

Overview of the SOS RFP Process

Potomac Electric Power Company (Pepco) is, for the period starting June 1, 2019, using the fifteenth year RFP process approved by the District of Columbia Public Service Commission (Commission), to solicit full-requirements wholesale electric power supply. The RFP process follows the “Rules and Regulations Governing the Procurement of Standard Offer Service in the District of Columbia” as revised in Commission Order No. 19681.

The RFP seeks offers for the wholesale supply of full-requirements to meet the needs of three specific customer service types. The service types are described as Residential Customers, Small Commercial Customers and Large Commercial Customers. Table 1 below describes the customer classes included in each service type.

Bidding on the load for each service type will be by bid rounds referred to as “tranches”. Up to three tranches of bidding are planned. One hundred percent (100%) of the load will be solicited in the first two tranches with a third tranche held in reserve to be used if any load is still unfilled after the second tranche.

Within each tranche, the load is to be solicited separately by different contract terms and in pre-specified proportions. Residential and Small Commercial load solicitation is for 36-month wholesale supply contracts representing approximately 37% of the combined service type load. Large Commercial load is for 12-month contracts representing approximately 100% of the service type load.

The load for each solicitation in each tranche is divided into blocks of approximately 50 MW in size for bidding purposes. Suppliers may bid on as many blocks, for as many service types, as the supplier deems appropriate. A supplier of full-requirements service will have an obligation stated as a percentage of Pepco’s actual retail load for a service type, and, as that load varies from day to day and hour to hour, the supplier’s full requirements obligation will follow those variations.

Table 2 shows preliminary Peak Load Contribution (PLC) for the specific service type for which Pepco is soliciting wholesale supply for a specific percentage of each service type in the RFP. Two representations of PLC are provided. The first represents the PLC associated with District of Columbia customers currently receiving SOS from Pepco. The second represents the PLC associated with all District of Columbia customers currently eligible for a specific service type within Pepco’s service territory.

SERVICE TYPE	CUSTOMER CLASSES
RESIDENTIAL SOS	R, AE, RAD, RAD-AE, R-TM & MMA
SMALL COMMERCIAL SOS	GS-LV-ND, OL-LED, SL, T, TN & TS
LARGE COMMERCIAL	GS-LV-D, GS-3A, GT-LV, MGT-LV, GT-3A, GT-3B & RT

SERVICE TYPE	SOS	ELIGIBLE
RESIDENTIAL	163.9	214.2
TYPE I SMALL COMMERCIAL SOS	11.8	17.6
TYPE II NON-RESIDENTIAL SOS	205.1	1,511.8
PEPCO DC TOTAL	380.8	1,743.6

Customer Restrictions

Pursuant to the Commission Orders and subject to Pepco’s customer enrollment rules, residential customers may leave and return to Residential SOS at any time without switching restrictions. For small and large commercial customers, the following switching restrictions apply:

- If a non-residential customer who has elected to purchase generation services from Competitive Electricity Supplier subsequently returns to SOS, such non-residential customer shall be obligated to remain on SOS for a minimum term of 12 months, provided, that in the case of a non-residential customer who returns to SOS as a result of a default by that non-residential customer’s Competitive Electricity Supplier, such non-residential customer may within a grace period of three full billing cycles thereafter elect to purchase or contract for generation services from another Competitive Electricity Supplier or elect to receive service from the SOS Administrator at Market Price Service rates in which event the minimum term of twelve (12) months does not apply. A Competitive Electricity Supplier default occurs when the PJM Interconnection L.L.C. notifies the PJM members that the Competitive Electricity Supplier is in default.
- A non-residential customer who ceases to receive generation services from a Competitive Electricity Supplier may elect to receive service from the SOS Administrator at Market Price Service rates rather than Standard Offer Service rates. The minimum stay provisions stated in Section 4105.6 of the WFRSA shall not apply to customers receiving service under Market Price Service rates. The Market Price

Service rates shall be set in accordance with a tariff previously filed and approved by the Commission.

- For purposes of clarity, the following interpretations of the customer switching provisions will apply. (1) Non-residential customers who return to SOS having previously taken service from an alternative supplier may elect to be placed on MPS.(2) Non-residential customers who have chosen to be placed on MPS may subsequently elect to be placed on SOS. The 12-month minimum stay provision will apply to customers who so choose to be placed on SOS. New residential and non-residential customers shall receive SOS for their first billing period and until the customer selects a competitive supplier or MPS.

Bid Submittal

Bidders shall receive bid forms electronically and will be required to submit bids electronically using the Bid Form Spreadsheets provided as Appendix E to the RFP. There will be separate Bid Form Spreadsheets for each tranche, each service type and each contract term. The Bid Form Spreadsheets will contain shaded cell areas in which bidders provide information and their offers. In order to prevent any misunderstanding of a bidder's offer, all shaded cells within a Bid Form Spreadsheet must be completed by the bidder. Bidders must also use only two decimal places in the offer prices, consistent with the display characteristics of the cell. Use of more than two decimal places by the bidder may result in rounding discrepancies. A Bid Form Spreadsheet submitted by a bidder that contains blank shaded cells will be deemed a non-conforming bid, and will be eliminated from further consideration. Therefore, if it is the intent of a bidder to submit a zero price for any component of the pricing structure, the bidder must enter the numerical value of zero in that specific cell. Bidders will indicate the number of bid blocks offered and the price quote for the bid blocks offered. All of the pricing components within a bid for a specific service type and a specific contract term will be reduced to a single discounted price (Discounted Average Term Price) on a common basis for comparison purposes. Once all conforming bids have thus been reduced to common Discounted Average Term Prices, the blocks will be awarded to the lowest bidders until the tranche targets are filled.

Expression of Interest

Applicants interested in participating in the RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form. The applicant will not be eligible to submit proposals until such submission has been provided to Pepco. Upon submission of the

Expression of Interest Form, an applicant will be issued a password to access a website containing additional information relating to the RFP.