## Appendix 3 – Load Caps Examples (Draft – Block Energy)

A Bid is a price in $/MWh for a 10 MW block for any product. A product for purposes of this RFP is either a Baseload Product or a Peak Product to be delivered in specific months. A Baseload Product is a constant quantity of energy to be delivered to the PE Zone in all hours of specific months. A Peak Product is a constant quantity of energy to be delivered only in on-peak hours of specific months. There are six (6) Baseload Products and five (5) Peak Products, as completely specified in the Table 1 below, where each product is named by a sequence of three elements: a letter "B" for a Baseload Product or "P" for a Peak Product; a number corresponding to the duration of the delivery period in months; and the month and year of the start of the delivery. Thus, the B-24-Jan2011 Product is a Baseload Product with a delivery period starting on January 1, 2011 and ending on December 31, 2012. Table 1 also provides the number of available blocks for each product in the RFP.

Table 1 – Description of Products

| Product | Type | Delivery Period | Duration (months) | Number of Available Blocks |
|---|---|---|---|---|
| B-12-Jan2011 | Baseload | January 1, 2011 to December 31, 2011 | 12 | 16 |
| B-12-Jan2012 | Baseload | January 1, 2012 to December 31, 2012 | 12 | 16 |
| B-12-Jan2013 | Baseload | January 1, 2013 to December 31, 2013 | 12 | 16 |
| B-24-Jan2011 | Baseload | January 1, 2011 to December 31, 2012 | 24 | 10 |
| B-24-Jan2013 | Baseload | January 1, 2013 to December 31, 2014 | 24 | 10 |
| B-60-Jan2011 | Baseload | January 1, 2011 to December 31, 2015 | 60 | 5 |
| P-2-Jan2011 | Peak | January 1, 2011 to February 28, 2011 | 2 | 8 |
| P-3-Jun2011 | Peak | June 1, 2011 to August 31, 2011 | 3 | 13 |
| P-3-Dec2011 | Peak | December 1, 2011 to February 29, 2012 | 3 | 8 |
| P-3-Jun2012 | Peak | June 1, 2012 to August 31, 2012 | 3 | 13 |
| P-3-Dec2012 | Peak | December 1, 2012 to February 28, 2013 | 3 | 8 |

In the Fall 2009 solicitation PECO procures 40 MW of Baseload Block Energy Supply for a duration of 12 months starting on January 1, 2011. The Fall 2009 solicitation will solicit offers for 4 blocks of the B-12-Jan2011 Product. Table 2 below provides the available blocks in the Fall 2009 solicitation and the blocks procured in the previous Spring 2009 solicitation.

Table 2 - Available Blocks – Fall 2009 and Spring 2009

| Product | Type | Supply Period | Available Blocks Fall 2009 | Available Blocks Spring 2009 |
|---|---|---|---|---|
| B-12-Jan2011 | Baseload | January 1, 2011 to December 31, 2011 | 4 | 4 |

The Block Energy RFP has a Load Cap, which is a limit on the number of blocks that an RFP Bidder can bid and serve. The Load Cap ensures that there will be a diversified pool of Block Energy Suppliers. The Load Cap is set so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier at any given time.

The Load Caps for RFP Bidders who are Block Energy Suppliers pursuant to the previous solicitation are different from the Load Caps for RFP Bidders who are not Block Energy Suppliers. This Appendix explains further how the Load Caps are calculated by providing examples. RFP Bidders who are Block Energy Suppliers will receive their individual Load Caps in the Initial Status Notification.

For the Fall 2009 solicitation, the Load Cap is Bidder-specific and is a limit on the number of blocks that an RFP Bidder can bid and win. The limit on the number of blocks that an RFP Bidder can Bid and win in the Fall 2009 solicitation is the lesser of: (i) the number of available blocks or (ii) the Load Cap less the number of blocks that the RFP Bid won in the Spring 2009 solicitation.

Over both the Fall 2009 and Spring 2009 solicitations there are a total of 8 blocks available for supply over 12 months, giving a Load Cap of 5 blocks for the January 2011 – December 2011 period over both solicitations. The Load Cap for the B-12-Jan2011 product is given in Table 3 below.

Table 3 – Fall 2009 Load Cap

| Product | Type | Supply Period | Available Blocks Fall 2009 | Available Blocks Spring 2009 | Load Cap Fall 2009 |
|---|---|---|---|---|---|
| B-12-Jan2011 | Baseload | Jan 1, 2011 to Dec 31, 2011 | 4 | 4 | 5 |

The limit on the number of blocks that an RFP Bidder will be able to Bid and win in the Fall 2009 solicitation for the B-12-Jan2011 product is 5 blocks less the blocks that the RFP Bidder has already won for the B-12-Jan2011 product in the Spring 2009 solicitation.

EXAMPLES:

Case 1. An RFP Bidder Is NOT a Block Energy Supplier:

All RFP Bidders that do not have winning Bids under this RFP in a previous solicitation can bid up to the available number of blocks for the B-12-Jan2011 product in the Fall 2009 solicitation.

In this case, there were no winning bids in the Spring 2009 solicitation and the number of available blocks is less than the Load Cap. There are 4 blocks available for the B-12-Jan2011 product, which is less than the Load Cap of 5 blocks for the B-12-Jan2011 product calculated over the Fall 2009 and the previous Spring 2009 solicitation.

Case 2. An RFP Bidder Won the Load Cap in the Spring 2009 Solicitation:

For an RFP Bidder that is a Block Energy Supplier, the Independent Evaluator will send to each such RFP Bidder its RFP Bidder-specific Load Cap for the B-12-Jan2011 product in its Initial Status Notification. The RFP Bidder-specific Load Cap for an RFP Bidder that had winning Bids under this RFP in the previous Spring 2009 solicitation are the Load Caps less the amount that was previously won in the Spring 2009 solicitation. The Spring 2009 Load Cap is given in Table 4 below.

Table 4 – Spring 2009 Load Cap

| Product | Type | Supply Period | Available Blocks Fall 2009 | Available Blocks Spring 2009 | Load Cap Spring 2009 |
|---|---|---|---|---|---|
| B-12-Jan2011 | Baseload | Jan 1, 2011 to Dec 31, 2011 | 4 | 4 | 2 |

The Load Cap for the Fall 2009 solicitation for such an RFP Bidder is:

- the RFP Bidder can win at most 3 blocks of the B-12-Jan2011product, namely the Fall 2009 Load Cap of 5 blocks less the 2 blocks won in the Spring 2009 solicitation.

An RFP Bidder who Bid and won the Load Cap in the Spring 2009 solicitation can up to 3 blocks in the Fall 2009 solicitation.

Case 3. An RFP Bidder Won Blocks in the Spring 2009 Solicitation (But Less Than The Load Cap):

In the Spring 2009 solicitation an RFP Bidder bid and won 1 block of the B-12-Jan2011 product. The RFP Bidder-specific Load Cap for the Fall 2009 solicitation for such an RFP Bidder is:

- the RFP Bidder can win at most 4 blocks of the B-12-Jan2011product, namely the Fall 2009 Load Cap of 5 blocks less the 1 block won in the Spring 2009 solicitation.

An RFP Bidder who Bid and won 1 block in the Spring 2009 solicitation can bid up to the number of available blocks in the Fall 2009 solicitation.