

PECO Energy Company
Default Service Program
Request for Proposals
For Block Energy Supply

Spring 2012

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ARTICLE I. INTRODUCTION

I.1. Overview

I.1.1. Capitalized terms in this document, which are not defined explicitly herein, are defined in the Default Service Program Block Energy Supply Master Agreement (“Block Energy SMA”). The Block Energy SMA is attached as Appendix 1 to this document.

I.1.2. PECO Energy Company (“Company” or “PECO”) has proposed a competitive bidding process to obtain electric supply for the Company to meet a portion of its obligations as Default Service Provider, pursuant to Chapter 28 of the Pennsylvania Public Utility Code, 66 Pa. C. S. §§ 2801-2812. This competitive bidding process includes this Request for Proposals (“RFP”) for the procurement of blocks of around-the-clock energy (“Baseload Block Energy Supply”) as well as for the procurement of blocks of energy for peak hours (“Peak Block Energy Supply”). Block Energy Supply is procured for various supply periods. This competitive bidding process also includes a second RFP for the procurement of full requirements service. Whenever necessary to avoid confusion, these two RFPs will be referred to as the “Block Energy RFP” and the “Full Requirements RFP” respectively.

I.1.3. This RFP consists of a total of thirteen (13) documents. This main document is called the “RFP Rules”. The following documents are appended to the RFP Rules:

- Appendix 1: Block Energy SMA
- Appendix 2: Subsequent Solicitations
- Appendix 3: Load Cap Examples
- Appendix 4: Guaranty Process
- Appendix 5: Standard Part 1 Form
- Appendix 6: Short Part 1 Form
- Appendix 7: Part 2 Form
- Appendix 8: Sample Bid Form
- Appendix 9: Chief Financial Officer Attestation
- Appendix 10: Officers’ Certificate (for RFP Bidders under an Agency Agreement)
- Appendix 11: Standard Pre-Bid Letter of Credit
- Appendix 12: Confidentiality Statement

I.1.4. The RFP will select electricity suppliers to provide Block Energy Supply for the term of the procurement plan of PECO’s Default Service Program, namely January 1, 2011 through May 31, 2013. Some contracts that begin during this period extend beyond

the term of the Default Service Program, expiring on December 31 of 2013, 2014, and 2015.

- I.1.5. Each solicitation will be identified by the season and year during which it will take place. The first two (2) solicitations, held in Spring 2009 and Fall 2009, procured Baseload Block Energy Supply for a duration of 12 months beginning on January 1, 2011 and ending on December 31, 2011. The third solicitation, held in Spring 2010, also procured Baseload Block Energy Supply over this period. In addition, the third solicitation procured Baseload Block Energy Supply for durations of 24 and 60 months beginning on January 1, 2011. The fourth solicitation procured Baseload Block Energy Supply for durations of 12 and 24 months beginning on January 1, 2011. The Spring 2011 and Fall 2011 solicitations procured Baseload Block Energy Supply for the period January 1, 2012 to December 31, 2012. This Spring 2012 solicitation and the Fall 2012 Solicitation will procure Baseload Block Energy Supply for the 12-month period January 1, 2013 to December 31, 2013 and for the 24-month period January 1, 2013 to December 31, 2014.
- I.1.6. Starting with the Spring 2010 solicitation, Peak Block Energy Supply is procured in each solicitation. For purposes of this RFP, the months of June through August (inclusive) are referred to as "Summer Months" while the months of December through February (inclusive) are referred to as "Winter Months". Starting with the Spring 2011 Solicitation, a Spring solicitation and the following Fall solicitation will procure Peak Block Energy Supply for the coming Winter Months; the Spring 2010 and Fall 2010 solicitations procured Peak Block Energy Supply for the coming Winter Months excluding December 2010. Starting with the Fall 2010 solicitation, a Fall solicitation and the following Spring solicitation will procure Peak Block Energy Supply for the coming Summer Months.
- I.1.7. The schedule in these RFP Rules refers only to this solicitation. The tentative schedule for future solicitations is provided in Appendix 2. For each solicitation, these RFP Rules will be updated to include the dates for that solicitation and to refer to the

particular products to be procured in that solicitation. Provisions of this RFP allow suppliers that have completed the Part 1 Proposal or Part 2 Proposal in a previous solicitation under this RFP to take part in an abbreviated qualification process for this solicitation. The RFP Rules may be further updated to reflect additional decisions by the Commission, relevant changes in law, or non-material modifications to the processing of Proposals expected to improve potential participation by suppliers. Further, the Independent Evaluator and the Company may amend the RFP Rules if necessary to cure inconsistencies in the provisions of this RFP. The Independent Evaluator and the Company may advise the Commission to postpone or modify the schedule of a solicitation when market conditions are impacted by extraordinary events, such as the advent of war, terrorism, or an act of God.

I.1.8. A “Class” is a grouping of customers on PECO’s existing rate schedules. The Residential Class consists of the following rate schedules: Residence Service (“R”), Residential Heating Service (“RH”), and Off-Peak Service (“OP”). PECO serves 25% of the Residential Class Default Service Load, referred to as the “PECO Share”. PECO uses Block Energy Supply to meet 20% of the expected seasonal energy requirements of the Residential Class Default Service Load (80% of the PECO Share). PECO balances the blocks of energy and load of the PECO Share on an hourly basis through the hourly spot market energy in PJM. PECO purchases all other necessary products to serve the PECO Share, including without limitation ancillary services and capacity, in PJM-administered markets. For the PECO Share, PECO makes purchases necessary to meet its obligations under the Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8, (“AEPS Act”), as well as other Orders, regulations and rules that may be promulgated by the PUC with respect to the AEPS.

I.1.9. An electric supplier participating in this RFP bids to provide Block Energy Supply, either Baseload Block Energy Supply or Peak Block Energy Supply or both, for one or more supply periods. An electric supplier selected through this RFP to provide Block Energy Supply and approved by the Pennsylvania Public Utility Commission (“PUC” or

“Commission”) becomes a Block Energy Supplier. An electric supplier participating in this Block Energy RFP may also participate in the Full Requirements RFP for fixed-price and spot-price full requirements products.

- I.1.10. The obligations of the Block Energy Supplier are described in the Block Energy SMA. The main provisions of the Block Energy SMA are summarized in Section I.4.
- I.1.11. A Proposal is a response to this RFP for a solicitation pursuant to these RFP Rules. An entity that submits any part of a response to this Block Energy RFP for a solicitation is an RFP Bidder (Block Energy). An entity that submits any part of a response to the Full Requirements RFP for a solicitation is an RFP Bidder (Full Requirements). In the documents for this Block Energy RFP, “RFP Bidder” means “RFP Bidder (Block Energy)” unless specifically stated otherwise.
- I.1.12. A Proposal consists of three (3) parts. The first part of the Proposal (“Part 1 Proposal”) is the RFP Bidder’s response to the qualification standards described in Article IV of these RFP Rules. RFP Bidders that qualify pursuant to a successful Part 1 Proposal may submit the second part of the Proposal (“Part 2 Proposal”). The Part 2 Proposal, described in detail in Article V, includes the signed Block Energy SMA and financial support for the RFP Bidder’s offers. RFP Bidders that present a successful Part 1 Proposal and Part 2 Proposal may submit the third part of the Proposal, which consists of the RFP Bidder’s price offers.

I.2. Products and Bids

I.2.1. This RFP solicits electric suppliers to deliver specific quantities of around-the-clock energy, generally for periods of 12 or 24 months, or to deliver specific quantities of on-peak energy, generally for 3 months. 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 below. In the table below, 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 I-1. Description of Products.

Product	Type	Delivery Period	Duration (in months)
B-12-Jan2011	Baseload	January 1, 2011 to December 31, 2011	12
B-12-Jan2012	Baseload	January 1, 2012 to December 31, 2012	12
B-12-Jan2013	Baseload	January 1, 2013 to December 31, 2013	12
B-24-Jan2011	Baseload	January 1, 2011 to December 31, 2012	24
B-24-Jan2013	Baseload	January 1, 2013 to December 31, 2014	24
B-60-Jan2011	Baseload	January 1, 2011 to December 31, 2015	60
P-2-Jan2011	Peak	January 1, 2011 to February 28, 2011	2
P-3-Jun2011	Peak	June 1, 2011 to August 31, 2011	3
P-3-Dec2011	Peak	December 1, 2011 to February 29, 2012	3
P-3-Jun2012	Peak	June 1, 2012 to August 31, 2012	3
P-3-Dec2012	Peak	December 1, 2012 to February 28, 2013	3

I.2.2. PECO's Default Service Program Plan specifies a quantity in megawatts ("MW") that this RFP seeks to procure of each product with delivery beginning on January 1, 2011, as well as for the P-3-Jun2011 Product. These quantities are expressed in number of 10 MW blocks and are given in the table below.

Table I-2. Available Blocks with Delivery Prior to December 1, 2011.

Products	Number of Available Blocks	Total MW
B-12-Jan2011	16	160
B-24-Jan2011	10	100
B-60-Jan2011	5	50
P-2-Jan2011	8	80
P-3-Jun2011	13	130

- I.2.3. An RFP Bidder can offer to supply one or several of the products in a given solicitation. A Bid for a block of 10 MW of any product is a price in dollars per MWh rounded to the nearest cent. An RFP Bidder may submit different Bids for different blocks of a given product. The number of blocks bid by an RFP Bidder on a product is the number of blocks of that product for which the RFP Bidder provides a Bid.
- I.2.4. In this solicitation, PECO procures baseload blocks of energy for a term of 12 months as well as peak blocks of energy for 3 winter months and 3 summer months that will be used by the Company to serve the PECO Share. The table below provides the number of Blocks and the products available in this solicitation.
- I.2.5. The quantities in the following table were determined after application of the adjustment mechanism. The adjustment mechanism applies to the quantities of products with delivery beginning on December 1, 2011 or later and is based on the updated data for the Default Service Load of the Residential Class. Under this adjustment mechanism, the size of energy blocks is determined based on weather normalized hourly Default Service Load data for the most recent 12 months for the Residential Class. If this determination results in quantities that are outside a +/- 5% deadband compared to current block sizing, then procurement quantities are updated.

Table I-3. Products available in this solicitation.

Product	Blocks Available (10 MW each)
P-3-Jun2012	4
P-3-Dec2012	3
B-12-Jan2013	6
B-24-Jan2013	3

I.2.6. 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. An overview of the calculation of Load Caps is provided in the following Paragraphs. More information on the calculation of the Load Caps is provided in Appendix 3. The Independent Evaluator will send to each previously qualified RFP Bidder an Initial Status Notification, which is further described in Paragraph I.3.1 below. For each Block Energy Supplier, the Initial Status Notification will include such Block Energy Supplier's Load Caps for this solicitation.

I.2.7. For this solicitation, the Load Caps apply as follows.

- Each RFP Bidder is limited to 24 blocks of the P-3-Jun2012, B-12-Jan2012, B-24-Jan2011, and B-60-Jan2011 products combined, including blocks of these products won in previous solicitations and blocks of the P-3-Jun2012 product bid in this solicitation.
- Each RFP Bidder is limited to 19 blocks of the P-3-Dec2012, B-12-Jan2012, B-24-Jan2011, and B-60-Jan2011 products combined, including blocks of these products won in previous solicitations and blocks of the P-3-Dec2012 product bid in this solicitation.
- Each RFP Bidder is limited to 11 blocks of the P-3-Dec2012, B-12-Jan2013, B-24-Jan2013, and B-60-Jan2011 products combined, including blocks of these products won in previous solicitations and blocks of the P-3-Dec2012, B-12-Jan2013, and B-24-Jan2013 products bid in this solicitation.
- Each RFP Bidder is limited to 9 blocks of the B-60-Jan2011, B-12-Jan2013, and B-24-Jan2013 products combined, including blocks of these products won in previous solicitations and blocks of the B-12-Jan2013 and B-24-Jan2013 products bid in this solicitation.

- Each RFP Bidder is limited to 5 blocks of the B-60-Jan2011 and B-24-Jan2013 products combined, including blocks of these products won in previous solicitations and blocks of the B-24-Jan2013 product bid in this solicitation.

I.2.8. For products that are procured in more than one solicitation, if PECO is unable to obtain Block Energy Supply for all blocks for a product in a solicitation, unfilled blocks for that product will be placed for re-bid in the next solicitation in which the same product is scheduled to be purchased (if there is such a solicitation). The P-3-Dec2012, B-12-Jan2013, B-24-Jan2013 products, which are scheduled to be procured in this solicitation, are also scheduled to be procured in the Fall 2012 Solicitation. If there is no subsequent solicitation in which a product with unfilled blocks is scheduled to be purchased, at the start of the supply period, PECO will instead purchase additional hourly spot market energy in PJM. For products with a duration of 24 months, the unfilled blocks will be placed for re-bid in the first solicitation after the start of the supply period. The blocks will be added to the supply to be purchased for the product with the longest supply period that expires on or before the original expiration date. The P-3-June2012 product, which is procured in this solicitation, is not scheduled to be purchased again in a subsequent solicitation.

I.2.9. Any prospective supplier that meets the qualification standards established in these RFP Rules, and that is willing to provide prices at which to provide Block Energy Supply can respond to this RFP, including Exelon Generation Company (a PECO affiliate).

I.3. Submission of Proposals

- I.3.1. The Independent Evaluator will send to each previously qualified RFP Bidder an Initial Status Notification no later than ten (10) days prior to the opening of the Part 1 Proposal Window. The Initial Status Notification will include the contact information on file with the Independent Evaluator. In their Part 1 Proposals, previously qualified RFP Bidders must correct or confirm the contact information provided by the Independent Evaluator in the Initial Status Notification. The Initial Status Notification will also include the RFP Bidder's Load Caps for this solicitation when the RFP Bidder is a Block Energy Supplier.
- I.3.2. PECO and the Independent Evaluator will hold a Guaranty Process, described in more detail in Appendix 4. The Guaranty Process allows a supplier unable to use the Form of Guaranty provided as Exhibit F to the Block Energy SMA to submit for consideration by PECO the guaranty that the supplier uses in its normal course of business. An alternate guaranty form is approved according to specific criteria provided in Appendix 4. In particular, the alternate guaranty form must not have a monetary limit and must provide credit protections to PECO and its customers that are substantially similar to the credit protections provided to PECO by the Form of Guaranty. The Guaranty Process also allows a supplier able to use the Form of Guaranty provided as Exhibit F to the Block Energy SMA to propose modifications to the Form of Guaranty that are non-material in nature, or that are advantageous to both PECO and the prospective supplier. All approved modifications will be posted in a single document on the RFP Web site in advance of the Part 1 Proposal. An RFP Bidder using the Form of Guaranty may elect to incorporate any or all of the approved modifications to the Form of Guaranty, regardless of whether the RFP Bidder itself or another RFP Bidder proposed the modification. Each RFP Bidder that relies on the financial standing of an RFP Guarantor must use the relevant section of the Part 1 Form to make its elections to incorporate any of the approved modifications to the Form of Guaranty.

- I.3.3. RFP Bidders that did not qualify in a previous solicitation must use the Standard Part 1 Form provided as Appendix 5 of these RFP Rules to respond to the qualification standards described in Article IV of these RFP Rules. Previously qualified RFP Bidders may participate in an abbreviated qualification process by using the Short Part 1 Form provided as Appendix 6 of these RFP Rules to respond to the qualification standards described in Article IV of these RFP Rules. The generic term “Part 1 Form” refers either to the Standard Part 1 Form or the Short Part 1 Form. The Standard Part 1 Form and the Short Part 1 Form, as well as other forms mentioned in these RFP Rules, are provided as Appendices to these RFP Rules and are also available electronically on the RFP Web site: www.pecoprocurement.com.
- I.3.4. The Part 1 Proposal for an RFP Bidder includes three (3) original completed Part 1 Forms. The original Part 1 Forms must be provided in hard copy. The RFP Bidder is encouraged to submit an electronic copy of the Part 1 Form at PecoProcurement@nera.com that the Independent Evaluator may use to provide a courtesy assessment before receipt of the hard copies. The Part 1 Proposal also includes one (1) copy of all documents required by the Part 1 Form. These documents can be submitted either in hard copy, or in electronic format. The qualification standards include the submission of contact information, general representations, and the submission of financial information for a creditworthiness assessment.
- I.3.5. RFP Bidders must use the Part 2 Form provided as Appendix 7 of these RFP Rules to respond to the Part 2 Proposal requirements described in Article V of these RFP Rules. The Part 2 Proposal consists of three (3) original completed Part 2 Forms as well as all other documents required by the Part 2 Form, in the number of originals specified in Article V. The Part 2 Proposal requirements include additional representations, submission of the Block Energy SMA for RFP Bidders that did not have winning Bids under this RFP in a previous solicitation, and a Pre-Bid Letter of Credit in an amount sufficient to support the Bids.

- I.3.6. RFP Bidders must use the Bid Form provided with the Part 1 Notification to submit their Bids. A sample Bid Form is provided for illustrative purposes as Appendix 8 of these RFP Rules.
- I.3.7. The schedule for this solicitation is provided in Table II-1 and will be updated if necessary on the RFP Web site www.pecoprocurement.com. Part 1 Proposals are received and processed during a specific timeframe, the Part 1 Proposal Window. The last day of the Part 1 Proposal Window is called the Part 1 Date. Part 1 Proposals must be received by 12 PM (noon) on the Part 1 Date. All times in this RFP are Eastern Prevailing Times (“EPT”) unless specifically noted. An RFP Bidder that submits a Part 1 Proposal during the Part 1 Proposal Window and that is qualified pursuant to its Part 1 Proposal may submit a Part 2 Proposal. Each RFP Bidder that submits a Part 1 Proposal will be notified whether it has qualified to submit a Part 2 Proposal no later than 6:00 PM on the Part 1 Notification Date.
- I.3.8. Part 2 Proposals are received and processed during a specific timeframe, the Part 2 Proposal Window. The last day of the Part 2 Proposal Window is called the Part 2 Date. Part 2 Proposals must be received by 12 PM (noon) on the Part 2 Date. An RFP Bidder that is qualified pursuant to its Part 1 Proposal and that submits a successful Part 2 Proposal may submit Bids. Each RFP Bidder that submits a Part 2 Proposal will be notified whether it has qualified to submit Bids no later than 6:00 PM on the Part 2 Notification Date.
- I.3.9. The day on which Bids are submitted is called the Bid Date. Each RFP Bidder’s Bids must be received between 10:00 AM and 12 PM (noon) on the Bid Date. All Bids are evaluated on the Bid Date.
- I.3.10. For each solicitation, the Independent Evaluator will present to the PUC on the first business day after the Bid Date the results of that solicitation in a confidential report to the PUC. The results of a solicitation may include the results for Block Energy Supply under this RFP as well as the results for full-requirements products under the Full Requirements RFP. This confidential report will include the winning Bids

determined during the evaluation. The Independent Evaluator will notify each RFP Bidder whether each of its Bids is or is not being presented to the PUC as a winning Bid by 6:00 PM on the Bid Date.

- I.3.11. The PUC will have one (1) business day to consider the report of the Independent Evaluator and to approve or reject each of the winning Bids. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved.
- I.3.12. As provided in the PUC's directive dated October 12, 2010 (Docket No. M-2009-2082042), the Independent Evaluator will release, within fifteen (15) days of the close of the solicitation, the weighted average price for each block product procured through this RFP. The Independent Evaluator will issue an announcement on behalf of PECO with this information and the announcement will also be posted to the RFP Web site. This announcement may include additional information regarding rate impacts.

I.4. Supplier's Obligations

- I.4.1. An electric supplier selected through this RFP to provide Block Energy Supply and approved by the PUC becomes a Block Energy Supplier. A Block Energy Supplier may be providing Baseload Block Energy Supply, or Peak Block Energy Supply, or both.
- I.4.2. This section describes in general terms several provisions of the Block Energy SMA. This is a summary only and is subject to and qualified in its entirety by the Block Energy SMA provided as Appendix 1 to the RFP Rules. Each RFP Bidder accepts the obligations and associated rights to provide Block Energy Supply as defined in the Block Energy SMA.
- I.4.3. Block Energy Supply includes the Energy, transmission other than Network Integration Transmission Service, transmission losses, congestion management costs, and such other services or products that are required by PJM to deliver the specified product to the PE Zone.
- I.4.4. A Block Energy Supplier that has won blocks of Baseload Block Energy Supply for a specific delivery period will provide a constant amount of energy every hour

corresponding to the number of blocks won for that specific delivery period times 10MW. The price received by the Block Energy Supplier is the average of the prices of the blocks won by that Block Energy Supplier for that specific delivery period. A Block Energy Supplier that has won Peak Block Energy Supply for a specific delivery period will provide a constant amount of energy every on-peak hour corresponding to the number of blocks won for that specific delivery period times 10 MW. The price received by the Block Energy Supplier is the average of the prices of the blocks won by that Block Energy Supplier for that specific delivery period. In any month or hour, a Block Energy Supplier may be providing Baseload Block Energy Supply for more than one specific delivery period, or may be providing both Baseload Block Energy Supply and Peak Block Energy Supply, or both.

ARTICLE II. Information and Schedule

II.1. RFP Web Site

II.1.1. PECO and its Independent Evaluator have established an RFP Web site that is the main source of information for the RFP. RFP Bidders and other stakeholders can visit this RFP Web site to obtain information and documents related to this RFP. The RFP Web site address is www.pecoprocurement.com.

II.1.2. The RFP Web site contains the sections described below. New sections may be added as necessary to assist RFP Bidders.

Home: This section provides announcements of interest to RFP Bidders and to other interested parties, an outline of the RFP process, a search function, and a summary of important dates.

Background: These sections provide background information on the regulatory process, the results of the previous PECO solicitations and archives of documents, FAQs and announcements from previous solicitations provided for reference purposes only.

Supplier Information: This section provides documents regarding the RFP as well as frequently asked questions ("FAQs"), RFP-related announcements, and information about rates. All stakeholders, including RFP Bidders, are able to ask questions via a web form. The Independent Evaluator provides an answer to the question via email to the questioner, and a copy of the question and answer is posted so that all stakeholders and RFP Bidders have access to the same information. Aspects of the question and/or answer that might identify the party asking the question will be removed before posting.

Data Room: This section provides historical data to assist prospective suppliers. Links to the PJM Web site and related documents can also be found in this Section.

Calendar: This section provides the timeline for the main events in the current and upcoming solicitations.

Contact Us: This section gives any stakeholder an opportunity to register its email address to receive updates and announcements regarding this RFP. The section also provides the contact information for the Independent Evaluator, an electronic web form to submit questions to the Independent Evaluator, and a web form for prospective suppliers to register for bidder information sessions.

II.2. RFP Schedule

II.2.1. The following is the schedule for this solicitation. Specific times for submission of materials for the Part 1 Proposals, the Part 2 Proposals, and the Bids are provided elsewhere in this RFP. All such times are EPT unless specifically noted. This schedule may be amended if circumstances warrant. Any such amendments will be posted to the RFP Web site.

Table II-1. RFP Schedule

Spring 2012 Solicitation	
Prospective suppliers participate in the Guaranty Process	Friday, February 03, 2012
Approved modifications to Form of Guaranty posted	Wednesday, February 22, 2012
Decision on alternate guaranty forms	Friday, February 24, 2012
RFP documents issued	Friday, March 09, 2012
Bidder Information Session	Thursday, March 08, 2012
Part 1 Proposal Window Opens	Tuesday, March 20, 2012
Part 1 Date (Part 1 Proposal Window Closes)	Tuesday, March 27, 2012
Part 1 Notification Date	Friday, March 30, 2012
Part 2 Proposal Window Opens	Tuesday, April 03, 2012
Bid Submission Training	Thursday, April 05, 2012
Part 2 Date (Part 2 Proposal Window Closes)	Tuesday, April 10, 2012
Part 2 Notification Date	Friday, Friday, April 13, 2012
Bid Date (Bids are Due)	Monday, April 16, 2012
Independent Evaluator provides its report to the PUC	Tuesday, April 17, 2012
PUC Decision	Wednesday, April 18, 2012
<i>If Bids are approved by the PUC:</i>	
PECO executes the Default Service SMA	Within three business days of the Bid Date
PECO sends Transaction Confirmations by overnight delivery service and fax	By noon on the third business day after the Bid Date
Default Supplier meets the creditworthiness requirements and executes all Transaction Confirmation(s)	By 2:00 PM on the fourth business day after the Bid Date

ARTICLE III. General Requirements for Proposals

- III.1.1. An entity that submits any part of a response to this RFP for a solicitation is an RFP Bidder. Each RFP Bidder can submit at most one Part 1 Proposal and one Part 2 Proposal for each solicitation. An RFP Bidder that qualifies for this solicitation by submitting a Part 1 Proposal that fulfills all requirements described in Article IV may submit a Part 2 Proposal.
- III.1.2. All Part 1 Proposals and all Part 2 Proposals are submitted to the Independent Evaluator in accordance with the instructions provided in Article VII.
- III.1.3. For a given solicitation, all representations and certifications required by this RFP must be made by a single individual. This individual must be an Officer of the RFP Bidder. An Officer of the RFP Bidder is an individual authorized to undertake contracts (including the Block Energy SMA) and bind that RFP Bidder. As a requirement of the Part 1 Proposal, the RFP Bidder must name an individual as Officer of the RFP Bidder and must provide full contact information for this individual. As a requirement of the Part 2 Proposal, the Officer of the RFP Bidder must sign the Block Energy SMA. The Officer of the RFP Bidder named in the Part 1 Proposal is expected to sign the Transaction Confirmation(s) if any of the RFP Bidder's Bids are approved by the Commission.
- III.1.4. The Independent Evaluator will send to each RFP Bidder that submitted a successful Part 1 Proposal in a previous solicitation an Initial Status Notification no later than ten (10) days prior to the opening of the Part 1 Proposal Window. Such RFP Bidders may participate in an abbreviated qualification process.
- III.1.5. Each RFP Bidder must comply with all Part 1 Proposal requirements described in Article IV. Section IV.1 describes the contact information and representations required. Sections IV.2 and IV.3 describe financial requirements, including the process for RFP Bidders to propose modifications to the standard credit instruments.

Section IV.4 describes the regulatory representations required. Section IV.5 lists additional representations that are required. Section IV.6 lists additional requirements applicable only to RFP Bidders submitting a Proposal under an Agency Agreement. Section IV.7 lists additional requirements applicable only to RFP Bidders that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia (“Foreign RFP Bidders”), or to RFP Bidders that rely on the financial standing of an entity that has not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia (“Foreign Entity”). Each of the Sections of Article IV explains the abbreviated qualification process in which previously qualified RFP Bidders may participate.

- III.1.6. All information provided and certifications made in the Part 1 Proposal must remain valid and remain in full force and effect until six (6) business days after the Bid Date. Regardless of the reason, if any information provided in the Part 1 Proposal changes or any previous certification fails to remain valid, it is the sole responsibility of the RFP Bidder to notify the Independent Evaluator as soon as practicable. Failing to do so may result in disqualification of the RFP Bidder and of its Proposal. The Independent Evaluator reserves the right to change the assessment of an RFP Bidder’s qualifications based on any revised information provided by the RFP Bidder.
- III.1.7. Each RFP Bidder must comply with all Part 2 Proposal requirements as described in Article V. Section V.1 describes the contact information and representations required by the Part 2 Proposal. Section V.2 describes the Pre-Bid Letter of Credit required to support the RFP Bidder’s Bids. Section V.3 lists the Block Energy SMA documents required of an RFP Bidder, including the guaranty required of RFP Bidders relying on the financial standing of an RFP Guarantor. Section V.4 lists additional requirements applicable only to RFP Bidders submitting a Proposal under an Agency Agreement. Section V.5 lists additional requirements applicable only to Foreign RFP Bidders or to RFP Bidders that rely on the financial standing of a Foreign Entity. Each of the

Sections of Article V explains the abbreviated process in which RFP Bidders that submitted a successful Part 2 Proposal in a previous solicitation may participate.

- III.1.8. Each RFP Bidder must comply with the instructions for the submission of Bids provided with its Part 1 Notification. Article VI describes in general terms the requirements for the submission of Bids.
- III.1.9. Proposals that do not adhere to the terms and conditions of this RFP, or that do not fulfill all requirements of Article IV, Article V, and Article VI of this RFP, or that are not submitted in accordance with the process of Article VII, will not be considered.
- III.1.10. The submission of a Part 1 or a Part 2 Proposal to the Independent Evaluator constitutes the RFP Bidder's acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of the solicitation or the outcome of such Proposal.
- III.1.11. The RFP Bidder, at its own cost and expense, shall defend PECO, and the Independent Evaluator and their subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns, other than entities that are also RFP Bidders, against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings, or allegations of any kind which in any manner relate to, arise out of, or result from any false statement in the Proposal or breach of any covenant by the RFP Bidder set forth herein. The RFP Bidder shall indemnify and hold harmless PECO, the Independent Evaluator, their parent companies, subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders and agents, as well as the heirs, executors, administrators, successors and assigns, other than entities that are RFP Bidders, against any and all liens, judgments, liabilities, losses, injuries, damages, fees, fines, penalties, costs or expenses which in any manner relate to, arise out of, or

result from any false statement or misrepresentation in the Proposal or breach of any warranty by the RFP Bidder as set forth herein.

ARTICLE IV. Part 1 Proposal Requirements

To qualify to submit a Part 2 Proposal, an RFP Bidder must comply with all Part 1 Proposal requirements described in this Article IV. An RFP Bidder that has qualified to submit a Part 2 Proposal in a previous solicitation may participate in an abbreviated qualification process. Each of the Sections of this Article IV explains the abbreviated qualification process in which such previously qualified RFP Bidders may participate. In this Article IV, “previously qualified RFP Bidder” means an RFP Bidder that has qualified to submit a Part 2 Proposal in a previous solicitation held under this RFP.

The Part 1 Proposal for an RFP Bidder includes three (3) original completed Part 1 Forms. The original Part 1 Forms must be provided in hard copy. The RFP Bidder is encouraged to submit an electronic copy of the Part 1 Form at PecoProcurement@nera.com that the Independent Evaluator may use to provide a courtesy assessment before receipt of the hard copies.

IV.1. Contact Information and Representations

IV.1.1. Contact Information for the RFP Bidder.

- Contact information for the RFP Bidder, namely the RFP Bidder’s legal name and address, is a requirement of the Part 1 Proposal.
- An RFP Bidder that has not previously qualified must submit this contact information in its Part 1 Proposal.
- A previously qualified RFP Bidder must correct or confirm the contact information for the RFP Bidder in the Initial Status Notification, which includes the contact information for the RFP Bidder currently on file with the Independent Evaluator. The Independent Evaluator will send to a previously qualified RFP Bidder an Initial Status Notification no later than ten (10) days prior to the opening of the Part 1 Proposal Window.

IV.1.2. Officer of the RFP Bidder.

- The Officer of the RFP Bidder must be an officer, a director, or an individual otherwise authorized to undertake contracts (including the Block Energy SMA) and bind the RFP Bidder. The Officer of the RFP Bidder whose contact information is provided in the Part 1 Proposal must make all representations required in the Part 1 Proposal. Should the RFP Bidder submit a Part 2 Proposal, the individual named as Officer of the RFP Bidder must make the representations required in the Part 2 Proposal and sign the Block Energy SMA. Should the RFP Bidder have Bids approved by the Commission, the individual named as Officer of the RFP Bidder is expected to sign the Transaction Confirmation(s). If the Officer of the RFP Bidder named in the Part 1 Proposal is unavailable to sign the Transaction Confirmation(s), the Officer of the RFP Bidder will advise PECO of this fact, will name another individual to sign the Transaction Confirmation(s), and will confirm that this individual is an officer, a director, or an individual otherwise authorized to undertake contracts (including the Block Energy SMA) and bind the RFP Bidder.
- An RFP Bidder that has not previously qualified must submit the following contact information in its Part 1 Proposal: the name, title, and full contact information (address, phone number, fax number, email address) of the Officer of the RFP Bidder.
- A previously qualified RFP Bidder must confirm the contact information for the Officer of the RFP Bidder in the Initial Status Notification. If the Officer of the RFP Bidder previously named will not be available to: (i) make all representations required in the Part 1 Proposal; or (ii) should the RFP Bidder submit a Part 2 Proposal, make the representations required in the Part 2 Proposal and sign the Block Energy SMA if necessary, the RFP Bidder must name another individual to serve as Officer of the RFP Bidder.

IV.1.3. Representative of the RFP Bidder

- The Representative is the point of contact if the Independent Evaluator has questions on the documentation provided by the RFP Bidder in response to this RFP or requires additional information. The Independent Evaluator sends all correspondence related to the solicitation to the Representative, including confidential information required to submit Bids on the Bid Date. The Independent Evaluator, for the purposes of this RFP, will communicate exclusively with the Representative or the Officer. Communications with the Representative will typically be done via fax and by overnight delivery service. The RFP Bidder is urged to provide a fax number at which the Representative will be able to receive faxes from the Independent Evaluator in a secure and timely manner.
- If the RFP Bidder has not previously qualified, the Officer of the RFP Bidder must name a Representative of the RFP Bidder in the Part 1 Proposal. The RFP Bidder must provide the name, title, and full contact information (address, phone number, fax number, email address) of the individual named by the Officer of the RFP Bidder who will serve as Representative of the RFP Bidder for purposes of this solicitation.
- A previously qualified RFP Bidder must confirm or correct the contact information for the Representative of the RFP Bidder in the Initial Status Notification. The Officer of the RFP Bidder will name another individual to serve as Representative by providing all the required contact information if the previously named Representative will not be available during this solicitation to be the point of contact for the Independent Evaluator or to receive correspondence from the Independent Evaluator. The Officer of the RFP Bidder may, at his or her option, name a new Representative for any other reason by providing all the required contact information.

IV.1.4. Representations by the Officer of the RFP Bidder

- The Officer of the RFP Bidder, whether or not the RFP Bidder has previously qualified, must certify that:
 - (1) he/she is an officer, a director, or an individual otherwise authorized to undertake contracts (including the Default Service Program Supply Master Agreement) and bind the RFP Bidder;
 - (2) the Part 1 Proposal will remain valid and remain in full force and effect until six (6) business days after the Bid Date;
 - (3) all information provided in the Part 1 Proposal is true and accurate to the best of the Officer's knowledge and belief; and
 - (4) if, for any reason or due to any circumstance, any information provided in the Part 1 Proposal changes or any previous certification fails to remain valid before the sixth business day after the Bid Date, the Officer of the RFP Bidder or the Representative will notify the Independent Evaluator of such changes as soon as practicable but in no event later than one (1) day before the Bid Date.

IV.1.5. All information and certifications in this Section IV.1 must be provided exclusively by completing Section 1 of the Part 1 Form, as further explained in Article VII.

IV.2. Financial Requirements

IV.2.1. An RFP Bidder includes in its Part 1 Proposal one (1) copy of any document required in this Section IV.2, either in hard copy or electronically on a CD.

IV.2.2. Election of Entity on Whose Financial Standing the RFP Bidder is Relying.

- For purposes of a creditworthiness evaluation, each RFP Bidder elects either: (a) to rely on its own financial standing; or: (b) to rely on the financial standing of another entity. The other entity on whose financial standing the RFP Bidder is relying is either a guarantor (the "RFP Guarantor"), or a Principal if the RFP Bidder is submitting a Proposal under an Agency Agreement. The requirements

for an RFP Bidder submitting a Proposal under an Agency Agreement are further explained in Section IV.6.

- An RFP Bidder that has not previously qualified must clearly select one of these two (2) options in its Part 1 Proposal.
- A previously qualified RFP Bidder will receive an Initial Status Notification that will identify the entity on whose financial standing the RFP Bidder last relied. The Independent Evaluator uses the information submitted by such RFP Bidder in the most recent solicitation under this RFP for which the RFP Bidder submitted a successful Part 1 Proposal. The RFP Bidder must confirm or change this information. If the RFP Bidder changes this information, the RFP Bidder will be required to resubmit all information required by this Section IV.2 as if the RFP Bidder had not previously qualified and will be required to use the Standard Part 1 Form to submit its Part 1 Proposal.

IV.2.3. Financial Information.

- The financial information submitted in the Part 1 Proposal pertains to the entity on whose financial standing the RFP Bidder is relying, as specified in response to Paragraph IV.2.2.
- Whether or not the RFP Bidder has previously qualified, an RFP Bidder that selects option (a) in Paragraph IV.2.2, must include available financial information for the RFP Bidder in its Part 1 Proposal. If available, the RFP Bidder must submit its most recent quarterly financial information, including a balance sheet, income statement, cash flow statement, and any accompanying notes and schedules. If available, the most recent Securities and Exchange Commission (“SEC”) Form 10-Q or 10-K (whichever is more recent) must be submitted to fulfill this requirement. If the SEC Form 10-Q/10-K is unavailable, the RFP Bidder must submit its most recent quarterly, monthly or bi-annual financial information accompanied by an attestation by the RFP Bidder’s Chief

Financial Officer (or equivalent position) that the information contained in the financial statements fairly presents in all material respects the financial condition and results of the operations of the RFP Bidder. The requirements for this attestation are more specifically provided in Appendix 9 of these RFP Rules. If such financial information is unavailable for the RFP Bidder, the RFP Bidder must clearly state this fact.

- Whether or not the RFP Bidder has previously qualified, an RFP Bidder that selects option (b) in Paragraph IV.2.2 relies on the financial standing of another entity (an RFP Guarantor or a Principal) and financial information must be available for such an entity. An RFP Bidder must submit, if available, the entity's most recent quarterly financial information, including a balance sheet, income statement, cash flow statement, and any accompanying notes and schedules. If available, the most recent SEC Form 10-Q or 10-K (whichever is more recent) must be submitted to fulfill this requirement. If the SEC Form 10-Q/10-K is unavailable, the RFP Bidder must submit the entity's most recent quarterly, monthly, or bi-annual financial information accompanied by an attestation by the entity's Chief Financial Officer (or equivalent position) that the information contained in the financial statements fairly presents in all material respects the financial condition and results of the operations of the entity. The requirements for this attestation are more specifically provided in Appendix 9 of these RFP Rules.

IV.2.4. Credit Ratings.

- The credit ratings submitted in the Part 1 Proposal pertain to the entity on whose financial standing the RFP Bidder is relying, as specified in response to Paragraph IV.2.2.
- An RFP Bidder that has not previously qualified must submit all available credit ratings for the entity on whose financial standing it is relying. This entity is the

RFP Bidder if the RFP Bidder selects option (a) in Paragraph IV.2.2. This entity is the RFP Guarantor or a Principal if the RFP Bidder selects option (b) in Paragraph IV.2.2. The RFP Bidder must submit all available ratings from the following rating agencies: Standard & Poor's Ratings Services ("S&P"), Moody's Investors Service, Inc. ("Moody's"), and Fitch Ratings ("Fitch"). For each rating agency that rates the entity, the RFP Bidder may submit a print-out of the agency's Web site or other documentation from the agency providing the name of the rating agency, the type of rating, and the rating of the entity. The Independent Evaluator will use any such information provided by the RFP Bidder to verify its own assessment of the agency's credit ratings. If no ratings are available for the entity, the RFP Bidder must clearly state this fact.

- A previously qualified RFP Bidder will receive an Initial Status Notification that will provide the credit ratings on file for the entity on whose financial standing the RFP Bidder last relied. The Independent Evaluator uses the information submitted by such RFP Bidder in the most recent solicitation under this RFP for which the RFP Bidder submitted a successful Part 1 Proposal. The RFP Bidder must certify that this information remains up-to-date and accurate, or provide updated information with respect to any or all of the credit ratings. If the RFP Bidder provides updated information, the RFP Bidder must state the name of the rating agency that has updated its credit rating, the updated credit rating, and the type of rating. For each such update, the RFP Bidder may submit a print-out of the agency's Web site or other documentation from the agency providing the name of the rating agency, the type of rating, and the rating of the entity.

IV.2.5. All information and certifications in this Section IV.2 must be provided exclusively by completing Section 2 of the Part 1 Form, as further explained in Article VII.

IV.3. Letters of Credit and Block Energy SMA

IV.3.1. Standard Pre-Bid Letter of Credit.

- Whether or not the RFP Bidder has previously qualified, an RFP Bidder must, in its Part 2 Proposal, submit a Pre-Bid Letter of Credit in an amount as specified in Paragraph V.2.2 This Pre-Bid Letter of Credit must be in the form of the Standard Pre-Bid Letter of Credit provided as Appendix 11 to these RFP Rules or must incorporate only modifications that have been approved by PECO and the Independent Evaluator.
- As part of the Part 1 Proposal, an RFP Bidder may request modifications to the Standard Pre-Bid Letter of Credit that are non-material in nature, or that are advantageous to both PECO and the RFP Bidder. An RFP Bidder requests modifications to the Standard Pre-Bid Letter of Credit by submitting a Draft Pre-Bid Letter of Credit substantially in the form of the Standard Pre-Bid Letter of Credit indicating clearly any and all modifications to the Standard Pre-Bid Letter of Credit. The Draft Pre-Bid Letter of Credit must be submitted electronically, in Microsoft Word with tracked changes, and may be saved to a CD that is included with the Part 1 Proposal, or it may be emailed to the Independent Evaluator at PecoProcurement@nera.com. A Draft Pre-Bid Letter of Credit that is not substantially in the form of the Standard Pre-Bid Letter of Credit will not be considered or evaluated.
- All approved modifications to the Standard Pre-Bid Letter of Credit will be posted to the RFP Web site. Each RFP Bidder may use any of the approved modifications, regardless of whether the RFP Bidder itself or another RFP Bidder proposed the modification.

IV.3.2. Standard Post-Bid Letter of Credit.

- The Block Energy SMA includes, as Exhibit C, a Form of Letter of Credit that may be used to post security under the terms of the Block Energy SMA. This

paragraph refers to this letter of credit as the “Standard Post-Bid Letter of Credit”.

- Whether or not the RFP Bidder has previously qualified, an RFP Bidder may, in its Part 1 Proposal, request modifications to the Standard Post-Bid Letter of Credit that are non-material in nature, or that are advantageous to both PECO and the RFP Bidder. An RFP Bidder requests modifications to the Standard Post-Bid Letter of Credit by submitting a Draft Post-Bid Letter of Credit substantially in the form of the Standard Post-Bid Letter of Credit indicating clearly any and all modifications to the Standard Post-Bid Letter of Credit. The Draft Post-Bid Letter of Credit must be submitted electronically, in Microsoft Word with tracked changes, and may be saved to a CD that is included with the Part 1 Proposal, or it may be emailed to the Independent Evaluator at PecoProcurement@nera.com. A Draft Post-Bid Letter of Credit that is not substantially in the form of the Standard Post-Bid Letter of Credit will not be considered or evaluated.
- All approved modifications to the Standard Post-Bid Letter of Credit will be posted to the RFP Web site. Each RFP Bidder may use any of the approved modifications, regardless of whether the RFP Bidder itself or another RFP Bidder proposed the modification.

IV.3.3. Information to Prepare the Block Energy SMA.

- The requirements of this Paragraph apply only to RFP Bidders that are not Block Energy Suppliers.
- Such RFP Bidder must, in its Part 2 Proposal, submit two (2) signed original Block Energy SMAs, including all exhibits. The Independent Evaluator sends the Block Energy SMA with the Part 1 Notification to each RFP Bidder that qualified pursuant to a successful Part 1 Proposal and that is not a Block Energy Supplier.

- Such RFP Bidder that has not previously qualified must provide all information needed to prepare for execution the Block Energy SMA, including all exhibits. The RFP Bidder will be required to specify any elections to be made in the Block Energy SMA and to provide the contact information to prepare the form of notice, which is appended as Exhibit H to the Block Energy SMA.
- Such previously qualified RFP Bidder will receive an Initial Status Notification that will provide all information needed to prepare the Block Energy SMA for execution, including all exhibits, and the last elections of the RFP Bidder. The Independent Evaluator uses the information submitted by such RFP Bidder in the most recent solicitation under this RFP for which the RFP Bidder submitted a successful Part 1 Proposal. The RFP Bidder must confirm that the information is up-to-date and accurate, or the RFP Bidder must submit updated information so that the Independent Evaluator may prepare the Block Energy SMA for execution with completely accurate information.

IV.3.4. The requirements of this Paragraph apply only to RFP Bidders that are not Block Energy Suppliers. The Officer of the RFP Bidder, whether or not the RFP Bidder has previously qualified, must certify that the RFP Bidder has no pending legal proceedings or, to its knowledge, threatened legal proceedings against it or any of its affiliates that could materially adversely affect its ability to perform its obligations under the Block Energy SMA and each Transaction Confirmation.

IV.3.5. Guaranty.

- The requirements of this Paragraph apply only to RFP Bidders that rely on the financial standing of an RFP Guarantor.
- The Guaranty Process is explained in Paragraph I.3.2 and in Appendix 4. Such RFP Bidder may participate in the Guaranty Process, whether or not the RFP Bidder has previously qualified.

- Such RFP Bidder must, in its Part 1 Proposal, provide all information that will be needed to prepare the guaranty for execution. The Independent Evaluator uses this information to prepare the guaranty. The Independent Evaluator sends the prepared guaranty with the Part 1 Notification to each such RFP Bidder that qualified pursuant to a successful Part 1 Proposal and the RFP Bidder submits two (2) signed originals of that prepared guaranty with its Part 2 Proposal. This process applies to all such RFP Bidders, including those that have previously qualified and those RFP Bidders that are Default Suppliers.
- Such RFP Bidder that has not previously qualified will be required: (i) to specify the governing laws under which the RFP Guarantor is organized; (ii) to provide contact information for the RFP Guarantor, including the name and title of the signatory of the guaranty for notices under the guaranty; (iii) to make its elections to incorporate any or all of the approved modifications to the Form of Guaranty.
- Such previously qualified RFP Bidder will receive an Initial Status Notification that will provide the information needed to prepare the guaranty as submitted by such RFP Bidder in the most recent solicitation under this RFP for which the RFP Bidder submitted a successful Part 1 Proposal. The RFP Bidder must confirm that the information is up-to-date and accurate, or the RFP Bidder must submit updated information so that the Independent Evaluator may prepare the guaranty for execution. Further, the RFP Bidder must submit its elections for any or all of the modifications to the Form of Guaranty newly approved for the current solicitation.

IV.3.6. All information and certifications in this Section IV.3 must be provided exclusively by completing Section 3 of the Part 1 Form, as further explained in Article VII.

IV.4. Regulatory Representations

IV.4.1. The requirements of this Section do not apply to RFP Bidders that are Block Energy Suppliers.

IV.4.2. FERC Authorization.

- The Officer of such RFP Bidder, whether previously qualified or not, must certify that the RFP Bidder has FERC authorization to make sales of energy at market-based rates in PJM.
- Although a copy of the FERC Order granting such authority is not required, PECO may request a copy of this Order if the RFP Bidder becomes a Block Energy Supplier.

IV.4.3. PJM Requirements.

- Such RFP Bidder that has not previously qualified must, in its Part 1 Proposal, certify that the RFP Bidder (i) is a member in good standing of PJM; and (ii) is qualified as a PJM “Market Buyer” and “Market Seller” pursuant to the PJM Agreements.
- Such RFP Bidder that previously qualified has already satisfied this requirement and is not required to submit information anew.

IV.4.4. The certifications and documents in this Section IV.4 must be provided exclusively by completing Section 4 of the Part 1 Form, as further explained in Article VII.

IV.5. Additional Representations

IV.5.1. The Officer of an RFP Bidder that has not previously qualified must, in the Part 1 Proposal, certify that:

- The Officer of the RFP Bidder understands the terms of the Block Energy SMA, that the RFP Bidder accepts all of the terms of the Block Energy SMA without modifications, and that the RFP Bidder will execute Transaction Confirmation(s) for all Bids approved by the Commission.

- The Officer of the RFP Bidder must acknowledge that the submission of the Part 1 Proposal constitutes the RFP Bidder’s acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of the solicitation or the outcome of such Proposal.

IV.5.2. The Officer of each RFP Bidder, whether previously qualified or not, must, in its Part 1 Proposal, certify that the RFP Bidder is not part of a bidding agreement, a joint venture for purposes of participating in any solicitation for this Block Energy RFP or for the Full Requirements RFP, a bidding consortium, or any other type of agreement related to bidding in any solicitation of these RFPs. An RFP Bidder (Block Energy) found to be acting in concert with another RFP Bidder (Full Requirements or Block Energy) may be disqualified by the Independent Evaluator.

IV.5.3. The certifications in this Section IV.5 must be provided exclusively by completing Section 5 of the Part 1 Form, as further explained in Article VII.

IV.6. RFP Bidders Under an Agency Agreement

IV.6.1. The requirements of this Section IV.6 apply only to RFP Bidders submitting a Proposal under an agency authorization (“Agency Agreement”); other RFP Bidders are not subject to the requirements of this Section IV.6.

IV.6.2. Certifications.

- The Officer of such RFP Bidder, whether previously qualified or not, must certify that the Officer of the RFP Bidder has the authority to bind the Principal(s).
- The Officer of such RFP Bidder that has not previously qualified must acknowledge that an Officers’ Certificate, substantially in the form of Appendix 10 to these RFP Rules, must be provided with the Part 2 Proposal.

IV.6.3. Additional Requirements.

- An RFP Bidder that is submitting a Proposal under an Agency Agreement must comply with additional requirements in its Proposal.

- Such RFP Bidder that has not previously qualified must:
 - (1) identify the Principal or Principals to the Agency Agreement;
 - (2) provide one (1) copy of its Agency Agreement with its Part 1 Proposal, either in hard copy or electronically on a CD;
 - (3) identify a Principal as the entity on whose financial standing the RFP Bidder relies, and for which financial information is provided under Section IV.2. If the RFP Bidder is acting as an agent for multiple Principals, the RFP Bidder must identify the Principal with the lowest credit rating as the entity on whose financial standing the RFP Bidder relies.

- A previously qualified RFP Bidder must correct or confirm the name of each Principal provided in the Initial Status Notification. A previously qualified RFP Bidder must either confirm that there have been no changes to the Agency Agreement or must submit one (1) copy of the amended Agency Agreement with its Part 1 Proposal, either in hard copy or electronically on a CD.

IV.6.4. Such RFP Bidder, whether previously qualified or not, may, but is not required to, submit with its Part 1 Proposal a draft Officers' Certificate for evaluation. If an RFP Bidder submits a draft Officers' Certificate for evaluation, the Independent Evaluator will provide this evaluation to the RFP Bidder, including notice of any changes required to the Officers' Certificate, along with the Part 1 Notification. This Officers' Certificate will state that: (i) the Agency Agreement submitted in response to this RFP is a true and complete copy of the Agency Agreement as currently in effect; (ii) the Agency Agreement is in full force and effect and shall remain in full force and effect for a period extending to six (6) business days following the Bid Date; (iii) there are no proceedings pending for the amendment or termination of the Agency Agreement, contemplated by the RFP Bidder, or contemplated by the Principal(s) to the RFP Bidder's knowledge; (iv) each individual who has executed the Officers' Certificate, the Agency Agreement, and the Block Energy SMA is (or was at the time of the execution of such documents) authorized to execute and deliver such documents on

behalf of the Principal(s); and (v) the Officer of the RFP Bidder is authorized to execute any Transaction Confirmation(s) pursuant to the Block Energy SMA on behalf of the Principal(s).

IV.6.5. The information required by this Section IV.6 must be provided exclusively by completing Section 6 of the Part 1 Form, as further explained in Article VII.

IV.7. Foreign RFP Bidders and Foreign Entities

IV.7.1. The requirements of this Section IV.7 apply only to: (1) Foreign RFP Bidders that seek to be granted unsecured credit under the terms of the Block Energy SMA; or (2) RFP Bidders that rely on the financial standing of a Foreign Entity (either an RFP Guarantor or a Principal). Other RFP Bidders are not subject to the requirements of this Section IV.7.

IV.7.2. Additional requirements for Foreign RFP Bidders.

- In addition to supplying all required information and documents under Section IV.2, such RFP Bidder may provide any additional evidence of creditworthiness so as to provide PECO with comparable assurances of creditworthiness as is applicable for an RFP Bidder that has been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia.
- In its Part 1 Proposal, the Officer of a Foreign RFP Bidder that has not previously qualified must acknowledge that the following additional documents are required with the Part 2 Proposal for the Foreign RFP Bidder to be granted unsecured credit under the terms of the Block Energy SMA: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Foreign RFP Bidder is incorporated or otherwise formed that the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the Foreign RFP Bidder in the jurisdiction in which it has been incorporated or otherwise formed; (ii) the sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the

person executing the Block Energy SMA on behalf of the Foreign RFP Bidder has the authority to execute the Block Energy SMA and that the governing board of such Foreign RFP Bidder has approved the execution of the Block Energy SMA; and (iii) the sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the Foreign RFP Bidder has been authorized by its governing board to enter into agreements of the same type as the Block Energy SMA. This requirement does not apply to such RFP Bidder that has previously qualified.

- Such RFP Bidder may, but is not required to, submit with its Part 1 Proposal a draft of these documents for evaluation. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel for the Foreign RFP Bidder that is sufficient. If such RFP Bidder submits a draft of these documents for evaluation, the Independent Evaluator will provide this evaluation to such RFP Bidder, including notice of any changes required to the documents, along with the Part 1 Notification.

IV.7.3. Additional requirements for RFP Bidders relying on the financial standing of a Foreign Guarantor.

- In addition to supplying all required information and documents under Section IV.2, an RFP Bidder relying on the financial standing of a Foreign Entity as RFP Guarantor may provide any additional evidence of creditworthiness for the RFP Guarantor so as to provide PECO with comparable assurances of creditworthiness as is applicable for an entity that has been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia.
- In its Part 1 Proposal, the Officer of such RFP Bidder that has not previously qualified must acknowledge that the following additional documents are required with the Part 2 Proposal for the Foreign Entity as RFP Guarantor to be

granted unsecured credit and for the RFP Bidder to rely on the financial standing of the RFP Guarantor under the terms of the Block Energy SMA: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the RFP Guarantor is incorporated or otherwise formed that the guaranty pursuant to the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the RFP Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the person executing the guaranty pursuant to the Block Energy SMA on behalf of the RFP Guarantor has the authority to execute the guaranty pursuant to the Block Energy SMA and that the governing board of such RFP Guarantor has approved the execution of the guaranty pursuant to the Block Energy SMA; and (iii) the sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the RFP Guarantor has been authorized by its governing board to enter into agreements of the same type as the guaranty pursuant to the Block Energy SMA. This requirement does not apply to such RFP Bidder that has previously qualified.

- Such RFP Bidder may, but is not required to, submit with its Part 1 Proposal a draft of these additional documents. Exhibit G to the Block Energy SMA includes a sample for the legal opinion of outside counsel that is sufficient for a Foreign Entity as RFP Guarantor. If an RFP Bidder submits a draft of the documents for evaluation, the Independent Evaluator will provide this evaluation to the RFP Bidder, including notice of any changes required to the documents, along with the Part 1 Notification.

IV.7.4. Additional Requirements for RFP Bidders submitting a Proposal under an Agency Agreement with a Foreign Entity as Principal.

- In addition to supplying all required information and documents under Section IV.2, an RFP Bidder submitting a Proposal under an Agency Agreement with a

Foreign Entity as Principal may provide any additional evidence of creditworthiness for the Principal so as to provide PECO with comparable assurances of creditworthiness as is applicable for an entity that has been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia.

- In its Part 1 Proposal, the Officer of such RFP Bidder that has not previously qualified must acknowledge that the following additional documents are required with the Part 2 Proposal for the RFP Bidder and the Foreign Entity as Principal to be granted unsecured credit under the terms of the Block Energy SMA: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Principal is incorporated or otherwise formed that the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the Principal in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such Principal that the Principal has been authorized by its governing board to enter into agreements of the same type as the Block Energy SMA. This requirement does not apply to such RFP Bidder that has previously qualified.
- Such RFP Bidder may, but is not required to, submit with its Part 1 Proposal a draft of these additional documents. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel that is sufficient for the Foreign Entity as Principal (Seller). If an RFP Bidder submits a draft of the documents for evaluation, the Independent Evaluator will provide this evaluation to the RFP Bidder, including notice of any changes required to the documents, along with the Part 1 Notification.

IV.7.5. The information required by this Section IV.7 must be provided exclusively by completing Section 7 of the Part 1 Form, as further explained in Article VII.

ARTICLE V. Part 2 Proposal Requirements

To qualify to submit Bids, an RFP Bidder must comply with all Part 2 Proposal requirements described in this Article V. An RFP Bidder that has qualified to submit Bids in a previous solicitation may participate in an abbreviated process for the Part 2 Proposal. Each of the Sections of this Article V explains the abbreviated process in which RFP Bidders that were previously qualified to submit Bids may participate. In this Article V, “previously qualified RFP Bidder” means an RFP Bidder that has qualified to submit Bids in a previous solicitation held under this RFP.

V.1. Contact Information and Representations

V.1.1. Contact Information for the RFP Bidder.

- Confirmation of the contact information for the RFP Bidder submitted with the Part 1 Proposal is a requirement of the Part 2 Proposal.
- All RFP Bidders, whether previously qualified or not, will receive from the Independent Evaluator, along with the Part 1 Notification, a record of the contact information contained in the Part 1 Proposal. An RFP Bidder must confirm in its Part 2 Proposal that the record of the contact information is correct. If it is not correct, the RFP Bidder must provide corrected contact information.
- If the RFP Bidder must change the individual who serves as Officer of the RFP Bidder, the RFP Bidder must re-submit by the Part 2 Date its Part 1 Form in its entirety naming the new individual as Officer of the RFP Bidder, and that Officer of the RFP Bidder must make all representations and certifications required in this RFP for this solicitation.

V.1.2. Representations of the Officer of the RFP Bidder.

- The Officer of each RFP Bidder, whether previously qualified or not, must make certain certifications.
- The Officer of the RFP Bidder must certify that:
 - (1) the Part 2 Proposal will remain valid and remain in full force and effect until six (6) business days after the Bid Date;
 - (2) all information provided in the Part 2 Proposal is true and accurate to the best of the Officer of the RFP Bidder's knowledge and belief;
 - (3) the RFP Bidder is bidding independently and that it has no knowledge of any information concerning a Proposal being submitted by another RFP Bidder (Block Energy or Full Requirements) in response to this solicitation or any future solicitation in this Block Energy RFP or in the Full Requirements RFP. Such information includes, but is not limited to: the fact that another RFP Bidder (Block Energy or Full Requirements) is submitting a Proposal in response to this Block Energy RFP or the Full Requirements RFP; the Bids by another RFP Bidder in this or in a subsequent solicitation under this RFP; the price offers by another RFP Bidder (Full Requirements) in this or in a subsequent solicitation under the Full Requirements RFP; the number of blocks bid by another RFP Bidder for any product in this or in a subsequent solicitation under this RFP; the number of tranches bid by another RFP Bidder (Full Requirements) for any product in this or in a subsequent solicitation under the Full Requirements RFP; the estimation by another RFP Bidder (Block Energy) of the value of a block of a product; the estimation by another RFP Bidder (Full Requirements) of the value of a tranche of a product; the estimation by another RFP Bidder (Block Energy) of the risks associated with providing supply under the Block Energy SMA; the estimation by another RFP Bidder (Full Requirements) of the risks associated with providing supply under the Default Service Program Supply Master Agreement ("Default Service SMA");

the preference of another RFP Bidder (Full Requirements or Block Energy) for bidding on specific products in this or in a subsequent solicitation under one or both of the RFPs; and the contractual arrangements for power of another RFP Bidder (Full Requirements) to serve tranches of Default Service Load were that RFP Bidder (Full Requirements) to become a Supplier under the Default Service SMA. This certification must be binding and in effect until the Commission has either approved or rejected each of the winning Bids for this solicitation;

- (4) the RFP Bidder has maintained and will continue to maintain the confidentiality of its Proposal during the preparation of the Proposal, including in communicating with its financial institution for the purpose of preparing the Pre-Bid Letter of Credit or in communicating with advisors, if any;
- (5) with only the exceptions noted in the immediately previous certification, the RFP Bidder has not disclosed, and will not otherwise disclose, publicly or to any other party any information relating to its Proposal, which could have an effect on whether another party submits a Proposal in any solicitation under one or both of the RFPs (Block Energy RFP or Full Requirements RFP), or on the contents of the Proposal that another RFP Bidder (Block Energy or Full Requirements) would be willing to submit in response to one or both of the RFPs. Such information includes, but is not limited to: the fact that the RFP Bidder is submitting a Proposal in response to this RFP; the RFP Bidder's Bids in this or in a subsequent solicitation under this RFP; the RFP Bidder's number of blocks bid for any product in this or in a subsequent solicitation under this RFP; the RFP Bidder's estimation of the value of a block of a product; the RFP Bidder's estimation of the risks associated with providing supply under the Block Energy SMA; and the RFP Bidder's preference for bidding on specific

products in this or in a subsequent solicitation under this RFP. This certification must be binding and in effect until the Commission has either approved or rejected each of the winning Bids for this solicitation;

(6) any Bid on any product submitted in response to this RFP for this solicitation is binding until six (6) business days after the Bid Date and constitutes a binding and irrevocable offer to supply under the terms of the Block Energy SMA at the price specified in the Bid; and

(7) if the Commission approves some or all of the RFP Bidder's Bids, the Officer of the RFP Bidder will execute, or will nominate another authorized individual to execute, all Transaction Confirmation(s) required by the Commission's decision under the Block Energy SMA by 2:00 PM of the fourth business day after the Bid Date.

V.1.3. Confirmation of Receipt of Information.

- All RFP Bidders, whether previously qualified or not, must confirm receipt of the information necessary to submit Bids.
- The Officer of the RFP Bidder must confirm that the RFP Bidder has received all information from the Independent Evaluator for the submission of Bids, including the RFP Bidder's username, password, and security codes.
- The Officer of the RFP Bidder further certifies that the information was received intact and that no one but authorized personnel of the RFP Bidder has had access to this information. If the Officer of the RFP Bidder cannot make this certification, the Independent Evaluator will re-issue information necessary for the submission of Bids.

V.1.4. The information required by this Section V.1 must be provided exclusively by completing Section 1 of the Part 2 Form, as further explained in Article VII.

V.2. Pre-Bid Letter of Credit

V.2.1. All RFP Bidders, whether previously qualified or not, must comply with the requirements of this Section V.2.

V.2.2. The RFP Bidder must provide an executed Pre-Bid Letter of Credit, drawn for the account of the RFP Bidder and acceptable to PECO, in an amount of at least:

- \$4,000 per block bid of a Peak Product;
- \$20,000 per block bid of a 12-month Baseload Product;
- \$30,000 per block bid of a 24-month Baseload Product.

A single Pre-Bid Letter of Credit is submitted even if the RFP Bidder bids on several of the products in this RFP. However, if the RFP Bidder is also submitting a Proposal under the Full Requirements RFP, the RFP Bidder must submit two separate Pre-Bid Letters of Credit.

V.2.3. The RFP Bidder must either use the Standard Pre-Bid Letter of Credit provided in Appendix 11 to these RFP Rules, or the RFP Bidder must submit a Pre-Bid Letter of Credit that incorporates only those modifications to the Standard Pre-Bid Letter of Credit accepted as a result of the evaluation of the Part 1 Proposals. All approved modifications will be posted to the RFP Web site. An RFP Bidder may use any of the approved modifications, regardless of whether the RFP Bidder itself or another RFP Bidder proposed the modification. The RFP Bidder cannot, in its Part 2 Proposal, propose or incorporate any modification to its Pre-Bid Letter of Credit other than the modifications approved and posted as such on the RFP Web site.

V.2.4. Payment under the Pre-Bid Letter of Credit can be demanded by PECO if: (i) the RFP Bidder has made a material omission or misrepresentation in its Part 1 Proposal or in its Part 2 Proposal; (ii) the RFP Bidder discloses information relating to its Proposal publicly or to any other party before the Commission has either approved or rejected each of the winning Bids for this solicitation; or (iii) the Commission approves some or all of the RFP Bidder's Bids and the RFP Bidder fails to execute all Transaction

Confirmations in the timeframe required by the Block Energy SMA or fails to meet the creditworthiness requirements of the Block Energy SMA upon execution of the Transaction Confirmation(s).

- V.2.5. PECO and the Independent Evaluator will release the Pre-Bid Letter of Credit no later than six (6) business days after the Bid Date. An RFP Bidder may, in Section 2 of the Part 2 Form, provide special instructions for the return of the Pre-Bid Letter of Credit. If the Commission does not approve any of a particular RFP Bidder's Bids, PECO and the Independent Evaluator will release that RFP Bidder's Pre-Bid Letter of Credit within three (3) business days of the Bid Date.
- V.2.6. The Officer of the RFP Bidder confirms that the Pre-Bid Letter of Credit is included with the Part 2 Proposal exclusively by completing Section 2 of the Part 2 Form, as further explained in Article VII.

V.3. Block Energy SMA Documents

V.3.1. Block Energy SMA.

- An RFP Bidder that is a Block Energy Supplier is exempted from the requirements of this Paragraph V.3.1.
- RFP Bidders that are not Block Energy Suppliers, whether previously qualified or not, must comply with the requirements of this Paragraph V.3.1.
- The Independent Evaluator, using the information provided by the RFP Bidder in its Part 1 Proposal in response to the requirements of Paragraph IV.3.3, prepares the Block Energy SMA, including all necessary exhibits, for execution. The Independent Evaluator sends, along with the Part 1 Notification, the Block Energy SMA to each RFP Bidder that qualified pursuant to a successful Part 1 Proposal. The Block Energy SMA is provided electronically on a CD. The RFP Bidder must print two (2) originals of the Block Energy SMA. The Officer of the RFP Bidder must sign each of the two (2) signature pages of the originals of the Block Energy SMA. The RFP Bidder must include both originals of the Block

Energy SMA, including all exhibits, with its Part 2 Proposal. For the avoidance of doubt, the Officer of the RFP Bidder for purposes of this Paragraph is the individual designated as Officer of the RFP Bidder in the Part 1 Proposal and whose contact information is confirmed in the Part 2 Proposal.

V.3.2. Guaranty.

- All RFP Bidders, whether previously qualified or not, must comply with the requirements of this Paragraph V.3.2 if relying on the financial standing of an RFP Guarantor.
- Using the information provided by the RFP Bidder in its Part 1 Proposal in response to the requirements of Paragraph IV.3.5, the Independent Evaluator prepares for execution the guaranty. The Independent Evaluator sends, along with the Part 1 Notification, the guaranty to each RFP Bidder that qualified pursuant to a successful Part 1 Proposal and that relies on the financial standing of an RFP Guarantor. The guaranty is provided electronically on a CD. The RFP Bidder or RFP Guarantor must print two (2) originals of the guaranty provided by the Independent Evaluator. The RFP Guarantor fills in the maximum aggregate liability under the terms of the guaranty (the "Guaranty Amount") and signs the guaranty.
- The Guaranty Amount for an RFP Bidder that is a Block Energy Supplier or a Default Supplier meets or exceeds the lesser of: (a) the Unsecured Credit Limit corresponding to the RFP Guarantor's lowest Credit Rating most recently published by S&P, Fitch and/or Moody's and the RFP Guarantor TNW Amount; (b) the sum of i) the Guaranty Amount of any current guaranty held by PECO under the Block Energy SMA or the Default Service SMA with the RFP Bidder, ii) the total number of Peak Product blocks bid times \$10,000, iii) the total number of 12-month Baseload Product blocks bid times \$50,000, and iv) the total number of 24-month Baseload Product blocks bid times \$75,000.

- The Guaranty Amount for an RFP Bidder that is neither a Block Energy Supplier nor a Default Supplier meets or exceeds the sum of: i) the total number of Peak Product blocks bid times \$10,000, ii) the total number of 12-month Baseload Product blocks bid times \$50,000, and iii) the total number of 24-month Baseload Product blocks bid times \$75,000.
- The guaranty submitted under this Paragraph by an RFP Bidder that is a Block Energy Supplier and that has winning Bids approved by the Commission in this solicitation will replace the existing guaranty. The existing guaranty will be returned to the RFP Bidder when PECO executes the new guaranty, which occurs within three (3) business days of the Bid Date.
- An RFP Bidder that relies on the financial standing of an RFP Guarantor and that participates in both the Block Energy RFP and the Full Requirements RFP in a given solicitation must submit a Guaranty for the Block Energy RFP as well as a separate and distinct Guaranty for the Full Requirements RFP.

V.3.3. Enforceability Opinion for an Alternate Guaranty.

- RFP Bidders may apply to obtain approval to use an alternate guaranty under the process more fully described in Appendix 4.
- An RFP Bidder that has not previously qualified and that has obtained approval from PECO to use an alternate guaranty form must provide, with its Part 2 Proposal, an executed enforceability opinion for this alternate guaranty form on the letterhead of a law firm of national standing.
- A previously qualified RFP Bidder that has obtained approval from PECO to use an alternate guaranty form in a previous solicitation need not re-submit an executed enforceability opinion.

V.3.4. Confirmation of Documents Provided.

- The Officer of an RFP Bidder that is not a Block Energy Supplier confirms that all Block Energy SMA documents, including the guaranty (if necessary), required by

this Section V.3 are included with the Part 2 Proposal must be provided exclusively by completing Section 3 of the Part 2 Form, as further explained in Article VII.

- The Officer of an RFP Bidder that is a Block Energy Supplier and that relies on the financial standing of a Guarantor confirms that the guaranty is included with the Part 2 Proposal exclusively by completing Section 3 of the Part 2 Form, as further explained in Article VII.
- The Officer of an RFP Bidder that is a Block Energy Supplier and that does not rely the financial standing of a Guarantor is not required to confirm submission of documents under this Paragraph.

V.4. RFP Bidders Under an Agency Agreement

V.4.1. The requirements of this Section V.4 apply only to RFP Bidders submitting a Proposal under an Agency Agreement; other RFP Bidders are not subject to the requirements of this Section V.4. Such RFP Bidders, whether previously qualified or not, must comply with the requirements of this Section V.4

V.4.2. Officers' Certificate.

- Such RFP Bidder, whether previously qualified or not, must submit, with its Part 2 Proposal, an Officers' Certificate substantially in the form of Appendix 10 to these RFP Rules. The Officers' Certificate must be signed by an officer of each Principal.
- This Officers' Certificate states that: (i) the copy of the Agency Agreement submitted with the Part 1 Proposal is a true and complete copy of the Agency Agreement as currently in effect; (ii) the Agency Agreement is in full force and effect and shall remain in full force and effect for a period extending to six (6) business days following the Bid Date; (iii) there are no proceedings pending for the amendment or termination of the Agency Agreement; (iv) each individual who has executed the Officers' Certificate, the Agency Agreement, and the

Block Energy SMA submitted with the Part 2 Proposal is (or was at the time of the execution of such documents) authorized to execute and deliver such documents on behalf of the Principal(s); and (v) the Officer of the RFP Bidder is authorized to execute any Transaction Confirmation pursuant to the Block Energy SMA on behalf of the Principal(s).

- Such RFP Bidder that has previously qualified will have presented an Officers' Certificate acceptable to PECO at the time of the previously successful Part 2 Proposal. Such RFP Bidder can be assured that an Officers' Certificate in the same form will remain acceptable to PECO.

V.4.3. Representative.

- If no representative of such RFP Bidder is authorized to execute a Transaction Confirmation pursuant to the Block Energy SMA, such RFP Bidder must name a representative of a Principal that is so authorized. This individual must then also be the individual who signs the Block Energy SMA and all necessary exhibits as required by Section V.3.
- Such RFP Bidder that has not previously qualified must either name a representative of the RFP Bidder who is authorized to execute a Transaction Confirmation pursuant to the Block Energy SMA, or name a representative of a Principal that is so authorized.
- Such RFP Bidder that has previously qualified will receive an Initial Status Notification that will name the representative of the RFP Bidder authorized to execute a Transaction Confirmation pursuant to the Block Energy SMA, or that will name a representative of a Principal that is so authorized. Such RFP Bidder must either confirm that the information is accurate and up-to-date, or correct the information by naming the representative of the RFP Bidder or the Principal that is so authorized.

V.4.4. An RFP Bidder that relies on the financial standing of a Principal that is a Foreign Entity must also comply with requirements detailed in Section V.5.

V.4.5. The Officer of the RFP Bidder confirms that the documents and information required by this Section V.4 are included with the Part 2 Proposal exclusively by completing Section 4 of the Part 2 Form, as further explained in Article VII.

V.5. Foreign RFP Bidders and Foreign Entities

V.5.1. The requirements of this Section V.5 apply only to Foreign RFP Bidders that seek to be granted unsecured credit under the terms of the Block Energy SMA or to RFP Bidders that rely on the financial standing of a Foreign Entity (either an RFP Guarantor or a Principal). Other RFP Bidders are not subject to the requirements of this Section V.5.

V.5.2. Required Documents for Foreign RFP Bidders.

- A Foreign RFP Bidder receives, with its Part 1 Notification, a provisional creditworthiness assessment that presumes the receipt of the following fully executed additional documents with the Part 2 Proposal: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Foreign RFP Bidder is incorporated or otherwise formed that the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the Foreign RFP Bidder in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the person executing the Block Energy SMA on behalf of the Foreign RFP Bidder has the authority to execute the Block Energy SMA and that the governing board of such Foreign RFP Bidder has approved the execution of the Block Energy SMA; and (iii) the sworn certificate of the corporate secretary (or similar officer) of such Foreign RFP Bidder that the Foreign RFP Bidder has been authorized by its governing board to enter into agreements of the same type as the Block Energy SMA.

- A Foreign RFP Bidder that has not previously qualified must submit these fully executed documents in a form acceptable to PECO for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the Foreign RFP Bidder submits these fully executed documents and the documents are sufficient, the Independent Evaluator includes in the Part 2 Notification a confirmation of the creditworthiness assessment provided with the Part 1 Notification. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel for the Foreign RFP Bidder that is sufficient. If the Foreign RFP Bidder does not submit these documents, or if these documents are not sufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the Foreign RFP Bidder is not granted unsecured credit.
- A Foreign RFP Bidder that has previously qualified and that submitted these additional documents, fully executed, and deemed sufficient in a previous solicitation, must confirm that these documents remain up-to-date and valid for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the previously qualified RFP Bidder cannot confirm that these additional documents are up-to-date and valid, or if the previously qualified RFP Bidder had not previously submitted additional documents, fully executed, and deemed sufficient in a previous solicitation, the RFP Bidder must submit these additional documents, fully executed, for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the Independent Evaluator can confirm the creditworthiness assessment provided with the Part 1 Notification, the Independent Evaluator includes this confirmation in the Part 2 Notification. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel for the Foreign RFP Bidder that is sufficient. Otherwise, the Independent Evaluator provides with the Part 2 Notification a revised

creditworthiness assessment that states that the Foreign RFP Bidder is not granted unsecured credit.

V.5.3. Required Documents for RFP Bidders with a Foreign Entity as RFP Guarantor.

- An RFP Bidder that relies on the financial standing of a Foreign Entity as RFP Guarantor receives, with its Part 1 Notification, a provisional creditworthiness assessment for its RFP Guarantor that presumes the receipt of the following fully executed additional documents with the Part 2 Proposal: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the RFP Guarantor is incorporated or otherwise formed that the guaranty pursuant to the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the RFP Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the person executing the guaranty pursuant to the Block Energy SMA on behalf of the RFP Guarantor has the authority to execute the guaranty pursuant to the Block Energy SMA and that the governing board of such RFP Guarantor has approved the execution of the guaranty pursuant to the Block Energy SMA; and (iii) the sworn certificate of the corporate secretary (or similar officer) of such RFP Guarantor that the RFP Guarantor has been authorized by its governing board to enter into agreements of the same type as the guaranty pursuant to the Block Energy SMA.
- Such RFP Bidder that has not previously qualified must submit these fully executed documents in a form acceptable to PECO for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the RFP Bidder submits these fully executed documents and these documents are sufficient, the Independent Evaluator includes in the Part 2 Notification a confirmation of the creditworthiness assessment provided with the Part 1 Notification. Exhibit G to the Block Energy SMA includes a sample of

the legal opinion of outside counsel that is sufficient for the Foreign Entity as RFP Guarantor. If the RFP Bidder does not submit these documents, or if these documents are not sufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the Foreign Entity as RFP Guarantor is not granted unsecured credit. The RFP Bidder may not rely on the financial standing of the RFP Guarantor. Any guaranty submitted with the Part 2 Proposal will be removed from consideration and the Independent Evaluator may request additional information regarding the RFP Bidder under Section IV.2.

- Such RFP Bidder that has previously qualified and that submitted these additional documents fully executed, and deemed sufficient in a previous solicitation, must confirm that these documents remain up-to-date and valid for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the previously qualified RFP Bidder cannot confirm that these additional documents are up-to-date and valid, or if the previously qualified RFP Bidder had not previously submitted additional documents, fully executed, and deemed sufficient in a previous solicitation, such RFP Bidder must submit these additional documents, fully executed, for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the Independent Evaluator can confirm the creditworthiness assessment provided with the Part 1 Notification, the Independent Evaluator includes this confirmation in the Part 2 Notification. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel that is sufficient for the Foreign Entity as RFP Guarantor. Otherwise, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the RFP Guarantor is not granted unsecured credit. The RFP Bidder may not rely on the financial standing of the RFP Guarantor. Any guaranty submitted with the Part 2

Proposal will be removed from consideration and the Independent Evaluator may request additional information regarding the RFP Bidder under Section IV.2.

V.5.4. Required Documents for RFP Bidders with a Foreign Entity as Principal.

- An RFP Bidder submitting a Proposal under an Agency Agreement with a Foreign Entity as Principal receives, with its Part 1 Notification, a provisional creditworthiness assessment that presumes the receipt of the following fully executed documents with the Part 2 Proposal: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Principal is incorporated or otherwise formed that the Block Energy SMA is, or upon the completion of execution formalities will become, the binding obligation of the Principal in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such Principal that the Principal has been authorized by its governing board to enter into agreements of the same type as the Block Energy SMA.
- If such RFP Bidder that has not previously qualified submits these fully executed documents and these documents are sufficient, the Independent Evaluator includes in the Part 2 Notification a confirmation of the creditworthiness assessment provided with the Part 1 Notification. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel that is sufficient for a Foreign Entity as Principal (Seller). If the RFP Bidder does not submit these documents, or if these documents are not sufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the RFP Bidder and the Foreign Entity as Principal are not granted unsecured credit.
- Such RFP Bidder that has previously qualified and that submitted these additional documents, fully executed, and deemed sufficient in a previous solicitation, must confirm that these documents remain up-to-date and valid for

the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the previously qualified RFP Bidder cannot confirm that these additional documents are up-to-date and valid, or if the RFP Bidder had not previously submitted these additional documents, fully executed, and deemed sufficient in a previous solicitation, such RFP Bidder must submit these additional documents, fully executed for the Independent Evaluator to confirm the creditworthiness assessment provided with the Part 1 Notification. If the Independent Evaluator can confirm the creditworthiness assessment provided with the Part 1 Notification, the Independent Evaluator includes this confirmation in the Part 2 Notification. Exhibit G to the Block Energy SMA includes a sample of the legal opinion of outside counsel that is sufficient for the Foreign Entity as Principal (Seller). Otherwise, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the RFP Bidder and the Foreign Entity as Principal are not granted unsecured credit.

V.5.5. Confirmation of Documents Provided.

- The Officer of the RFP Bidder, if required to submit additional documents detailed in this Section V.5, confirms that all documents are included with the Part 2 Proposal exclusively by completing Section 5 of the Part 2 Form, as further explained in Article VII.
- The Officer of the RFP Bidder that has previously qualified and that submitted these additional documents, fully executed, and deemed sufficient in a previous solicitation provides confirmation that the additional documents provided in the previous solicitation remain up-to-date and accurate exclusively by completing Section 5 of the Part 2 Form, as further explained in Article VII.

ARTICLE VI. Bid Submission

An RFP Bidder that is qualified pursuant to its Part 1 Proposal and that submits a successful Part 2 Proposal may submit Bids. The Bid submission procedure is the same for all RFP Bidders, regardless of whether they have previously qualified to submit Bids and regardless of whether they are Block Energy Suppliers. However, Block Energy Suppliers may be subject to different Load Caps, as explained in Paragraph I.2.7 and in Appendix 3.

VI.1.1. The Independent Evaluator sends the electronic Bid Form to each RFP Bidder qualified pursuant to a successful Part 1 Proposal. The Independent Evaluator sends at the same time instructions for completion of the Bid Form, for the optional encryption of the Bid Form, for electronic transfer of the completed Bid Form to the Independent Evaluator, for fax submission of the Bids in case of technical difficulties with the electronic transfer, as well as information used for authenticating the Bids, including the RFP Bidder's unique username, password, and security codes. The Independent Evaluator sends by overnight delivery service the Part 1 Notification with these materials saved electronically to a CD within two (2) business days of the Part 1 Notification Date.

VI.1.2. The exclusive method for submitting an RFP Bidder's Bids is the Bid Form. An RFP Bidder must fill out all required information on the Bid Form according to the instructions provided by the Independent Evaluator with its Part 1 Notification. An RFP Bidder may, but is not required to, encrypt its Bid Form. Encryption provides an additional layer of protection for the confidentiality of the RFP Bidder's data. An RFP Bidder must submit the Bid Form to the Independent Evaluator through secure electronic transfer according to the instructions provided by the Independent Evaluator with its Part 1 Notification. An RFP Bidder must fill out contact information on its Bid Form and the Independent Evaluator will use that information to confirm receipt of the Bids.

- VI.1.3. An RFP Bidder may print the Bid Form and fax it to the Independent Evaluator only in case of technical difficulties while using the secure electronic transfer. The Independent Evaluator will provide instructions for such a contingency. These instructions will include a representative of the RFP Bidder phoning the Independent Evaluator to advise the Independent Evaluator of the use of a fax transmission and to provide authenticating information.
- VI.1.4. All Bid Forms must be received between 10:00 AM and 12 PM (noon) on the Bid Date. No late Bid Forms will be accepted regardless of the method used by the RFP Bidder to submit its Bid Form.
- VI.1.5. A Bid for a block for any product is a price in U.S. Dollars per MWh, in the format \$xx.xx or \$xxx.xx, rounded to the nearest cent. The number of blocks bid on a product is the number of blocks of that product for which a Bid is provided.
- VI.1.6. A Bid that is not expressed in dollars per MWh will automatically be rejected. A Bid that that has more than two (2) decimals will be automatically rounded to the nearest cent.
- VI.1.7. The RFP Bidder may not bid on less than a full block for a product. The RFP Bidder may not bid on fractions, portions, or parts of blocks.
- VI.1.8. The RFP Bidder may not submit any additional instructions, contingencies, or conditions on its Bids. Any such additional instructions, contingencies, or conditions will be ignored.
- VI.1.9. An RFP Bidder may not submit Bids that exceed the Load Caps. The Load Caps are described generally in Paragraph I.2.7. The Independent Evaluator will send to each previously qualified RFP Bidder an Initial Status Notification. When the previously qualified RFP Bidder is a Block Energy Supplier, the Initial Status Notification will include such Block Energy Supplier's Load Caps for this solicitation. Details on the calculation of the Load Caps are provided in Appendix 3.
- VI.1.10. Bids will be evaluated on a price-only basis, in accordance with the process described in Article VII.

ARTICLE VII. Process

VII.1. Part 1 and Part 2 Proposals: Submission and Processing

- VII.1.1. The Independent Evaluator, for the purposes of this RFP, will communicate exclusively with the Representative or the Officer of the RFP Bidder. Any notification or other written communication given by the Independent Evaluator to an RFP Bidder will be delivered by overnight delivery service at the address provided for the Representative or sent by fax at the fax number provided for the Representative. Any such notification or written communication will be deemed received by the RFP Bidder at the time of delivery or transmission, provided that when delivery or transmission occurs after 6:00 PM on a business day or occurs on a day that is not a business day, receipt will be deemed to occur at 9:00 AM on the following business day. The RFP Bidder is urged to provide a fax number at which the Representative will be able to receive faxes from the Independent Evaluator in a secure and timely manner.
- VII.1.2. The Representative or the Officer of the RFP Bidder may request that the Independent Evaluator send a notification or other written communication to another representative of the RFP Bidder. Such a request must be made in writing to the Independent Evaluator.
- VII.1.3. The exclusive method of responding to the qualification standards for the Part 1 Proposal listed in Article IV of these RFP Rules is the use of the Part 1 Form. RFP Bidders that did not qualify in a previous solicitation must use the Standard Part 1 Form provided as Appendix 5 of these RFP Rules to respond to the qualification standards described in Article IV of these RFP Rules. Previously qualified RFP Bidders may participate in an abbreviated qualification process by using the Short Part 1 Form provided as Appendix 6 of these RFP Rules to respond to the qualification standards described in Article IV of these RFP Rules. The generic term "Part 1 Form" refers either to the Standard Part 1 Form or the Short Part 1 Form. Responses to the

qualification standards of Article IV that do not use the Part 1 Form will not be considered and the Part 1 Proposal will be considered deficient.

VII.1.4. An RFP Bidder must provide the contact information and make general representations as required by Section IV.1, including information regarding the Officer of the RFP Bidder and the Representative, exclusively by completing Section 1 of the Part 1 Form. An RFP Bidder must show compliance with the financial requirements of Section IV.2 exclusively by completing Section 2 of the Part 1 Form and by providing all documents supporting the financial information and credit information as requested in that section of the Part 1 Form. The RFP Bidder must provide all information to prepare the Block Energy SMA and guaranty (if applicable), as required by Section IV.3, exclusively by completing Section 3 of the Part 1 Form. The RFP Bidder must show that it has all regulatory authorizations necessary for it to legally perform its obligations under the Block Energy SMA and the Transaction Confirmations as required by Section IV.4, exclusively by completing Section 4 of the Part 1 Form. An RFP Bidder must make any additional representations required by Section IV.5 exclusively by completing Section 5 of the Part 1 Form. An RFP Bidder submitting a Proposal under an Agency Agreement must provide any additional information required by Section IV.6, exclusively by completing Section 6 of the Part 1 Form. A Foreign RFP Bidder that seeks to be granted unsecured credit under the terms of the Block Energy SMA, or an RFP Bidder relying on the financial standing of a Foreign Entity, either an RFP Guarantor or a Principal, must provide any additional information required by Section IV.7, exclusively by completing Section 7 of the Part 1 Form. Responses to the qualification standards of Article IV that do not use the Part 1 Form will not be considered and the Part 1 Proposal will be considered deficient.

VII.1.5. The Part 1 Proposal consists of three (3) original Part 1 Forms and one (1) copy of all documents requested in the Part 1 Form and in Article IV of these RFP Rules. Article IV provides all instructions on whether a given document may be provided in hard copy or electronically. The RFP Bidder is encouraged to submit an electronic copy of the

Part 1 Form at PecoProcurement@nera.com that the Independent Evaluator may use to provide a courtesy assessment before receipt of the hard copies.

- VII.1.6. An RFP Bidder must deliver its Part 1 Proposal by certified mail, registered mail, hand delivery, or overnight delivery service to the Independent Evaluator by 12:00 PM (noon) on the Part 1 Date at the following address: NERA - Independent Evaluator, PECO Default Service Program RFPs, 1835 Market Street, Suite 1205, Philadelphia, PA 19103. Photocopies and facsimiles of the Part 1 Form will not be considered. No late Part 1 Proposals will be accepted under any circumstances.
- VII.1.7. The Independent Evaluator receives and processes the Part 1 Proposals during the Part 1 Proposal Window. If a Part 1 Proposal is received by post, the Independent Evaluator faxes an acknowledgment to the RFP Bidder consisting of a photocopy of the first page of the Part 1 Form stamped with the time and the date that it was received. If a Part 1 Proposal is hand-delivered, the Independent Evaluator provides an acknowledgment consisting of a photocopy of the first page of the Part 1 Form stamped with the time and the date that it was received. The Independent Evaluator confirms receipt regardless of whether the Part 1 Proposal arrives during the Part 1 Proposal Window; however, Part 1 Proposals are only processed during the Part 1 Proposal Window.
- VII.1.8. If the Part 1 Proposal arrives before 12 PM (noon) on any business day during the Part 1 Proposal Window, the Independent Evaluator sends the acknowledgment confirming receipt on the day the Part 1 Proposal is received with the results of an initial review. The initial review states either that the Part 1 Proposal is complete and is being considered, or the initial review lists items of the Part 1 Proposal that are deficient or require clarification. If a Part 1 Proposal arrives after 12 PM (noon) on any business day during the Part 1 Proposal Window prior to the Part 1 Date, the Independent Evaluator sends the acknowledgment along with the initial review by 12 PM (noon) of the next business day.

- VII.1.9. An RFP Bidder that submits a Draft Pre-Bid Letter of Credit will receive a review of any proposed modifications within two (2) business days. The RFP Bidder can only submit one (1) Draft Pre-Bid Letter of Credit. Any review communicated to the RFP Bidder of the Draft Pre-Bid Letter of Credit is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this review. All modifications accepted to the Standard Pre-Bid Letter of Credit for the benefit of a single RFP Bidder will be made available to all RFP Bidders on an optional basis. All such modifications will be posted in a single document on the RFP Web site that will be updated daily during the Part 1 Proposal Window. By 12 PM (noon) on the day the Part 2 Proposal Window opens, the final document containing all accepted modifications will be posted.
- VII.1.10. An RFP Bidder that submits a Draft Post-Bid Letter of Credit will receive a review of any proposed modifications within seven (7) business days. The RFP Bidder can only submit one (1) Draft Post-Bid Letter of Credit. Any review communicated to the RFP Bidder of the Draft Post-Bid Letter of Credit is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this review. All modifications accepted to the Standard Post-Bid Letter of Credit for the benefit of a single RFP Bidder will be made available to all RFP Bidders on an optional basis. All such modifications will be posted in a single document on the RFP Web site that will be posted no later than 6:00 PM on the Part 2 Date.
- VII.1.11. An RFP Bidder submitting a Proposal under an Agency Agreement that submits a Draft Officers' Certificate will receive an evaluation of this document along with the Part 1 Notification. Any evaluation communicated to the RFP Bidder of the Draft Officers' Certificate is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this evaluation.
- VII.1.12. A Foreign RFP Bidder that submits a draft of any of the documents described in Paragraph IV.7.2 will receive an evaluation of these documents along with the Part 1 Notification. Any evaluation communicated to the RFP Bidder of such draft documents

is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this evaluation.

VII.1.13. An RFP Bidder that relies on the financial standing of a Foreign Entity as RFP Guarantor and that submits a draft of any of the documents described in Paragraph IV.7.3 will receive an evaluation of these documents along with the Part 1 Notification. Any evaluation communicated to the RFP Bidder of such draft documents is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this evaluation.

VII.1.14. An RFP Bidder submitting a Proposal under an Agency Agreement that relies on the financial standing of a Foreign Entity as Principal and that submits a draft of any of the documents described in Paragraph IV.7.4 will receive an evaluation of these documents along with the Part 1 Notification. Any evaluation communicated to the RFP Bidder of such draft documents is final. The RFP Bidder cannot submit a subsequent request for changes on the basis of this evaluation.

VII.1.15. The RFP Bidder includes, in its Part 1 Proposal, a certification from the Officer of the RFP Bidder that the RFP Bidder is bidding independently and is not acting in concert with another RFP Bidder (Block Energy or Full Requirements). The Independent Evaluator may request additional information to ascertain that the RFP Bidder is bidding independently of other RFP Bidders (Block Energy or Full Requirements). An RFP Bidder that is not bidding independently of another RFP Bidder (Block Energy or Full Requirements) may fail to qualify.

VII.1.16. If an RFP Bidder receives any notice from the Independent Evaluator that any item of the Part 1 Proposal is deficient or requires clarification, the RFP Bidder has until 12 PM (noon) on the Part 1 Date, or until 6:00 PM on the business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the RFP Bidder does not correct or adequately explain the deficiency within the time allowed, the Part 1 Proposal may be rejected.

- VII.1.17. An RFP Bidder is qualified to submit a Part 2 Proposal if its Part 1 Proposal is received on or before 12 PM (noon) on the Part 1 Date, if its Part 1 Proposal is complete, and if its Part 1 Proposal fully complies with the qualification standards of Article IV of these RFP Rules.
- VII.1.18. An RFP Bidder that submits a Part 1 Proposal will be notified by fax whether it has qualified to submit a Part 2 Proposal for the solicitation no later than 6:00 PM on the Part 1 Notification Date. Within two (2) business days of the Part 1 Notification Date, the Independent Evaluator sends by overnight delivery service the Part 1 Notification, a record of the contact information contained in the Part 1 Proposal, as well as a CD to which are saved: (i) the Bid Form; (ii) instructions for filling out and optionally encrypting the Bid Form; (iii) instructions for the electronic transfer of the completed Bid Form from the RFP Bidder to the Independent Evaluator; (iv) instructions for fax submission of the Bids in case of technical difficulties with the electronic transfer; (v) an invitation to a training session on the Bid submission process; and (vi) a username, a password, and security codes to be used for Bid submission uniquely by that RFP Bidder. For an RFP Bidder that relies on the financial standing of an RFP Guarantor, the guaranty will also be saved to the CD. For all RFP Bidders that are not Block Energy Suppliers, the Block Energy SMA will also be saved to the CD.
- VII.1.19. If an RFP Bidder fails to qualify, the Independent Evaluator notifies the RFP Bidder of that fact by fax and by overnight delivery service. The Independent Evaluator returns one (1) copy of the Part 1 Form by overnight delivery service.
- VII.1.20. The exclusive method of responding to the requirements for Part 2 Proposals listed in Article V of these RFP Rules is the use of the Part 2 Form provided as Appendix 7 of these RFP Rules. Responses to the requirements of Article V that do not use the Part 2 Form will not be considered and the Part 2 Proposal will be considered deficient.
- VII.1.21. An RFP Bidder must confirm its contact information and make any general representations required by Section V.1 exclusively by completing Section 1 of the Part 2 Form. An RFP Bidder must confirm that it is submitting the Pre-Bid Letter of

Credit as required by Section V.2 exclusively by completing Section 2 of the Part 2 Form. An RFP Bidder, if required to confirm that it is submitting documents related to the Block Energy SMA by Section V.3, must do so by completing Section 3 of the Part 2 Form. An RFP Bidder submitting a Proposal under an Agency Agreement must confirm that it is submitting any additional documents required by Section V.4 exclusively by completing Section 4 of the Part 2 Form. A Foreign RFP Bidder that seeks to be granted unsecured credit under the terms of the Block Energy SMA, or an RFP Bidder that seeks to rely on the financial standing of a Foreign Entity (either an RFP Guarantor or a Principal) must indicate whether it is submitting any additional documents required by Section V.5 exclusively by completing Section 5 of the Part 2 Form. Responses to the requirements of Article V that do not use the Part 2 Form will not be considered and the Part 2 Proposal will be considered deficient.

VII.1.22. The Part 2 Proposal consists of three (3) original Part 2 Forms, the Pre-Bid Letter of Credit, as well as one (1) hard copy of any other document requested of the RFP Bidder in the Part 2 Form and in Article V of these RFP Rules. In particular:

- For RFP Bidders that are not Block Energy Suppliers, the Part 2 Proposal must include two (2) signed originals of the Block Energy SMA.
- For an RFP Bidder relying on the financial standing of an RFP Guarantor, the Part 2 Proposal also includes two (2) signed originals of the guaranty.
- For an RFP Bidder submitting a Proposal under an Agency Agreement, the Part 2 Proposal also includes an executed Officers' Certificate.
- For an RFP Bidder that: (i) is submitting a Proposal under an Agency Agreement and relying on the financial standing of a Foreign Entity as Principal; or (ii) is a Foreign RFP Bidder; or (iii) relies on the financial standing of a Foreign Entity as RFP Guarantor; the Part 2 proposal also includes any documents required by Section V.5 as a condition of being granted unsecured credit. These documents

may include an executed legal opinion of outside counsel, and a sworn certificate of the corporate secretary.

VII.1.23. An RFP Bidder must deliver its Part 2 Proposal by certified mail, registered mail, hand delivery or overnight delivery service to the Independent Evaluator by 12 PM (noon) on the Part 2 Date at the following address: NERA - Independent Evaluator, PECO Default Service Program RFPs, 1835 Market Street, Suite 1205, Philadelphia, PA 19103. Photocopies and facsimiles of the Part 2 Form will not be considered. No late Part 2 Proposals will be accepted under any circumstances.

VII.1.24. The Independent Evaluator receives and processes the Part 2 Proposals during the Part 2 Proposal Window. If a Part 2 Proposal is received by post, the Independent Evaluator faxes an acknowledgment to the RFP Bidder consisting of a photocopy of the first page of the Part 2 Form stamped with the time and the date that it was received. If a Part 2 Proposal is hand-delivered, the Independent Evaluator provides an acknowledgment consisting of a photocopy of the first page of the Part 2 Form stamped with the time and the date that it was received. The Independent Evaluator confirms receipt regardless of whether or not the Part 2 Proposal arrives during the Part 2 Proposal Window; however, Part 2 Proposals are only processed during the Part 2 Proposal Window.

VII.1.25. If the Part 2 Proposal arrives before 12 PM (noon) on any business day during the Part 2 Proposal Window, the Independent Evaluator sends the acknowledgment confirming receipt on the day the Part 2 Proposal is received with the results of an initial review. The initial review states either that the Part 2 Proposal is complete and is being considered, or the initial review lists items of the Part 2 Proposal that are deficient or require clarification. If a Part 2 Proposal arrives after 12 PM (noon) on any business day during the Part 2 Proposal Window prior to the Part 2 Date, the Independent Evaluator sends the acknowledgment along with the initial review by 12 PM (noon) of the next business day.

- VII.1.26. An RFP Bidder's Part 2 Proposal is automatically deficient if the Pre-Bid Letter of Credit proposes or includes modifications to the Standard Pre-Bid Letter of Credit included as Appendix 11 of these RFP Rules other than those accepted modifications posted in a single document on the RFP Web site. If an RFP Bidder receives notice from the Independent Evaluator that its Pre-Bid Letter of Credit is deficient, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond.
- VII.1.27. The amount of the Pre-Bid Letter of Credit is specified in Paragraph V.2.2. The Guaranty Amount is specified in Paragraph V.3.2. An RFP Bidder's Part 2 Proposal is automatically deficient if the amount of the Pre-Bid Letter of Credit is not consistent with the Guaranty Amount. If an RFP Bidder receives notice from the Independent Evaluator that its Part 2 Proposal is deficient in this regard, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond.
- VII.1.28. For an RFP Bidder submitting a Proposal under an Agency Agreement that provides the documents required under Paragraph V.4.2, PECO and the Independent Evaluator will determine whether the documents provided are sufficient, without any liability or obligation to the RFP Bidder or its Principal(s). If the documents are insufficient and the RFP Bidder receives notice from the Independent Evaluator that its Part 2 Proposal is deficient in this regard, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the documents remain insufficient, the RFP Bidder's Part 2 Proposal may be rejected.
- VII.1.29. For a Foreign RFP Bidder that submits the documents required under Paragraph V.5.2, PECO and the Independent Evaluator will determine whether the documents provided are sufficient, without any liability or obligation to the Foreign RFP Bidder. If the

documents are insufficient and the RFP Bidder receives notice from the Independent Evaluator that its Part 2 Proposal is deficient in this regard, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the documents remain insufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the Foreign RFP Bidder is not granted unsecured credit. If the Foreign RFP Bidder had submitted these documents with its Part 1 Proposal for evaluation and if the Foreign RFP Bidder conforms the documents submitted with the Part 2 Proposal to the evaluation provided with its Part 1 Notification, then these documents will automatically be considered sufficient.

VII.1.30. For an RFP Bidder relying on the financial standing of a Foreign Entity as RFP Guarantor and that submits the documents required under Paragraph V.5.3, PECO and the Independent Evaluator will determine whether the documents provided are sufficient, without any liability or obligation to the RFP Bidder or the RFP Guarantor. If the documents are insufficient and the RFP Bidder receives notice from the Independent Evaluator that its Part 2 Proposal is deficient in this regard, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the documents remain insufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the RFP Guarantor is not granted unsecured credit. The RFP Bidder may not rely on the financial standing of the RFP Guarantor and the Independent Evaluator may request additional information regarding the RFP Bidder under Section IV.2. If the RFP Bidder had submitted these documents with its Part 1 Proposal for evaluation and if the RFP Bidder conforms the documents submitted with the Part 2 Proposal to the evaluation provided with its Part 1 Notification, then these documents will automatically be considered sufficient.

VII.1.31. For an RFP Bidder relying on a Foreign Entity as Principal that provides the documents required under Paragraph V.5.4, PECO and the Independent Evaluator will determine whether the documents provided are sufficient, without any liability or obligation to the RFP Bidder or its Principal(s). If the documents are insufficient and the RFP Bidder receives notice from the Independent Evaluator that its Part 2 Proposal is deficient in this regard, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the second business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the documents remain insufficient, the Independent Evaluator provides with the Part 2 Notification a revised creditworthiness assessment that states that the RFP Bidder and its Principal are not granted unsecured credit. If the RFP Bidder had submitted these documents with its Part 1 Proposal for evaluation and if the RFP Bidder conforms the documents submitted with the Part 2 Proposal to the evaluation provided with its Part 1 Notification, then these documents will automatically be considered sufficient.

VII.1.32. With the exceptions noted in Paragraphs VII.1.26 to VII.1.31, if an RFP Bidder receives any notice from the Independent Evaluator that an item of the Part 2 Proposal is deficient or requires clarification, the RFP Bidder has until 12 PM (noon) on the Part 2 Date, or until 6:00 PM on the business day following the business day during which such a notice is faxed to the RFP Bidder, whichever comes later, to respond. If the RFP Bidder does not correct or adequately explain the deficiency within the time allowed, the Part 2 Proposal may be rejected.

VII.1.33. An RFP Bidder's Part 2 Proposal is successful if its Part 2 Proposal is received on or before 12 PM (noon) on the Part 2 Date, if its Part 2 Proposal is complete, and if its Part 2 Proposal fully complies with the requirements of Article V of these RFP Rules.

VII.1.34. An RFP Bidder that submits a Part 2 Proposal will be notified whether it has qualified to submit Bids no later than 6:00 PM on the Part 2 Notification Date.

VII.1.35. If the RFP Bidder has not qualified to submit Bids, the Independent Evaluator notifies the RFP Bidder of that fact by fax and by overnight delivery service. The Independent

Evaluator returns one (1) copy of the Part 2 Form and all documents except for the Pre-Bid Letter of Credit.

VII.2. Bids: Submission, Processing, and Evaluation

VII.2.1. An RFP Bidder must submit its Bids in accordance with the instructions received from the Independent Evaluator with its Part 1 Notification and in accordance with the requirements of Article VI. An RFP Bidder's Bids must be received between 10:00 AM and 12 PM (noon) on the Bid Date. The requirements for Bid submission are the same for all RFP Bidders, regardless of whether they have previously qualified to submit Bids.

VII.2.2. The Bid Form, as provided to each RFP Bidder with the Part 1 Notification, is the exclusive method for the submission of Bids. A sample of the Bid Form is provided for illustrative purposes as Appendix 8 of these RFP Rules. The Bid Form must be filled out completely and transferred according to the instructions provided by the Independent Evaluator. The RFP Bidder may encrypt the Bid Form using the instructions provided by the Independent Evaluator. Bids on any Bid Form that is incompletely or inconsistently filled out will be considered deficient and will not be evaluated.

VII.2.3. An RFP Bidder submits its Bids electronically, by transferring its Bid Form through a secure file transfer interface. The RFP Bidder must use the username and the password provided by the Independent Evaluator to access the secure interface. The Independent Evaluator supplies a security code that the RFP Bidder may use to encrypt the Bid Form.

VII.2.4. An RFP Bidder that must resort to submitting its Bid Form by fax because of technical difficulties must follow the instructions provided by the Independent Evaluator for this contingency. These instructions will include a representative of the RFP Bidder phoning the Independent Evaluator to advise the Independent Evaluator of the use of a fax transmission to submit Bids and to provide authenticating information.

- VII.2.5. All Bid Forms must be received between 10:00 AM and 12 PM (noon) on the Bid Date. No late Bid Forms will be considered regardless of the method used by the RFP Bidder to submit its Bid Form.
- VII.2.6. An RFP Bidder may only submit its Bid Form once unless the RFP Bidder is invited to resubmit its Bid Form by the Independent Evaluator pursuant to the circumstances described in Paragraph VII.2.8 or Paragraph VII.2.11. If an RFP Bidder resubmits its Bid Form under these circumstances and the Bid Form is received between 10:00 AM and 12 PM (noon) on the Bid Date, the resubmitted Bid Form automatically supersedes all previously submitted Bid Form(s). If an RFP Bidder resubmits a Bid Form under any other circumstances, only the Bid Form that was first submitted between 10:00 AM and 12 PM (noon) on the Bid Date will be evaluated.
- VII.2.7. The Independent Evaluator acknowledges receipt of the Bid Form with each RFP Bidder by telephone. The telephone number used is the telephone number provided on the Bid Form. If the Bid Form received by the Independent Evaluator is not encrypted by the RFP Bidder, the Independent Evaluator will require that the RFP Bidder provide the security code to the Independent Evaluator before the Bid Form is acknowledged and evaluated. The Independent Evaluator makes this acknowledgment within fifteen (15) minutes of receipt of the Bid Form. An RFP Bidder that does not receive an acknowledgment within fifteen (15) minutes of submitting its Bid Form should assume technical difficulties, should proceed to submitting its Bid Form by fax, and should phone the Independent Evaluator immediately.
- VII.2.8. If the Bid Form received by the Independent Evaluator is incomplete or inconsistent, the Independent Evaluator will advise the RFP Bidder of that fact when confirming receipt of the Bid Form. The RFP Bidder may correct and resubmit the Bid Form as long as the Bid Form is received between 10:00 AM and 12 PM (noon) on the Bid Date. If the corrected Bid Form is not received between 10:00 AM and 12 PM (noon) on the Bid Date, the Bids on the Bid Form will not be evaluated.

- VII.2.9. It is the responsibility of the RFP Bidder to ensure that a completely and consistently filled out Bid Form is submitted between 10:00 AM and 12 PM (noon) on the Bid Date. The Independent Evaluator will hold a training session for RFP Bidders to practice the Bid submission process. RFP Bidders are encouraged to participate to minimize the possibility of technical difficulties with the submission of their Bid Forms.
- VII.2.10. The Independent Evaluator contacts each RFP Bidder that has submitted Bids by 6:00 PM on the Bid Date and identifies the RFP Bidder's Bids that are provided to the Commission as winning Bids. This notification occurs by telephone with a written acknowledgment by fax upon request by the RFP Bidder.
- VII.2.11. The Independent Evaluator will verify that the Pre-Bid Letter of Credit is in an amount sufficient to support the number of blocks bid by each RFP Bidder. If an RFP Bidder's Pre-Bid Letter of Credit is insufficient to support the number of blocks bid by the RFP Bidder, the Independent Evaluator will contact the RFP Bidder on a best efforts basis. The RFP Bidder may correct and resubmit the Bid Form as long as the Bid Form is received between 10:00 AM and 12 PM (noon) on the Bid Date. If the Independent Evaluator is not able to contact the RFP Bidder in time or if the RFP Bidder has not submitted a revised Bid Form between 10:00 AM and 12 PM (noon) on the Bid Date, the Independent Evaluator will modify the Bid Form. The Independent Evaluator will determine for such RFP Bidder the greatest number of whole blocks that its Pre-Bid Letter of Credit is sufficient to support. The Independent Evaluator will strike a Bid from a Bid Form for any block that is not supported by the Pre-Bid Letter of Credit. The Independent Evaluator will remove a Bid first from the product where there is most competition, as measured by the ratio of the number of blocks bid to the number of blocks needed. For that product, the Independent Evaluator will start with the block that has the highest Bid. If more than one RFP Bidder submitted Pre-Bid Letters of Credit that are insufficient to support the number of blocks bid by each such RFP Bidder, the Independent Evaluator will first modify the Bid Form from the RFP Bidder whose Bid Form is received last.

- VII.2.12. By submitting a Proposal in response to an RFP, each RFP Bidder is authorizing the Independent Evaluator to modify the RFP Bidder's Bid Form as specified in Paragraph VII.2.11. Each RFP Bidder acknowledges and accepts that the methodology may result in removal of a Bid that would have been approved by the Commission or the retention of a Bid that was not approved by the Commission.
- VII.2.13. The Bids supported by adequate Pre-Bid Letters of Credit will be evaluated on a price-only basis. The Bids for each product will be ranked from lowest to highest price until all Bids are ranked or until the number of Bids that are ranked equals the number of blocks available for the product.
- VII.2.14. If two or more RFP Bidders submit Bids that are identical for a product, these Bids will be considered "Tied Bids" at that price. The Independent Evaluator will use the tie-breaking procedure described in the next paragraph if: i) in total, more Bids must be ranked for a product than there are blocks available for that product; ii) the tie among two or more Tied Bids must be broken in order to determine the RFP Bidders that have submitted the lowest Bids on that product.
- VII.2.15. The tie-breaking procedure will award blocks in the following order: (1) to the RFP Bidder which, if awarded the block, would hold the fewest blocks for the product for any one month during the product term; (2) to the RFP Bidder which, if awarded the block, would hold the fewest blocks in aggregate for any one month during the product term. If a tie were to remain, it would be broken by random selection.
- VII.2.16. An RFP Bidder acting in concert with another RFP Bidder (Block Energy or Full Requirements) may be disqualified by the Independent Evaluator on behalf of the Company in its sole and exclusive discretion. The RFP Bidder will be considered to have made a material misrepresentation in its Part 2 Proposal and payment under the Pre-Bid Letter of Credit can be demanded by PECO.
- VII.2.17. For each product in this solicitation, a Block Energy Supplier will be paid a supplier-specific price for each MWh as specified in the Transaction Confirmation. The supplier-specific price will be the average of approved Bids for that product.

VII.3. Post-Bid Process

- VII.3.1. The Independent Evaluator will present the results of the solicitation to the PUC on the first business day after the Bid Date in a confidential report. The results of a solicitation may include the results for Block Energy Supply under this RFP as well as the results for full-requirements products under the Full Requirements RFP. This confidential report will include the winning Bids determined during the evaluation.
- VII.3.2. The PUC will have one (1) business day to consider the report of the Independent Evaluator and to approve or reject each of the winning Bids. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved.
- VII.3.3. The Independent Evaluator will notify all RFP Bidders that have approved Bids. Such RFP Bidders are called Block Energy Suppliers. When referring specifically to RFP Bidders that were not already Block Energy Suppliers, the term New Block Energy Suppliers will be used. When referring specifically to RFP Bidders that were already Block Energy Suppliers, the term Existing Block Energy Suppliers will be used. The Independent Evaluator provides to PECO the name of each Block Energy Supplier, and for each such supplier, the number of blocks won by the Block Energy Supplier in this solicitation and the Block Energy Supplier's price for each product in this solicitation. The price for each such supplier and for a given product is the average of the supplier's approved Bids for that product in this solicitation.
- VII.3.4. If the RFP Bidder is not awarded block(s), the Independent Evaluator will return within three (3) business days of the Bid Date the two (2) signed originals of the Block Energy SMA, and (if applicable) the two (2) signed originals of the guaranty to the RFP Bidder.
- VII.3.5. For New Block Energy Suppliers, PECO executes the two (2) originals of the Block Energy SMA by the third business day after the Bid Date. PECO sends one (1) original Block Energy SMA.
- VII.3.6. For Block Energy Suppliers that rely on the financial standing of an RFP Guarantor, PECO executes the two (2) originals of the guaranty provided by the approved Block Energy Supplier with its Part 2 Proposal by the third business day after the Bid Date.

PECO sends one (1) original guaranty to the Block Energy Supplier. For an Existing Block Energy Supplier, PECO returns at the same time any existing guaranty that PECO holds for the Block Energy Supplier.

- VII.3.7. By 12:00 PM (noon) on the third business day after the Bid Date, PECO partially executes all Transaction Confirmations for each Block Energy Supplier and sends by fax one (1) copy of each Transaction Confirmation to the Block Energy Supplier. PECO also sends at that time three (3) partially executed originals of each Transaction Confirmation by overnight delivery service to the Block Energy Supplier. There is one (1) Transaction Confirmation for each product, for each approved Block Energy Supplier, and for each solicitation.
- VII.3.8. By 2:00 PM on the fourth business day after the Bid Date, the approved Block Energy Supplier executes each Transaction Confirmation and sends a copy by fax of all Transaction Confirmations to PECO. The Officer of the Default Supplier named in the Part 1 Proposal and who has made all representations of the Proposal is expected to sign the Transaction Confirmation(s). If this individual is unavailable to sign the Transaction Confirmation(s), the Block Energy Supplier will advise PECO of this fact, will name another individual to sign the Transaction Confirmation(s), and will confirm that this individual is an officer, a director, or an individual otherwise authorized to undertake contracts (including the Block Energy SMA) and bind the Block Energy Supplier. The Block Energy Supplier also sends to PECO two (2) originals of each Transaction Confirmation by overnight delivery service.
- VII.3.9. As provided in the PUC's directive dated October 12, 2010 (Docket No. M-2009-2082042), the Independent Evaluator will release, within fifteen (15) days of the close of the solicitation, the weighted average price for each block product procured through this RFP. The Independent Evaluator will issue an announcement on behalf of PECO with this information and the announcement will also be posted to the RFP Web site. This announcement may include additional information regarding rate impacts.

VII.3.10. As provided in the PUC's directive dated October 12, 2010 (Docket No. M-2009-2082042), PECO has provided a default service rate calculation model. The model shows the methodology for translating RFP results into default service rates. This calculation model is posted to the PECO Web site:

<https://www.peco.com/CustomerService/RatesandPricing/EnergyChoice/Pages/PricetoCompare.aspx>

VII.4. Personnel and Confidentiality

VII.4.1. Any information provided by an RFP Bidder in its Part 1 Proposal is provided on a confidential basis to the Independent Evaluator, and may be provided on a confidential basis to the Commission Staff. PECO representatives will review the information provided to fulfill the requirements of Section IV.2, Section IV.3, Section IV.6, and Section IV.7 and will participate in the evaluation of the creditworthiness of each RFP Bidder.

VII.4.2. Any information provided by an RFP Bidder in its Part 2 Proposal is provided on a confidential basis to the Independent Evaluator, and may be provided on a confidential basis to the Commission Staff. PECO representatives will review the Pre-Bid Letter of Credit with the name of the RFP Bidder and the amount redacted and will participate in the evaluation of this Pre-Bid Letter of Credit. PECO representatives will also review the documents provided to fulfill the requirements of Section V.4 and Section V.5.

VII.4.3. The Independent Evaluator and representatives from PECO involved in the evaluation of Proposals will consider all data and information provided by RFP Bidders in response to this RFP to be confidential and will attempt to limit its disclosure to the public in accordance with the provisions of this Section. PECO will also take reasonable action to ensure that its employees, representatives and agents authorized to consider and evaluate all Proposals protect the confidentiality of such data and information. Each representative of the Independent Evaluator and PECO that has access to any portion of the Proposals is required to sign a Confidentiality Statement in the form of

Appendix 12 to these RFP Rules prior to evaluation of any portion of the Proposals.

The list of all signatories is available to an RFP Bidder upon request.

VII.4.4. However, absolute protection from public disclosure of the RFP Bidders' data and information filed in response to this RFP cannot be provided and is not intended. By submitting a Proposal in response to this RFP, each RFP Bidder acknowledges and agrees to the limitations of the confidentiality provisions set forth in this Section.

VII.4.5. In addition, the RFP Bidders' data and information filed in response to the RFP will be disclosed if required by any federal, state or local agency (including, without limitation, the Commission) or by a court of competent jurisdiction. PECO or the Independent Evaluator will notify the RFP Bidder in advance of such disclosure and cooperate with such RFP Bidder, to the extent deemed reasonable by PECO, and at the expense of the RFP Bidder, to prevent the disclosure of such materials. In any event, PECO, its employees, and agents including the Independent Evaluator will not be responsible to the RFP Bidders or any other party or liable for any disclosure of such designated materials before, during or subsequent to this RFP.

ARTICLE VIII. Reserved Rights

VIII.1.1. PECO will not be liable to any RFP Bidder or any other party for failure to execute a Block Energy SMA or any Transaction Confirmation. Nothing herein may be construed to bind PECO unless and until the Commission has approved winning Bids, and the Block Energy SMA and each Transaction Confirmation with an approved Block Energy Supplier has been executed and is effective. Once effective, it is the Block Energy SMA and not the RFP Rules or any documents relating thereto that will govern the relationship between and the responsibilities of the parties.

VIII.1.2. The Independent Evaluator reserves the right to reject Proposals submitted in response to this RFP that are incomplete, or do not conform with the requirements of this RFP, or are submitted beyond the deadline for submission, or are submitted by an RFP Bidder that tries to unduly influence in any way the evaluation process.