

### 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 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 this solicitation, PECO procures:

- § 40 MW of Baseload Block Energy Supply for a duration of 12 months starting on January 1, 2011;
- § 50 MW of Baseload Block Energy Supply for a duration of 24 months starting on January 1, 2011;
- § 50 MW of Baseload Block Energy Supply for a duration of 60 months starting on January 1, 2011; and
- § 40 MW of Peak Block Energy Supply for a duration of 2 months starting on January 1, 2011.

This solicitation will solicit offers for 4 blocks of the B-12-Jan2011 Product, 5 blocks of the B-24-Jan2011 Product, 5 blocks of the B-60-Jan2011 Product, and 4 blocks of the P-2-Jan2011 Product. Table 2 below provides the available blocks in this solicitation and the blocks procured in the previous solicitations.

**Table 2 - Available Blocks - Fall 2009 and Spring 2009**

Product	Type	Supply Period	Available Blocks Spring 2010	Available Blocks (Previous)
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	4	8
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	5	0
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	5	0
P-2-Jan2011	Winter Peak	January 1, 2011 to February 28, 2011	4	0

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 providing examples. RFP Bidders that previously qualified will receive their individual Load Caps in the Initial Status Notification.

For this solicitation, the Load Cap has four components.

- § The first component applies to the period from January 2013 to December 2015. Tranches of a single product (B-60-Jan2011) provide block energy supply for the period from January 2013 to December 2015. After this solicitation, there would be 5 blocks awarded for this product. A Maximum Load Cap of 3 blocks applies to this product so that the customers of the R Class have no more than a 65% exposure to any one Block Energy Supplier for the period January 2013 to December 2015. For B-60-Jan2011, an RFP Bidder cannot bid more than the Maximum Load Cap of 3 blocks.
- § The second component applies to the period from January 2012 to December 2012. Blocks of two products (B-24-Jan2011 and B-60-Jan2011) provide block energy supply for the

period from January 2012 to December 2012. After this solicitation, there would be 10 blocks awarded of these products. A Maximum Load Cap of 6 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 the period from January 2012 to December 2012. For B-24-Jan2011 and B-60-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 6 blocks.

- § The third component applies to the period from March 2011 to December 2011. Blocks of three products (B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011) provide block energy supply for the period from March 2011 to December 2011. After this solicitation, there would be 22 blocks awarded of these products. A Maximum Load Cap of 14 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 the period from March 2011 to December 2011. For B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 14 blocks less the number of blocks that the RFP Bidder has won for B-12-Jan2011 in previous solicitations.
- § The fourth component applies to the period from 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 the period from January 2011 to February 2011. After this solicitation, there would be 26 blocks awarded of these products. A Maximum Load Cap of 16 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 the period from January 2011 to February 2011. For P-2-Jan2011, B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011 combined, an RFP Bidder cannot bid more than the Maximum Load Cap of 16 blocks less the number of blocks that the RFP Bidder has won for B-12-Jan2011 in previous solicitations.

Table 3 -Load Caps

Product	Type	Supply Period	Available Blocks Spring 2010	Available Blocks (Previous)	Load Cap			
P-2-Jan2011	Winter Peak	January 1, 2011 to February 28, 2011	4	0	16			
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	4	8				
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	5	0	6	14	16	
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	5	0				3

EXAMPLES:

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

An RFP Bidder that does not have winning Bids under this RFP in previous solicitations must submit Bids that conform to all four criteria below:

- § No more than 3 blocks of B-60-Jan2011
- § No more than 6 blocks total of B-24-Jan2011 and B-60-Jan2011
- § No more than 14 blocks total of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011
- § No more than 16 blocks total across all four products

Case 2. An RFP Bidder Won the Load Cap in the Previous Solicitations:

For an RFP Bidder that previously qualified, the Independent Evaluator will send to each such RFP Bidder its individual Load Caps in its Initial Status Notification. Across the previous solicitations, there were eight blocks of the B-12-Jan2011 Product available, so the most an RFP Bidder could have won is 5 blocks.

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

- § No more than 3 blocks of B-60-Jan2011
- § No more than 6 blocks total of B-24-Jan2011 and B-60-Jan2011
- § No more than 9 blocks total of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011
- § No more than 11 blocks total across all four products

Note that the Load Cap restricting Bids on the B-60-Jan2011 Product and the Load Cap restricting Bids on the combination of B-24-Jan2011 and B-60-Jan2011 are not affected by having won in previous solicitations.

Case 3. An RFP Bidder Won Blocks in Previous Solicitations (But Fewer Than The Load Cap):

For example, an RFP Bidder that bid and won 1 block in previous solicitations can bid:

- § No more than 3 blocks of B-60-Jan2011
- § No more than 6 blocks total of B-24-Jan2011 and B-60-Jan2011
- § No more than 13 blocks total of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011
- § No more than 15 blocks total across all four products

As another example, an RFP Bidder that bid and won 4 blocks in previous solicitations can bid:

- § No more than 3 blocks of B-60-Jan2011
- § No more than 6 blocks total of B-24-Jan2011 and B-60-Jan2011
- § No more than 10 blocks total of B-12-Jan2011, B-24-Jan2011 and B-60-Jan2011
- § No more than 12 blocks total across all four products