

Appendix 3 - Load Caps Examples (Draft - Full Requirements)

A Bid is a price in \$/MWh for a tranche for any product. A product for the purposes of this RFP is defined by three characteristics: a) a product is either Fixed-Price Default Supply or Spot-Price Default Supply; b) a product is for a given class; and c) a product is for a given supply period. For example, the Fixed-Price Default Supply for the R Class for the supply period January 1, 2011 through May 31, 2012 is a product.

In the Fall 2009 solicitation, PECO procures Fixed-Price Default Supply for the R, SC and MC Classes. For the R Class, the Fixed-Price Default Supply products are for a 17-month supply period or for a 29-month supply period starting on January 1, 2011. For the SC Class and MC Class, the products are for a 17-month supply period starting on January 1, 2011. In the previous Spring 2009 solicitation, PECO procured Fixed-Price Default Supply for the R Class for a 17-month supply period and a 29-month supply period starting on January 1, 2011. Table 1 below provides the available tranches for these Fixed-Price Default Supply products in the Fall 2009 solicitation and the tranches procured in the previous Spring 2009 solicitation.

Table 1 - Available Tranches - Fall 2009 and Spring 2009

Type	Class	Supply Period	Available Tranches Fall 2009	Available Tranches Spring 2009
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	8
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	4
Fixed-Price	SC	January 1, 2011 to May 31, 2012	6	
Fixed-Price	MC	January 1, 2011 to May 31, 2012	3	

Each Class has a Load Cap, which is a limit on the number of tranches of Default Supply that an RFP Bidder can bid and serve for that Class. An RFP Bidder may submit Bids for one or more tranches for one or several products subject to the restriction that the number of tranches for which an RFP Bidder submits a Bid for a Class cannot exceed the Load Cap for that Class. The Load Cap ensures that there will be a diversified pool of Default Suppliers for each Class. The Load Cap for a Class and an RFP Bidder is set so that the customers of that Class have no more than a 65% exposure to any one Default Supplier at any given time.

Load Caps for the SC and MC Classes.

For the Fall 2009 solicitation, the Load Caps for the SC and MC Classes are the same for all RFP Bidders and are given in Table 2 below.

Table 2 - Fall 2009 Available Tranches and Load Caps for the SC and MC Classes

Type	Class	Supply Period	Available Tranches Fall 2009	Load Cap Fall 2009
Fixed-Price	SC	January 1, 2011 to May 31, 2012	6	3
Fixed-Price	MC	January 1, 2011 to May 31, 2012	3	1

Load Caps for the R Class.

For the R Class, the Load Caps for RFP Bidders who are Default Suppliers pursuant to the previous solicitation are different from the Load Caps for RFP Bidders who are not Default Suppliers. A Default Supplier will receive its individual Load Caps in the Initial Status Notification. All RFP Bidders that do not have winning Bids under this RFP in the Spring 2009 solicitation can bid up to the available number of tranches for the R Class.

For the Fall 2009 solicitation, the Load Cap for the R Class is two-fold. There is a limit on the total number of tranches that can be bid across both products, and there is also a limit on the number of tranches that can be bid on the 29-month product.

Load Caps for the R Class: Limit on 29-month Tranches

First, over both the Spring 2009 and Fall 2009 solicitations there are a total of 7 tranches available for supply over 29 months, giving a Maximum Load Cap of 4 tranches for the January 2011 - May 2013 product.

Table 3 - Fall 2009 Load Cap for supply over the January 2011- May 2013 period

Type	Class	Supply Period	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Fall 2009
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	4	4

The limit on the number of tranches that an RFP Bidder will be able to Bid and win in the Fall 2009 solicitation for the 29-month product is 4 tranches less the tranches that the RFP Bidder has already won for the 29-month product in the Spring 2009 solicitation.

Load Caps for the R Class: Limit on Total Tranches

Second, supply over the 17 month period January 2011 - May 2012 can be obtained by winning tranches from the 17 month product and the 29 month product over both the Spring 2009 and Fall 2009 solicitations. Over both solicitations there are a total of 23 tranches available that provide for supply over the January 2011 - May 2012 period, giving a Maximum Load Cap of 14 tranches for both the 17 month and 29 month products combined over both solicitations.

Table 4 - Fall 2009 Load Cap for supply over the January 2011- May 2012 period

Type	Class	Supply Period	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Fall 2009
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	8	14
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	4	

The limit on the total number of tranches bid for an RFP Bidder that had winning Bids under this RFP in the Spring 2009 solicitation is the Maximum Load Cap less the amount that was previously won in the Spring 2009 solicitation.

EXAMPLES:

Case 1. An RFP Bidder Is NOT a Default 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 tranches for the R Class.

In this case, there were no winning bids in the Spring 2009 solicitation and the number of available tranches is less than the Load Caps. First, there are 3 tranches available for the 29-month product January 2011- May 2013, which is less than the Load Cap of 4 tranches for the 29-month product calculated over the Fall 2009 and the previous Spring 2009 solicitation. Second, supply over the 17 month period January 2011-May 2012 can be obtained by winning tranches from the 17-month product and the 29-month product. In the Fall 2009 solicitation there are 11 tranches available that provide for supply over the January 2011- May 2012 period, which is less than the Load Cap of 14 tranches for supply over the 17 month period January 2011 - May 2012 calculated over both products and 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 Default Supplier for the R Class, the Independent Evaluator will send to each such RFP Bidder its RFP Bidder-specific Load Caps for the R Class in its Initial Status Notification. The RFP Bidder-specific Load Caps 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 Caps are given in Table 5 below.

Table 5 - Spring 2009 Load Caps

Type	Class	Supply Period	Available Tranches Fall 2009	Available Tranches Spring 2009	Load Cap (Tranches) Spring 2009
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	8	5
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	4	2

The Load Caps for the Fall 2009 solicitation for such an RFP Bidder are two-fold:

- Limit on 29-month tranches: the RFP Bidder can win at most 2 tranches of the January 2011- May 2013 product, namely the Load Cap of 4 tranches less the 2 tranches won in the Spring 2009 solicitation.
- Limit on total tranches: The RFP Bidder can win at most 7 tranches combined across the 17-month and 29-month products, namely the Load Cap of 14 tranches less the 7 tranches won in the Spring 2009 solicitation over both products.

An RFP Bidder who Bid and won the Load Caps in the Spring 2009 solicitation can Bid on any combination of products in the Fall 2009 solicitation up to a Load Cap of 7 tranches for both the 17-month product and the 29-month product combined and with a maximum Bid of 2 tranches for the 29-month product. For example, such an RFP Bidder can Bid 2 tranches for the 29-month product and up to 5 tranches for the 17-month product; or 1 tranche for the 29 month-product and up to 6 tranches for the 17-month product; or zero tranches for the 29-month product and up to 7 tranches for the 17-month product.

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

In the Spring 2009 solicitation an RFP Bidder bid and won 1 tranche of the 29-month product and 3 tranches of the 17-month product. The RFP Bidder-specific Load Caps for the Fall 2009 solicitation for such an RFP Bidder are:

- Limit on 29-month tranches: the RFP Bidder can win at most 3 tranches of the January 2011- May 2013 product, namely the Load Cap of 4 tranches less the 1 tranche won in the Spring 2009 solicitation.
- Limit on total tranches: The RFP Bidder can win at most 10 tranches combined across the 17-month and 29-month products, namely the Load Cap of 14 tranches less the 4 tranches won in the Spring 2009 solicitation over both products.

An RFP Bidder who Bid and won 1 tranche of the 29-month product and 3 tranches of the 17-month product in the Spring 2009 solicitation can bid on any combination of products in the Fall 2009 solicitation up to a Load Cap of 10 tranches for both the 17-month product and the 29-month product combined and up to the available tranches for the 29-month product. For example, such an RFP Bidder can bid 2 tranches for the 29-month product and up to 8 tranches for the 17-month product; or 3 tranches for the 29 month-product and up to 7 tranches for the 17-month product.