash will be initiated within one business day, and the return of bid assurance collateral in the form of a LOC will be initiated within two business days. The bidder may request that the bid assurance collateral reside with Utility through the entire multi-procurement period. A bidder that is awarded bid block(s) and does not execute the FSA and/or transaction(s) associated with such bid block(s) shall forfeit its bid assurance collateral and be ineligible to participate in the remaining procurements of this RFP.

### 3.10. Alternative Forms of Performance Assurance

Subsequent to the return of a supplier's bid assurance collateral, another instrument of performance assurance to secure Utility's exposure during the term of the FSA may be required, as set forth in the FSA. Any performance assurance required of the supplier determined in accordance with the FSA may be in the form of cash, LOC, or other security acceptable to Utility. An acceptable Performance Assurance LOC form is provided as Exhibit C in the FSA. If an applicant prefers to use an alternative LOC form for the performance assurance, the applicant must provide such alternative form along with its Credit Application and financial information. If an applicant intends to use security other than cash or LOC, Utility requests that the applicant describe such other security at the time it submits its Credit Application and financial information. The acceptability of such alternative LOC form or such other form of security will be at Utility's sole discretion, and such acceptability will be communicated to the applicant no later than the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status.

## 4. Proposals

### 4.1. Bid Format

Bidders shall submit their proposals using the Bid Form Spreadsheets attached to this RFP as Appendix 7. There is a separate Bid Form Spreadsheet for each procurement, each service type and each contract term, as indicated in the title area of each Bid Form Spreadsheet. The Bid Form Spreadsheets contain sections of information labeled Bidder Information, Bid Block Information, Volume Bid, Price Periods Within Contract Term, Price Quote for Bid Blocks Offered, Volume Weighting Factors, Discount Factors, Load Weighted Prices, Discounted Price for Evaluation Purposes, Tag Number, Bid Assurance Collateral Amount and Complete/Incomplete Flag. The Bid Form Spreadsheets contain shaded cell areas in which bidders provide information and their offers. **In order to prevent any misunderstanding of a bidder's offer, all shaded cells within a Bid Form Spreadsheet must be completed by the bidder. A Bid Form Spreadsheet submitted by a bidder that contains blank shaded cells will be deemed a non-conforming bid, and will be eliminated from further consideration. Therefore, if it is the intent of a bidder to submit a zero price for any component of the pricing structure, the bidder must enter the numerical value of zero in that specific cell.** The non-shaded cells are read-only cells containing either fixed or computed amounts. All formulas in cells in which computations are performed can be viewed by simply placing the cursor on the cell.

[Utility Name]14

~~2018-2019~~ Request for Proposals

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There is no limitation on the number of proposals that a bidder may offer however, no proposal(s) can be conditioned in any manner except pursuant to Section 4.7 (Bid Contingency). Additionally, should a bidder submit more proposals than it has posted bid assurance collateral or sends an updated proposal without submitting a Binding Bid Withdrawal Agreement identifying which proposal it wants to eliminate from consideration, the Utility will evaluate all submitted proposal(s) by service type and contract term using the Discounted Average Term Price in order from lowest to highest submitted proposal price. Utility reserves the right to accept or reject any number of a bidder's proposals in accordance with the proposal evaluation criteria set forth in Section 4.6 (Evaluation of Proposals).

Bidder Information - These cells are **bidder input cells** and include Company Name, Contact Name, Phone Number and Fax Number and must be provided by the bidder. As set forth in Section 4.3 (Confirmation and Proposal Tagging Process), such information may be used to confirm receipt of bidder's offer(s).

Bid Block Information - The content of these cells are provided by Utility and include the Maximum Blocks To Be Awarded, Block Size (% of Load) and Approximate Block Size (MW-Generator). The Maximum Blocks To Be Awarded represents an initial target consistent with the multi-procurement structure described in Section 2.3 (Multi-Procurement Process). However, such targets are subject to change depending on the results of prior procurements, as described in "*Unfilled Procurement Targets*" within Section 2.3 (Multi-Procurement Process). In the event that the initial target for the Maximum Blocks To Be Awarded changes, Utility will revise such targets in the Bid Form Spreadsheets accordingly prior to the next procurement, as indicated in Section 6 (Schedule for RFP Process). The Block Size (% of Load) represents the portion of the service type load. Where there are multiple customer classes being bid in aggregate within a service type, the Block Size (% of Load) is applicable to each class, or a separate and distinct Block Size (% of Load) may be stated for each customer class within the service type. The Approximate Block Size (MW-Generator) is provided in terms of capacity PLC. The "Generator" qualifier within this term indicates that the stated Approximate Block Size represents load at the generator-level, rather than at the customer premise or retail meter level, meaning it includes energy losses, consistent with the reporting of PLC to PJM.

Volume Bid - This cell is a **bidder input cell** for the number of bid blocks it is willing to supply at the prices offered in the Price Quote for Bid Blocks Offered section. Utility reserves the right to accept any number of bid blocks up to the Number of Bid Blocks Offered by the bidder. In the case of multi-year contract term proposals, the Number of Bid Blocks Offered by the bidder shall apply for the entire contract term and the number of blocks accepted by Utility shall not change throughout the entire contract term.

Price Periods Within Contract Term - The content of these cells are provided by Utility and represent the periods for which the bidder's price quotes apply.

Price Quote for Bid Blocks Offered - These cells are **bidder input cells** for its price offer in each Price Period Within Contract Term. For Pepco, Delmarva and Potomac Edison, Utility is requesting price offers for Summer Energy and Non-Summer Energy, and, where applicable,

[Utility Name]15

~~2018-2019~~ Request for Proposals

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Summer and Non-Summer Energy price offers within the time-of-use (on, intermediate and off-peak) periods. For BGE, Utility is requesting price offers for Summer Energy and Non-Summer Energy, and, where applicable, Summer and Non-Summer Energy price offers within the on-peak and off-peak periods, as defined by PJM. The energy price offers shall be in terms of \$/MWh and limited to two decimal places. All MWh energy shall be at the customer premise or retail meter-level. As set forth in the FSA, the MWh of energy shall be equivalent to the amount of energy reported as the supplier's obligation by Utility to PJM adjusted for losses in accordance with Utility's initial and subsequent retail load settlement process. Utility summer period begins on \_\_\_\_\_ and ends on \_\_\_\_\_, and its non-summer period begins on \_\_\_\_\_ and ends on \_\_\_\_\_. [Pepco/Delmarva] time-of-use periods are as follows: \_\_\_\_\_.

Volume Weighting Factors - The content of these cells are provided by Utility. For Pepco, Delmarva and Potomac Edison, the content includes Summer and Non-Summer Energy factors, and, where applicable, Summer and Non-Summer Energy factors within the time-of-use (on, intermediate and off-peak) periods. For BGE, the content includes Summer and Non-Summer Energy factors, and, where applicable, Summer and Non-Summer Energy factors within the on-peak and off-peak periods, as defined by PJM. The energy factors represent Utility's estimates of the portion of the specified service type load within the specified periods based on historical distribution load data. As stated, these factors are derived from historical data, which may or may not be representative of future behavior of electricity consumption.

Discount Factors - The content of these cells are provided by Utility or computed and include the Discount Rate and the Mid-Year Discount Factor used in the calculation of the discounted prices. The Discount Rate is equal to two percent (200 basis points) over the Prime Rate as published in The Wall Street Journal under "Money Rates". Assumed within the mid-year discounting convention, cash flows occur in the middle of each Price Period Within Contract Term and are discounted back to the start of the term.

Load Weighted Prices - The content of these cells are computed by applying the Volume Weighting Factors to the Price Quotes for Bid Blocks Offered. The Load Weighted Average Energy Price is determined by summing the load weighted price quotes derived by applying the corresponding energy factors to the respective price quotes. The Load Weighted Average Energy Prices are discounted by the Mid-Year Discount Factor.

Discounted Price for Evaluation Purposes - The content of this cell is computed and is the single parameter that will be used to compare all offers within the same service type and the same contract term. For single Price Periods Within Contract Term, the Discounted Average Term Price is equivalent to the Discounted Average Price. Where there is multi-Price Periods Within Contract Term, the Discounted Average Term Price is set equal to the time weighted average of the Discounted Average Prices.

Tag Number - The content of this cell will be provided by Utility and will represent a unique identification for each Bid Form Spreadsheet submitted by the bidders. This identification will be communicated to the bidder at the time Utility confirms receipt of the bidder's offer(s), as

[Utility Name]16

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described in Section 4.3 (Confirmation and Proposal Tagging Process).

Bid Assurance Collateral Amount - The content of this cell is computed as the product of the Number of Bid Blocks Offered, as entered by the bidder in the Volume Bid section, and \$300,000. For unrated bidders who do not have a rated Guarantor that is capable of executing a Guaranty on behalf of the bidder, multiply this amount by 2.

However, if a supplier submits bids pursuant to Section 4.7 (Bid Contingency), the aggregate amount of this cell for all of bidder's bids will be replaced by the product of the maximum number of blocks that could be awarded to bidder and \$300,000. For unrated bidders who do not have a rated Guarantor that is capable of executing a Guaranty on behalf of the bidder, multiply this amount by 2.

Complete/Incomplete Flag - The content of this cell is computed and indicates whether or not the Bid Form Spreadsheet has been fully completed in accordance with Section 4.1 (Bid Format). An incomplete Bid Form Spreadsheet will be deemed non-conforming, as set forth in Section 4.4 (Conforming Proposals).

#### 4.2. Submittal of Proposals

Bidders shall submit proposals using the Bid Form Spreadsheet described in Section 4.1 and attached as Appendix 7, by facsimile to the following address between the hours of 3:00-30 p.m. and ~~4:305:00~~ p.m. Eastern Prevailing Time (EPT), on the due date for each procurement as indicated in Section 6 (Schedule for RFP Process). Accompanying each proposal, each bidder must include the appropriate amount of bid assurance collateral, as described in Section 3.9 (Bid Assurance Collateral and Alternative Letter of Credit Form), and as computed on the Bid Form Spreadsheet(s). If Bid Assurance Collateral is in the form of cash, it must be in the Utility's account by 12:00 p.m. EPT. If Bid Assurance Collateral is in the form of a LOC, either the standard form of LOC or an approved alternative LOC (Section 3.9) must be received by the Utility by 12:00 p.m. EPT. A bidder may withdraw its proposal(s) before ~~4:305:00~~ EPT on the due date by submitting the Binding Bid Withdrawal Agreement provided as Appendix 9. The signatory to the Binding Bid Withdrawal Agreement must certify that he/she has the authority to act on behalf of the bidder in such a manner. Upon receipt of a Binding Bid Withdrawal Agreement, Utility will provide the bidder with a notice by phone of receipt of such withdrawal as soon as practicable.

[utility name]

[utility contact name]

Fax Number \_\_\_\_\_

Phone Number \_\_\_\_\_

**(Any utility that is requiring a means of proposal submission or withdrawal that is different than the process described above (e.g., electronic submission) will modify the above paragraph accordingly.)**

[Utility Name]17

~~2018-2019~~ Request for Proposals

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#### 4.3. Confirmation and Proposal Tagging Process

Utility will confirm receipt of a bidder's proposal(s) by phone or appropriate electronic means as soon as practicable. Utility does not guaranty review and confirmation of all proposals before the proposal window closes at 5:00 p.m., therefore it is the responsibility of bidder to ensure that their proposals are accurate and are conforming as is described in further detail in Section 4.4 (Conforming Proposals). -As indicated on each Bid Form Spreadsheet, the bidder will provide a contact name and phone number which will be used for the receipt confirmation.

**(Any utility that intends to confirm receipt of proposals that is different than the process described above (e.g., electronic confirmation) will modify the above paragraph accordingly.)**

#### 4.4. Conforming Proposals

In order for a proposal(s) to be conforming, the proposal(s) must be:

- accompanied by the appropriate amount of bid assurance collateral;
- submitted using the Bid Form Spreadsheet(s), completed in full and without modification;
- submitted by the due date(s) and due time; and
- submitted by an eligible applicant.

Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of proposals will be communicated by Utility to the relevant bidder(s) as soon as practicable.

#### 4.5. Expiration of Proposals

A bidder's proposal(s) shall expire the earlier of the time Utility notifies the bidder that its proposal has been rejected or at midnight EPT on the scheduled day of awarding bids within each procurement, as indicated in Section 6 (Schedule for RFP Process).

#### 4.6. Evaluation of Proposals

As described in Section 4.1, the Discounted Average Term Price calculated on each Bid Form Spreadsheet will be the single parameter used to compare all offers within the same service type and the same contract term. The Bid Block Offers with the lowest Discounted Price for Evaluation Purposes (taking into account contingent bids offered pursuant to Section 4.7 (Bid Contingency) will be selected within each contract term until the procurement targets specified in Section 2.3 (Multi-Procurement Process) have been met. Bidders that are awarded bid blocks shall

[Utility Name]18

~~2018-2019~~ Request for Proposals

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receive their offered prices as stated in their submission of the Bid Form Spreadsheet(s) under the Price Quote for Bid Blocks Offered section.

In the event that comparable offers from different suppliers have equivalent Discounted Average Term Prices (rounded to two decimal places, \$0.01/MWh), and such Discounted Average Term Price qualifies to be awarded a contract, but not all of the Number of Bid Blocks Offered between or among such suppliers are necessary to meet the procurement target, such bid blocks will be awarded evenly to such suppliers. If all such bid blocks cannot be awarded evenly, the balance of bid blocks that remains after as much as possible has been evenly awarded, will be awarded to the supplier(s) that has the least amount of load awarded to it thus far in the current multi-procurement RFP. If such suppliers have equal amounts of awarded load, then the number of decimal places in the Discounted Average Term Price will be expanded until a distinction arises.

In the event that insufficient Bid Assurance Collateral is received, prioritization of collateral will be determined by PSC Bid Monitor.

In addition to the comparison of the Discounted Average Term Prices described above, for the evaluation of Residential SOS and Type I Non-Residential SOS bids, a Price Anomaly Threshold (PAT) procedure will be used to further qualify these bids. The PAT procedure is described in Appendix 10.

#### **4.7. Bid Contingency**

A bidder may condition its Type II bids based on the number of Residential and Type I blocks that it is awarded. Bidders offering a contingent bid pursuant to this Section 4.7 shall complete a contingency bid matrix in the Type II Bid Form Spreadsheet. A sample of the contingency bid matrix is attached to this RFP as Appendix 12 (Contingency Bid Matrix). The matrix provides the number of Type II blocks the bidder may be awarded contingent upon the number of Residential and Type I blocks it is awarded. The matrix will calculate the maximum number of blocks bidder may be awarded under each condition as the summation of the number of Residential and Type I blocks awarded and the maximum number of Type II blocks. In no way does this bid contingency option condition Residential and/or Type I bids submitted by a bidder.

### **5. Full Requirements Service Agreement**

The FSA to be executed as a result of this RFP is provided as Appendix 11. The FSA contains the parties' rights and obligations for providing and receiving full requirements wholesale electric supply, including those rights and obligations associated with credit and performance assurances. No provision within ~~77~~the FSA is negotiable. There will be a master FSA executed with each supplier under which separate transactions will be executed for the specific service types and contract terms.

[Utility Name]19

~~2018-2019~~ Request for Proposals

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## 6. Schedule for **2018-2019** RFP Process

The procurement and selection process will be carried out in accordance with the following schedule:

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	Sep <del>15</del> <sup>14</sup> , <del>2017</del> <sup>2018</sup>
Solicitation for Expressions of Interest	Sep <del>15</del> <sup>14</sup>
Pre-Bid Webinar	Sep <del>20</del> <sup>19</sup>
Confidentiality Agreement due	Sep <del>28</del> <sup>29</sup>
Credit Application and financial information due	Sep <del>28</del> <sup>29</sup>
Alternative Letter of Credit Form(s) due, if applicable	Sep <del>28</del> <sup>29</sup>
Alternative Form of Performance Assurance due, if applicable	Sep <del>28</del> <sup>29</sup>
PJM and FERC qualifications due	Sep <del>28</del> <sup>29</sup>
Executed Binding Bid Agreement due	Sep <del>28</del> <sup>29</sup>
Issue applicants' eligibility status	Oct <del>6</del> <sup>5</sup>

### Residential and Type I June ~~2018~~<sup>2019</sup> Contracts

<b>Type II December Contracts (December <del>2017-2018</del> – February <del>2018</del><sup>2019</sup>)</b>	
Issue any revisions to bid block targets	Oct <del>9</del> <sup>15</sup> , <del>2017</del> <sup>2018</sup>
Price proposals due – Residential, Type I and Type II	Oct <del>22</del> <sup>16</sup>
Bid assurance collateral due 12:00 PM (EPT)	Oct <del>22</del> <sup>16</sup>
Award bids	Oct <del>22</del> <sup>16</sup>
Execute FSAs, and transactions	Oct <del>24</del> <sup>18</sup>
Execute Guaranty Agreement, if applicable	Oct <del>24</del> <sup>18</sup>
Public hearing for Commission's review of results	Oct <del>25</del> <sup>19</sup>
Commission approval of transactions	Oct <del>26</del> <sup>20</sup>
Residential, Type I and Type II Reserve Procurement	
If necessary, issue reserve procurement bid block targets	Oct <del>29</del> <sup>3</sup>
Reserve procurement price proposals due	<del>Nov 5</del> <sup>Oct 30</sup>
Bid assurance collateral due 12:00 PM (EPT)	<del>Oct 30</del> <sup>Nov 5</sup>
Award reserve procurement bids	<del>Nov 5</del> <sup>Oct 30</sup>
Execute reserve procurement FSAs, and transactions	Nov <del>7</del> <sup>1</sup>
Execute Guaranty Agreement, if applicable	Nov <del>7</del> <sup>1</sup>
Public hearing for Commission's review of results	Nov <del>8</del> <sup>2</sup>
Commission approval of reserve procurement transactions	Nov <del>9</del> <sup>3</sup>
Post retail summer prices – Residential (no reserve conducted)	
Post retail summer prices – Residential (reserve conducted)	<del>Oct 27</del> <sup>Nov 12</sup>
Post retail prices - Type II (no reserve conducted)	Nov <del>15</del> <sup>2</sup> <del>Oct 27</del>
Post retail prices - Type II (reserve conducted)	Nov <del>15</del> <sup>16</sup>
Contract delivery period begins – Type II	
Utility disclosure of procurement results (no reserve conducted)	Dec 1, 201 <del>8</del> <sup>7</sup>
[Utility Name]20	Jan <del>25</del> <sup>2024</sup> , 201 <del>9</del> <sup>8</sup>

~~2018-2019~~ Request for Proposals

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Utility disclosure of procurement results (reserve conducted)	Feb <del>8</del> <sup>37</sup> , <del>2018</del> <sup>2019</sup>
Contract delivery period begins – Residential & Type I	Jun 1, <del>2018</del> <sup>2019</sup>

**Type II March Contracts (March – May ~~2018~~<sup>2019</sup>)**

Issue any revisions to bid block targets	Jan <del>16</del> <sup>17</sup> , <del>2018</del> <sup>2019</sup>
Price proposals due	Jan <del>22</del> <sup>14</sup>
Bid assurance collateral due 12:00 PM (EPT)	Jan <del>22</del> <sup>14</sup>
Award bids	Jan <del>14</del> <sup>22</sup>
Execute FSAs, and transactions	Jan <del>16</del> <sup>24</sup>
Execute Guaranty Agreement, if applicable	Jan <del>16</del> <sup>24</sup>
Public hearing for Commission’s review of results	Jan <del>17</del> <sup>25</sup>
Commission approval of transactions	Jan <del>18</del> <sup>26</sup>

**Type II Reserve Procurement**

If necessary, issue reserve procurement bid block targets	<del>Feb-Jan</del> <del>4</del> <sup>5</sup> <del>22</del>
Reserve procurement price proposals due	<del>Feb-Jan</del> <del>11</del> <sup>22</sup> <del>28</del>
Bid assurance collateral due 12:00 PM (EPT)	<del>Feb-Jan</del> <del>11</del> <sup>22</sup> <del>28</del>
Award reserve procurement bids	<del>Feb-Jan</del> <del>11</del> <sup>22</sup> <del>28</del>
Execute reserve procurement FSAs, and transactions	<del>Feb-Jan</del> <del>13</del> <sup>34</sup> <del>30</del>
Execute Guaranty Agreement, if applicable	<del>Feb-Jan</del> <del>13</del> <sup>34</sup> <del>30</del>
Public hearing for Commission’s review of results	<del>Feb-Jan</del> <del>14</del> <sup>5</sup> <del>31</del>
Commission approval of reserve procurement transactions	Feb <del>1</del> <sup>5</sup> <del>6</del>

Post retail prices - Type II (no reserve conducted)	<del>Feb-2</del> <sup>Jan 25</sup>
Post retail prices - Type II (reserve conducted)	Feb <del>22</del> <sup>23</sup> <del>28</del>

Contract delivery period begins – Type II	Mar 1
Utility disclosure of procurement results (no reserve conducted)	Apr <del>25</del> <sup>15</sup> <del>18</del>
Utility disclosure of procurement results (reserve conducted)	May <del>17</del> <sup>1</sup> <del>32</del>

**Residential and Type I October ~~2017~~<sup>2019</sup> Contracts**

**Type II June Contracts (June – August 2018)**

Issue any revisions to bid block targets	Apr <del>16</del> <sup>8</sup> , <del>2018</del> <sup>2019</sup>
Price proposals due	Apr <del>23</del> <sup>15</sup>
Bid assurance collateral due 12:00 PM (EPT)	Apr <del>23</del> <sup>15</sup>
Award bids	Apr <del>23</del> <sup>15</sup>
Execute FSAs, and transactions	Apr <del>25</del> <sup>17</sup>
Execute Guaranty Agreement, if applicable	Apr <del>17</del> <sup>25</sup>
Public hearing for Commission’s review of results	Apr <del>18</del> <sup>26</sup>
Commission approval of transactions	Apr <del>19</del> <sup>27</sup>

**Residential, Type I and Type II Reserve Procurement**

If necessary, issue reserve procurement bid block targets	Apr <del>30</del> <sup>22</sup>
Reserve procurement price proposals due	May <del>7</del> <sup>Apr 29</sup>

[Utility Name]21

~~2018-2019~~ Request for Proposals

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Bid assurance collateral due 12:00 PM (EPT)	<del>Apr 29</del> <u>May 7</u>
Award reserve procurement bids	<del>Apr 29</del> <u>May 7</u>
Execute reserve procurement FSAs, and transactions	May <del>19</del>
Execute Guaranty Agreement, if applicable	May <del>19</del>
Public hearing for Commission's review of results	May <del>24</del>
Commission approval of reserve procurement transactions	May <del>13</del> <u>13</u>
Post retail prices – Res., Type I & Type II (no reserve conducted)	<del>May-Apr 30</del> <u>26</u>
Post retail prices – Res., Type I & Type II (reserve conducted)	May <del>23</del> <u>17</u> <u>10</u>
Contract delivery period begins – Type II	Jun 1
Utility disclosure of procurement results (no reserve conducted)	Jul <del>15</del> <u>26</u> <u>18</u>
Utility disclosure of procurement results (reserve conducted)	<del>Jul 29</del> <u>Aug 9</u> <u>Aug 1</u>
Contract delivery period begins – Residential & Type I	Oct 1

**Type II September Contracts (September – November ~~2018~~2019)**

Issue any revisions to bid block targets	Jun <del>43</del> , <del>2018</del> <u>2019</u>
Price proposals due – Type II	Jun <del>11</del> <u>10</u>
Bid assurance collateral due 12:00 PM (EPT)	Jun <del>10</del> <u>4</u>
Award bids	Jun <del>10</del> <u>4</u>
Execute FSAs, and transactions	Jun <del>12</del> <u>3</u>
Execute Guaranty Agreement, if applicable	Jun <del>12</del> <u>3</u>
Public hearing for Commission's review of results	Jun <del>13</del> <u>4</u>
Commission approval of transactions	Jun <del>14</del> <u>5</u>
<b>Type II Reserve Procurement</b>	
If necessary, issue reserve procurement bid block targets	Jun <del>17</del> <u>8</u>
Reserve procurement price proposals due	Jun <del>24</del> <u>5</u>
Bid assurance collateral due 12:00 PM (EPT)	Jun <del>24</del> <u>5</u>
Award reserve procurement bids	Jun <del>24</del> <u>5</u>
Execute reserve procurement FSAs, and transactions	Jun <del>26</del> <u>7</u>
Execute Guaranty Agreement, if applicable	Jun <del>26</del> <u>7</u>
Public hearing for Commission's review of results	Jun <del>27</del> <u>8</u>
Commission approval of reserve procurement transactions	Jun <del>28</del> <u>9</u>
Post retail prices - Type II (no reserve conducted)	Jun <del>21</del> <u>2</u>
Post retail prices - Type II (reserve conducted)	Jul <del>5</del> <u>6</u>
Contract delivery period begins - Type II	Sep 1
Utility disclosure of procurement results (no reserve conducted)	Sep <del>9</del> <u>13</u> <u>12</u>
Utility disclosure of procurement results (reserve conducted)	Sep <del>23</del> <u>7</u> <u>26</u>

As set forth above and in the FSA, the process for fully executing and approving a FSA and/or transactions within all procurements will be as follows:

- Monday: bid assurance collateral is due no later than 12 p.m. EPT. Should any issues arise with the bid assurance collateral the Utility will work with the bidder to cure such issue up to the beginning of the bid acceptance window of ~~3:00-30~~ p.m. EPT
- Monday: bids due between the hours of ~~3:00-30~~ p.m. and ~~4:30-00~~ p.m. EPT
- Monday: bids awarded by ~~98:030~~ p.m. EPT
- Tuesday: Utility will forward to the awarded bidder by facsimile or scanned image file via e-mail a partially executed FSA, and/or transactions;
- Wednesday: by 2:00 p.m. EPT, the bidder will return to Utility by facsimile or scanned image file via e-mail a fully executed FSA, and/or transactions, and if required Guaranty or amendment thereto;
- Wednesday: by close of business, Utility will submit a copy of the fully executed transactions by facsimile or scanned image file via e-mail to the Maryland Public Service Commission for review and determination of compliance with Utility's Bid Plan;
- Thursday: Public hearing held by the Commission to review results of the procurement;
- Friday: Commission approves transactions.

## 7. RFP Website

Information related to this RFP will be posted on Utility RFP website at [utility website address]. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by Utility to provide retail electric supply services in Utility's service territory pursuant to Utility's Electricity Supplier Coordination Tariff. The information will include:

- a. RFP with the following appended documents
  - Expression of Interest Form
  - Confidentiality Agreement
  - PJM Qualification Certification Form
  - FERC Authorization Certification Form
  - Credit Application
  - Bid Assurance Letter of Credit
  - Bid Form Spreadsheets
  - Contingency Bid Matrix
  - Binding Bid Agreement
  - Binding Bid Withdrawal Agreement
  - Price Anomaly Procedure
  - Full Requirements Service Agreement with the following appended documents:
    - Transaction Confirmation Example
    - Renewable Energy Obligation

[Utility Name]23

~~2018-2019~~ Request for Proposals

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- Performance Assurance Letter of Credit
  - Sample PJM Invoice
  - Methodology for Calculation of Mark to Market (MTM) Exposure
  - MTM Example Calculation for a Transaction
  - Form of Guaranty
  - Form of Notice
  - Increment/Decrement Load Example
- b. Maryland PSC Orders and Settlements
- c. PJM Website Link
- d. Utility specific data:
- Historic Settlement B, hourly, premise-level and/or generation-level unrestricted (i.e., excludes load reductions from demand-side services that qualify as capacity resources in PJM) load data for all SOS and eligible customers (in aggregate) within each service type and each customer class or partial customer class within each service type. Monthly Settlement B hourly data will be posted at least quarterly.
  - If needed based on the load data provided, estimated loss factors associated with each service type and each customer class or partial customer class within each service type.
  - Historic daily capacity PLCs for all SOS customers (in aggregate) within each service type. Daily data will be posted monthly.
  - Historic month end snapshot of customer migration data to include capacity PLCs, Network Service PLCs, and number of customer accounts, for all SOS and eligible customers (in aggregate) within each service type and each customer class or partial customer class within each service type. Data will be posted monthly.
- e. Questions and answers

Utility will update the above data as it becomes available. Regarding the Q&As that will be posted on each utility's RFP website, regardless of which utility receives a question, all questions will be distributed to the other utilities in order to establish a single answer, which will be posted on all of the utilities' RFP websites.

## 8. Reserved Rights

### 8.1. Bidder Elimination Right

If in the course of the RFP process, any bidder is found to provide faulty information, misrepresent its financial or operational characteristics or omit any pertinent information, Utility reserves the right to eliminate such bidder from the RFP process.

[Utility Name]24

~~2018-2019~~ Request for Proposals

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## 8.2. FSA Termination Right

If a bidder who engages in any conduct described in Section 8.1 is successful in being awarded a bid and executes the FSA and/or transactions, Utility reserves the right to terminate the FSA and pursue remedies as outlined in the FSA.

## 9. Miscellaneous

### 9.1. Warranty on Information

The information provided in the RFP, or on Utility's RFP website, has been prepared to assist bidders in evaluating the RFP. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. Utility makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check Utility's website frequently to ensure it has the latest documentation and information. Neither Utility nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

### 9.2. Electronic Signatures

The Utility and the Supplier agree that the electronic signature of a party to the FSA and/or transactions shall be as valid as an original signature of such party and shall be effective to bind such party to the FSA and/or transactions. The parties agree that any electronically signed document (including the FSA and/or transactions) shall be deemed (i) to be "written" or "in writing," (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or "printouts," if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. Neither party shall contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule. For purposes hereof, "electronic signature" means a manually-signed original signature that is then transmitted by electronic means; transmitted by electronic means" means sent in the form of a facsimile or sent via the internet as a "pdf" (portable document format) or other replicating image attached to an e-mail message; and, "electronically signed document" means a document transmitted by electronic means and containing, or to which there is affixed, an electronic signature.

[Utility Name]25

~~2018-2019~~ Request for Proposals

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**9.3. Hold Harmless**

Bidder shall hold Utility harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

**9.4. Proposals Become Utility Property**

Subject to the Confidentiality Agreement, all proposals submitted by each bidder pursuant to this RFP shall become the exclusive property of Utility.

**9.5. Bidder's Acceptance**

The submission of a proposal to Utility shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this RFP and the FSA and or transactions.

Bidder and its representatives irrevocably agree to submit to the personal jurisdiction of any Maryland State or Federal court and any appellate court thereof in respect of any action, dispute or proceeding arising out of this RFP process, including but not limited to the execution, implementation and performance of a FSA.

**9.6. Permits, Licenses and Compliance with the Law**

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier's business or to perform hereunder. Supplier's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

**9.7. Proprietary Information**

The treatment of proprietary and confidential information of a bidder's and of Utility is addressed in the Confidentiality Agreement (Appendix 2).

**9.8. Disclosure of Awarded Bid Information**

As set forth in the Maryland law, PSC Orders and Settlements, certain information related to the winning bidders and their awarded bids will be made public.

[Utility Name]26

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### **9.9. Regulatory Approvals**

As indicated in Section 6 (Schedule for RFP Process), the executed transactions will be contingent upon the Maryland Public Service Commission and any necessary FERC approvals. The results of the procurements will be reviewed by the Maryland PSC at a public hearing on the day following the full execution of the transactions. Unless ordered otherwise, the PSC will approve the transactions no later than two days following the full execution of the transactions. Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the FSA and/or transactions resulting from its proposal(s).

## Appendix 1

### Expression of Interest Form

To:  
[Contact Name]  
[Utility Name]  
[Fax number]

This response is an indication of our interest in [utility name] Request For Proposals to provide wholesale full requirements service beginning [date of first day of delivery period].

Company\*:

Contact Name\*:

Contact Title\*:

Address\*:

City\*:

State\*:

Zip\*:

Phone Number\*:

Fax Number\*:

E-mail Address\*:

*\*Note completion of all fields is required.* Upon [utility name] receipt of this Expression of Interest Form, a password will be issued to respondent to access a website containing additional information related to this RFP.

## Appendix 2

### Confidentiality Agreement

[Name and Address of Company]

[Date]

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between \_\_\_\_\_ (“Utility”) and \_\_\_\_\_ (“the Company”) in connection with the Company’s intent to participate in the Request for Proposals (“RFP”) to provide Full Requirements Wholesale Electric Power Supply to serve a portion of the Utility’s Standard Offer Service (SOS). This Confidentiality Agreement also pertains to the rights and obligations of the Utility and the Company in the event the Company ultimately is selected as a winner in the RFP and provides service pursuant to the Full Requirements Service Agreement (“FSA”). Utility and the Company hereby agree to accept, and to be bound by the terms of this Agreement.

#### DEFINITIONS:

(a) The following terms have the following meanings:

1. “Agreement” is this Confidentiality Agreement.
2. “Maryland PSC” has the meaning set forth in Section 3(b).
3. “Confidential Information” has the meaning set forth in Section 5.
4. “Party” means Utility or the Company.
5. “Parties” means Utility and the Company collectively.
6. “Representatives” means the officers, directors, employees, advisors (including, without limitation consultants and outside auditors), lenders, and other persons, including but not limited to any affiliates who are actively and directly participating in evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP and/or performing under the FSA. A person or entity is not a “Representative” unless that person or entity agrees to preserve the confidentiality of the Confidential Information in accordance with the terms of this Agreement.
7. “Third Parties” means a party or parties other than Utility, the Company or their

[Utility Name]

~~2018-2019~~ Request For Proposals

respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the Request for Proposals dated \_\_\_\_\_ and/or the FSA.

TERMS:

1. Condition Precedent. The Utility and the Company shall execute this Agreement as a condition precedent to Utility's furnishing to the Company or the Company furnishing to the Utility a copy of any Confidential Information.

2. Purpose. The purpose of this Agreement is to protect the confidentiality of the Confidential Information and to restrict the use and disclosure of that information in the manner set forth below.

3. Limitations on Use and Disclosure. (a) A Party shall use the other Party's Confidential Information only for the purpose of evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP, and/or performing under the FSA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about the Utility's or Company's participation in the RFP or an FSA, or the terms or conditions or any other facts relating thereto, including the fact that discussions are taking place with respect thereto, the status of those discussions, or the fact that Confidential Information has been made available by or to the Utility or Company or their Representatives. Provided, however, that pursuant to Section 7-510(c)(4)(ii)(5) of the Maryland Public Utility Companies Article, the Utility shall publicly disclose the names of all bidders and the names and load allocation of all successful bidders 90 days after all contracts for supply are approved.

(b) Notwithstanding the foregoing or any other provision of this Agreement, the Utility may share any Confidential Information with the Maryland Public Utility Commission, its Staff, or the Consultant working for the Maryland Public Service Commission pursuant to Section 84 of the Settlement Agreement approved by the Commission in Order No. 78400 (collectively "Maryland PSC"). Any such information shared will be designated as confidential, and the Utility will ask the Maryland PSC to hold and use it on a confidential basis. To the extent that the Maryland Office of People's Counsel and its representatives and/or consultants (collectively "OPC") enter into a confidentiality agreement to hold any shared information confidentially, Utility may also share Confidential Information with OPC for the purposes of OPC's review of the results of the RFP.

(c) Notwithstanding any other provision of this Agreement, a Party may disclose to its Representatives all documents and information furnished by the other Party in connection with this Agreement and/or a FSA entered into pursuant to the RFP, provided that such Representatives have been advised of the confidentiality provisions of this Agreement, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.

(d) Any independent auditor performing an audit on behalf of a Party shall be required

[Utility Name]

~~2018-2019~~ Request For Proposals

to execute a confidentiality agreement with the Party being audited. Such audit information shall be treated as confidential pursuant to this Agreement.

(e) Notwithstanding the foregoing or any other provision of this Agreement, the Company shall be authorized to disclose Confidential Information at the request of a bank examiner in connection with an examination of the Company or its affiliates.

4. Disclosure upon Default. Notwithstanding the foregoing or any other provision of the Agreement, the Utility may disclose Confidential Information in the event of a Supplier Default, as provided for in the FSA. The Utility may disclose to any Company with whom it has executed an FSA and who is not a Defaulting Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Company to make the election provided for in Section 4.11 of the FSA.

5. Definition of Confidential Information. Confidential Information shall consist of oral, electronic and written information that is confidential, proprietary, or generally not available to the public. Whenever possible, such Confidential Information shall be marked prior to or at the time of disclosure as being "Confidential Information". Confidential Information in the case of information provided by Utility to the Company shall include, without limitation, all data, reports, interpretations, forecasts or records relating to Utility and/or its customers, and any other document created by Utility or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the Company by Utility. Confidential Information in the case of information provided by the Company to the Utility shall include, without limitation, all data, reports, interpretations, forecasts, bids, credit information, credit collateral amounts, bidder identity, and shall also include information prepared by the Company that includes directly or indirectly Confidential Information furnished by Utility.

6. Non-Confidential Information. Notwithstanding the provisions of Section 5, information shall not be deemed confidential that (i) becomes generally available to the public; (ii) is already known to the receiving Party at the time of receipt by the receiving Party; or (iii) is acquired after such receipt from a Third Party not known to the receiving Party to be prohibited from making disclosures. In addition, notwithstanding any other provision of this Agreement, the Company may always make public, at its sole discretion, the fact that it has participated in bidding to serve the Utility's load, whether the Company has been awarded any load, the amount of load awarded, and/or the price to be paid for that service of load. The receiving Party shall give prompt notice to the other Party in the event it believes that any of the other Party's information in its possession is not Confidential Information as a result of the provisions of this Section 6.

7. Property of Utility or the Company. Confidential Information belonging to Utility shall consist of Confidential Information supplied by Utility to the Company. Confidential Information belonging to the Company consists of all other Confidential Information supplied by the Company to Utility and includes all analyses, compilations, studies or other documents prepared by the Company or its Representatives. Utility and the Company acknowledge that each Party's Confidential Information is and at all times remains the sole and exclusive property of that Party, who, it is agreed, has the exclusive right, title, and interest to its Confidential Information. Neither Party grants any right or license, by implication or otherwise, as a result of the provision of Confidential Information to the receiving Party.

[Utility Name]

~~2018-2019~~ Request For Proposals

8. Disclosure Prohibited Except Where Explicitly Permitted. Neither Party shall disclose or use the other Party's Confidential Information without the other Party's prior written consent except as explicitly stated in Sections 3, 4, 9 and 10 of this Agreement.

9. Disclosure For Bid Evaluation Purposes. A Party may disclose the other Party's Confidential Information to its Representatives for the purposes set forth in Section 3. The obligations and restrictions under this Agreement that apply to a Party also apply to a Party's Representatives.

10. Disclosure to Governmental Authorities. (a) Notwithstanding any other provision in this Agreement, a Party (the "disclosing Party") may disclose the other Party's Confidential Information it receives in order to comply with any subpoena, ruling or request of any governmental, judicial, legislative, administrative or regulatory authority, body or committee or any self-regulatory body (including any securities or commodities exchange or The Financial Industry Regulatory Authority ("Authority") requiring such Confidential Information; provided that, the disclosing Party will, to the extent permitted, provide the other party hereto prompt notice of such request or requirement so that the other Party, at its own cost, may seek a protective order. If, failing the entry of a protective order the disclosing Party is, in the advice of its counsel, required to disclose Confidential Information, then the disclosing Party may disclose that portion of the Confidential Information and will cooperate with the other Party in its efforts to obtain a protective order or other reliable assurance that only the designated portion of the Confidential Information will be disclosed. The disclosing Party will be entitled to reimbursement of reasonable expenses, including the fees and expenses of counsel, incurred in connection with actions taken pursuant to this provision.

(b) Notwithstanding the foregoing, the Parties agree that:

- (i) either party may be required to provide information, potentially including Confidential Information to FERC in order to comply with FERC Form 1 or FERC transaction reporting requirements. Each Party agrees that to the extent it is required to provide FERC any such Confidential Information, the Party required to provide such Confidential Information will provide only the Confidential Information that is reasonably necessary to comply with such reporting requirements and shall not be required to comply with the provisions of Section 10(a) of this Agreement unless there have been substantive changes to the information required for FERC reporting purposes.
- (ii) either party may be required by law, including but not limited to by operation of Section 7-510(c)(4)(ii)(5) of the Public Utility Companies Article, to publicly disclose Confidential Information. Each Party agrees that to the extent that it is required to disclose such Confidential Information, the Party required to make the disclosure will disclose only the Confidential Information that is reasonably necessary to comply with such legal requirements and shall not be required to comply with the provisions of Section 10(a) of this Agreement.

11. Termination of RFP Participation. If the Company determines that it does not wish to proceed with the RFP, or if the Utility excludes the Company from the RFP for any of the reasons set forth in the RFP, it will immediately notify the other Party of that decision. In such case, or if the RFP is not consummated, upon the written request of the Party (the "requesting Party"), the

[Utility Name]

~~2018-2019~~ Request For Proposals



other Party (the “receiving Party”) shall not retain and shall promptly return to the requesting Party or destroy all the requesting Party’s written Confidential Information in the possession of the receiving Party or its Representatives, except for the portion (“said portion”) of the requesting Party’s Confidential Information that may be found in analyses, compilations, or other documents prepared by, or for, the receiving Party and its Representatives. The said portion and any oral Confidential Information furnished by the requesting Party and not so requested or returned will be held by the receiving Party and kept subject to the terms of this Agreement, or destroyed to the extent required by law or regulation, to address legal claims that may arise out of receiving Party’s performance under this Agreement, or as required by internal document retention policies.

12. Liability and Relief. A Party or any of its Representatives shall be liable for any breach of this Agreement. In the event a non-breaching Party or its Representatives shall have knowledge of any breach of the confidentiality of, or the misappropriation of, any of the Confidential Information, the non-breaching Party shall promptly give notice thereof to the breaching Party. The non-breaching Party shall be entitled to specific performance or other equitable relief by way of injunction or otherwise, if the other Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement. Such remedy shall not be deemed to be the exclusive remedy available to the non-breaching Party, but shall be in addition to all other available remedies. Neither failure nor delay by the non-breaching Party, in exercising any of its rights or privileges herein, shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.

13. Representatives, Successors and Assigns. This Agreement shall be binding upon and for the benefit of the Parties, and their respective Representatives, successors, and permitted assigns. Neither Party may assign its rights or obligations hereunder without prior written consent of the other Party.

14. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the state of Maryland without regard to conflicts of laws rules or principles

15. Full Compliance Required. The failure in any instance to insist on full compliance with the terms of this Agreement shall not be deemed to be a waiver of the right to insist upon full compliance with these terms thereafter.

16. Signatures. The signatures below establish each Party’s agreement to the terms hereof.

17. Termination. This Agreement shall terminate three years from the date hereof.

| ~~Model RFP 2019 08092018~~ ~~Model RFP 06282017~~

**COMPANY**

**UTILITY**

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

| [Utility Name]  
~~2018-2019~~ Request For Proposals

**Appendix 3**  
**PJM Qualification Certification Form**

I, \_\_\_\_\_ (“Agent”) am an authorized signatory for \_\_\_\_\_ (“Company”) and hereby certify that Company is a member of the Pennsylvania-New Jersey-Maryland Interconnection, LLC (“PJM”) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full requirements obligation.

Signed:

Date:

\_\_\_\_\_

\_\_\_\_\_

Type or Print Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

Company:

\_\_\_\_\_

**Appendix 4**

**FERC Authorization Certification Form**

I, \_\_\_\_\_ (“Agent”) am an authorized signatory for \_\_\_\_\_ (“Company”) and hereby certify that Company has been authorized by the Federal Energy Regulatory Commission (“FERC”) to make sales of energy, capacity and ancillary services at market based rates, pursuant to the Federal Power Act and the provisions of FERC’s regulations promulgated thereunder. The Company’s authorization to make such sales at market based rates was granted in Docket No(s). \_\_\_\_\_

Signed:

Date:

\_\_\_\_\_

\_\_\_\_\_

Type or Print Name:

\_\_\_\_\_

Title:

\_\_\_\_\_

Company:

\_\_\_\_\_

## **Appendix 5**

### **Credit Application**

The following information will be used to assess the applicant's creditworthiness.

#### **1. Company Information**

Type of Business

- Corporation
- Limited Liability Company
- Joint Venture
- Other (describe)

Applicant Organization

Legal Corporate Name:  
Street Address:  
City, State, Zip Code:  
Dun & Bradstreet Number:  
Federal Tax ID Number:

Applicant Credit Contact Name

Name:  
Title:  
Phone Number:  
Fax Number:  
Email Address:

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration:  
Registered Agent Name:  
Street Address:  
City, State, Zip Code:

For Limited Partnerships

Name of General Partner:  
Address of General partner/Registered Agent:  
City, State, Zip Code:

#### **2. Application for Credit Basis**

This application for credit is to be based on the creditworthiness of the Applicant indicated below.

- The applicant listed under section 1.
- The parent company listed below.

Parent Guarantor Company  
Legal Corporate Name:  
Street Address:  
City, State, Zip Code:  
Dun & Bradstreet Number:  
Federal Tax ID Number:

### 3. Credit Information

The Applicant indicated in section 2 is required to submit the most recent 2 years of financial statements audited by a firm of certified public accountants of national standing. Indicate below what statements are being submitted.

- Annual Report
- 10K
- 10Q
- Other (describe)

In the event the above information is inadequate to appropriately assess the Applicant's creditworthiness, the Applicant must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information if rated (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

[Utility Name]

~~2018-2019~~ Request For Proposals

- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the Applicant's financial information is consolidated with other entities, then it is the Applicant's responsibility to extract and submit as separate documents all data and information related solely to the Applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP.

Has the applicant or predecessor company been under bankruptcy protection in the last 5 years?

- Yes  
 No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the applicant?

- Yes  
 No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the applicant's ability to meet or not to meet its credit obligations.

Applicant's Credit Ratings  
Standard & Poors

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Moody's

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Fitch

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Is Applicant unrated or is Applicant's Guarantor not capable of executing a Guaranty on behalf of the Applicant?

- Yes  
 No

[Utility Name]

~~2018-2019~~ Request For Proposals

**4. Authorization**

Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned authorized official of the Applicant warrants that the Applicant agrees to be bound by these representations. At the written request of the [utility name], the applicant will submit evidence of their credit rating to the [utility name] necessary to perform a credit check in connection with Applicant's interest to bid on the Full Requirements Wholesale Electric Power Supply RFP.

Applicant's Company Name: \_\_\_\_\_

Signature of Authorized Official: \_\_\_\_\_

Name of Authorized Official (*print*): \_\_\_\_\_

Title of Authorized Official (*print*): \_\_\_\_\_

Date Signed: \_\_\_\_\_



APPENDIX 6

BID ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE LETTER OF CREDIT NO.

ISSUE DATE \_\_\_\_\_ EXPIRY DATE \_\_\_\_\_

APPLICANT  
[NAME]  
[ADDRESS]

BENEFICIARY  
[NAME]  
[ADDRESS]

CURRENCY    AMOUNT  
USD    \*\*\*\*\*\$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE LETTER OF CREDIT NO: \_\_\_\_\_ FOR THE ACCOUNT OF \_\_\_\_\_ (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS \_\_\_\_\_ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF \_\_\_\_\_ (“ISSUER”) \_\_\_\_\_ (ADDRESS), EFFECTIVE \_\_\_\_\_ AND EXPIRING AT OUR COUNTERS NO LESS THAN 60 DAYS FROM THE EFFECTIVE DATE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THE BENEFICIARY’S MARYLAND REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE DATED (DATE) OR OTHERWISE EXTENDED BY AMENDMENT. THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF \_\_\_\_\_ (BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER),

[Utility Name]

~~2018-2019~~ Request For Proposals

REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR BID ASSURANCE RELATED TO THE BENEFICIARY'S MARYLAND REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE AGREEMENT DATED \_\_\_\_\_ (RFP)."

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

THIS LETTER OF CREDIT MAY BE TERMINATED UPON BENEFICIARY'S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS.

THE TERM "BUSINESS DAY" AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO [BENEFICIARY] UP TO, BUT NOT BEYOND, THE STATED EXPIRY DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO [BENEFICIARY] NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98") OR SUCH LATER REVISION (S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY

[Utility Name]

~~2018-2019~~ Request For Proposals

ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.
6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILTY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE: \_\_\_\_\_  
TITLE: \_\_\_\_\_

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO:  
[BANK NAME, ADDRESS AND PHONE NUMBER

| Model RFP 2019 08092018~~Model RFP 06282017~~

**Appendix 7**  
**Bid Form Spreadsheets**

## Appendix 8

### Binding Bid Agreement

\_\_\_\_\_, (“Bidder”) agrees to be bound by the price and volume quotes entered on any Bid Form Spreadsheet(s), up to the expiration time of its proposal, as set forth in Section 4.5 (Expiration of Proposals) of this Request For Proposals, submitted to [utility name] in response to this multi-procurement RFP, which shall constitute a firm offer to supply service in accordance with the Full Requirements Service Agreement and applicable Maryland Law and regulations. Any offer is not subject to any contingencies or conditions precedent other than a bid contingency as authorized and described in Section 4.7 (Bid Contingency) and, if accepted by [utility name], the Bidder agrees to execute the Full Requirements Service Agreement in a timely manner as set forth in Section 6 (Schedule for RFP Process) of this Request For Proposals.

The submission of any binding offer to [utility name] shall constitute the Bidder’s acknowledgment and acceptance of all the terms, conditions and requirements of this Request For Proposals.

The undersigned represents and warrants that he/she has the authority to act on behalf of, and to bind, the Bidder to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature: \_\_\_\_\_

Title: \_\_\_\_\_

Date \_\_\_\_\_

## Appendix 9 Binding Bid Withdrawal Agreement

\_\_\_\_\_ (“Bidder”) hereby freely and irrevocably withdraws the price and volume quotes entered on the Bid Form Spreadsheet(s) previously submitted to [utility name] and listed below under “Bid Response Name” and “Tag Number” or “Bid Form Spreadsheet File Name”. This withdrawal of bid(s) is not subject to any contingencies or conditions precedent, and constitutes a final cancellation of the subject bid(s). Bidder expressly acknowledges and agrees that the withdrawn bid(s) will not be considered by [utility name], and will not be accepted by [utility name] under any circumstances.

The submission of this binding bid withdrawal to [utility name] constitutes Bidder’s continuing acknowledgement and acceptance of all the terms, conditions and requirements of this Request For Proposals.

The person submitting this bid withdrawal represents and warrants that he/she has the authority to act on behalf of, and to bind, the Bidder with respect to all actions and obligations stated herein.

Signature of Authorized Official: \_\_\_\_\_

Name of Authorized Official (*print*): \_\_\_\_\_

Title of Authorized Official (*print*): \_\_\_\_\_

Date Signed: \_\_\_\_\_

Bid Response Name

Tag Number or Bid Form Spreadsheet File Name

<u>Bid Response Name</u>	<u>Tag Number or Bid Form Spreadsheet File Name</u>

Note: Please fax your completed form to one of the following numbers:

xxx.xxx.xxxx

Please also send an e-mail alert to [emailaddress@xxx.com](mailto:emailaddress@xxx.com).

Please note that all bid withdrawals must be received by [utility name] by 4:30 p.m. EPT on the date such bid was due.

## Appendix 10

### Price Anomaly Threshold Procedure

Note: The following tasks are listed in the sequence in which they would be completed in each procurement in order to compile Residential and Non-Residential Type 1 SOS bid portfolios and evaluate such portfolios for pricing anomalies.

#### **Compile Initial Term 1 (shortest term) Portfolio**

1. Rank Term 1 bids in order of discounted average term price
2. Starting with lowest bid, add successively higher bids until procurement target for Term 1 blocks is met<sup>2</sup>
3. Calculate average of discounted average term prices for Term 1 portfolio (AP1)

#### **Compile Initial Term 2 Portfolio (if applicable)**

1. Rank Term 2 bids in order of discounted average term price
2. Starting with lowest bid, add successively higher bids until procurement target for Term 2 blocks is met<sup>3</sup>
3. Calculate average of discounted average term prices for Term 2 portfolio (AP2)

#### **Compile Initial Term 3 (longest term) Portfolio (if applicable)**

1. Rank Term 3 bids in order of discounted average term price
2. Starting with lowest bid, add successively higher bids until procurement target for Term 3 blocks is met<sup>4</sup>
3. Calculate average of discounted average term prices for Term 3 portfolio (AP3)

#### **Compile Initial Term 4 (longest term) Portfolio (if applicable)**

1. Rank Term 4 bids in order of discounted average term price
2. Starting with lowest bid, add successively higher bids until procurement target for Term 4 blocks is met<sup>5</sup>
3. Calculate average of discounted average term prices for Term 4 portfolio (AP4)

#### **Evaluate Term 4 Portfolio for Pricing Anomaly**

1. Compare AP4 to Pricing Anomaly Threshold for Term 4 bids (PAT4)
2. If  $AP4 > PAT4$ 
  - a) Remove highest Term 4 bid in Term 4 portfolio, recalculate AP4, and continue removing Term 4 bids in descending order until  $AP4 \leq PAT4$

#### **Evaluate Term 3 Portfolio for Pricing Anomaly**

3. Compare AP3 to Pricing Anomaly Threshold for Term 3 bids (PAT3)

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<sup>2</sup> Assumes sufficient conforming Term 1 bids to meet target requirement

<sup>3</sup> Assumes sufficient conforming Term 2 bids to meet target requirement

<sup>4</sup> Assumes sufficient conforming Term 3 bids to meet target requirement

<sup>5</sup> Assumes sufficient conforming Term 4 bids to meet target requirement

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4. If  $AP3 > PAT3$ 
  - a) Remove highest Term 3 bid in Term 3 portfolio, recalculate  $AP3$ , and continue removing Term 3 bids in descending order until  $AP3 \leq PAT3$

**Evaluate Term 2 Portfolio for Pricing Anomaly**

1. Compare  $AP2$  to  $PAT2$
2. If  $AP2 > PAT2$ 
  - a) Remove highest Term 2 bid in Term 2 portfolio, recalculate  $AP2$ , and continue removing Term 2 bids in descending order until  $AP2 \leq PAT2$

**Evaluate Term 1 Portfolio for Pricing Anomaly**

1. Compare  $AP1$  to  $PAT1$
2. If  $AP1 > PAT1$ 
  - a) Remove highest term 1 bid in term 1 portfolio, recalculate  $AP1$ , and continue removing term 1 bids in descending order until  $AP1 \leq PAT1$

**Conduct Reserve Procurement (if necessary)**

1. If target for Term 1, 2, 3 or 4 blocks are not met, secure deficiency in reserve procurement



**Cost Elements of Pricing Anomaly Thresholds**

In accordance with the Bid Evaluation and Pricing Anomaly Framework, Pricing Anomaly Thresholds (PAT) will be developed for each EDC rate class and for each of the three bid terms (i.e., 1-, 2-, or 3-year). Each PAT will reflect appropriate estimates for the following cost elements:

<b>Cost Item</b>	<b>Basis</b>	<b>When Estimated</b>
PJM Western Hub On-Peak Energy Price	Forward price quotes	Prior to each tranche
PJM Western Hub Off-Peak Energy Price	Forward price quotes, if sufficiently available, otherwise, historical ratio of on-peak to off-peak spot energy prices	Prior to each tranche
EDC-Specific Unhedged Congestion Adder	Historical ratio of zonal to Western Hub spot prices for unhedged load	Prior to each tranche
EDC-Specific Marginal Loss Adder	Historical ratio of zonal marginal losses, if available, otherwise, EDC estimate of marginal loss factor	Prior to each tranche
EDC Rate Class-Specific Load Shape Adder	Historical ratio of load-weighted to hourly weighted average spot prices	Prior to each tranche
Capacity Price	PJM auction results, if available, otherwise, forward price quotes, if sufficiently available, otherwise, estimation by PSC Consultant	Prior to each tranche
Loss Adder	EDC estimate	Prior to each tranche
Ancillary Service Adder	Historical ratio of ancillary service to energy prices	Prior to each tranche
Renewable Portfolio Standard	Broker quotes, if available, otherwise, Tier 1& 2 deficiency prices	Prior to each tranche
Transaction Cost and Risk Adder	Determined by PSC Staff, in consultation with PSC Consultant	Prior to Tranche 1

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**Appendix 11**  
**Full Requirements Service Agreement**

| [Utility Name]  
~~2018-2019~~ Request For Proposals

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**Appendix 12**  
**Contingency Bid Matrix**

| [Utility Name]  
2018-2019 Request For Proposals