Appendix 3 – Load Cap Examples (Block Energy)

A Bid is a price in $/MWh for a 10 MW block for any product. A product for the 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	Winter Peak	January 1, 2011 to February 28, 2011	2	8
P-3-Jun2011	Summer Peak	June 1, 2011 to August 31, 2011	3	13
P-3-Dec2011	Winter Peak	December 1, 2011 to February 29, 2012	3	8
P-3-Jun2012	Summer Peak	June 1, 2012 to August 31, 2012	3	13
P-3-Dec2012	Winter Peak	December 1, 2012 to February 28, 2013	3	8

In this solicitation, PECO procures:

- § 40 MW of Baseload Block Energy Supply for a duration of 12 months starting on January 1, 2011 (4 blocks of B-12-Jan2011);
- § 50 MW of Baseload Block Energy Supply for a duration of 24 months starting on January 1, 2011(5 blocks of B-24-Jan2011);
- § 60 MW of Peak Block Energy Supply for a duration of 3 months starting on June 1, 2011 (6 blocks of P-3-Jun2011); and
- § 40 MW of Peak Block Energy Supply for a duration of 2 months starting on January 1, 2011 (4 blocks of P-2-Jan2011).

Table 2 below provides the available blocks in this solicitation and the blocks procured in the previous solicitations.

Table 2 - Available Blocks – All Solicitations

Product	Type	Supply Period	Available Blocks Fall 2010	Available Blocks (Previous)
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	4	12
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	5	5
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	0	5
P-3-Jun2011	Summer Peak	June 1, 2011 to August 31, 2011	6	0
P-2-Jan2011	Winter Peak	January 1, 2011 to February 28, 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 that are Block Energy Suppliers pursuant to previous solicitations are different from the Load Caps for RFP Bidders that are not Block Energy Suppliers. This Appendix explains further how the Load Caps are calculated by explaining the constraints and providing examples. RFP Bidders that are Block Energy Suppliers will receive their individual Load Caps in the Initial Status Notification.

For this solicitation, the Load Cap has four constraints.

- *January 2012 to December 2012*. Blocks of two products (B-24-Jan2011 and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 15 blocks awarded of these products. A Maximum Load Cap of 9 blocks applies to these two products combined so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier for this period. In this solicitation, for B-24-Jan2011, an RFP Bidder cannot bid more than the Maximum Load Cap of 9 blocks, less the number of blocks of B-24-Jan2011 and B-60-Jan2011 won in previous solicitations.

- *March 2011 to May 2011 and September 2011 to December 2011*. Blocks of three products (B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011) provide Block Energy Supply for these periods. After this solicitation, there would be 31 blocks awarded of these products. A Maximum Load Cap of 20 blocks applies to these three products combined so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier for these periods. In this solicitation, for B-12-Jan2011 and B-24-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 20 blocks less the number of blocks of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 won in previous solicitations.

- *January 2011 to February 2011*. Blocks of four products (P-2-Jan2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 39 blocks awarded of these products. A Maximum Load Cap of 25 blocks applies to these four products combined so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier for this period. In this solicitation, for P-2-Jan2011, B-12-Jan2011 and B-24-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 25 blocks less the number of blocks of P-2-Jan2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 won in previous solicitations.

- *June 2011 to August 2011*. Blocks of four products (P-3-Jun2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 37 blocks awarded of these products. A Maximum Load Cap of 24 blocks applies to these four products combined so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier for this period. In this solicitation, for P-3-Jun2011, B-12-Jan2011 and B-24-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 24 blocks less the number of blocks of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 won in previous solicitations.

Table 3 –Load Caps

Product	Type	Supply Period	Available Blocks Fall 2010	Available Blocks (Previous)	Load Cap
P-2-Jan2011	Winter Peak	January 1, 2011 to February 28, 2011	4	4	[redacted]
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	4	12	[redacted]
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	5	5	9
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	0	5	20
P-3-Jun2011	Summer Peak	June 1, 2011 to August 31, 2011	6	0	[redacted]
					25
					24

EXAMPLES:

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

An RFP Bidder that is not a Block Energy Supplier may submit Bids for all available blocks.

Case 2. An RFP Bidder Is a Block Energy Supplier:

For an RFP Bidder that is a Block Energy Supplier, the Independent Evaluator will send to each such RFP Bidder its individual Load Caps in the Initial Status Notification.

Suppose that an RFP Bidder is a Block Energy Supplier for 2 blocks of P-2-Jan2011, 8 blocks of B-12-Jan2011, 3 blocks of B-24-Jan2011, and 3 blocks of B-60-Jan2011.

The Load Caps for this solicitation for such an RFP Bidder are:

- No more than 3 blocks of B-24-Jan2011. Over the period *January 2012 to December 2012*, the constraints specify a maximum of 9 blocks for the B-24-Jan2011 and B-60-Jan2011 products combined. The RFP Bidder already holds 6 blocks from previous solicitations (3 blocks of B-24-Jan2011 and 3 blocks of B-60-Jan2011), leaving a maximum of 3 blocks of B-24-Jan2011 to bid in this solicitation.
- No more than 6 blocks total of B-12-Jan2011 and B-24-Jan2011 combined. Over the periods *March 2011 to May 2011 and September 2011 to December 2011*, the constraints specify a maximum of 20 blocks for the B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 products combined. The RFP Bidder already holds 14 blocks from previous solicitations (8 blocks of B-12-Jan2011, 3 blocks of B-24-Jan2011, and 3 blocks of B-60-Jan2011), leaving a maximum of 6 blocks of B-12-Jan2011 and B-24-Jan2011 to bid in this solicitation.
- No more than 9 blocks total of P-2-Jan2011, B-12-Jan2011, B-24-Jan2011 combined. Over the period *January 2011 to February 2011*, the constraints specify a maximum of 25 blocks for the P-2-Jan2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 products combined. The RFP Bidder already holds 16 blocks from previous solicitations (2 blocks of P-2-Jan2011, 8 blocks of B-12-Jan2011, 3 blocks of B-24-Jan2011, and 3 blocks of B-60-Jan2011), leaving a maximum of 9 blocks of P-2-Jan2011, B-12-Jan2011, and B-24-Jan2011 to bid in this solicitation.
- No more than 10 blocks total of P-3-Jun2011, B-12-Jan2011, B-24-Jan2011 combined. Over the period *June 2011 to August 2011*, the constraints specify a maximum of 24 blocks for the P-3-Jun2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 products combined. The RFP Bidder already holds 14 blocks from previous solicitations (8 blocks of B-12-Jan2011, 3 blocks of B-24-Jan2011, and 3 blocks of B-60-Jan2011), leaving a maximum of 10 blocks of P-3-Jun2011, B-12-Jan2011, B-24-Jan2011 to bid in this solicitation.