

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 R, SC, MC and LC&I Classes. For the R and SC Classes, 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 MC Class, the product is for a 17-month supply period starting on January 1, 2011. For the LC&I Class, the product is for a 12-month supply period starting on January 1, 2011. Table 1 below provides the available tranches for these Fixed-Price Default Supply products in this solicitation and the tranches procured in previous solicitations as well.

Table 1 - Available Tranches - Current and Previous

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	8	8
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	3	4
Fixed-Price	SC	January 1, 2011 to May 31, 2012	6	6	0
Fixed-Price	SC	January 1, 2011 to May 31, 2013	3	0	0
Fixed-Price	MC	January 1, 2011 to May 31, 2012	8	3	0
Fixed-Price	LC&I	January 1, 2011 to December 31, 2011	20	0	0

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 R Class.

For the R Class, the Load Caps for RFP Bidders that are Default Suppliers are different from the Load Caps for RFP Bidders that are not Default Suppliers. An RFP Bidder that previously qualified will receive its individual Load Caps in the Initial Status Notification. All RFP Bidders that do not have winning Bids under this RFP in previous solicitations can bid up to the available number of tranches for the R Class.

For this 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 all current and previous solicitations combined, there are a total of 10 tranches available for supply over 29 months, giving a Maximum Load Cap of 6 tranches for the January 2011 - May 2013 product.

Table 2 - R Class Load Cap for supply over the January 2011- May 2013 period

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Spring 2010
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	3	4	6

The limit on the number of tranches that an RFP Bidder will be able to bid and win in this solicitation for the 29-month product is 6 tranches less the tranches that the RFP Bidder has already won for the 29-month product in previous solicitations.

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 the Spring 2009, Fall 2009, and Spring 2010 solicitations. Over all three solicitations, there are a total of 34 tranches available that provide for supply over the January 2011 - May 2012 period, giving a Maximum Load Cap of 22 tranches for both the 17-month and 29-month products combined over all solicitations.

Table 3 - R Class Load Cap for supply over the January 2011- May 2012 period

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Spring 2010
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	8	8	22
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	3	4	

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

Load Caps for the SC Class.

Like the R class, 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.

Table 4 - SC Class Available Tranches and Load Caps

Type	Class	Supply Period	Available Tranches Spring 2010	Tranches Available Fall 2009	Tranches Available Spring 2009
Fixed-Price	SC	January 1, 2011 to May 31, 2012	6	6	0
Fixed-Price	SC	January 1, 2011 to May 31, 2013	3	0	0

The Load Caps for RFP Bidders that are Default Suppliers are different from the Load Caps for RFP Bidders that are not Default Suppliers. An RFP Bidder that previously qualified will receive its individual Load Caps in the Initial Status Notification.

First, over all current and previous solicitations combined, there are a total of 3 tranches available for supply over 29 months; the Maximum Load Cap for the January 2011 - May 2013 product is 2.¹

Table 5 - SC Load Cap for supply over the January 2011- May 2013 period

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Spring 2010
Fixed-Price	SC	January 1, 2011 to May 31, 2013	3	0	0	2

The limit on the number of tranches that an RFP Bidder will be able to bid and win in this solicitation for the 29-month product is 2 tranches. This applies to all RFP Bidders, whether they have won SC tranches in previous solicitations or not.

¹ The application of the 65% load cap would require bidders to bid on no more than one (1) tranche of the 29-month SC product. PECO has proposed for this instance only that bidders be able to bid on up to two (2) tranches of the 29-month SC product. The Commission has not yet rendered a decision on this proposal. If the Commission does not approve this proposal, the Independent Evaluator will set the Load Cap for the 29-month SC product to one (1) tranche and will issue an amendment to this appendix to the RFP Rules.

Load Caps for the SC 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 the Spring 2009, Fall 2009, and Spring 2010 solicitations. Over all three solicitations, there are a total of 15 tranches available that provide for supply over the January 2011 - May 2012 period, giving a Maximum Load Cap of 9 tranches for both the 17-month and 29-month products combined over all solicitations.

Table 6 - SC Load Cap for supply over the January 2011- May 2012 period

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Spring 2010
Fixed-Price	SC	January 1, 2011 to May 31, 2012	6	6	0	9
Fixed-Price	SC	January 1, 2011 to May 31, 2013	3	0	0	

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

Load Cap for the MC Class.

The Load Caps for RFP Bidders that are Default Suppliers are different from the Load Caps for RFP Bidders that are not Default Suppliers. An RFP Bidder that previously qualified will receive its individual Load Caps in the Initial Status Notification.

Table 7 - MC Class Available Tranches and Load Cap

Type	Class	Supply Period	Available Tranches Spring 2010	Available Tranches Fall 2009	Available Tranches Spring 2009	Maximum Load Cap Spring 2010
Fixed-Price	MC	January 1, 2011 to May 31, 2012	8	3	0	7

The limit on the total number of tranches bid for an RFP Bidder that had winning Bids under this RFP in previous solicitations is the Maximum Load Cap less the amount that was previously won in prior solicitations. If an RFP Bidder previously won 1 tranche, it may bid up to 6 tranches in this solicitation; if the RFP Bidder has not previously won any tranches, it may bid up to 7 tranches.

Load Cap for the LC&I Class.

For the Spring 2010 Solicitation, the Load Cap for the LC&I Class is the same for all RFP Bidders and is set such that no RFP Bidder may bid and win more than 13 tranches.

EXAMPLES:

These examples use the R class for illustration purposes. The same principles apply to all classes.

Case 1. An RFP Bidder Is NOT a Default Supplier:

All RFP Bidders that do not have winning Bids under this RFP in previous solicitations can bid up to the available number of tranches for the R Class.

There are 3 tranches available for the 29-month product, which is less than the Load Cap of 6 tranches for the 29-month product calculated over all three solicitations. 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 this solicitation there are 11 tranches available that provide for supply over the January 2011 to May 2012 period, which is less than the Load Cap of 22 tranches for supply over the 17-month period calculated over both products and over the three solicitations.

Case 2. An RFP Bidder Won the Load Cap² in the Previous Solicitations:

The individual Load Caps for an RFP Bidder that had winning Bids under this RFP in the previous solicitations are the Load Caps less the amount that was previously won in the those solicitations. The Spring 2009 Load Caps are given in Table 5 below.

Table 8 - R Class Tranches Available

Type	Class	Supply Period	Available Tranches Spring 2010	Tranches Won Fall 2009	Tranches Won Spring 2009
Fixed-Price	R	January 1, 2011 to May 31, 2012	8	5	5
Fixed-Price	R	January 1, 2011 to May 31, 2013	3	2	2

The Load Caps for such an RFP Bidder are two-fold:

- Limit on 29-month tranches: the RFP Bidder can win at most 2 tranches of the 29-month product, namely the Load Cap of 6 tranches less the 4 tranches won in previous solicitations.

² 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 four 29-month tranches and ten 17-month tranches across the Spring 2009 solicitation and the Fall 2009 solicitation combined.

- Limit on total tranches: The RFP Bidder can win at most 8 tranches combined across the 17-month and 29-month products, namely the Load Cap of 22 tranches less the 14 tranches won in previous solicitations over both products.

An RFP Bidder that bid and won the Load Caps in previous solicitations can bid on any combination of products in this solicitation up to a Load Cap of 8 tranches for both the 17-month product and the 29-month product combined and with a maximum 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 6 tranches for the 17-month product; or 1 tranche for the 29 month-product and up to 7 tranches for the 17-month product; or zero tranches for the 29-month product and up to 8 tranches for the 17-month product.

Case 3. An RFP Bidder Won Tranches in Previous Solicitations (But Fewer than the Load Caps):

In the Spring 2009 solicitation, an RFP Bidder bid and won 2 tranches of the 29-month product and 4 tranches of the 17-month product. In the Fall 2009 solicitation, the same RFP Bidder bid and won another 2 tranches of the 29-month product and 5 tranches of the 17-month product. The individual Load Caps for such an RFP Bidder are:

- Limit on 29-month tranches: the RFP Bidder can win at most 2 tranches of the 29-month product, namely the Load Cap of 6 tranches less the 4 tranche won in previous solicitations.
- Limit on total tranches: The RFP Bidder can win at most 9 tranches combined across the 17-month and 29-month products, namely the Load Cap of 22 tranches less the 13 tranches won in previous solicitations.

An RFP Bidder that bid and won 3 tranches of the 29-month product and 9 tranches of the 17-month product in previous solicitations can bid on any combination of products in this solicitation up to the available 3 tranches for the 29-month product and up to 10 tranches for the 17-month and 29-month products combined. For example, such an RFP Bidder can bid 2 tranches for the 29-month product and up to the available 8 tranches for the 17-month product; or the available 3 tranches for the 29 month-product and up to 7 tranches for the 17-month product.