

### Appendix 3 - Load Cap Examples (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 this solicitation, PECO procures Fixed-Price Default Supply for the Residential (R), Small Commercial (SC) and Medium Commercial (MC) classes. Table 1 below provides the available tranches in this solicitation.

**Table 1 - Available Tranches for Fixed-Price Default Supply**

Type	Class	Supply Period	Available Tranches
			Fall 2011
Fixed-Price	Residential	June 2012 - May 2013	9
Fixed-Price	Residential	June 2012 - May 2014	7
Fixed-Price	Small Commercial	June 2012 - May 2013	9
Fixed-Price	Medium Commercial	June 2012 - May 2013	9

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, across both Fixed-Price and Spot-Price Default Supply tranches. 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. The Load Caps for the Full Requirements RFP are administered separately from the Load Caps for the Block Energy RFP.

The Load Caps for RFP Bidders that are Default Suppliers may be different from the Load Caps for RFP Bidders that are not Default Suppliers. An RFP Bidder that is a Default Supplier will receive its individual Load Caps in the Initial Status Notification.

### R Class

The Load Cap for the R Class will apply as follows: (i) an RFP Bidder is limited to 4 tranches of the 24-month Fixed-Price product in this solicitation; and (ii) an RFP is limited to 19 tranches of the 12-month Fixed-Price, 24-month Fixed-Price and 29-month Fixed-Price products combined, including tranches of these products won in previous solicitations and tranches bid for the 12-month Fixed-Price and 24-month Fixed-Price products in this solicitation.

### SC Class

The Load Cap for the SC Class will apply as follows: an RFP Bidder is limited to 9 tranches of the 12-month Fixed-Price and 29-month Fixed-Price products combined, including tranches of the 29-month Fixed-Price product won in previous solicitations and tranches bid for the 12-month Fixed-Price product in this solicitation.

### MC Class

The Load Cap for the MC Class will apply as follows: an RFP Bidder is limited to 5 tranches of the 12-month Fixed-Price product in this solicitation.

**EXAMPLES:**

These examples use one class at a time for illustration purposes. The same principles apply to all classes.

**Case 1. An RFP Bidder Is NOT a Default Supplier (MC Class):**

For the MC Class, this solicitation is the first time tranches for the June 2012 - May 2013 period are being procured. There are 9 tranches available for the 12-month Fixed-Price MC product. The load cap for this product is 5 tranches. Therefore, an RFP Bidder can bid up to 5 tranches for this product.

**Case 2. An RFP Bidder Is NOT a Default Supplier (SC Class):**

All RFP Bidders that are not Default Suppliers for the SC Class can bid up to the available number of tranches for the SC Class. There are 9 tranches available for the 12-month Fixed-Price SC product. The load cap for this product is 9 tranches. Therefore, an RFP Bidder that is currently not a default supplier for the SC class can bid up to 9 tranches for this product.

**Case 3. An RFP Bidder Won Tranches in Previous Solicitations, but Fewer than the Load Caps (SC Class):**

The individual Load Caps for an RFP Bidder that is a Default Supplier for the SC Class are the Load Caps less the amount that was previously won. The Fall 2011 tranches available and past tranches won are given in Table 3 below.

**Table 3 - SC Class Tranches Available**

Type	Class	Supply Period	Tranches Won				Tranches Available Fall 2011
			Spring 2009	Fall 2009	Spring 2010	Fall 2010	
Fixed-Price	SC	January 2011 - May 2012	0	2	3	3	0
Fixed-Price	SC	January 2011 - May 2013	0	0	2	1	0
Fixed-Price	SC	June 2012 - May 2013	0	0	0	0	9

The Load Cap for such an RFP Bidder is:

- Limit on 12-month Fixed-Price tranches: the RFP Bidder can win at most 6 tranches of the 12-month Fixed-Price product, namely the Load Cap of 9 tranches less the 3 tranches of the Fixed-Price 29 month product won in previous solicitations.

**Case 4. An RFP Bidder Won the Load Cap<sup>1</sup> in the Previous Solicitations (R Class):**

In the Fall 2009 solicitation, an RFP Bidder bid and won 1 tranche of the 17-month Fixed-Price product. In the Spring 2010 solicitation, the same RFP Bidder bid and won another 4 tranches of the 17-month Fixed-Price product. The Fall 2011 tranches available and past tranches won are given in Table 4 below.

**Table 4 - R Class Tranches Available**

Type	Class	Supply Period	Tranches Won				Tranches Available Fall 2011
			Spring 2009	Fall 2009	Spring 2010	Fall 2010	
Fixed-Price	R	January 2011 - May 2012	5	5	5	6	0
Fixed-Price	R	January 2011 - May 2013	2	2	2	3	0
Fixed-Price	R	June 2012 - May 2013	0	0	0	0	9
Fixed-Price	R	June 2012 - May 2014	0	0	0	0	7

- Such an RFP Bidder can win at most 10 tranches combined across the 12-month Fixed-Price and 24-month Fixed-Price products, namely the Load Cap of 19 tranches less the 9 tranches for the 29-month Fixed-Price product won in previous solicitations.

An RFP Bidder that bid and won 9 tranches of the 29-month Fixed-Price product in previous solicitations can bid on any combination of products in this solicitation up to 10 tranches for the 12-month Fixed-Price and 24-month Fixed-Price products combined. For example, such an RFP Bidder can bid 5 tranches for the 12-month Fixed-Price product and up to 5 tranches for the 24-month Fixed-Price product; or 8 tranches for the 12-month Fixed-Price and up to 2 tranche for the 24-month Fixed-Price product.

---

<sup>1</sup> There is more than one way to have won at the load caps over all previous solicitations; this example assumes that the RFP Bidder has won the maximum possible of 30 tranches for the 17-month Fixed-Price and 29-month Fixed-Price products across all four previous solicitations.