

### 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	12
B-12-Jan2013	Baseload	January 1, 2013 to December 31, 2013	12	12
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	7
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	6
P-3-Jun2012	Summer Peak	June 1, 2012 to August 31, 2012	3	10
P-3-Dec2012	Winter Peak	December 1, 2012 to February 28, 2013	3	6

In this solicitation, PECO procures:

- 30 MW of Peak Block Energy Supply for a duration of 3 months starting on December 1, 2012 (3 blocks of P-3-Dec2012)
- 60 MW of Baseload Block Energy Supply for a duration of 12 months starting on January 1, 2012 (6 blocks of B-12-Jan2013).
- 40 MW of Baseload Block Energy Supply for a duration of 24 months starting on January 1, 2012 (3 blocks of B-24-Jan2013).

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 2012	Available Blocks (Previous)
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	0	16
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	0	10
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	0	5
B-12-Jan2012	Baseload	January 1, 2012 to December 31, 2012	0	12
B-12-Jan2013	Baseload	January 1, 2013 to December 31, 2013	6	6
B-24-Jan2013	Baseload	January 1, 2013 to December 31, 2014	4	3
P-2-Jan2011	Winter Peak	January 1, 2011 to February 28, 2011	0	8
P-3-Jun2011	Summer Peak	June 1, 2011 to August 31, 2011	0	13
P-3-Dec2011	Winter Peak	December 1, 2011 to February 29, 2012	0	6
P-3-Jun2012	Summer Peak	June 1, 2012 to August 31, 2012	0	10
P-3-Dec2012	Winter Peak	December 1, 2012 to February 28, 2013	3	3

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:

1. *December 2012.* Blocks of four products (B-12-Jan2012, B-24-Jan2011, B-60-Jan2011 and P-3-Dec2012) provide Block Energy Supply for this period. After this solicitation, there would be 33 blocks awarded of these products. A Maximum Load Cap of 21 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-Dec2012, a RFP Bidder cannot bid more than the Maximum Load Cap of 21 blocks, less the number of blocks of P-3-Dec2012, B-12-Jan2012, B-24-Jan2011, and B-60-Jan2011 won in previous solicitations.

**Table 3 - Load Caps - Constraint 1: December 2012**

Product	Supply Period	Available Blocks Fall2012	Available Blocks (Previous)	Available Blocks (Total)	Available Blocks (All Products)	Load Cap
B-12-Jan2012	January 1, 2012 to December 31, 2012	0	12	12	33	21
B-24-Jan2011	January 1, 2011 to December 31, 2012	0	10	10		
B-60-Jan2011	January 1, 2011 to December 31, 2015	0	5	5		
P-3-Dec2012	December 1, 2012 to February 28, 2013	3	3	6		

2. *January 2013 to February 2013.* Blocks of four products (P-3-Dec2012, B-12-Jan2013, B-24-Jan2013 and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 30 blocks awarded of these products. A Maximum Load Cap of 19 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-Dec2012, B-12-Jan2013, and B-24-Jan2013, an RFP Bidder cannot bid more than the Maximum Load Cap of 19 blocks, less the number of blocks of B-60-Jan2011, P-3-Dec2012, B-12-Jan2013, and B-24-Jan2013 won in previous solicitations.

Table 4 - Load Caps - Constraint 2: January 2013 to February 2013

Product	Supply Period	Available Blocks Fall2012	Available Blocks (Previous)	Available Blocks (Total)	Available Blocks (All Products)	Load Cap
B-60-Jan2011	January 1, 2011 to December 31, 2015	0	5	5	30	19
P-3-Dec2012	December 1, 2012 to February 28, 2013	3	3	6		
B-12-Jan2013	January 1, 2013 to December 31, 2013	6	6	12		
B-24-Jan2013	January 1, 2013 to December 31, 2014	4	3	7		

3. *March 2013 to December 2013.* Blocks of three products (B-12-Jan2013, B-24-Jan2013, and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 24 blocks awarded of these products. A Maximum Load Cap of 15 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 this period. In this solicitation, for B-12-Jan2013 and B-24-Jan2013, an RFP Bidder cannot bid more than the Maximum Load Cap of 15 blocks, less the number of blocks of B-60-Jan2011, B-12-Jan2013 and B-24-Jan2013 won in previous solicitations.

Table 5 - Load Caps - Constraint 3: March 2013 to December 2013

Product	Supply Period	Available Blocks Fall2012	Available Blocks (Previous)	Available Blocks (Total)	Available Blocks (All Products)	Load Cap
B-12-Jan2013	January 1, 2013 to December 31, 2013	6	6	12	24	15
B-24-Jan2013	January 1, 2013 to December 31, 2014	4	3	7		
B-60-Jan2011	January 1, 2011 to December 31, 2015	0	5	5		

4. *January 2014 to December 2014.* Blocks of two products (B-24-Jan2013 and B-60-Jan2011) provide Block Energy Supply for this period. After this solicitation, there would be 12 blocks awarded of these products. A Maximum Load Cap of 7 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-Jan2013, an RFP Bidder cannot bid more than the Maximum Load Cap of 7 blocks, less the number of blocks of B-60-Jan2011 and B-24-Jan2013 won in previous solicitations.

**Table 6 - Load Caps - Constraint 4: January 2014 to December 2014**

<b>Product</b>	<b>Supply Period</b>	<b>Available Blocks Fall2012</b>	<b>Available Blocks (Previous)</b>	<b>Available Blocks (Total)</b>	<b>Available Blocks (All Products)</b>	<b>Load Cap</b>
B-24-Jan2013	January 1, 2013 to December 31, 2014	4	3	7	12	7
B-60-Jan2011	January 1, 2011 to December 31, 2015	0	5	5		

## 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 of P-3-Dec2012, B-12-Jan2013, and B-24-Jan2013.

### 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 B-24-Jan2011,
- 3 blocks of B-60-Jan2011,
- 12 blocks of B-12-Jan2012,
- 1 block of B-12-Jan2013,
- 2 blocks of B-24-Jan2013, and
- 2 blocks of P-3-Dec2012.

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

1. No more than 2 blocks of P-3-Dec2012. For *December 2012*, the constraints specify a maximum of 21 blocks for B-12-Jan2012, B-24-Jan2011, B-60-Jan2011 and P-3-Dec2012 combined. The RFP Bidder already holds 19 blocks from previous solicitations (2 blocks of B-24-Jan2011, 3 blocks of B-60-Jan2011, 12 blocks of B-12-Jan2012, and 2 blocks of P-3-Dec2012), leaving a maximum of 2 blocks of P-3-Dec2012 to bid in this solicitation.
2. No more than 11 blocks of P-3-Dec2012, B-12-Jan2013, and B-24-Jan2013. Over the period *January 2013 to February 2013*, the constraints specify a maximum of 19 blocks for P-3-Dec2012, B-12-Jan2013, B-24-Jan2013 and B-60-Jan2011 combined. The RFP Bidder already holds 8 blocks from previous solicitations (3 blocks of B-60-Jan2011, 1 block of B-12-Jan2013, 2 blocks of B-24-Jan2013, and 2 blocks of P-3-Dec2012), leaving a maximum of 11 blocks total to bid on P-3-Dec2012, B-12-Jan2013, and B-24-Jan2013 in this solicitation.

3. No more than 9 blocks of B-12-Jan2013 and B-24-Jan2013. Over the period *March 2013 to December 2013*, the constraints specify a maximum of 15 blocks for B-12-Jan2013, B-24-Jan2013, and B-60-Jan2011 combined. The RFP Bidder already holds 6 blocks from previous solicitations (3 blocks of B-60-Jan2011, 1 block of B-12-Jan2013, and 2 blocks of B-24-Jan2013), leaving a maximum of 9 blocks of B-12-Jan2013 and B-24-Jan2013 to bid in this solicitation.
4. No more than 2 blocks of B-24-Jan2013. Over the period *January 2014 to December 2014*, the constraints specify a maximum of 7 blocks for B-24-Jan2013 and B-60-Jan2011. The RFP Bidder already holds 5 blocks from previous solicitations (3 blocks of B-60-Jan2011, and 2 blocks of B-24-Jan2013), leaving a maximum of 2 blocks of B-24-Jan2013 to bid in this solicitation.