

Appendix 3 - Load Cap Examples (Full Requirements)

A Bid is a price in \$/MWh for a tranche for any product. A product for the purposes of this RFP is defined by three characteristics: a) a product is either Fixed-Price Default Supply or Spot-Price Default Supply; b) a product is for a given class; and c) a product is for a given supply period. For example, the Fixed-Price Default Supply for the R Class for the supply period June 1, 2011 through May 31, 2012 is a product.

In this solicitation, PECO procures Fixed-Price Default Supply for the Residential (R), Small Commercial (SC) and Medium Commercial (MC) classes, and Spot-Price Default Supply for the Small Commercial (SC), Medium Commercial (MC) and Large Commercial and Industrial (LC&I) classes. Table 1 below provides the available tranches in this solicitation.

Table 1 - Available Tranches for Fixed-Price Default Supply

Type	Class	Supply Period	Available Tranches
			Fall 2011
Fixed-Price	Residential	June 2012 - May 2013	10
Fixed-Price	Residential	June 2012 - May 2014	7
Fixed-Price	Small Commercial	June 2012 - May 2013	10
Spot-Price	Small Commercial	June 2012 - May 2013	3
Fixed-Price	Medium Commercial	June 2012 - May 2013	10
Spot-Price	Medium Commercial	June 2012 - May 2013	3
Spot-Price	Large Commercial and Industrial	June 2012 - May 2013	54

Each Class has a Load Cap, which is a limit on the number of tranches of Default Supply that an RFP Bidder can bid and serve for that Class, across both Fixed-Price and Spot-Price Default Supply tranches. An RFP Bidder may submit Bids for one or more tranches for one or several products subject to the restriction that the number of tranches for which an RFP Bidder submits a Bid for a Class cannot exceed the Load Cap for that Class. The Load Cap ensures that there will be a diversified pool of Default Suppliers for each Class. The Load Cap for a Class and an RFP Bidder is set so that the customers of that Class have no more than a 65% exposure to any one Default Supplier at any given time. The Load Caps for the Full Requirements RFP are administered separately from the Load Caps for the Block Energy RFP.

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

R Class

The Load Cap for the R Class will apply as follows: (i) an RFP Bidder is limited to 9 tranches of the 24-month Fixed-Price product including tranches of this product won in previous solicitations and tranches bid for the 24-month Fixed Price product in this solicitation; and (ii) an RFP Bidder is limited to 30 tranches of the 12-month Fixed-Price, 24-month Fixed-Price and 29-month Fixed-Price products combined, including tranches of these products won in previous solicitations and tranches bid for the 12-month Fixed-Price and 24-month Fixed-Price products in this solicitation.

SC Class

The Load Cap for the SC Class will apply as follows: an RFP Bidder is limited to 18 tranches of the 12-month Fixed-Price, 29-month Fixed-Price, and 12-month Spot-Price products combined, including tranches of these products won in previous solicitations, and tranches bid for the 12-month Fixed-Price and 12-month Spot Price products in this solicitation.

MC Class

The Load Cap for the MC Class will apply as follows: (i) an RFP Bidder is limited to 14 tranches of the 12-month Fixed-Price, and 12-Month Spot-Price products combined, including tranches of these products won in previous solicitations, and tranches bid for the 12-month Fixed-Price and 12-month Spot-Price products in this solicitation.

LC&I Class

The Load Cap for the LC&I Class will apply as follows: an RFP Bidder is limited to 35 tranches of the 12-month Spot Price product in this solicitation.

EXAMPLES:

Case 1 is for an RFP Bidder who is not a Default Supplier. Cases 2 and 3 are for Default Suppliers and use one class at a time for illustration purposes, but the same principles apply to all classes.

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

R Class: An RFP Bidder can bid on all available tranches.

There are 10 tranches available for the 12-month Fixed-Price R product and 7 tranches available for the 24-month Fixed-Price R product.

- The load cap across all products for the R class is 30 tranches. Therefore, an RFP Bidder that is currently not a Default Supplier for the R class can bid on all 10 tranches for the 12-month product, and can bid on all 7 tranches for the 24-month product.
- The load cap for the 24-month R class product is 9 tranches. Therefore, an RFP Bidder that is currently not a Default Supplier for the R class can bid on all 7 tranches for the 24-month product.

SC Class: An RFP Bidder can bid on all available tranches.

There are 10 tranches available for the 12-month Fixed-Price SC product and 3 tranches available for the 12-month Spot Price SC product. The load cap across all products for the SC class is 18 tranches. Therefore, an RFP Bidder that is currently not a Default Supplier for the SC class can bid on all 3 tranches of the Spot-Price product, and can bid on all 10 tranches for the Fixed-Price product.

MC Class: An RFP Bidder can bid on all available tranches.

There are 10 tranches available for the 12-month Fixed-Price MC product and 3 tranches available for the 12-month Spot Price MC product. The load cap across all products for the MC class is 14 tranches. Therefore, an RFP Bidder that is currently not a Default Supplier for the MC class can bid on all 3 tranches for the Spot-Price product, and can bid on all 10 tranches for the Fixed-Price product.

LC&I Class: An RFP Bidder can bid on up to 35 tranches.

There are 54 tranches available for the 12-month Spot-Price LC&I product. The load cap for the LC&I class is 35 tranches. Therefore, an RFP Bidder that is currently not a Default Supplier for the LC&I class can bid on up to 35 tranches for the LC&I Spot-Price product.

Case 2. An RFP Bidder Won Tranches in Previous Solicitations, but Fewer than the Load Caps (SC Class):

The individual Load Caps for an RFP Bidder that is a Default Supplier for the SC Class are the Load Caps less the amount that was previously won. The Winter 2012 tranches available and past tranches won are given in Table 3 below.

Table 3 - SC Class Tranches Available

Type	Class	Supply Period	Tranches Won					Tranches Available Winter 2012
			Spring 2009	Fall 2009	Spring 2010	Fall 2010	Fall 2011	
Fixed-Price	SC	January 2011 - May 2012	0	2	3	3	0	0
Fixed-Price	SC	January 2011 - May 2013	0	0	2	2	0	0
Fixed-Price	SC	June 2012 - May 2013	0	0	0	0	5	10
Spot-Price	SC	June 2012 - May 2013	0	0	0	0	0	3

The Load Cap for such an RFP Bidder is:

- The RFP Bidder can win at most 9 tranches of the 12-month Fixed-Price and 12-month Spot-Price products combined, namely the Load Cap of 18 tranches less the 9 tranches of the Fixed-Price 29-month and 12-month products won in previous solicitations.

Case 3. An RFP Bidder Won the Load Cap¹ in the Previous Solicitations (R Class):

The individual Load Caps for an RFP Bidder that is a Default Supplier for the R Class are the Load Caps less the amount that was previously won. The Winter 2012 tranches available and past tranches won are given in Table 4 below.

Table 4 - R Class Tranches Available

Type	Class	Supply Period	Tranches Won					Tranches Available Winter 2012
			Spring 2009	Fall 2009	Spring 2010	Fall 2010	Fall 2011	
Fixed-Price	R	January 2011 - May 2012	5	5	5	6	0	0
Fixed-Price	R	January 2011 - May 2013	2	2	2	3	0	0
Fixed-Price	R	June 2012 - May 2013	0	0	0	0	6	10
Fixed-Price	R	June 2012 - May 2014	0	0	0	0	4	7

The Load Cap for such an RFP Bidder is:

- Such an RFP Bidder can win at most 11 tranches combined across the 12-month Fixed-Price and 24-month Fixed-Price products, namely the Load Cap of 30 tranches less the 19 tranches for the 29-month, 12-month and 24-month Fixed-Price products won in previous solicitations.
- Such an RFP Bidder can win at most 5 tranches of the 24-month Fixed-Price product, namely the Load Cap of 9 tranches less the 5 tranches for the 24-month Fixed-Price product won in previous solicitations.

An RFP Bidder that bid and won 9 tranches of the 29-month Fixed-Price product, six tranches of the 12-month Fixed-Price product and 4 tranches of the 24-month Fixed-Price product in previous solicitations can bid on any combination of products in this solicitation up to 11 tranches for the 12-month Fixed-Price and 24-month Fixed-Price products combined. For example, such an RFP Bidder can bid 6 tranches for the 12-month Fixed-Price product and up to 5 tranches for the 24-month Fixed-Price product; or 8 tranches for the 12-month Fixed-Price and up to 3 tranches for the 24-month Fixed-Price product.

¹ There is more than one way to have won at the load caps over all previous solicitations; this example assumes that the RFP Bidder has won the maximum possible of 30 tranches for the Residential Fixed-Price products across all previous solicitations.