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September 25, 2020

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street N.W., Suite 800
Washington, DC 20005

Re: Formal Case No. 1017

Dear Ms. Westbrook-Sedgwick:

Enclosed is the revised Wholesale Full Requirements Service Agreement (“WFRSA”) and Request for Proposals (“RFP”) for the 2020 to 2021 Standard Offer Service (“SOS”) solicitation submitted by Potomac Electric Power Company (“Pepco”) pursuant to Order No. 20626.

Sincerely,

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau

Enclosures

cc: All Parties in Formal Case No. 1017

WFRSA (Redline)

Appendix G

20192020

**WHOLESALE FULL REQUIREMENTS SERVICE
AGREEMENT**

BETWEEN

POTOMAC ELECTRIC POWER COMPANY

AND

[SELLER NAME]

DATED

[DATE]

**WHOLESALE FULL REQUIREMENTS SERVICE
AGREEMENT
Articles and Provisions**

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WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT

THIS WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT (“Agreement” or “WFRSA”), is made and entered into as of _____ (“Effective Date”), by and between _____, hereinafter referred to as “Seller” and Potomac Electric Power Company (Pepco), hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

WITNESSETH:

WHEREAS, the Commission has issued the Orders that direct Buyer to supply electric service to Standard Offer Service Load (“SOS Load”) within Buyer’s District of Columbia service territory; and

WHEREAS, Buyer has solicited offers for serving all or a portion of its SOS Load pursuant to a Request for Proposal (“RFP”) and the Seller is a winning bidder in that solicitation; and

WHEREAS, Seller desires to sell Full Requirements Service and Buyer desires to purchase such Full Requirements Service to supply a Specified Percentage in Buyer’s District of Columbia service territory on a firm and continuous basis; and

NOW, THEREFORE, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

ARTICLE 1 DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:

“Affiliate” means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Ancillary Services” shall have the meaning ascribed thereto in the PJM OATT.

“Bankrupt” means, with respect to any entity, such entity: (i) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within sixty (60) calendar days of the filing or commencement; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes insolvent, however evidenced; (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they fall due.

“Bid Block” means a block(s) of load awarded to Seller in accordance with Buyer’s RFP as set forth in a Transaction Confirmation.

“Bond” means a form of Performance Assurance issued by an entity having a Credit Rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the bond is issued (for clarification, the form of Bond attached as Exhibit C1 hereto shall be considered an acceptable form).

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time (“EPT”).

“Buyer Downgrade Event” means that Buyer’s Credit Rating is less than BBB- by S&P or Baa3 by Moody’s.

“Capacity” shall mean “Unforced Capacity” as set forth in the PJM RAA, or any successor measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM RAA, or elsewhere).

“Capacity Peak Load Contribution” or “Capacity PLC” shall mean the aggregation of retail customer peak load contributions, as determined by the Buyer in accordance with the PJM Agreements and reported by Buyer to PJM pursuant to Buyer’s retail load settlement process, and used by PJM in determining the Seller’s capacity obligation for each Transaction.

“Change in Law” means (i) a material change in the interpretation of or the enactment, promulgation, issuance or material amendment of any constitution, charter, act, statute, regulation, ordinance, order, ruling, or rule, or (ii) a material change in the specified standards or objective criteria contained in a permit, license, or other approvals, which standard or criteria must be met in order for a resource to generate electric energy, or (iii) other legislative or administrative action of any government agency of competent jurisdiction or a final decree, judgment, or order of a court of competent jurisdiction (including temporary restraining orders) or occurring subsequent to the Effective Date. For purposes of this definition, no enactment, adoption, promulgation, amendment or modification of applicable laws shall be considered a Change in Law if, as of the Effective Date, (1) such applicable law would have directly affected the performance of the obligations hereunder by either Party after the Effective Date in the absence of this Agreement and (2) either such applicable laws were (A) officially proposed by the responsible agency and promulgated in final form in the Federal Register or equivalent federal, state or local publication and thereafter becomes effective without further action or (B) enacted into law or promulgated by the appropriate federal, state or local body before the Effective Date, and (i) the comment period with respect to which expired on or before the Effective Date and (ii) any required hearings concluded on or before the Effective Date, in accordance with applicable administrative procedures and which thereafter becomes effective without further action. If at any time the Seller or the Buyer incur additional price elements resulting from a Change in Law and related to the Full Requirements Service, the Seller and the Buyer or either may file a request with the Commission (with notice to all parties in Formal Case No. 1017) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a Change in Law in connection with the Full Requirements Service, and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price.

“Commission” means the Public Service Commission of the District of Columbia and any successor thereto.

“Confidential Information” has the meaning provided in Section 16.5(a) of this Agreement.

“Congestion Revenue Rights” or “CRR” shall mean the current or any successor congestion management mechanism or mechanisms as may be employed by PJM (whether set forth in the PJM Tariff or elsewhere) for the purpose of allocating financial congestion hedges.

“Corporate Guarantee” or “Guarantee” means a guarantee issued by the Guarantor in a form acceptable to Buyer and the Commission. For clarification, the form of Guarantee attached as Exhibit F hereto is the Commission approved form.

“Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions, PJM charges, and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its SOS Load obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody’s or Fitch.

“Default Damages” means, for the period of time specified in Section 12.2(b)(ii) (Remedies) any direct damages and Costs, calculated in a commercially reasonable manner, that the Non-Defaulting Party incurs with respect to the Specified Percentage as a result of an Event of Default. Direct damages may include, but are not limited to: (i) the positive difference (if any) between the price of Full Requirements Service hereunder and the price at which the Buyer or Seller is able to purchase or sell (as applicable) Full Requirements Service (or any components of Full Requirements Service it is able to purchase or sell) from or to third parties, including PJM; (ii) emergency energy charges; and (iii) additional transmission or congestion costs incurred to purchase or sell Full Requirements Service.

“Delivery Period” means the period of delivery for a Transaction as specified in a Transaction Confirmation.

“Delivery Point” means points in the PJM Control Area, as selected by Seller, and is the location at which Seller will deliver and Buyer will accept the Specified Percentage during the Delivery Period.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect on any particular date.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

“Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

“FERC” means the Federal Energy Regulatory Commission or its successor.

“Fitch” means Fitch Investor Service, Inc. or its successor.

“Force Majeure Event” means any of the following events or circumstances to the extent not within the control, and without the fault or negligence, of the Party seeking to have its performance obligation excused thereby (the “Claiming Party”), and to the extent such event creates a condition such that power is not available at any price [or is not able to be physically delivered to the Delivery Point]: acts of God, including: landslide, lightning, Earthquake, fire, storm, flood, tornado, other natural disasters, epidemic, and weather-related events; riot; civil disturbance; insurrection; war; sabotage; action, inaction, or restraint by a Governmental Authority. The loss or failure of Seller’s supply or Seller’s ability to sell the Full Requirements Service at a price greater than that received under any Transaction or curtailment by a Transmitting Utility shall not constitute a Force Majeure.

“Full Requirements Service” means all necessary Energy, Capacity, Transmission other than Network Integration Transmission Service, Ancillary Services, Renewable Energy Resource Requirement, transmission and distribution losses, congestion management costs, and such other services or products that are required to supply the Specified Percentage except for Network Integration Transmission Service and distribution service.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

“Governmental Authority” means any federal, state, local, municipal or other governmental entity, authority or agency, department, board, court, tribunal, regulatory commission, or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or this Agreement.

“Guarantor” means an affiliate of the Seller or a third party that meets the financial requirements set forth in Section 14.4 (Creditworthiness of Guarantor) who agrees to guarantee Seller’s financial obligations under this Agreement pursuant to the Corporate Guarantee.

“Interest Rate” means, for any date, the lesser of: (i) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%); and (ii) the maximum rate permitted by applicable law.

“kWh” means one kilowatt of electric power over a period of one hour.

“Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a Credit Rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the letter of credit is issued (for clarification, the form of Letter of Credit attached as Exhibit C and C-1 hereto shall be considered an acceptable form, but not the exclusive acceptable form). Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. The Party to whom the Letter of Credit is in favor reserves the right to monitor the financial position of the issuing bank and, if the issuing bank’s Credit Rating is downgraded by any increment; or if the issuing bank’s Current, Quick, Return on Assets, or Price/Earnings ratios diminish (reflecting the financial stability of the bank); or if the Party determines, for any reason, that the issuing bank’s position has deteriorated, then the Party has the right to demand and receive, from the applicant for the Letter of Credit, that the Letter of Credit be reissued from a bank that meets or exceeds the Credit Ratings and asset valuation listed above.

"Load Serving Entity" or "LSE" shall have the meaning ascribed to it in the PJM Agreements.

"Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

"Monthly Settlement Amount" means with respect to any calendar month during the Delivery Period, the sum of (i) product of the applicable Monthly Settlement Price and Monthly Settlement Load; and (ii) any other adjustments as set forth in this Agreement.

"Monthly Settlement Date" means, with respect to any calendar month of a Delivery Period, the date determined to be the PJM Settlement Date pursuant to the PJM Agreements.

"Monthly Settlement Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Specified Percentage and SOS Load.

"Monthly Settlement Price" means price for Monthly Settlement Load for the applicable month of the Delivery Period as set forth in a Transaction Confirmation.

"Moody's" means Moody's Investor Services, Inc. or its successor.

"MWh" means one megawatt of electric power used over a period of one hour which shall be rounded in a manner consistent with standards in the PJM Agreements. The current rounding standards are to the nearest one-thousandth of a megawatt hour.

"NERC" means the North American Electric Reliability Council or any successor organization thereto.

"Network Integration Transmission Service" shall have the meaning as set forth in the PJM OATT.

"Nodal Pricing" shall have the meaning ascribed to it in the PJM Agreements, specifically Manual 27: PJM's Open Access Transmission Tariff ("OATT") Accounting, Section 5.6: Business Rules for Nodal Pricing Settlement of Network Load, and Section 5.7: Business Rules for Changing Settlement Area Definitions of Network Load ("Rules").

"OPC" means the Office of the People's Counsel of the District of Columbia

"Orders" means Order No. 13115 and Order No. 13118 of the Commission, both dated March 1, 2004, Order No. 13225, dated July 1, 2004 and Order No. 13741 dated August 18, 2005, approving the SOS contract documents including the Supplier RFP, WFRSA, and OPC Confidentiality Agreement. In addition, Order No. 17863 (Rules).

"Performance Assurance" means collateral in the form of cash, a Bond, Letter(s) of Credit, or Corporate Guarantee. Performance Assurance shall be transferred directly to Buyer.

"PJM" means the PJM Interconnection, LLC or any successor organization thereto.

"PJM Agreements" means the PJM OATT, PJM Operating Agreement, PJM RAA, PJM West RAA, and any other applicable PJM manuals or documents, or any successor, superceding or amended versions that may take effect from time to time.

“PJM Control Area” has the meaning ascribed to it in the PJM Agreements.

“PJM Load Response Programs” Shall have the meaning ascribed to it in the PJM Agreements

“PJM OATT” or “PJM Tariff” means the Open Access Transmission Tariff of PJM or the successor, superceding or amended versions of the Open Access Transmission Tariff that may take effect from time to time.

“PJM Operating Agreement” means the Operating Agreement of PJM or the successor, superceding or amended versions of the Operating Agreement that may take effect from time to time.

“PJM Planning Period” shall have the meaning ascribed to it in the PJM Agreements. Currently, the PJM Planning Period is the twelve months beginning June 1 and extending through May 31 of the following year.

“PJM RAA” means the PJM Reliability Assurance Agreement or any successor, superceding or amended versions of the PJM Reliability Assurance Agreement that may take effect from time to time.

“PJM Settlement Dates” means the dates on which payments are due to PJM for weekly and monthly services provided by PJM in accordance with the PJM Agreements and schedules.

“Purchase Amount” means the total amount that Buyer will pay to Seller under all Transactions pursuant to this Agreement, estimated on each Transaction Date in accordance with the provisions of Exhibit B, and estimated thirty (30) days prior to the beginning of each subsequent Service Year in accordance with the provisions of Exhibit B.

“Renewable Energy Resource Requirement” means the renewable energy resource requirements as set forth in D.C. Code Sections 34-1431 through 1439 (a copy of these sections of the D.C. Code is included as Exhibit H).

“Request for Proposal” or “RFP” means the request for proposals issued from time to time by Buyer pursuant to the PSC Settlement.

“Rules” means the Rules and Regulations Governing the Provision of Standard Offer Service in the District of Columbia as adopted in Order No. 17863 in Formal Case No. 1017.

“S&P” means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. and any successor thereto.

“SEC” means the Securities and Exchange Commission or its successor.

“Service Type” means the customer class, partial customer class and/or group of customer classes, as set forth in a Transaction Confirmation.

“Service Year” means the period beginning on June 1, ~~2020-2021~~ and ending May 31, ~~2021-2022~~; and thereafter periods beginning June 1 of one year and ending May 31 of the following year.

“Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 12 (Events of Default – Remedies). For the purposes of

calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

“Specified Percentage” means that quantity of load constituting the percentage of SOS Load as set forth in a Transaction Confirmation.

“Standard Offer Service Load” or “SOS Load” means the total sales at the retail meter, plus Unaccounted For Energy, expressed in MWh or MW, as appropriate, for a particular class(es) of retail customers being served by Buyer, as such sales vary from hour to hour, in Buyer’s District of Columbia service territory.

“Terminated Transaction” means any Transaction that is terminated by the Non-Defaulting Party pursuant to Section 12.2 (Remedies).

“Transaction” means a particular agreement by which Buyer purchases and Seller sells Full Requirements Service pursuant to this Agreement, the details of which are more fully set forth in a Transaction Confirmation.

“Transaction Confirmation” means the document executed by the Parties setting forth the details of a specific purchase and sale of Full Requirements Service as described in Section 2.8, the form of which is included in Exhibit A.

“Transaction Date” means the date that a Transaction is executed as set forth in the Transaction Confirmation.

“Transmitting Utility” means the utility or utilities and their respective control area operators and their successors, transmitting Full Requirements Service.

“Unaccounted For Energy” means the difference between the Buyer’s hourly system load and the sum of: (i) the estimated hourly customer loads (interval metered and profiled); and (ii) electrical losses, as such Unaccounted For Energy is determined in the Buyer’s retail load settlement process.

“Weekly Settlement Amount” means with respect to any Weekly Settlement Date during the Delivery Period, the sum of the product of the Weekly Settlement Price and Weekly Settlement Load.

“Weekly Settlement Date” means, with respect to any week of the month of a Delivery Period, the date(s) determined to be the PJM Settlement Dates pursuant to the PJM Agreements and schedules.

“Weekly Settlement Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Specified Percentage and SOS load.

“Weekly Settlement Price” means price for Weekly Settlement Load for the applicable week of the Delivery Period and has the same value as the Monthly Settlement Price.

ARTICLE 2
TERMS AND CONDITIONS OF FULL REQUIREMENTS SERVICE

- 2.1 Seller's Obligation To Provide Service. With respect to a Transaction, Seller shall provide Full Requirements Service on a firm and continuous basis such that the Specified Percentage is supplied during the Delivery Period to the Delivery Point specified in Exhibit A to this Agreement.
- 2.2 Buyer's Obligation to Take Service. With respect to a Transaction, Buyer shall accept Full Requirements Service as provided by Seller pursuant to Section 2.1 (Seller's Obligation to Provide Service), and shall pay Seller the Weekly Settlement Amount and Monthly Settlement Amount for such Full Requirements Service on the applicable Weekly Settlement Date and Monthly Settlement Date in accordance with Section 7.3 (Payments of the Invoice).
- 2.3 Network Integration Transmission Service and Distribution Service. With respect to a Transaction, Buyer shall be responsible, at its sole cost and expense, for the provision of Network Integration Transmission Service and distribution service necessary to serve the Specified Percentage. Buyer is responsible, at its sole cost and expense, for future PJM charges assessed to network transmission customers for PJM-required transmission system enhancements pursuant to the PJM Regional Transmission Expansion Plan and for future PJM charges assessed to network transmission customers for transition costs related to the elimination of through-and-out transmission rates.
- 2.4 Additional Price Elements. If at any time the Seller or the Buyer incur additional price elements resulting from a Change in Law and related to the Full Requirements Service, the Seller and the Buyer or either may file a request with the Commission (with notice to all parties in Formal Case No. 1017) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a Change in Law in connection with the provision of Full Requirements Service, and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price. To the extent Seller is responsible for the cost and expenses in the provision of Full Requirements Service to its Specified Percentage pursuant to this Agreement and the Commission allows the costs to be recovered by Buyer in its retail rates, Seller shall be entitled to charge Buyer for the new costs and expenses.
- 2.5 Other Changes in PJM Charges. If there are any other new FERC-approved PJM transmission charges other than those referred to in Section 2.3, or other new PJM charges and costs, charged to network transmission customers, that Seller believes the Buyer should recover through retail rates because such charges are directly related to the Buyer's obligations under the Wholesale Rules, Buyer will file with the Commission, and provide notice to all Parties, a request for approval to recover such new costs. Seller is required to intervene in any such proceeding before the Commission. Seller can only charge Buyer for any such new costs and charges to the extent that the Commission approves Buyer's recovery of those costs and charges. Seller agrees to be bound by the decision of the Commission (subject to the applicable rules for appeal of the decision of the Commission) and waives all claims concerning this issue before FERC. Notwithstanding the foregoing, nothing in this Agreement shall preclude Seller from taking any position before FERC regarding the creation and allocation of any such PJM charges.
- 2.6 Sales for Resale. All Full Requirements Service provided by Seller to Buyer shall be sales for resale, with Buyer reselling such Full Requirements Service to SOS Load customers. At Seller's request,

Buyer shall provide Seller with mutually agreeable resale certificates related to the Wholesale Full Requirements Service provided pursuant to this Agreement.

- 2.7 Governing Terms. Each Transaction shall be governed by this Agreement. This Agreement, including all exhibits hereto, any designated collateral, credit support, margin agreement or similar arrangements and all Transaction Confirmations shall form a single integrated agreement between Buyer and Seller. Any inconsistency between terms in this Agreement and terms in a Transaction Confirmation shall be resolved in favor of the terms of this Agreement.
- 2.8 Transaction Confirmation. A Transaction shall be documented in a Transaction Confirmation in the form attached hereto as Exhibit A. On the Business Day following the Business Day on which Seller is selected as the provider of Full Requirements Service, the Buyer will electronically forward a .pdf file to Seller of a partially executed Transaction Confirmation(s) for each winning bid. Should such Transaction(s) be the initial Transaction(s) with the Seller under the current RFP solicitation, then Buyer will electronically forward to Seller a partially executed .pdf file of the Agreement. By 9:30 a.m. EPT on the next Business Day following Seller's receipt of partially executed Transaction Confirmation(s) and Agreement, as applicable, Seller shall return the fully executed Transaction Confirmation(s) as a .pdf file. to Buyer. In the morning of on which Buyer is in receipt of such electronic submission of fully executed Transaction Confirmation(s), Buyer shall submit a copy of the Transaction Confirmation(s) to the Commission for approval. The Parties acknowledge that the Commission may approve or reject the Transaction in full but may not approve or reject the transaction in part. The Transaction Confirmation(s) and Agreement will be deemed to be approved by the Commission unless the Commission orders otherwise within two (2) Business Days following the submission. In the event the Commission rejects a Transaction set forth in a Transaction Confirmation, the Transaction and the Transaction Confirmation are null and void. If the Commission rejects in full each and every Transaction between Seller and Buyer for the current RFP solicitation, the Agreement between Seller and Buyer likewise is null and void.

ARTICLE 3 SCHEDULING, FORECASTING, AND INFORMATION SHARING

- 3.1 Scheduling. Seller shall schedule Full Requirements Service pursuant to the PJM Agreements. Buyer will provide to PJM all information required by PJM, for the purpose of calculating Seller's Full Requirements Service obligations.
- 3.2 Load Forecasting. Buyer shall not be required to provide to the Seller any load forecasting services for any Transaction.
- 3.3 Information Sharing.
- (a) On each Business Day, Buyer shall provide to the Seller on a reasonable efforts basis, Buyer's estimation of the Capacity PLC for the seventh following day, representing the Seller's Specified Percentage of each Service Type. Buyer does not warrant the accuracy of such information.
 - (b) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated Capacity PLC for each Service Type on a reasonable basis. Buyer does not warrant the accuracy of such information.

~~(e) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated SOS Load for each of the Buyer's Service Types on a reasonable efforts basis. Buyer does not warrant the accuracy of such information.~~

- 3.4 PJM Requirements. Buyer and Seller shall fulfill and comply with all PJM requirements necessary to perform their respective duties under the WFRSA.

ARTICLE 4 SPECIAL TERMS AND CONDITIONS

- 4.1 Congestion and Congestion Management. Seller is responsible for any congestion costs incurred to supply the Specified Percentage. Buyer shall transfer or assign to Seller, Buyer's rights to CRRs to which Buyer is entitled as an LSE pursuant to the PJM Agreements, provided that such rights are related to the service being provided to the Specified Percentage. All rights and obligations associated with such CRRs will accrue to the Seller through the transfer or assignment from Buyer to Seller including the ability of Seller to request or nominate such CRRs when applicable. Seller shall have the right to request and nominate CRRs if: (i) all Transactions for SOS Load have been executed and are in full force and effect; and (ii) the Delivery Period under each Transaction Confirmation is inclusive of the PJM Planning Period for which the CRRs are being requested or nominated. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations at that time will nominate such CRRs for the upcoming PJM Planning Period and such CRRs will be allocated to Seller based upon its Specified Percentage. The allocation of CRRs associated with the Specified Percentage will be in accordance with the PJM Agreements.
- 4.2 Load Response Programs. Buyer will manage its load response programs in accordance with PJM Agreements as amended from time to time and with its customer contracts.
- (a) Buyer shall be responsible for complying with all PJM Load Response Programs operating rules (including resource nominations, compliance reports, load drop estimates, and special studies) and any penalties assessed in accordance with the PJM Agreements for failure to implement its load response programs when so requested by PJM. Buyer shall be responsible for maintaining and operating any equipment relied upon to operate existing load response programs.
- (b) Buyer shall retain all of the benefits associated with its load response programs and shall be responsible for all customer incentive payments.
- 4.3 PJM E-Accounts. Buyer and Seller shall work with PJM to establish any PJM E-Accounts necessary for Seller to provide Full Requirements Service.
- 4.4 Renewable Energy Resource Requirement. Seller shall provide its proportional share of any Renewable Energy Resource Requirements, which shall be specified in Exhibit H. If a Renewable Energy Resource Requirement is enacted or changed by law or regulation during a Delivery Period, that is different than what is shown on the Exhibit, the Seller shall be entitled to pass through to Buyer its commercially reasonable additional costs, if any, associated with complying with the new or revised Renewable Resource Requirement. Suppliers are also advised that the Community Renewable Energy Amendment Act of 2013 does not reduce the amount of renewables a supplier is required to provide.

- 4.5 Fuel Mix Disclosure Requirements. Subject to any applicable confidentiality requirements, Seller shall provide to Buyer, to the best of its knowledge, the generation resources used to supply Full Requirements Service, including fuel mix. All information provided pursuant to this Section 4.5 (Fuel Mix Disclosure Requirements) shall be provided in a timely manner and in an appropriate form to enable Buyer to comply with any requirements imposed on Buyer by the Commission or any other Governmental Authority that relate to reporting such information.
- 4.6 Title Transfer. Seller shall cease to have title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Seller warrants that it has good title to the Full Requirements Service sold and delivered hereunder and that it has the right to sell such Full Requirement Service. The word "loss" in this Section 4.6 (Title Transfer) does not encompass electrical transmission and distribution losses. As between Buyer and Seller only, Buyer shall take title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Notwithstanding the foregoing, nothing contained in this Agreement is intended to create or increase liability of Buyer to any third party beyond such liability, if any, that would otherwise exist under the PJM Agreements or under applicable law if Buyer had not taken title.
- 4.7 PJM Settlement. For PJM settlement purposes only, except as set forth in 4.7 (a) and (b), the Seller's PJM obligations will settle at PJM Pnode ID # 338268.
(a) If any portion of the Buyer's SOS load is subject to Nodal Pricing, settlement shall occur in accordance with PJM Agreements.
(b) PJM implemented Residual Zone Pricing effective 6/1/2015. Load which was priced at the Pepco DC Nodal Aggregate shifted to the Pepco DC fixed nodal weighted aggregate effective June 1, 2015.
- 4.8 Reliability Guidelines. Each Party agrees to adhere to the applicable operating policies, criteria and/or guidelines of the NERC, PJM, their successors, and any regional or sub regional requirements.
- 4.9 PJM Membership. For the period of time that this Agreement is in effect, Seller shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM "Market Buyer" and "Market Seller" pursuant to the PJM Agreements. For the period of time that this Agreement is in effect, Buyer shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM "Load Serving Entity" pursuant to the PJM Agreements.
- 4.10 Billing Line Item Transfers. For the period of time that this agreement is in effect both Buyer and Seller shall transfer the applicable Billing Line Item charges and/or credits in accordance with Exhibit E. Buyer will be responsible for initiating and/or maintaining Billing Line Item Transfers utilizing the PJM Billing Line Item Tool. Seller shall confirm/approve Billing Line Item Transfers in a timely manner not to exceed the last day of the month for which the transfer is to begin.
- 4.11 FERC Authorization. For the period of time that this Agreement is in effect, Seller shall have FERC authorization to make sales of energy, capacity and ancillary services at market based rates.

4.12 Disclosure in the Event of Seller Default. If Seller defaults and this Agreement is terminated pursuant to Article 12 (Events of Default; Remedies), Buyer may disclose the terms of this Agreement and any Transaction Confirmation to all other non-defaulting wholesale suppliers providing service to Buyer. Such disclosure by Buyer shall be made for the purpose of allowing each non-defaulting wholesale supplier to make its Step-Up elections described in Section 4.13 (Seller Step-Up Rights) below.

4.13 Seller Step-Up Rights. In the event of an early termination of a full requirements service agreement and associated transactions pursuant to the Orders between Buyer and an entity other than Seller, Buyer shall send a written notification to Seller which: (i) describes the individual supply obligations associated with the terminated transaction(s) for the remaining term(s) of such transaction(s), including all available information regarding the associated CRRs; and (ii) requests Seller to agree to supply its full or partial pro-rata share of the supply obligation associated with each terminated transaction for the remaining term(s) of the terminated transaction(s), without change to the pricing, terms and conditions of the terminated agreement and transaction(s), such agreement to make additional supply available shall be termed a “Step-Up”.

In the event that Seller wishes to exercise its option to Step-Up, Seller shall notify Buyer of such within five (5) Business Days of its receipt of Buyer’s notification. In Seller’s notification, Seller shall indicate: (i) the amount of the increased obligation that Seller wishes to take on in respect of certain specified transaction(s) (which need not be all); and (ii) that it is willing to meet any additional collateral requirements related to the Step-Up. If other sellers do not exercise their option to Step-Up, Buyer shall again notify Seller as to the amount available for Step-Up and Seller will again have an option to take a full or partial pro-rata share of the amount that such other sellers declined to take. Seller’s notification shall take place no later than two (2) Business Days of its receipt of Buyer’s notification. Seller’s pro-rata share, as described in this paragraph, shall be the ratio of Seller’s total load obligation across all service types and customer classes at the time the Step-Up option is offered, stated on a Capacity PLC basis, to the total load being supplied under this Agreement and other WFRSAs on a Capacity PLC basis, excluding the terminated transactions(s) and, if applicable, excluding the agreements under which other sellers declined to exercise their Step-Up option in part or full.

For the avoidance of doubt, in the event that Seller does not respond to Buyer’s Step-Up request within the relevant timeframe, Seller shall be deemed to have rejected the Buyer’s request in full.

Seller and Buyer will execute Transaction Confirmations that specify the Step-Up.

ARTICLE 5 TERM AND SURVIVAL

5.1 Term. Unless otherwise agreed upon by Buyer and Seller, this Agreement shall continue in full force and effect from the Effective Date until the conclusion of Buyer’s commitment to provide Standard Offer Service as provided in the Transaction Confirmation appended to this Agreement as Exhibit A unless the Agreement is terminated prematurely pursuant to Article 12 of this Agreement.

- 5.2 Survival. Upon termination of the Agreement pursuant to Section 5.1 or Article 12, Seller and Buyer shall have no further rights or obligations under this Agreement or any Transaction Confirmation, except that termination shall not affect or excuse the performance of either party: (a) to pay, post, maintain, or collect money, as the case may be, in accordance with Article 7 (Billing and Settlement), Section 8.2 (Taxes), Article 9 (Indemnification), Article 12 (Events of Default; Remedies), Article 14 (Performance Assurance, or Article 15 (Representations and Warranties); (b) to resolve disputes in accordance with Article 13 (Dispute Resolution), Section 16.8 (Governing Law) and Section 16.9 (Jurisdiction and Venue); and (c) to maintain for a period of two (2) years following termination the confidentiality of materials in accordance with Section 16.5 (Confidentiality).

ARTICLE 6 DETERMINATION OF DELIVERED QUANTITIES

- 6.1 Monthly Settlement Load. The amount of Monthly Settlement Load with respect to any calendar month during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy and, where applicable, megawatts (MW) of demand.
- (a) The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial and sixty (60) day retail load settlement processes.
 - (b) The MW of demand shall be equivalent to the Specified Percentage of the retail metered demand SOS Load customers consumed in an applicable calendar month in the Delivery Period as determined by Buyer's billing and accounting practices.
- 6.2 Weekly Settlement Load. The amount of Weekly Settlement Load with respect to any Weekly Settlement Dates during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy and, where applicable, megawatts (MW) of demand.
- (a) The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial retail load settlement processes.
 - (b) The MW of demand shall be equivalent to the Specified Percentage of the retail metered demand SOS Load customers consumed in an applicable week in the Delivery Period as determined by Buyer's billing and accounting practices.

ARTICLE 7 BILLING AND SETTLEMENT

- 7.1 Billing. Consistent with PJM Settlement Dates, Buyer shall deliver to Seller, via electronic transmission or other means agreed to by the Parties, an invoice ("Invoice") that sets forth the total amount due that will encompass weekly and monthly, and, for each Transaction:
- (a) Monthly Settlement Load
 - (b) Monthly Settlement Price
 - (c) Monthly Settlement Amount
 - (d) Weekly Settlement Load
 - (e) Weekly Settlement Price

- (f) Weekly Settlement Amount
- (g) PJM billing adjustments
- (h) ALM Operating Reserve Adjustment
- (i) Any other adjustments set forth in this Agreement.
- (j) For each billing month for the year June 1, 2022 through May 31, ~~2023~~2024, an additional line item on the Seller's invoice will show a charge or credit equal to the final PJM RPM Zonal Net Load Price actually charged for load served on the day for PEPCO's PJM zone less \$102.22/MW-day multiplied by the Seller's capacity obligation for each day of the billing month in question. Such amounts will be paid or, if such amounts are negative, charged to Seller.

If Buyer does not deliver an invoice within the specified time period, Seller may render an invoice in a similar manner.

7.2 PJM Billing.

- (a) Buyer and Seller shall direct PJM to invoice Seller and Buyer for charges and credits relating to Seller's and Buyer's rights and obligations under this Agreement as set forth in Exhibit E attached hereto and made a part hereof. If PJM is unable to invoice charges or credits in accordance with Exhibit E, Buyer shall rectify such PJM invoice discrepancy in the Invoice sent pursuant to Section 7.1 (Billing).
- (b) The Parties agree that the PJM bill may change from time to time. Allocation of any charges that are reflected in a PJM bill that are not included on or are inconsistent with Exhibit E will be determined pursuant to Sections 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges), and 16.11 (PJM Agreement Modifications) of this Agreement.
- (c) Seller, for purposes of this Agreement and any Transaction, is not a Load Serving Entity and nothing contained herein shall be deemed to cause Seller to be a Load Serving Entity. Buyer, for purposes of this Agreement and any Transaction, is a Load Serving Entity and nothing herein shall cause Buyer not to be a Load Serving Entity.
- (d) Seller and Buyer agree to comply with PJM requirements that assign capacity, energy and ancillary services obligations to Seller for Seller's Specified Percentage. Seller agrees to accept the obligation for weekly and monthly settlements with PJM, including any associated PJM credit requirements, associated with its Specified Percentage of Full Requirements Service and consistent with this Section 7.2, Section 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges) and Exhibit E. Buyer agrees to accept the obligation for weekly and monthly settlements with PJM, including any associated PJM credit requirements, associated with its procurement of Network Integration Transmission Service and consistent with this Section 7.2, Section 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges) and Exhibit E.

- 7.3 Payments of the Invoice. On the PJM Settlement Dates, Buyer will pay to Seller or Seller will pay to the Buyer as the case may be, the total amount due in the applicable Invoice. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by such Party, by 12:00 p.m. EPT on the Weekly Settlement Date and Monthly Settlement Date. Payment of Invoices shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement (other than the obligation to make such payment), nor shall such payment constitute a waiver of any claims arising hereunder.

- 7.4 Netting of Payments. Buyer and Seller shall discharge debts and payment obligations due and owing to each other under this Agreement, as of the Weekly Settlement Date and the Monthly Settlement Date, such that all amounts owed by each Party to the other Party shall be reflected in a single amount due to be paid by the Party who owes it and received by the other Party, provided that the calculation of the net amount shall not include any disputed amounts being withheld pursuant to Section 7.5 (Billing Disputes and Adjustment of Invoices).
- 7.5 Billing Disputes and Adjustments of Invoices.
- (a) Consistent with the PJM rules as they may be revised in accordance with Settlement C, Buyer may, in good faith, adjust the Invoice to include revised load data or correct any errors. In the event Settlement C is not adopted by PJM, any adjustment to include revised load data or to correct any errors must occur within 12 months from the date on which an Invoice is issued.. The adjustment shall include interest calculated at the Interest Rate from the original due date to the date of payment. Buyer shall provide Seller a written explanation of the basis for the adjustment.
 - (b) Within twelve (12) months of the date on which an Invoice is issued or an Invoice is adjusted pursuant to Section 7.5(a) (Billing Disputes and Adjustment of Invoices), or within the period established in Settlement C, whichever is shorter, Seller may, in good faith, dispute the correctness of such Invoice or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that Seller has paid any portion of an Invoice that is not disputed.
 - (c) Within twelve (12) months of the date on which a PJM bill is issued or adjusted, or within the period established in Settlement C, whichever is shorter, Buyer or Seller may, in good faith, dispute the correctness of any such PJM bill or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that the disputing Party has paid any portion of an Invoice that is not disputed.
- 7.6 Interest on Unpaid Balances. Interest on delinquent amounts, other than amounts in dispute as described in Section 7.5 (Billing Disputes and Adjustment of Invoices), shall be calculated at the Interest Rate from the original due date to the date of payment.

ARTICLE 8 TAXES

- 8.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.
- 8.2 Taxes.
- (a) As between the Parties: (i) Seller is responsible for the payment of all taxes imposed by any Governmental Authority on the wholesale sales of Full Requirements Service under this Agreement; and (ii) Buyer is responsible for the payment of all taxes imposed by any Governmental Authority on retail sales of Full Requirements Service under this Agreement.
 - (b) Any Party paying taxes that should have been paid by the other Party pursuant to Section 8.2(a) (Taxes), shall be reimbursed by such other Party in the next invoice issued pursuant to Section 7.1 (Billing).

ARTICLE 9 INDEMNIFICATION

- 9.1 Seller's Indemnification for Third-Party Claims. Seller shall indemnify, hold harmless, and defend Buyer and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Buyer's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities for damage to property injury to or death of any person, including Buyer's employees or any third parties, to the extent directly caused by the negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Seller's performance under this Agreement, Seller's exercise of rights under this Agreement, or Seller's breach of this Agreement.
- 9.2 Buyer's Indemnification for Third-Party Claims. Buyer shall indemnify, hold harmless, and defend Seller and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Seller's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities for damage to property, injury to or death of any person, including Seller's employees or any third parties, to the extent directly caused by the negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement, or Buyer's breach of this Agreement.
- 9.3 Indemnification Procedures. If either Party intends to seek indemnification under Sections 9.1 (Seller's Indemnification for Claims) or 9.2 (Buyer's Indemnification for Claims), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within one (1) year of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.
- 9.4 Survival of Indemnification Provisions. The indemnification obligations of each Party under this Article 9 (Indemnification) shall continue in full force and effect during each applicable Delivery Period and for thirty-six (36) months thereafter or until any claim or action is resolved where a Party has notified the other Party of its intent to seek indemnity pursuant to Section 9.3.

ARTICLE 10 LIMITATIONS ON LIABILITY

- 10.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE

DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 10.2 Limitation on Buyer Liability for Conduct of Consultant. As set forth in the Orders, Buyer is obligated to share certain information with a consultant ("PSC Consultant") chosen and supervised by the Commission. Notwithstanding anything set forth in this Agreement, in no event will Buyer have any liability of any kind with respect to Seller for any conduct of the PSC Consultant, except to the extent of any remedy that Buyer actually recovers from the PSC Consultant.

ARTICLE 11 FORCE MAJEURE

- 11.1 Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfill the requirements set forth in Section 11.2 (Notification).
- 11.2 Notification. A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 12 EVENTS OF DEFAULT; REMEDIES

- 12.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (“Defaulting Party”), the occurrence of any of the following:
- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;
 - (b) any representation or warranty made by such Party herein or in response to the RFP is false or misleading in any material respect when made or when deemed made or repeated
 - (c) the failure of a Party to comply with the requirements of Section 4.9 (PJM Membership) and 4.11 (FERC Authorization) if such failure is not remedied within three (3) Business Days after written notice
 - (d) PJM has declared a Party to be in default of any provision of any PJM Agreement, which default prevents a Party’s performance hereunder if such failure is not remedied within three (3) Business Days after written notice
 - (e) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
 - (f) such Party becomes Bankrupt;
 - (g) such Party consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, or assigns the Agreement or any rights, interests, or obligations hereunder without the prior written consent of the other Party when such consent is required, and, at the time of such consolidation, merger, transfer or assignment, the resulting, surviving, transferee, or assigned entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, and in the case of Seller, to provide a Guaranty in form and substance acceptable to the Buyer and to provide adequate assurance that Confidential Information will not be disclosed;
 - (h) the failure of a Party to comply with its obligations pursuant to Article 14 (Performance Assurance) if such failure is not remedied within three (3) Business Days after written notice, or the failure of a provider of a Performance Assurance pursuant to Article 14 to satisfy its obligations under such Performance Assurance;
 - (i) with respect to Seller’s Guarantor if any:
 - i. if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - ii. the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
 - iii. the failure of the Guarantor’s guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party;
 - iv. the Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of the Guaranty;
 - v. conditions described with respect to a Party in subparagraph, (f) of this Section 12.1 (Events of Default) occurs with respect to its Guarantor; or

- (j) any Governmental Approval necessary for a Party to be able to perform all of its obligations under this Agreement expires, or is revoked or suspended and such expiration, revocation or suspension creates a material adverse impact on the other Party.

12.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “Non-Defaulting Party”) may exercise the following remedies:

- (a) If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Section 12.2(b). If, by the end of the ten (10) Business Day period of suspension, the Non-Defaulting Party has not commenced the implementation of the remedies pursuant to Section 12.2(b), then the Non-Defaulting Party must resume performance of its obligations under this Agreement.
- (b) In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all, but not less than all, the following remedies:
 - i. designate a day, in a notice to the Defaulting Party, no earlier than the day such notice is effective and no later than twenty (20) (calendar) days after such notice is effective, as an early termination date (“Early Termination Date”) for the purposes of determining the Settlement Amount,
 - ii. calculate and receive from the Defaulting Party, payment for any Default Damages the Non-Defaulting Party incurs as of the date of the event giving rise to the Event of Default, until the earlier of: (i) the Early Termination Date (if applicable); or (ii) the Event of Default has been cured by the Defaulting Party; or (iii) the Non-Defaulting Party waives such Event of Default;
 - iii. withhold any payments due to the Defaulting Party under this Agreement as an offset to any Default Damages or Termination Payment, as defined in Section 12.3 (Calculation and Net Out of Settlement Amounts); and
 - iv. permanently suspend performance.
- (c) If an Event of Default has occurred and the Non-Defaulting Party is the Buyer, then:
 - i. unless the Event of Default was a failure by Seller to meet any or all of its Full Requirements Service obligations, Buyer may offer to waive the default on such terms and conditions as Buyer, at its sole discretion, may deem appropriate to propose (“Special Remedy”); provided however that;
 - ii. any such Special Remedy can only be offered to Seller if it first is specifically approved by the Commission.

12.3 Calculation and Net Out of Settlement Amounts.

- (a) If other seller(s) exercise step-up rights in accordance with their agreements for any of the obligations of Seller in the event of a Seller default, then for purposes of calculating the Settlement Amount, Buyer shall reflect the net impact of the exercise of the option on the part of the other sellers as described in Section 4.13 (Seller Step-Up Rights) of this Agreement.
- (b) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single liquidated amount (the "Termination Payment") by netting out: (i) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 14 (Performance Assurance), plus any or all other amounts due to the Defaulting Party under this Agreement; against (ii) all Settlement Amounts that are due to the Non-Defaulting Party plus any or all other amounts due to the Non-Defaulting Party under this Agreement. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. When the Buyer is the Non-Defaulting Party and replaces Seller's full requirements obligation under this Agreement through mechanisms specified in Section 4111.3 of the Rules, the result of that procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount.

Seller may, in its sole discretion, add the following subsection 12.3(c) if selected below:

- (c) In order to avoid doubt regarding a commercially reasonable calculation for the purposes of calculating the Settlement Amount by the Non-Defaulting Party, the quantity of amounts of Energy, Capacity and other services to have been provided under the WFRSA for the period following the Early Termination Date (the "Termination Quantity") shall be deemed those quantity amounts that would have been delivered on an hourly basis had the WFRSA been in effect during the previous calendar year, adjusted for SOS load changes as have occurred since the previous calendar year. Nothing in this section shall limit the right of the Buyer when Seller is the Defaulting Party to replace Seller's full requirements obligation pursuant to Rule 4111.3(b) and the result of any Commission-approved procedure under Rule 4111.3(b) will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount and will be deemed to have been determined by reference to the Termination Quantity.

12.4 Notice of Termination Payment. As soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide written notice to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The owing Party shall make the Termination Payment within five (5) Business Days after receipt of such notice, unless the Defaulting Party disputes the calculation of the Termination Payment in accordance with Section 12.5.

12.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of Non-Defaulting Party's notice pursuant to Section 12.4 (Notice of Termination Payment), provide to the Non-Defaulting Party a notice that it intends

to dispute the calculation of the Termination Payment (“Termination Payment Dispute Notice”), which dispute shall be resolved pursuant to the provisions of Article 13 (Dispute Resolution), and provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form reasonably acceptable to the Non-Defaulting Party, with the Termination Payment Dispute Notice.

- 12.6 Closeout Setoffs. After calculation of a Termination Payment in accordance with Section 12.3, (Calculation and Net Out of Settlement Amounts) if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to: (i) set off against such Termination Payment any amounts payable by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party; and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 12.2 (a), withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Article shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise). If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained.
- 12.7 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party’s failure to perform pursuant to this Agreement.
- 12.8 Reserved
- 12.9 Optional Bankruptcy Provision. (If applicable) The Parties acknowledge that as of the Effective Date, and on the date on which any Transaction Confirmation is executed, and that such Transaction Confirmation so indicates, that [enter Party’s name] is debtor in a proceeding Under Chapter 11 of the United States Bankruptcy Code and such case remains pending in a United States Bankruptcy Court (“Bankruptcy Court”). Notwithstanding anything to the contrary herein, until such time as [enter Party’s name] emerges from Chapter 11 bankruptcy, Section 12.1(f) shall not apply to [enter Party’s name] and shall not constitute an Event of Default; provided, however, that in the event that (i) [enter Party’s name] files a motion with the Bankruptcy Court which contemplates the sale of substantially all of its assets; (ii) [enter Party’s name] files a Chapter 11 plan of reorganization which contemplates the sale of substantially all of its assets; (iii) [enter Party’s name] files a motion or request with the Bankruptcy Court to convert its Chapter 11 filing to a Chapter 7 proceeding; or (iv) the Bankruptcy Court enters an order converting the bankruptcy case from a Chapter 11 proceeding to a Chapter 7 proceeding; any such event shall constitute an Event of default.

ARTICLE 13 **DISPUTE RESOLUTION**

- 13.1 Informal Dispute Resolution. Before pursuing resolution of any dispute arising out of this Agreement, the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last

for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Section 13.1 (Informal Dispute Resolution), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Rate from the original due date through the date of payment.

- 13.2 Formal Dispute Resolution. After the requirements of Section 13.1 (Informal Dispute Resolution) have been satisfied, all disputes between the Parties shall be submitted to the appropriate authority.

ARTICLE 14

PERFORMANCE ASSURANCE

- 14.1 Requirement for Performance Assurance. With respect to all Transactions under this Agreement, Seller will post on the Effective Date and maintain at all times until the final monthly settlement is complete, Performance Assurance with the Buyer in an amount equal to fifteen percent (15%) of the total Purchase Amount. Buyer will calculate the initial amount of Performance Assurance on the Transaction Date in accordance with Exhibit B. Buyer will include with each Transaction Confirmation, an Initial Notice of Performance Assurance in the Form of Attachment B-1 to Exhibit B. Seller will provide the original documents providing Performance Assurance to Buyer, with a copy to the Commission, on the Effective Date.
- 14.2 Recalculation of Performance Assurance. At the end of each Service Year, Buyer will calculate the Performance Assurance required for the remaining term of each Transaction in accordance with Exhibit B. Buyer will provide a Revised Notice of Performance Assurance to Seller for the remaining term in the form of Attachment B-2 to Exhibit B. Seller will provide the Performance Assurance required by the Revised Notice of Performance Assurance to Buyer with a copy to the Commission. Upon receipt of such revised Performance Assurance, the Buyer shall return the replaced Performance Assurance to Seller within two Business Days.
- 14.3 Substitution of Performance Assurance. Seller may substitute new Performance Assurance on the first Business Day following the date on which the Commission and the Buyer receive written notice of such substitution. The substituted Performance Assurance shall be in the required amount as determined pursuant to Section 14.1 or 14.2. Upon the receipt by the Buyer of the original substitute Performance Assurance, the Buyer shall return the replaced Performance Assurance to the Seller within two Business Days; provided, however, that in no event will the Buyer be required to return or cancel a Letter of Credit or Bond until it has received the applicable replacement therefore.
- 14.4 Creditworthiness of Guarantor. If Seller provides Performance Assurance in the form of a Corporate Guarantee, the Guarantor must meet the following financial qualifications and capabilities: (i) The Credit Rating of the Guarantor is publicly rated, at a minimum, “BBB-” from S&P or Fitch, or “Baa3” from Moody’s; (ii) The total assets of the Guarantor are at least 5.0 times the amount of the Corporate Guarantee, or if the Corporate Guarantee is not limited to a specific amount, the amount of the required Performance Assurance; and (iii) The total common equity of the Guarantor is at least 2.5 times the amount of the Corporate Guarantee, or if the Corporate Guarantee is not limited to a specific amount, the amount of the required Performance Assurance.

If a corporate Guarantor's Credit Rating is determined by: (i) two of the agencies listed above, the guarantor's rating will be determined by the lower assigned rating; or (ii) all three of the agencies listed above, two of those agencies must have assigned ratings equal to or higher than the required ratings described above.

14.5 Change in Creditworthiness. If during the term of the Agreement, the Guarantor's Credit Rating downgraded by any of the rating agencies referenced in Section 14.4 (Creditworthiness of Guarantor) of the Agreement, the Seller or the Guarantor shall provide written notice to the Commission and to Buyer of such Credit Rating change no later than two (2) Business Days after the date of such change. If during the term of the Agreement, the Guarantor fails to meet any of the financial capability requirements specified in Section 14.4 (Creditworthiness of Guarantor), the Commission may require the Seller to immediately post a Bond or a Letter of Credit. Failure to provide a Bond or Letter of Credit in accordance with this section shall be considered an Event of Default under Section 12.1 (Events of Default) of the Agreement. In the event Seller, or its Guarantor, arranges for the issuance of a Letter of Credit in favor of Buyer, neither Seller nor any of its affiliates shall be required to provide any kind of notice to Buyer concerning Seller or its affiliates' change in credit rating.

14.6 Foreign Entities. The following standards shall apply to Seller, or Seller's Guarantor, that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States. For Sellers who cannot meet the following requirements, the posting of cash or letter of credit in an acceptable form (see standard format in Exhibit C-1) for the Performance Assurance shall be required.

(a) The Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. The Buyer shall have full discretion, without liability or recourse to the Seller, to evaluate the evidence of creditworthiness submitted by such Seller; or

(b) The Guarantor of a Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Guarantors of Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. Buyer shall have full discretion, without liability or recourse to the Guarantor or the Seller, to evaluate the evidence of creditworthiness submitted by such Guarantor.

All Sellers or Guarantors of Sellers that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States shall, in addition to all documentation required elsewhere in this Section 14.6 (Foreign Entities), supply the following as a condition of evaluating credit worthiness for the purpose of covering Performance Assurance in the form of a Corporate Guarantee.

(i) For Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Seller is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Seller in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the person executing this Agreement on behalf of the Seller has the authority to execute the Agreement and that the governing board of such Seller has approved the execution of this Agreement; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the Seller has been authorized by its governing board to enter into agreements of the same type as this Agreement.

Buyer shall have full discretion, without liability or obligation to the Seller, to evaluate the sufficiency of the documents submitted by the Seller.

(ii) For Guarantor of a Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that this Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as this Guaranty.

Buyer shall have full discretion, without liability or obligation to the Guarantor or the Seller, to evaluate the sufficiency of the documents submitted by such Guarantor.

14.7 Total Assets and Common Equity. If Seller provides a Corporate Guarantee as its required Performance Assurance during the term of the Agreement, and if the Seller's Guarantor's equity is not publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, Seller shall be required to provide Buyer written financial information to determine the Guarantor's total assets and total common equity. Financial information shall include an audited annual report, containing, but not limited to, a balance sheet prepared in accordance with generally accepted accounting principles, a schedule of long term debt including maturity dates, and all notes to the financial statement that apply to long term debt, short term borrowing, and liquidity and capital resources. The Seller shall also provide the Buyer with the Guarantor's written financial information on a quarterly basis containing a balance sheet prepared in accordance with generally accepted accounting principles.

ARTICLE 15
REPRESENTATIONS AND WARRANTIES

- 15.1 Representations and Warranties. On the Effective Date and throughout the term of this Agreement, each Party represents and warrants to the other Party that:
- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
 - (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and each Transaction;
 - (c) the execution, delivery and performance of this Agreement and each Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
 - (d) this Agreement and each Transaction constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
 - (e) it is either (i) not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it becoming Bankrupt; or, (ii) it is debtor in a Chapter 11 bankruptcy proceeding and has obtained a ruling from the Bankruptcy Court approving participation in the wholesale Full Requirements Service procurement process and execution of the WFRSA and any related Transactions;
 - (f) there are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates any legal proceedings before any court, government authority or regulatory body that is likely to materially have an adverse effect on its financial condition or on its ability to perform its obligations under this Agreement and each Transaction;
 - (g) no event has occurred and is continuing that would, nor would its execution of or performance of its obligations under this Agreement constitute an event that would, constitute an Event of Default.;
 - (h) with respect to Buyer, it is acting to fulfill its obligations under and in accordance with Commission Orders issued pursuant to Formal Case No. 1017 to enter into this Agreement;
 - (i) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and each Transaction, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement;
 - (j) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
 - (k) it has entered into this Agreement and each Transaction in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of the Full Requirements

Service; and it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act;

- (l) this Agreement is for the purchase and sale of Full Requirements Service that will be delivered in quantities expected to be used or sold over a defined period(s) in the normal course of business, and it is the intention at the inception and throughout the term of this Agreement and each Transaction hereunder that the Agreement will result in physical delivery and not financial settlement, and the quantity of Full Requirements Service that Seller must deliver and Buyer must receive will be determined by the requirements of the SOS Load served by Buyer, and, as such, the Agreement does not provide for an option by either Party with respect to the quantity of Full Requirements Service to be delivered or received during performance of the Agreement.

ARTICLE 16 MISCELLANEOUS

- 16.1 Notices. Unless otherwise specified herein, all notices shall be in writing and delivered by hand, overnight or ~~facsimile~~Email. Notice shall be effective on the next Business Day after it is sent. A Party may change its address by providing notice of the same in accordance with this Section 16.1. Notice information for Buyer and Seller is shown on Exhibit G.
- 16.2 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement or any Transaction. Any provision declared or rendered unlawful will not otherwise affect the remaining lawful obligations that arise under this Agreement or any Transaction; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.
- 16.3 Rules of Interpretation. The following principles shall be observed in the interpretation and construction of this Agreement:
 - (a) unless otherwise stated, the terms “include” and “including” when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;
 - (b) all titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;
 - (c) references to the singular include the plural and vice versa;
 - (d) references to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;
 - (e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing.

16.4 Audit. Each Party has the right upon at least three (3) Business Days prior to written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Sections 7.1 (Billing) and 7.6 (Interest on Unpaid Balances).

16.5 Confidentiality.

- (a) Each Party shall hold in confidence and not release or disclose any document or information (“Confidential Information”) furnished by the other Party in connection with this Agreement, unless: (i) requested or compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the receiving Party on a non-confidential basis; (iv) such document or information was developed or derived by the receiving Party without the aid, application or use of Confidential Information, or (v) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation.
- (b) Notwithstanding any other provision of this Section 16.5, a Party may disclose to its and its affiliates’ employees, officers, directors financial advisors, legal counsel, auditors, representatives and agents (collectively, “Representatives”) all documents and information furnished by the other Party in connection with this Agreement, provided that such Representatives have been advised of the confidentiality provisions of the Section 16.5, and the disclosing Party shall be responsible for ensuring that all Representatives to whom it discloses such information shall keep it confidential and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.
- (c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.
- (d) Any independent auditor performing an audit on behalf of a Party pursuant to Section 16.4 shall be required to execute a confidentiality agreement with the Party being audited. Such audit information shall be treated as confidential pursuant to this Section 16.5.
- (e) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party’s breach of its obligations under this Section 16.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the Party breaches or threatens to breach its obligations under this Section 16.5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

- (f) Notwithstanding the foregoing, it shall not be deemed a breach of this Section if a Party discloses the terms or conditions of a Transaction (other than the name of and any other identifying information relating to the other Party) to an entity that aggregates and reports to the public price data on an aggregate basis.
 - (g) Notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, the Parties agree that the Parties (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal income tax treatment of the Transactions (“tax treatment”) and any fact that may be relevant to understanding the tax treatment (“tax structure”) and all materials of any kind (including opinions or other tax analyses) that are provided to the Parties relating to such tax treatment and tax structure, except where confidentiality is reasonably necessary to comply with securities laws.
 - (h) For all Transactions entered into pursuant to this Agreement, the confidentiality provisions contained in this Section 16.5 shall supersede and replace the RFP Confidentiality Agreement executed by Supplier and Buyer.
- 16.6 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
- 16.7 Assignment/Change in Corporate Identity. Neither Party shall assign this Agreement, its rights or obligations hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), and so long as the Party taking the assignment of the Agreement has equal or greater creditworthiness to that of the assigning party,
- (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements,
 - (b) transfer or assign this Agreement to an affiliate of such Party if: (i) such affiliate’s creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such affiliate’s creditworthiness is not equal to or higher than that of such Party, such affiliate provides the Performance Assurance required pursuant to this Agreement,
 - (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose: (i) creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such entity’s creditworthiness is not equal to or higher than that of such Party, such entity provides the Performance Assurance required pursuant to this Agreement;
 - (d) provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.
- 16.8 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTITUTED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

- 16.9 Jurisdiction and Venue. Except as provided in Sections 2.5 (Other Changes in PJM Charges) and 4.4 (Renewable Energy Resource Requirement), and except for matters jurisdictional to FERC, the Commission or the appellate courts having jurisdiction over the Commission or FERC matters, all disputes hereunder shall be resolved in the Federal or District of Columbia courts and each Party hereby irrevocably submits to the in personam jurisdiction of such courts. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.
- 16.10 Amendments. Except as provided in Section 16.11 (PJM Agreement Modifications), this Agreement or any Transaction shall not be amended, modified, terminated, discharged or supplemented, nor any provision hereof waived, unless mutually agreed, in writing, by the Parties. Except as provided in Section 16.11 (PJM Agreement Modifications), the rates, terms and conditions contained in this Agreement or any Transaction are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U. S. 348 (1956) (the “*Mobile-Sierra*” doctrine).
- 16.11 PJM Agreement Modifications.
- (a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.
 - (b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement.
 - (c) If PJM requires market participants to perform settlements on other than the PJM Settlement Dates, then the Parties will adjust the timing of their settlements under this Agreement to conform with the revised PJM timetable.
- 16.12 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to the respective Parties hereto upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.
- 16.13 Regulatory Approvals. The commencement of the Delivery Period is subject to: (i) the receipt or waiver by Seller of all Seller required regulatory approvals; and (ii) the receipt or waiver by Buyer

of all Buyer required regulatory approvals. In the event such required regulatory approvals are not received or waived, the Step-Up provisions of Section 4.12 shall apply.

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date(s) first set forth in the Transaction Confirmation.

Seller:

Buyer: Potomac Electric Power Company

By: _____

Name:

Title:

Date:

By: _____

Name: Mario A. Giovannini

Title: Director, Energy Acquisition

Date:

Exhibits A, B1 & B2

Please open separate file WFRSA Exhibit A, B1 & B2

EXHIBIT B
CALCULATION OF PURCHASE AMOUNT AND PERFORMANCE
ASSURANCE

1. **Purchase Amount.** On the Transaction Date, Buyer will estimate the total MWh to be provided by Seller during the Delivery Period by month, and further divided by time of use periods. These estimates will be based on the same parameters used to do the volume approximation on the bid form spreadsheet. The estimates of monthly MWh of energy will be multiplied by the corresponding Monthly Settlement Prices and summed over the Delivery Period to calculate the initial Purchase Amount. The Purchase Amount for the first Service Year (June 1, ~~2020-2021~~ through May 31, ~~2021-2022~~) will be subtracted from the total Purchase Amount. The result will be the Purchase Amount beginning on June 1, ~~2021-2022~~. Likewise, the Purchase Amount for the second Service Year (June 1, ~~2021-2022~~ through May 31, ~~2022-2023~~) will be subtracted from the second year Purchase Amount. The result will be the Purchase Amount beginning June 1, ~~2022-2023~~. Similar calculations will be carried out for subsequent Service Years, if any.
2. **Initial Performance Assurance.** The Purchase Amount effective for each Service Year will be multiplied by 15% to determine the Performance Assurance requirement applicable in each Service Year. The Performance Assurance required for each Service Year will be established initially on the Transaction Date, and will be provided by Buyer to Seller corresponding to each Transaction Confirmation in an Initial Notice of Performance Assurance in the form of Attachment B-1.
3. **Revised Performance Assurance.** Thirty (30) days prior to each Service Year, Buyer will calculate the Performance Assurance required for the remaining term, by Service Year, of multi-year agreements. Buyer will take account of any load migration that has occurred since the previous calculation of Performance Assurance, and will adjust the MWh quantities included in the previous calculation accordingly. For example, Buyer may substitute the actual volumes from the immediately preceding year for the estimated volumes in the remaining years. Buyer will provide Seller with the revised calculation in the form of Attachment B-2.

EXHIBIT C
BID ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE LETTER OF CREDIT NO.

ISSUE DATE EXPIRY DATE

APPLICANT

BENEFICIARY
PEPCO
POTOMAC ELECTRIC POWER COMPANY
701 NINTH STREET NW, SUITE 64128
WASHINGTON DC 20068
ATTENTION: STEVE HILASKIDIANA NOVAK

CURRENCY AMOUNT
USD \$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE LETTER OF CREDIT NO: FOR THE ACCOUNT OF (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF ("ISSUER") (ADDRESS), EFFECTIVE AND EXPIRING AT OUR COUNTERS ON UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THE PEPCO DISTRICT OF COLUMBIA REQUEST FOR PROPOSALS FOR WHOLESALE FULL REQUIREMENTS SERVICE DATED OR OTHERWISE EXTENDED BY AMENDMENT.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF LETTER OF CREDIT NUMBER , REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR BID ASSURANCE RELATED TO THE PEPCO DC REQUEST FOR PROPOSALS FOR WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT DATED (RFP).”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

THIS LETTER OF CREDIT MAY BE TERMINATED UPON BENEFICIARY’S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER’S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS.

THE TERM “BUSINESS DAY” AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT’S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT’S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO PEPCO UP TO, BUT NOT BEYOND, THE STATED EXPIRY DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT’S OBLIGATIONS HEREIN TO PEPCO NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”) OR SUCH LATER

REVISION (S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILTY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE: _____
TITLE:

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO: [BANK NAME, ADDRESS AND PHONE NUMBER]

EXHIBIT C-1
PERFORMANCE ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE LETTER OF CREDIT NO.

ISSUE DATE EXPIRY DATE

APPLICANT

BENEFICIARY
PEPCO
POTOMAC ELECTRIC POWER COMPANY
701 NINTH STREET NW, SUITE ~~6418~~5017
WASHINGTON DC 20068
ATTENTION: ~~STEVE HILASKI~~MATT LORDEN

<u>CURRENCY</u>	<u>AMOUNT</u>
USD	\$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE LETTER OF CREDIT NO: FOR THE ACCOUNT OF (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF (“ISSUER”) (ADDRESS), EFFECTIVE AND EXPIRING AT OUR COUNTERS ON OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE, AS PROVIDED HEREIN. THIS LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS UP TO THE AGGREGATE AMOUNT SET FORTH HEREIN.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (BANK) LETTER OF CREDIT NUMBER , REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR PERFORMANCE ASSURANCE RELATED TO THE PEPCO DISTRICT OF COLUMBIA WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT(S) DATED BETWEEN PEPCO AND .”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU AT THE ABOVE ADDRESS BY REGISTERED MAIL OR HAND DELIVERED COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH PERIOD.

THIS LETTER OF CREDIT MAY BE TERMINATED UPON BENEFICIARY'S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER'S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS..

THE TERM "BUSINESS DAY" AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO PEPCO FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO PEPCO NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.

2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 ("ISP98") OR SUCH LATER REVISION(S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.
5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.
6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILTY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE: _____
TITLE:

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO: [BANK NAME, ADDRESS AND PHONE NUMBER]

EXHIBIT D

Bond # _____

Wholesale Full Requirements Service Agreement

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That we, _____ as Principal and _____ a corporation organized under the laws of the State of _____, and authorized to transact the business of suretyship in the State of _____, as Surety, are held and firmly bound unto Potomac Electric Power Company as Oblige in the amount of \$ _____ dollars, for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT WHEREAS

Principal has entered into a Wholesale Full Requirements Service Agreement (WFRSA) with Oblige dated _____, which WFRSA is hereby referred to and made a part hereof as fully and to the extent as if copies at length were attached herein,

NOW THEREFORE, if Principal shall comply with and faithfully perform the terms and obligations of the WRSFA, then this bond shall be null and void, otherwise to remain in full force and effect.

THIS BOND IS SUBJECT TO THE FOLLOWING TERMS, LIMITATIONS & CONDITIONS:

1. Surety hereby agrees that it will not be necessary as a condition to enforce this Bond, that a suit or other action be first instituted against Principal or that any rights or remedies against Principal be first exhausted. Rather, it is understood and agreed that the liability of the Surety will be strict, primary, direct, and in all respects, unconditional.
2. Surety hereby agrees that this Bond is an absolute, unconditional, irrevocable and continuing Bond and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the WFRSA has been terminated, whichever comes later.
3. It is understood and agreed that Surety may substitute new Performance Assurance on the first Business Day following the date on which the Commission and Oblige receive written notice of such substitution. The substituted Performance Assurance shall be in the required amount as determined pursuant to Section 14.1 or 14.2. Upon the receipt by the Oblige of the original substitute Performance Assurance, Oblige shall return the replaced Bond to the Principal within two Business Days; provided, however, that in no event will Oblige be required to return or cancel Bond until it has received the applicable replacement therefore. the Commission and the Oblige receive written notice of such substitution..

4. That no proceeding in law or in equity may be brought under this bond unless the same shall be commenced and process served prior to the expiration of one (1) year from the date of cancellation of this bond.
5. At the end of each Service Year, Obligees will calculate the amount of bond (Performance Assurance) required for the remaining term of each transaction in the form of Attachment B-2 to Exhibit B. Obligees will provide Principal and Surety a Revised Notice of Performance Assurance with the amount of bond (Performance Assurance) required for the remaining term(s) of each transaction.

If the amount of Performance Assurance required necessitates an increase in this bond, Surety shall provide a rider increasing the amount of this bond prior to the beginning of the corresponding Service Year. If Surety does not issue and Obligees does not receive such rider increasing the amount of this bond, and Principal does not provide and Obligees does not receive an acceptable replacement surety bond, or an acceptable irrevocable letter of credit or a Corporate Guaranty that meets Creditworthiness requirements stipulated in Article 14, Performance Assurance, prior to the beginning of the corresponding Service Year., then Obligees shall have the right to file a claim with Surety for the full amount of this bond. Surety shall pay any such claim no later than two (2) business days from the date the claim is made.

6. This Bond will be governed by and construed in accordance with the laws of the District of Columbia. The Surety hereby irrevocably submits to the jurisdiction of the courts located within the District of Columbia with regard to the controversy arising out of or relating to the Agreement. The Surety consents to the selection of the District of Columbia and United States Courts situated within the District of Columbia as the exclusive forums for any legal proceeding arising out of or relating to the Bond.
7. This Bond shall insure to the benefit of Obligees, its successors and assigns, and shall be binding on Surety and its successors and assigns.
8. The parties agree that this bond may be executed in separate counterparts and that **faesimileEmail** copies shall be treated as originals.
9. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by **faesimileEmail** transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Principal and the Obligees set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Obligee shall be directed to:

~~Mario A. Giovannini~~ Daniel Tudor
Pepeco Holdings
500 N. Wakefield Drive 3S009701 Ninth Street N.W. EP6412
Newark, DE 19702 Washington, D.C. 20068
Phone: 202-872-2090(302) 451-5388
FaxEmail: Datudor@pepco.com
~~Mario.Giovannini@Pepecoholdings.com~~ (202) 872-3350

And to:

~~Steve Hilaski~~ Diana Novak
701 Ninth Street N.W. Suite EP64128
Washington, DC 20068
Phone: (202) 872-23192479
FaxEmail: dcsosrfpcoordinator@pepco.com (202) 872-3350

With a copy to:

General Counsel
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

IN WITNESS WHEREOF, PRINCIPAL and SURETY have caused these presents to be duly signed and sealed this day of 20 .

SURETY

PRINCIPAL

By _____

By _____

EXHIBIT E

BILLING LINE ITEM TRANSFERS / SAMPLE PJM INVOICE
(APPLICABLE TO WEEKLY AND MONTHLY SETTLEMENT BILLING)

BILLING LINE ITEM TRANSFERS TO BUYER

ID #	Billing Line Item
1100	Network Integration Transmission Service Charge
1108	Transmission Enhancement Charge
1115	Transmission Enhancement Settlement (EL05-121-009) Charge
1730	Expansion Cost Recovery Charge
2108	Transmission Enhancement Credit
2140	Non-Firm Point-to-Point Transmission Service Credit
2730	Expansion Cost Recovery Credit

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SAMPLE PJM INVOICE

ID #	CHARGES	Responsible Party
1000	Amount Due for Interest on Past Due Charges	Seller
1100	Network Integration Transmission Service	Buyer
1101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
1104	Network Integration Transmission Service Offset	Seller
1108	Transmission Enhancement	Buyer
1109	MTEP Project Cost Recovery	Seller
1110	Direct Assignment Facilities	Seller
1115	Transmission Enhancement Settlement (EL05-121-009) Charge	Buyer
1120	Other Supporting Facilities	Seller
1130	Firm Point-to-Point Transmission Service	Seller
1133	Firm Point-to-Point Transmission Service Resale	Seller
1135	Neptune Voluntary Released Transmission Service (Firm)	Seller
1138	Linden Voluntary Released Transmission Service (Firm)	Seller
1140	Non-Firm Point-to-Point Transmission Service	Seller
1143	Non-Firm Point-to-Point Transmission Service Resale	Seller
1145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
1146	Neptune Default Released Transmission Service (Non-Firm)	Seller
1147	Neptune Unscheduled Usage Billing Allocation	Seller
1155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
1156	Linden Default Released Transmission Service (Non-Firm)	Seller
1157	Linden Unscheduled Usage Billing Allocation	Seller

1200	Day-ahead Spot Market Energy	Seller
1205	Balancing Spot Market Energy	Seller
1210	Day-ahead Transmission Congestion	Seller
1215	Balancing Transmission Congestion	Seller
1218	Planning Period Congestion Uplift	Seller
1220	Day-ahead Transmission Losses	Seller
1225	Balancing Transmission Losses	Seller
1230	Inadvertent Interchange	Seller
1240	Day-ahead Economic Load Response	Seller
1241	Real-time Economic Load Response	Seller
1242	Day-Ahead Load Response Charge Allocation	Seller
1243	Real-Time Load Response Charge Allocation	Seller
1245	Emergency Load Response	Seller
1250	Meter Error Correction	Seller
1260	Emergency Energy	Seller
1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration	Seller
1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration	Seller
1303	PJM Scheduling, System Control and Dispatch Service - Market Support	Seller
1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration	Seller
1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	Seller
1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center	Seller
1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset	Seller
1308	PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration	Seller
1309	PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration	Seller
1310	PJM Scheduling, System Control and Dispatch Service Refund - Market Support	Seller
1311	PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration	Seller
1312	PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	Seller
1313	PJM Settlement, Inc.	Seller
1314	Market Monitoring Unit (MMU) Funding	Seller
1315	FERC Annual Charge Recovery	Seller
1316	Organization of PJM States, Inc. (OPSI) Funding	Seller
1317	North American Electric Reliability Corporation (NERC)	Seller
1318	Reliability First Corporation (RFC)	Seller
1320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
1340	Regulation and Frequency Response Service	Seller
1350	Energy Imbalance Service	Seller

1360	Synchronized Reserve	Seller
1365	Day-ahead Scheduling Reserve	Seller
1370	Day-ahead Operating Reserve	Seller
1371	Day-ahead Operating Reserve for Load Response	Seller
1375	Balancing Operating Reserve	Seller
1376	Balancing Operating Reserve for Load Response	Seller
1377	Synchronous Condensing	Seller
1378	Reactive Services	Seller
1380	Black Start Service	Seller
1400	Load Reconciliation for Spot Market Energy	Seller
1410	Load Reconciliation for Transmission Congestion	Seller
1420	Load Reconciliation for Transmission Losses	Seller
1430	Load Reconciliation for Inadvertent Interchange	Seller
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service	Seller
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund	Seller
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	Seller
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	Seller
1445	Load Reconciliation for FERC Annual Charge Recovery	Seller
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	Seller
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	Seller
1448	Load Reconciliation for Reliability First Corporation (RFC)	Seller
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1460	Load Reconciliation for Regulation and Frequency Response Service	Seller
1470	Load Reconciliation for Synchronized Reserve	Seller
1475	Load Reconciliation for Day-ahead Scheduling Reserve	Seller
1478	Load Reconciliation for Balancing Operating Reserve	Seller
1480	Load Reconciliation for Synchronous Condensing	Seller
1490	Load Reconciliation for Reactive Services	Seller
1500	Financial Transmission Rights Auction	Seller
1600	RPM Auction	Seller
1610	Locational Reliability	Seller
1650	Auction Specific MW Capacity Transaction	Seller
1660	Demand Resource and ILR Compliance Penalty	Seller
1661	Capacity Resource Deficiency	Seller
1662	Generation Resource Rating Test Failure	Seller
1663	Qualifying Transmission Upgrade Compliance Penalty	Seller
1664	Peak Season Maintenance Compliance Penalty	Seller
1665	Peak-Hour Period Availability	Seller
1666	Load Management Test Failure	Seller
1670	FRR LSE Reliability	Seller

1680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
1681	FRR LSE Capacity Resource Deficiency	Seller
1682	FRR LSE Generation Resource Rating Test Failure	Seller
1683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
1684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
1685	FRR LSE Peak-Hour Period Availability	Seller
1686	FRR LSE Load Management Test Failure	Seller
1687	FRR LSE Schedule 9-5	Seller
1688	FRR LSE Schedule 9-6	Seller
1710	PJM/MISO Seams Elimination Cost Assignment	Seller
1712	Intra-PJM Seams Elimination Cost Assignment	Seller
1720	RTO Start-up Cost Recovery	Seller
1730	Expansion Cost Recovery	Buyer
1900	Unscheduled Transmission Service	Seller
1910	Ramapo Phase Angle Regulators	Seller
1911	Michigan - Ontario Interface Phase Angle Regulators	Seller
1920	Station Power	Seller
1930	Generation Deactivation	Seller
1932	Generation Deactivation Refund	Seller
1950	Virginia Retail Administrative Fee	Seller
1952	PPL Deferred Tax Adjustment	Seller
1955	Deferral Recovery	Seller
1980	Miscellaneous Bilateral	Seller
1995	PJM Annual Membership Fee	Seller
1999	PJM Customer Payment Default	Seller

ID #	CREDITS	
2100	Network Integration Transmission Service	Seller
2101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
2104	Network Integration Transmission Service Offset	Seller
2106	Non-Zone Network Integration Transmission Service	Seller
2108	Transmission Enhancement	Buyer
2109	MTEP Project Cost Recovery	Seller
2110	Direct Assignment Facilities	Seller
2120	Other Supporting Facilities	Seller
2130	Firm Point-to-Point Transmission Service	Seller
2132	Internal Firm Point-to-Point Transmission Service	Seller
2133	Firm Point-to-Point Transmission Service Resale	Seller
2135	Neptune Voluntary Released Transmission Service (Firm)	Seller
2138	Linden Voluntary Released Transmission Service (Firm)	Seller
2140	Non-Firm Point-to-Point Transmission Service	Buyer
2142	Internal Non-Firm Point-to-Point Transmission Service	Seller

2143	Non-Firm Point-to-Point Transmission Service Resale	Seller
2145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
2146	Neptune Default Released Transmission Service (Non-Firm)	Seller
2155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
2156	Linden Default Released Transmission Service (Non-Firm)	Seller
2210	Transmission Congestion	Seller
2217	Planning Period Excess Congestion	Seller
2218	Planning Period Congestion Uplift	Seller
2220	Transmission Losses	Seller
2240	Day-ahead Economic Load Response	Seller
2241	Real-time Economic Load Response	Seller
2245	Emergency Load Response	Seller
2260	Emergency Energy	Seller
2320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
2340	Regulation and Frequency Response Service	Seller
2350	Energy Imbalance Service	Seller
2360	Synchronized Reserve	Seller
2365	Day-ahead Scheduling Reserve	Seller
2370	Day-ahead Operating Reserve	Seller
2371	Day-ahead Operating Reserve for Load Response	Seller
2375	Balancing Operating Reserve	Seller
2376	Balancing Operating Reserve for Load Response	Seller
2377	Synchronous Condensing	Seller
2378	Reactive Services	Seller
2380	Black Start Service	Seller
2420	Load Reconciliation for Transmission Losses	Seller
2500	Financial Transmission Rights Auction	Seller
2510	Auction Revenue Rights	Seller
2600	RPM Auction	Seller
2620	Interruptible Load for Reliability	Seller
2630	Capacity Transfer Rights	Seller
2640	Incremental Capacity Transfer Rights	Seller
2650	Auction Specific MW Capacity Transaction	Seller
2660	Demand Resource and ILR Compliance Penalty	Seller
2661	Capacity Resource Deficiency	Seller
2662	Generation Resource Rating Test Failure	Seller
2663	Qualifying Transmission Upgrade Compliance Penalty	Seller
2664	Peak Season Maintenance Compliance Penalty	Seller
2665	Peak-Hour Period Availability	Seller
2666	Load Management Test Failure	Seller
2670	FRR LSE Reliability	Seller

2680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
2681	FRR LSE Capacity Resource Deficiency	Seller
2682	FRR LSE Generation Resource Rating Test Failure	Seller
2683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
2684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
2685	FRR LSE Peak-Hour Period Availability	Seller
2686	FRR LSE Load Management Test Failure	Seller
2687	FRR LSE Schedule 9-5	Seller
2688	FRR LSE Schedule 9-6	Seller
2710	PJM/MISO Seams Elimination Cost Assignment	Seller
2712	Intra-PJM Seams Elimination Cost Assignment	Seller
2720	RTO Start-up Cost Recovery	Seller
2730	Expansion Cost Recovery	Buyer
2910	Ramapo Phase Angle Regulators	Seller
2930	Generation Deactivation	Seller
2932	Generation Deactivation Refund	Seller
2950	Virginia Retail Administrative Fee	Seller
2952	PPL Deferred Tax Adjustment	Seller
2955	Deferral Recovery	Seller
2980	Miscellaneous Bilateral	Seller
2996	Annual PJM Cell Tower	Seller
2997	Annual PJM Building Rent	Seller

EXHIBIT F

FORM OF GUARANTY

THIS GUARANTY AGREEMENT (this “Guaranty”) is made and entered into as of this ____ day of ____, by ____ (the “Guarantor”), with an address at ____, in favor of Potomac Electric Power Company (“Pepco”) (the “Creditor”), with an address at 701 Ninth Street, N.W., Washington D.C. 20068, in consideration of the Wholesale Full Requirements Service Agreement (the “WFRSA”) between Pepco and ____ (the “Supplier”) dated ____, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Guarantor is the ____ of Supplier.

Whereas, Supplier ____ is an affiliate of ____, ____ will therefore benefit by Supplier entering into the WFRSA with Creditor and ____ desires Creditor to enter into the WFRSA with Supplier and to extend credit to Supplier thereunder. (May be revised if guarantor is not a parent or affiliate of supplier).

1. Guaranty of Obligations.

The Guarantor hereby guarantees the prompt and complete payment of Supplier’s payment obligations evidenced by the WFRSA, and all reasonable out-of-pocket costs and expenses of Creditor incurred in the enforcement, or collection under this Guaranty, including reasonable attorney’s fees and expenses (collectively, the “Obligations”). Guarantor shall pay any amount due under this Guaranty on or before the fifth Business Day after such amount becomes due. Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Guaranty and Creditor’s right of recovery hereunder for all Obligations is limited to a total aggregate amount of \$ ____ (“Guaranty Amount”).

Any Performance Assurance provided by Guarantor pursuant to this Guaranty will be demanded by Creditor, held by Creditor, and returned to Guarantor, in the same manner as specified in the WFRSA for Performance Assurance provided by Supplier.

2. Nature of Guaranty; Waivers.

- a) This is a guaranty of payment and not of collection and the Creditor shall not be required, as a condition of the Guarantor’s liability, to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations. This is not a performance guaranty and the Guarantor is not obligated to provide power under the WFRSA or this Guaranty Agreement.
- b) This Guaranty is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the WFRSA has been terminated, whichever comes later. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Creditor of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Creditor to take any steps to perfect or maintain its lien or security interest in or to

preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guaranty thereof.

- c) Except as to any claims, defenses, rights of set-off or to reductions of Supplier pursuant to the WFRSA, (all of which are expressly reserved under this Guaranty), the Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against Supplier or the Creditor, including, (i) any change in the corporate existence (including its charter or other governing agreement, laws, rules, regulations or powers), structure or ownership of Supplier or the Guarantor, or (ii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Supplier or its assets, or (iii) the invalidity or unenforceability in whole or in part of the WFRSA or (iv) any provision of applicable law or regulations purporting to prohibit payment by Supplier of amounts to be paid by it under the WFRSA.
- d) Guarantor waives notice of acceptance of this Guaranty, notice of default or nonpayment, diligence, presentment, notice of dishonor, protest and demand for payment (other than as provided in paragraph 1(b)), notice of any sale of collateral and any notice not provided for herein, any right of subrogation and any requirement that at any time any person exhaust any right to take any action against Supplier or their assets or any other guarantor or person. The Guarantor waives all defenses based on suretyship or impairment of collateral or any other defenses that would constitute a legal or equitable discharge of Guarantor's obligations, except any claims or defenses of Supplier under the WFRSA that are expressly preserved in this Guaranty.
- e) The Creditor at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (i) to the extent permitted by the WFRSA or this Guaranty, change the manner, place, time or terms of payment or performance of, or other terms relating to, any of the Obligations; (ii) to the extent permitted by the WFRSA or this Guaranty, renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (iii) settle, compromise or deal with any other person, including Supplier, with respect to any Obligations in such manner as the Creditor deems appropriate in its sole discretion; (iv) substitute, exchange or release any security or guaranty; or (v) take such actions and exercise such remedies hereunder as Creditor deems appropriate.

3. Representations and Warranties. The Guarantor hereby represents and warrants that:

- a) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged;

- b) it has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Guaranty;
- c) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally, general equitable principles and an implied covenant of good faith and fair dealing;
- d) the execution, delivery and performance of this Guaranty will not violate any provision of any requirement of law or contractual obligation of the Guarantor (except to the extent that any such violation would not reasonably be expected to have a material adverse effect on the Guarantor or this Guaranty) and will not result in or require the creation or imposition of any lien on any of the properties or revenues of the Guarantor pursuant to any requirement of law or contractual obligation of the Guarantor;
- e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person (including, without limitation, any stockholder or creditor of the Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty, other than any which have been obtained or made prior to the date hereof and remain in full force and effect; and
- f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Guarantor, threatened by or against the Guarantor or against any of its properties or revenues with respect to this Guaranty or any of the transactions contemplated hereby that would have a material adverse effect on the Guarantor or this Guaranty.

4. Repayments or Recovery from the Creditor. If any demand is made at any time upon the Creditor for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Creditor repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor (subject to Sections 2 (c) and (d)) will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Creditor. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Creditor's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

5. Enforceability of Obligations. No modification, limitation or discharge of the Obligations of Supplier arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the

Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of Supplier that may result from any such proceeding.

6. Postponement of Subrogation. Until the Obligations and all other amounts due hereunder are indefeasibly paid in full, the Guarantor postpones and subordinates in favor of the Creditor any and all rights which the Guarantor may have to (a) assert any claim against the Supplier based on subrogation rights with respect to payments made by Guarantor hereunder and (b) any realization on any property of the Supplier, including participation in any marshalling of the Supplier's assets.

7. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by ~~faesimile~~Email transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Creditor and the Guarantor set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Creditor shall be directed to:

~~Steven Hilaski~~Matthew Lorden
Pepco Holdings
701 Ninth Street N.W., EP50276418
Washington, D.C. 20068
Phone: (202) 331-4837872-2479
~~Fax~~Email: Matthew.Lorden@exeloncorp.com
~~desosrfpeordinator@pepeco.co~~ (202) 872-3350

With a copy to:
General Counsel
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800

Washington, DC 20005

[Mario A. Giovannini](mailto:Mario.Giovannini@Pepeoholdings.com) [Peppo DC SOS RFP Coordinator](mailto:Mario.Giovannini@Pepeoholdings.com)
Peppo Holdings
[500 N. Wakefield Drive 35009701 Ninth Street N.W.](mailto:Mario.Giovannini@Pepeoholdings.com)
[EP6412](mailto:Mario.Giovannini@Pepeoholdings.com)
[Newark, DE 19702](mailto:Mario.Giovannini@Pepeoholdings.com) [Washington, D.C. 20068](mailto:Mario.Giovannini@Pepeoholdings.com)
Phone: [\(302\) 451-5388](mailto:Mario.Giovannini@Pepeoholdings.com) [202-872-2319](mailto:Mario.Giovannini@Pepeoholdings.com)
~~Fax~~ ~~Email~~:
Mario.Giovannini@Pepeoholdings.com [PeppoDCRfpcoordi](mailto:Mario.Giovannini@Pepeoholdings.com)
[nator@peppo.com](mailto:Mario.Giovannini@Pepeoholdings.com) [\(202\) 872-3350](mailto:Mario.Giovannini@Pepeoholdings.com)

or such other address as the Creditor shall from time to time specify to Guarantor.

All communications to Guarantor shall be directed to:

Attn: _____
Address: _____
Phone: _____
~~Fax~~ ~~Email~~: _____

or such other address as the Guarantor shall from time to time specify to Creditor.

8. Preservation of Rights Except as provided by any applicable statute of limitations, no delay or omission on the Creditor's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Creditor's action or inaction impair any such right or power. The Creditor's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Creditor may have under other agreements, at law or in equity.

9. Illegality. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10. Amendments. No modification, amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom, will be effective unless made in a writing signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

11. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Creditor with respect to the subject matter hereof.

12. Successors and Assigns. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Creditor and their respective successors and permitted assigns. Neither party may assign this Guaranty in whole or in part without the other's prior written consent, which consent will not be unreasonably withheld or delayed, except that Creditor may at any time assign this Guaranty without Guarantor's consent, in the same manner, on the same terms and to the same persons as Creditor assigns the WFRSA in accordance with Sections 16.6 and 16.7 of that agreement.

13. Definitions and Interpretation. Terms capitalized but not defined in this Guaranty shall have the meaning given such terms in the WFRSA. In this Guaranty, unless the Creditor and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and references to sections or exhibits are to those of this Guaranty unless otherwise indicated. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

14. Governing Law and Jurisdiction.

- a) This Guaranty has been delivered to and accepted by the Creditor and will be deemed to be made in the District of Columbia. IT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE CREDITOR AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA INCLUDING ITS CONFLICT OF LAWS RULES.
- b) The Guarantor hereby irrevocably consents to the non-exclusive jurisdiction of any state or federal court in the District of Columbia ; provided that nothing contained in this Guaranty will prevent the Creditor from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue first provided above is the most convenient forum for both the Creditor and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

15. WAIVER OF JURY TRIAL. THE GUARANTOR IRREVOCABLY WAIVES ANY AND ALL RIGHT THE GUARANTOR MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

16. Term. This Guaranty shall survive termination of the WFRSA and remain in full force and effect until all amounts due under the WFRSA and hereunder, including all of the Obligations, have been paid or performed in full.

17. Stay of Acceleration Ineffective with Respect to Guarantor. If acceleration of the time for payment of any amount payable by Supplier under the WFRSA is stayed upon the insolvency, bankruptcy or reorganization of Supplier, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the WFRSA shall nonetheless be payable by the Guarantor hereunder on written demand by Creditor.

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

[Guarantor]

By: _____
Name: _____
Title: _____

EXHIBIT G
FORM OF NOTICE

* Please provide specific personnel contact information and notify Buyer in advance should such contact information or bank information change.

Any notices required under this Agreement shall be made as follows:

Buyer: _____ Seller: _____

All Notices:	All Notices:
Attn: Mario A. Giovannini _____	Attn: _____
Street: 500 N. Wakefield Drive 3S009 _____	Street: _____
City/State/Zip: Newark, DE 19702 _____	City/State/Zip: _____
FaersimileEmail: Mario.Giovannini@Pepeoholdings.com(202) 872 3350 _____	
_____ FaersimileEmail: _____	
Duns: 6920284 _____	Duns: _____
Federal Tax ID Number: 53-0127880 _____	Federal Tax ID Number: _____

Invoices:	Invoices:
Attn: James B. Jacoby _____	Attn: _____
Phone: (302) 429-3148 _____	Phone: _____
Faersimile: (202) 872-3350 _____	FaersimileEmail: _____
Email: Jim.Jacoby@pepeoholdings.com _____	Email*: _____

Scheduling:	Scheduling:
Attn: _____	Attn: _____
Phone: _____	Phone: _____
FaersimileEmail: _____	FaersimileEmail: _____
_____	Email*: _____

Payments:	Payments:
Attn: James B. Jacoby _____	Attn: _____
Phone: (302) 429-3148 _____	Phone: _____
Faersimile: (202) 872-3350 _____	FaersimileEmail: _____
Email: Jim.Jacoby@pepeoholdings.com _____	Email*: _____

Electronic Funds Transfer^(†):	Electronic Funds Transfer^(†):
BNK: Wells Fargo Bank, San Francisco, CA _____	BNK: _____
FED ABA: 121000248 _____	FED ABA: _____
ACH ABA: _____	ACH ABA: _____
FOR ACCT: Potomac Electric Power Co. _____	FOR ACCT: _____
ACCT: 2000700025231 _____	ACCT: _____

Credit and Collections:	Credit and Collections:
Attn: James B. Jacoby _____	Attn: _____
Phone: (302) 429-3148 _____	Phone: _____
Faersimile: (202) 872-3350 _____	FaersimileEmail: _____

Email: Jim.Jacoby@pepeoholdings.com _____ Email*: _____

Rescheduling: _____	Rescheduling: _____
Attn: Rita Tolson-Cooper _____	Attn: _____
Phone: (202) 872-2673 _____	Phone: _____
Faeximile: (202) 872-3350 _____	FaeximileEmail: _____
Email: rltolson@pepco.com _____	Email: _____

With additional Notices of an Event of Default to: _____	With Additional Notices of an Event of Default to: _____
Attn: Mario A. Giovannini _____	Attn: _____
Pepeco Holdings _____	_____
701 Ninth Street, NW, Suite 6412 _____	_____
Washington, DC 20068 _____	_____
Phone: (302) 451-5388 _____	Phone: _____
Faeximile: (202) 872-3350 _____	FaeximileEmail: _____
Email: mario.giovannini@pepeoholdings.com _____	Email: _____

With copy to:

Attn: Steve Hilaski
Pepeco Holdings
701 Ninth Street, NW, Suite 6418
Washington, DC 20068
Phone: (202) 872-2479
Faeximile: (202) 872-3350
Email: desosrfpecoordinator@pepco.cosjhilaski@pepco.com

Performance Assurance:

Attn:
Steven Hilaski
Pepeco Holdings
701 Ninth Street, NW, Suite 6418
Washington, DC 20068
Phone: (202) 872-2479
Faeximile: (202) 872-3350
Email: desosrfpecoordinator@pepco.cosjhilaski@pepco.com

With copy to:

Attn: Mario Giovannini
Pepeco Holdings
500 N. Wakefield Drive 3S009
Newark, DE 19702
Phone: (302) 451-5388
Email: Mario.giovannini@pepeoholdings.com

(1) If the bank's ABA number for ACH transfers differs from the Fed wire ABA number please provide both

*A single group e-mail address, maintained by Seller.

EXHIBIT G

FORM OF NOTICE

Please provide specific personnel contact information and notify Buyer in advance should such contact information or bank information change.

Any notices required under this Agreement shall be made as follows:

Buyer: Potomac Electric Power Company **Seller:**

<u>All Notices:</u>	<u>All Notices:</u>
Attn: Daniel Tudor	Attn:
Street: 701 Ninth Street N.W. EP6412	Street:
City/State/Zip: Washington, D.C. 20068	City/State/Zip:
Duns: 6920284	Duns:
Federal Tax ID Number: 53-0127880	Federal Tax ID Number:
Email: datudor@pepco.com	Email:

<u>Invoices:</u>	<u>Invoices:</u>
Attn: James Jacoby	Attn:
Phone: 302-429-3148	Phone:
Email: Jim.Jacoby@pepcoholdings.com	Email:

<u>Scheduling:</u>	<u>Scheduling:</u>
Attn:	Attn:
Phone:	Phone:
Email:	Email:

<u>Payments:</u>	<u>Payments:</u>
Attn: James Jacoby	Attn:
Phone: 302-429-3148	Phone:
Email: Jim.Jacoby@pepcoholdings.com	Email:

<u>Electronic Funds Transfer⁽¹⁾:</u>	<u>Electronic Funds Transfer⁽¹⁾:</u>
BNK: Wells Fargo Bank,	BNK:
San Francisco, CA	FED ABA:
FED ABA: 121000248	ACH ABA:
ACH ABA:	FOR ACCT:
FOR ACCT: Potomac Electric Power Co.	ACCT:
ACCT: 2000700025231	

<u>Credit and Collections:</u>	<u>Credit and Collections:</u>
Attn: Matthew Lorden	Attn:
Phone: 202-331-4834	Phone:
Email: Matthew.Lorden@exeloncorp.com	Email:

InSchedules:

Attn: Jason Jones
Phone: 202-872-2589
Email: JPJones@pepco.com

InSchedules:

Attn:
Phone:
Email:

With additional Notices of an Event of Default to:

Attn: Daniel Tudor
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, D.C. 20068
Phone: 202-872-2090
Email: datudor@pepco.com

With Additional Notices of an Event of Default to:

Attn:
Phone:
Email:

With copy to:

Attn: Pepco DC SOS RFP Coordinator
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, DC 20068
Phone: 202-872-2319
Email: PepcoDCSOSRfpCoordinator@pepco.com

Performance Assurance:

Attn: Matthew Lorden
Pepco Holdings
701 Ninth Street, NW EP5027
Washington, DC 20068
Phone: 202-331-4834
Email: Matthew.Lorden@exeloncorp.com

With copy to:

Attn: Pepco DC SOS RFP Coordinator
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, DC 20068
Phone: 202-872-2319
Email: PepcoDCSOSRfpCoordinator@pepco.com

(1) If the bank's ABA number for ACH transfers differs from the Fed wire ABA number please provide both

EXHIBIT H
RENEWABLE ENERGY PORTFOLIO STANDARD LEGISLATION

WFRSA (Clean)

Appendix G

2020

**WHOLESALE FULL REQUIREMENTS SERVICE
AGREEMENT**

BETWEEN

POTOMAC ELECTRIC POWER COMPANY

AND

[SELLER NAME]

DATED

[DATE]

**WHOLESALE FULL REQUIREMENTS SERVICE
AGREEMENT
Articles and Provisions**

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WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT

THIS WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT (“Agreement” or “WFRSA”), is made and entered into as of _____ (“Effective Date”), by and between _____, hereinafter referred to as “Seller” and Potomac Electric Power Company (Pepco), hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

WITNESSETH:

WHEREAS, the Commission has issued the Orders that direct Buyer to supply electric service to Standard Offer Service Load (“SOS Load”) within Buyer's District of Columbia service territory; and

WHEREAS, Buyer has solicited offers for serving all or a portion of its SOS Load pursuant to a Request for Proposal (“RFP”) and the Seller is a winning bidder in that solicitation; and

WHEREAS, Seller desires to sell Full Requirements Service and Buyer desires to purchase such Full Requirements Service to supply a Specified Percentage in Buyer’s District of Columbia service territory on a firm and continuous basis; and

NOW, THEREFORE, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

ARTICLE 1 DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:

“Affiliate” means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Ancillary Services” shall have the meaning ascribed thereto in the PJM OATT.

“Bankrupt” means, with respect to any entity, such entity: (i) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within sixty (60) calendar days of the filing or commencement; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes insolvent, however evidenced; (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they fall due.

“Bid Block” means a block(s) of load awarded to Seller in accordance with Buyer's RFP as set forth in a Transaction Confirmation.

“Bond” means a form of Performance Assurance issued by an entity having a Credit Rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the bond is issued (for clarification, the form of Bond attached as Exhibit C1 hereto shall be considered an acceptable form).

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time (“EPT”).

“Buyer Downgrade Event” means that Buyer’s Credit Rating is less than BBB- by S&P or Baa3 by Moody’s.

“Capacity” shall mean “Unforced Capacity” as set forth in the PJM RAA, or any successor measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM RAA, or elsewhere).

“Capacity Peak Load Contribution” or “Capacity PLC” shall mean the aggregation of retail customer peak load contributions, as determined by the Buyer in accordance with the PJM Agreements and reported by Buyer to PJM pursuant to Buyer’s retail load settlement process, and used by PJM in determining the Seller’s capacity obligation for each Transaction.

“Change in Law” means (i) a material change in the interpretation of or the enactment, promulgation, issuance or material amendment of any constitution, charter, act, statute, regulation, ordinance, order, ruling, or rule, or (ii) a material change in the specified standards or objective criteria contained in a permit, license, or other approvals, which standard or criteria must be met in order for a resource to generate electric energy, or (iii) other legislative or administrative action of any government agency of competent jurisdiction or a final decree, judgment, or order of a court of competent jurisdiction (including temporary restraining orders) or occurring subsequent to the Effective Date. For purposes of this definition, no enactment, adoption, promulgation, amendment or modification of applicable laws shall be considered a Change in Law if, as of the Effective Date, (1) such applicable law would have directly affected the performance of the obligations hereunder by either Party after the Effective Date in the absence of this Agreement and (2) either such applicable laws were (A) officially proposed by the responsible agency and promulgated in final form in the Federal Register or equivalent federal, state or local publication and thereafter becomes effective without further action or (B) enacted into law or promulgated by the appropriate federal, state or local body before the Effective Date, and (i) the comment period with respect to which expired on or before the Effective Date and (ii) any required hearings concluded on or before the Effective Date, in accordance with applicable administrative procedures and which thereafter becomes effective without further action. If at any time the Seller or the Buyer incur additional price elements resulting from a Change in Law and related to the Full Requirements Service, the Seller and the Buyer or either may file a request with the Commission (with notice to all parties in Formal Case No. 1017) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a Change in Law in connection with the Full Requirements Service, and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price.

“Commission” means the Public Service Commission of the District of Columbia and any successor thereto.

“Confidential Information” has the meaning provided in Section 16.5(a) of this Agreement.

“Congestion Revenue Rights” or “CRR” shall mean the current or any successor congestion management mechanism or mechanisms as may be employed by PJM (whether set forth in the PJM Tariff or elsewhere) for the purpose of allocating financial congestion hedges.

“Corporate Guarantee” or “Guarantee” means a guarantee issued by the Guarantor in a form acceptable to Buyer and the Commission. For clarification, the form of Guarantee attached as Exhibit F hereto is the Commission approved form.

“Costs” means, with respect to the Non-Defaulting Party, brokerage fees, commissions, PJM charges, and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its SOS Load obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys’ fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

“Credit Rating” means, with respect to any entity, the rating then assigned to such entity’s unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody’s or Fitch.

“Default Damages” means, for the period of time specified in Section 12.2(b)(ii) (Remedies) any direct damages and Costs, calculated in a commercially reasonable manner, that the Non-Defaulting Party incurs with respect to the Specified Percentage as a result of an Event of Default. Direct damages may include, but are not limited to: (i) the positive difference (if any) between the price of Full Requirements Service hereunder and the price at which the Buyer or Seller is able to purchase or sell (as applicable) Full Requirements Service (or any components of Full Requirements Service it is able to purchase or sell) from or to third parties, including PJM; (ii) emergency energy charges; and (iii) additional transmission or congestion costs incurred to purchase or sell Full Requirements Service.

“Delivery Period” means the period of delivery for a Transaction as specified in a Transaction Confirmation.

“Delivery Point” means points in the PJM Control Area, as selected by Seller, and is the location at which Seller will deliver and Buyer will accept the Specified Percentage during the Delivery Period.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect on any particular date.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

“Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

“FERC” means the Federal Energy Regulatory Commission or its successor.

“Fitch” means Fitch Investor Service, Inc. or its successor.

“Force Majeure Event” means any of the following events or circumstances to the extent not within the control, and without the fault or negligence, of the Party seeking to have its performance obligation excused thereby (the “Claiming Party”), and to the extent such event creates a condition such that power is not available at any price [or is not able to be physically delivered to the Delivery Point]: acts of God, including: landslide, lightning, Earthquake, fire, storm, flood, tornado, other natural disasters, epidemic, and weather-related events; riot; civil disturbance; insurrection; war; sabotage; action, inaction, or restraint by a Governmental Authority. The loss or failure of Seller’s supply or Seller’s ability to sell the Full Requirements Service at a price greater than that received under any Transaction or curtailment by a Transmitting Utility shall not constitute a Force Majeure.

“Full Requirements Service” means all necessary Energy, Capacity, Transmission other than Network Integration Transmission Service, Ancillary Services, Renewable Energy Resource Requirement, transmission and distribution losses, congestion management costs, and such other services or products that are required to supply the Specified Percentage except for Network Integration Transmission Service and distribution service.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

“Governmental Authority” means any federal, state, local, municipal or other governmental entity, authority or agency, department, board, court, tribunal, regulatory commission, or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or this Agreement.

“Guarantor” means an affiliate of the Seller or a third party that meets the financial requirements set forth in Section 14.4 (Creditworthiness of Guarantor) who agrees to guarantee Seller’s financial obligations under this Agreement pursuant to the Corporate Guarantee.

“Interest Rate” means, for any date, the lesser of: (i) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%); and (ii) the maximum rate permitted by applicable law.

“kWh” means one kilowatt of electric power over a period of one hour.

“Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a Credit Rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the letter of credit is issued (for clarification, the form of Letter of Credit attached as Exhibit C and C-1 hereto shall be considered an acceptable form, but not the exclusive acceptable form). Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. The Party to whom the Letter of Credit is in favor reserves the right to monitor the financial position of the issuing bank and, if the issuing bank’s Credit Rating is downgraded by any increment; or if the issuing bank’s Current, Quick, Return on Assets, or Price/Earnings ratios diminish (reflecting the financial stability of the bank); or if the Party determines, for any reason, that the issuing bank’s position has deteriorated, then the Party has the right to demand and receive, from the applicant for the Letter of Credit, that the Letter of Credit be reissued from a bank that meets or exceeds the Credit Ratings and asset valuation listed above.

"Load Serving Entity" or "LSE" shall have the meaning ascribed to it in the PJM Agreements.

"Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

"Monthly Settlement Amount" means with respect to any calendar month during the Delivery Period, the sum of (i) product of the applicable Monthly Settlement Price and Monthly Settlement Load; and (ii) any other adjustments as set forth in this Agreement.

"Monthly Settlement Date" means, with respect to any calendar month of a Delivery Period, the date determined to be the PJM Settlement Date pursuant to the PJM Agreements.

"Monthly Settlement Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Specified Percentage and SOS Load.

"Monthly Settlement Price" means price for Monthly Settlement Load for the applicable month of the Delivery Period as set forth in a Transaction Confirmation.

"Moody's" means Moody's Investor Services, Inc. or its successor.

"MWh" means one megawatt of electric power used over a period of one hour which shall be rounded in a manner consistent with standards in the PJM Agreements. The current rounding standards are to the nearest one-thousandth of a megawatt hour.

"NERC" means the North American Electric Reliability Council or any successor organization thereto.

"Network Integration Transmission Service" shall have the meaning as set forth in the PJM OATT.

"Nodal Pricing" shall have the meaning ascribed to it in the PJM Agreements, specifically Manual 27: PJM's Open Access Transmission Tariff ("OATT") Accounting, Section 5.6: Business Rules for Nodal Pricing Settlement of Network Load, and Section 5.7: Business Rules for Changing Settlement Area Definitions of Network Load ("Rules").

"OPC" means the Office of the People's Counsel of the District of Columbia

"Orders" means Order No. 13115 and Order No. 13118 of the Commission, both dated March 1, 2004, Order No. 13225, dated July 1, 2004 and Order No. 13741 dated August 18, 2005, approving the SOS contract documents including the Supplier RFP, WFRSA, and OPC Confidentiality Agreement. In addition, Order No. 17863 (Rules).

"Performance Assurance" means collateral in the form of cash, a Bond, Letter(s) of Credit, or Corporate Guarantee. Performance Assurance shall be transferred directly to Buyer.

"PJM" means the PJM Interconnection, LLC or any successor organization thereto.

"PJM Agreements" means the PJM OATT, PJM Operating Agreement, PJM RAA, PJM West RAA, and any other applicable PJM manuals or documents, or any successor, superceding or amended versions that may take effect from time to time.

“PJM Control Area” has the meaning ascribed to it in the PJM Agreements.

“PJM Load Response Programs” Shall have the meaning ascribed to it in the PJM Agreements

“PJM OATT” or “PJM Tariff” means the Open Access Transmission Tariff of PJM or the successor, superceding or amended versions of the Open Access Transmission Tariff that may take effect from time to time.

“PJM Operating Agreement” means the Operating Agreement of PJM or the successor, superceding or amended versions of the Operating Agreement that may take effect from time to time.

“PJM Planning Period” shall have the meaning ascribed to it in the PJM Agreements. Currently, the PJM Planning Period is the twelve months beginning June 1 and extending through May 31 of the following year.

“PJM RAA” means the PJM Reliability Assurance Agreement or any successor, superceding or amended versions of the PJM Reliability Assurance Agreement that may take effect from time to time.

“PJM Settlement Dates” means the dates on which payments are due to PJM for weekly and monthly services provided by PJM in accordance with the PJM Agreements and schedules.

“Purchase Amount” means the total amount that Buyer will pay to Seller under all Transactions pursuant to this Agreement, estimated on each Transaction Date in accordance with the provisions of Exhibit B, and estimated thirty (30) days prior to the beginning of each subsequent Service Year in accordance with the provisions of Exhibit B.

“Renewable Energy Resource Requirement” means the renewable energy resource requirements as set forth in D.C. Code Sections 34-1431 through 1439 (a copy of these sections of the D.C. Code is included as Exhibit H).

“Request for Proposal” or “RFP” means the request for proposals issued from time to time by Buyer pursuant to the PSC Settlement.

“Rules” means the Rules and Regulations Governing the Provision of Standard Offer Service in the District of Columbia as adopted in Order No. 17863 in Formal Case No. 1017.

“S&P” means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. and any successor thereto.

“SEC” means the Securities and Exchange Commission or its successor.

“Service Type” means the customer class, partial customer class and/or group of customer classes, as set forth in a Transaction Confirmation.

“Service Year” means the period beginning on June 1, 2021 and ending May 31, 2022; and thereafter periods beginning June 1 of one year and ending May 31 of the following year.

“Settlement Amount” means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 12 (Events of Default – Remedies). For the purposes of

calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting Party under this Agreement if total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

“Specified Percentage” means that quantity of load constituting the percentage of SOS Load as set forth in a Transaction Confirmation.

“Standard Offer Service Load” or “SOS Load” means the total sales at the retail meter, plus Unaccounted For Energy, expressed in MWh or MW, as appropriate, for a particular class(es) of retail customers being served by Buyer, as such sales vary from hour to hour, in Buyer’s District of Columbia service territory.

“Terminated Transaction” means any Transaction that is terminated by the Non-Defaulting Party pursuant to Section 12.2 (Remedies).

“Transaction” means a particular agreement by which Buyer purchases and Seller sells Full Requirements Service pursuant to this Agreement, the details of which are more fully set forth in a Transaction Confirmation.

“Transaction Confirmation” means the document executed by the Parties setting forth the details of a specific purchase and sale of Full Requirements Service as described in Section 2.8, the form of which is included in Exhibit A.

“Transaction Date” means the date that a Transaction is executed as set forth in the Transaction Confirmation.

“Transmitting Utility” means the utility or utilities and their respective control area operators and their successors, transmitting Full Requirements Service.

“Unaccounted For Energy” means the difference between the Buyer’s hourly system load and the sum of: (i) the estimated hourly customer loads (interval metered and profiled); and (ii) electrical losses, as such Unaccounted For Energy is determined in the Buyer’s retail load settlement process.

“Weekly Settlement Amount” means with respect to any Weekly Settlement Date during the Delivery Period, the sum of the product of the Weekly Settlement Price and Weekly Settlement Load.

“Weekly Settlement Date” means, with respect to any week of the month of a Delivery Period, the date(s) determined to be the PJM Settlement Dates pursuant to the PJM Agreements and schedules.

“Weekly Settlement Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Specified Percentage and SOS load.

“Weekly Settlement Price” means price for Weekly Settlement Load for the applicable week of the Delivery Period and has the same value as the Monthly Settlement Price.

ARTICLE 2

TERMS AND CONDITIONS OF FULL REQUIREMENTS SERVICE

- 2.1 Seller's Obligation To Provide Service. With respect to a Transaction, Seller shall provide Full Requirements Service on a firm and continuous basis such that the Specified Percentage is supplied during the Delivery Period to the Delivery Point specified in Exhibit A to this Agreement.
- 2.2 Buyer's Obligation to Take Service. With respect to a Transaction, Buyer shall accept Full Requirements Service as provided by Seller pursuant to Section 2.1 (Seller's Obligation to Provide Service), and shall pay Seller the Weekly Settlement Amount and Monthly Settlement Amount for such Full Requirements Service on the applicable Weekly Settlement Date and Monthly Settlement Date in accordance with Section 7.3 (Payments of the Invoice).
- 2.3 Network Integration Transmission Service and Distribution Service. With respect to a Transaction, Buyer shall be responsible, at its sole cost and expense, for the provision of Network Integration Transmission Service and distribution service necessary to serve the Specified Percentage. Buyer is responsible, at its sole cost and expense, for future PJM charges assessed to network transmission customers for PJM-required transmission system enhancements pursuant to the PJM Regional Transmission Expansion Plan and for future PJM charges assessed to network transmission customers for transition costs related to the elimination of through-and-out transmission rates.
- 2.4 Additional Price Elements. If at any time the Seller or the Buyer incur additional price elements resulting from a Change in Law and related to the Full Requirements Service, the Seller and the Buyer or either may file a request with the Commission (with notice to all parties in Formal Case No. 1017) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a Change in Law in connection with the provision of Full Requirements Service, and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price. To the extent Seller is responsible for the cost and expenses in the provision of Full Requirements Service to its Specified Percentage pursuant to this Agreement and the Commission allows the costs to be recovered by Buyer in its retail rates, Seller shall be entitled to charge Buyer for the new costs and expenses.
- 2.5 Other Changes in PJM Charges. If there are any other new FERC-approved PJM transmission charges other than those referred to in Section 2.3, or other new PJM charges and costs, charged to network transmission customers, that Seller believes the Buyer should recover through retail rates because such charges are directly related to the Buyer's obligations under the Wholesale Rules, Buyer will file with the Commission, and provide notice to all Parties, a request for approval to recover such new costs. Seller is required to intervene in any such proceeding before the Commission. Seller can only charge Buyer for any such new costs and charges to the extent that the Commission approves Buyer's recovery of those costs and charges. Seller agrees to be bound by the decision of the Commission (subject to the applicable rules for appeal of the decision of the Commission) and waives all claims concerning this issue before FERC. Notwithstanding the foregoing, nothing in this Agreement shall preclude Seller from taking any position before FERC regarding the creation and allocation of any such PJM charges.
- 2.6 Sales for Resale. All Full Requirements Service provided by Seller to Buyer shall be sales for resale, with Buyer reselling such Full Requirements Service to SOS Load customers. At Seller's request,

Buyer shall provide Seller with mutually agreeable resale certificates related to the Wholesale Full Requirements Service provided pursuant to this Agreement.

- 2.7 Governing Terms. Each Transaction shall be governed by this Agreement. This Agreement, including all exhibits hereto, any designated collateral, credit support, margin agreement or similar arrangements and all Transaction Confirmations shall form a single integrated agreement between Buyer and Seller. Any inconsistency between terms in this Agreement and terms in a Transaction Confirmation shall be resolved in favor of the terms of this Agreement.
- 2.8 Transaction Confirmation. A Transaction shall be documented in a Transaction Confirmation in the form attached hereto as Exhibit A. On the Business Day following the Business Day on which Seller is selected as the provider of Full Requirements Service, the Buyer will electronically forward a .pdf file to Seller of a partially executed Transaction Confirmation(s) for each winning bid. Should such Transaction(s) be the initial Transaction(s) with the Seller under the current RFP solicitation, then Buyer will electronically forward to Seller a partially executed .pdf file of the Agreement. By 9:30 a.m. EPT on the next Business Day following Seller's receipt of partially executed Transaction Confirmation(s) and Agreement, as applicable, Seller shall return the fully executed Transaction Confirmation(s) as a .pdf file. to Buyer. In the morning of on which Buyer is in receipt of such electronic submission of fully executed Transaction Confirmation(s), Buyer shall submit a copy of the Transaction Confirmation(s) to the Commission for approval. The Parties acknowledge that the Commission may approve or reject the Transaction in full but may not approve or reject the transaction in part. The Transaction Confirmation(s) and Agreement will be deemed to be approved by the Commission unless the Commission orders otherwise within two (2) Business Days following the submission. In the event the Commission rejects a Transaction set forth in a Transaction Confirmation, the Transaction and the Transaction Confirmation are null and void. If the Commission rejects in full each and every Transaction between Seller and Buyer for the current RFP solicitation, the Agreement between Seller and Buyer likewise is null and void.

ARTICLE 3 SCHEDULING, FORECASTING, AND INFORMATION SHARING

- 3.1 Scheduling. Seller shall schedule Full Requirements Service pursuant to the PJM Agreements. Buyer will provide to PJM all information required by PJM, for the purpose of calculating Seller's Full Requirements Service obligations.
- 3.2 Load Forecasting. Buyer shall not be required to provide to the Seller any load forecasting services for any Transaction.
- 3.3 Information Sharing.
- (a) On each Business Day, Buyer shall provide to the Seller on a reasonable efforts basis, Buyer's estimation of the Capacity PLC for the seventh following day, representing the Seller's Specified Percentage of each Service Type. Buyer does not warrant the accuracy of such information.
 - (b) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated Capacity PLC for each Service Type on a reasonable basis. Buyer does not warrant the accuracy of such information.

- 3.4 PJM Requirements. Buyer and Seller shall fulfill and comply with all PJM requirements necessary to perform their respective duties under the WFRSA.

ARTICLE 4

SPECIAL TERMS AND CONDITIONS

- 4.1 Congestion and Congestion Management. Seller is responsible for any congestion costs incurred to supply the Specified Percentage. Buyer shall transfer or assign to Seller, Buyer's rights to CRRs to which Buyer is entitled as an LSE pursuant to the PJM Agreements, provided that such rights are related to the service being provided to the Specified Percentage. All rights and obligations associated with such CRRs will accrue to the Seller through the transfer or assignment from Buyer to Seller including the ability of Seller to request or nominate such CRRs when applicable. Seller shall have the right to request and nominate CRRs if: (i) all Transactions for SOS Load have been executed and are in full force and effect; and (ii) the Delivery Period under each Transaction Confirmation is inclusive of the PJM Planning Period for which the CRRs are being requested or nominated. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations at that time will nominate such CRRs for the upcoming PJM Planning Period and such CRRs will be allocated to Seller based upon its Specified Percentage. The allocation of CRRs associated with the Specified Percentage will be in accordance with the PJM Agreements.
- 4.2 Load Response Programs. Buyer will manage its load response programs in accordance with PJM Agreements as amended from time to time and with its customer contracts.
- (a) Buyer shall be responsible for complying with all PJM Load Response Programs operating rules (including resource nominations, compliance reports, load drop estimates, and special studies) and any penalties assessed in accordance with the PJM Agreements for failure to implement its load response programs when so requested by PJM. Buyer shall be responsible for maintaining and operating any equipment relied upon to operate existing load response programs.
- (b) Buyer shall retain all of the benefits associated with its load response programs and shall be responsible for all customer incentive payments.
- 4.3 PJM E-Accounts. Buyer and Seller shall work with PJM to establish any PJM E-Accounts necessary for Seller to provide Full Requirements Service.
- 4.4 Renewable Energy Resource Requirement. Seller shall provide its proportional share of any Renewable Energy Resource Requirements, which shall be specified in Exhibit H. If a Renewable Energy Resource Requirement is enacted or changed by law or regulation during a Delivery Period, that is different than what is shown on the Exhibit, the Seller shall be entitled to pass through to Buyer its commercially reasonable additional costs, if any, associated with complying with the new or revised Renewable Resource Requirement. Suppliers are also advised that the Community Renewable Energy Amendment Act of 2013 does not reduce the amount of renewables a supplier is required to provide.
- 4.5 Fuel Mix Disclosure Requirements. Subject to any applicable confidentiality requirements, Seller shall provide to Buyer, to the best of its knowledge, the generation resources used to supply Full Requirements Service, including fuel mix. All information provided pursuant to this Section 4.5 (Fuel Mix Disclosure Requirements) shall be provided in a timely manner and in an appropriate

form to enable Buyer to comply with any requirements imposed on Buyer by the Commission or any other Governmental Authority that relate to reporting such information.

- 4.6 Title Transfer. Seller shall cease to have title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Seller warrants that it has good title to the Full Requirements Service sold and delivered hereunder and that it has the right to sell such Full Requirement Service. The word "loss" in this Section 4.6 (Title Transfer) does not encompass electrical transmission and distribution losses. As between Buyer and Seller only, Buyer shall take title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Notwithstanding the foregoing, nothing contained in this Agreement is intended to create or increase liability of Buyer to any third party beyond such liability, if any, that would otherwise exist under the PJM Agreements or under applicable law if Buyer had not taken title.
- 4.7 PJM Settlement. For PJM settlement purposes only, except as set forth in 4.7 (a) and (b), the Seller's PJM obligations will settle at PJM Pnode ID # 338268.
- (a) If any portion of the Buyer's SOS load is subject to Nodal Pricing, settlement shall occur in accordance with PJM Agreements.
- (b) PJM implemented Residual Zone Pricing effective 6/1/2015. Load which was priced at the Pepco DC Nodal Aggregate shifted to the Pepco DC fixed nodal weighted aggregate effective June 1, 2015.
- 4.8 Reliability Guidelines. Each Party agrees to adhere to the applicable operating policies, criteria and/or guidelines of the NERC, PJM, their successors, and any regional or sub regional requirements.
- 4.9 PJM Membership. For the period of time that this Agreement is in effect, Seller shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM "Market Buyer" and "Market Seller" pursuant to the PJM Agreements. For the period of time that this Agreement is in effect, Buyer shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM "Load Serving Entity" pursuant to the PJM Agreements.
- 4.10 Billing Line Item Transfers. For the period of time that this agreement is in effect both Buyer and Seller shall transfer the applicable Billing Line Item charges and/or credits in accordance with Exhibit E. Buyer will be responsible for initiating and/or maintaining Billing Line Item Transfers utilizing the PJM Billing Line Item Tool. Seller shall confirm/approve Billing Line Item Transfers in a timely manner not to exceed the last day of the month for which the transfer is to begin.
- 4.11 FERC Authorization. For the period of time that this Agreement is in effect, Seller shall have FERC authorization to make sales of energy, capacity and ancillary services at market based rates.
- 4.12 Disclosure in the Event of Seller Default. If Seller defaults and this Agreement is terminated pursuant to Article 12 (Events of Default; Remedies), Buyer may disclose the terms of this Agreement and any Transaction Confirmation to all other non-defaulting wholesale suppliers providing service to Buyer. Such disclosure by Buyer shall be made for the purpose of allowing

each non-defaulting wholesale supplier to make its Step-Up elections described in Section 4.13 (Seller Step-Up Rights) below.

- 4.13 Seller Step-Up Rights. In the event of an early termination of a full requirements service agreement and associated transactions pursuant to the Orders between Buyer and an entity other than Seller, Buyer shall send a written notification to Seller which: (i) describes the individual supply obligations associated with the terminated transaction(s) for the remaining term(s) of such transaction(s), including all available information regarding the associated CRRs; and (ii) requests Seller to agree to supply its full or partial pro-rata share of the supply obligation associated with each terminated transaction for the remaining term(s) of the terminated transaction(s), without change to the pricing, terms and conditions of the terminated agreement and transaction(s), such agreement to make additional supply available shall be termed a “Step-Up”.

In the event that Seller wishes to exercise its option to Step-Up, Seller shall notify Buyer of such within five (5) Business Days of its receipt of Buyer’s notification. In Seller’s notification, Seller shall indicate: (i) the amount of the increased obligation that Seller wishes to take on in respect of certain specified transaction(s) (which need not be all); and (ii) that it is willing to meet any additional collateral requirements related to the Step-Up. If other sellers do not exercise their option to Step-Up, Buyer shall again notify Seller as to the amount available for Step-Up and Seller will again have an option to take a full or partial pro-rata share of the amount that such other sellers declined to take. Seller’s notification shall take place no later than two (2) Business Days of its receipt of Buyer’s notification. Seller’s pro-rata share, as described in this paragraph, shall be the ratio of Seller’s total load obligation across all service types and customer classes at the time the Step-Up option is offered, stated on a Capacity PLC basis, to the total load being supplied under this Agreement and other WFRSAs on a Capacity PLC basis, excluding the terminated transactions(s) and, if applicable, excluding the agreements under which other sellers declined to exercise their Step-Up option in part or full.

For the avoidance of doubt, in the event that Seller does not respond to Buyer’s Step-Up request within the relevant timeframe, Seller shall be deemed to have rejected the Buyer’s request in full.

Seller and Buyer will execute Transaction Confirmations that specify the Step-Up.

ARTICLE 5 TERM AND SURVIVAL

- 5.1 Term. Unless otherwise agreed upon by Buyer and Seller, this Agreement shall continue in full force and effect from the Effective Date until the conclusion of Buyer’s commitment to provide Standard Offer Service as provided in the Transaction Confirmation appended to this Agreement as Exhibit A unless the Agreement is terminated prematurely pursuant to Article 12 of this Agreement.
- 5.2 Survival. Upon termination of the Agreement pursuant to Section 5.1 or Article 12, Seller and Buyer shall have no further rights or obligations under this Agreement or any Transaction Confirmation, except that termination shall not affect or excuse the performance of either party: (a) to pay, post, maintain, or collect money, as the case may be, in accordance with Article 7 (Billing and Settlement), Section 8.2 (Taxes), Article 9 (Indemnification), Article 12 (Events of Default);

Remedies), Article 14 (Performance Assurance), or Article 15 (Representations and Warranties); (b) to resolve disputes in accordance with Article 13 (Dispute Resolution), Section 16.8 (Governing Law) and Section 16.9 (Jurisdiction and Venue); and (c) to maintain for a period of two (2) years following termination the confidentiality of materials in accordance with Section 16.5 (Confidentiality).

ARTICLE 6 DETERMINATION OF DELIVERED QUANTITIES

- 6.1 Monthly Settlement Load. The amount of Monthly Settlement Load with respect to any calendar month during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy and, where applicable, megawatts (MW) of demand.
- (a) The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial and sixty (60) day retail load settlement processes.
 - (b) The MW of demand shall be equivalent to the Specified Percentage of the retail metered demand SOS Load customers consumed in an applicable calendar month in the Delivery Period as determined by Buyer's billing and accounting practices.
- 6.2 Weekly Settlement Load. The amount of Weekly Settlement Load with respect to any Weekly Settlement Dates during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy and, where applicable, megawatts (MW) of demand.
- (a) The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial retail load settlement processes.
 - (b) The MW of demand shall be equivalent to the Specified Percentage of the retail metered demand SOS Load customers consumed in an applicable week in the Delivery Period as determined by Buyer's billing and accounting practices.

ARTICLE 7 BILLING AND SETTLEMENT

- 7.1 Billing. Consistent with PJM Settlement Dates, Buyer shall deliver to Seller, via electronic transmission or other means agreed to by the Parties, an invoice ("Invoice") that sets forth the total amount due that will encompass weekly and monthly, and, for each Transaction:
- (a) Monthly Settlement Load
 - (b) Monthly Settlement Price
 - (c) Monthly Settlement Amount
 - (d) Weekly Settlement Load
 - (e) Weekly Settlement Price
 - (f) Weekly Settlement Amount
 - (g) PJM billing adjustments
 - (h) ALM Operating Reserve Adjustment
 - (i) Any other adjustments set forth in this Agreement.

- (j) For each billing month for the year June 1, 2022 through May 31, 2024, an additional line item on the Seller's invoice will show a charge or credit equal to the final PJM RPM Zonal Net Load Price actually charged for load served on the day for PEPCO's PJM zone less \$102.22/MW-day multiplied by the Seller's capacity obligation for each day of the billing month in question. Such amounts will be paid or, if such amounts are negative, charged to Seller.

If Buyer does not deliver an invoice within the specified time period, Seller may render an invoice in a similar manner.

7.2 PJM Billing.

- (a) Buyer and Seller shall direct PJM to invoice Seller and Buyer for charges and credits relating to Seller's and Buyer's rights and obligations under this Agreement as set forth in Exhibit E attached hereto and made a part hereof. If PJM is unable to invoice charges or credits in accordance with Exhibit E, Buyer shall rectify such PJM invoice discrepancy in the Invoice sent pursuant to Section 7.1 (Billing).
- (b) The Parties agree that the PJM bill may change from time to time. Allocation of any charges that are reflected in a PJM bill that are not included on or are inconsistent with Exhibit E will be determined pursuant to Sections 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges), and 16.11 (PJM Agreement Modifications) of this Agreement.
- (c) Seller, for purposes of this Agreement and any Transaction, is not a Load Serving Entity and nothing contained herein shall be deemed to cause Seller to be a Load Serving Entity. Buyer, for purposes of this Agreement and any Transaction, is a Load Serving Entity and nothing herein shall cause Buyer not to be a Load Serving Entity.
- (d) Seller and Buyer agree to comply with PJM requirements that assign capacity, energy and ancillary services obligations to Seller for Seller's Specified Percentage. Seller agrees to accept the obligation for weekly and monthly settlements with PJM, including any associated PJM credit requirements, associated with its Specified Percentage of Full Requirements Service and consistent with this Section 7.2, Section 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges) and Exhibit E. Buyer agrees to accept the obligation for weekly and monthly settlements with PJM, including any associated PJM credit requirements, associated with its procurement of Network Integration Transmission Service and consistent with this Section 7.2, Section 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Additional Price Elements) and 2.5 (Other Changes in PJM Charges) and Exhibit E.

7.3 Payments of the Invoice. On the PJM Settlement Dates, Buyer will pay to Seller or Seller will pay to the Buyer as the case may be, the total amount due in the applicable Invoice. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by such Party, by 12:00 p.m. EPT on the Weekly Settlement Date and Monthly Settlement Date. Payment of Invoices shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement (other than the obligation to make such payment), nor shall such payment constitute a waiver of any claims arising hereunder.

7.4 Netting of Payments. Buyer and Seller shall discharge debts and payment obligations due and owing to each other under this Agreement, as of the Weekly Settlement Date and the Monthly Settlement Date, such that all amounts owed by each Party to the other Party shall be reflected in a single amount due to be paid by the Party who owes it and received by the other Party, provided that the

calculation of the net amount shall not include any disputed amounts being withheld pursuant to Section 7.5 (Billing Disputes and Adjustment of Invoices).

7.5 Billing Disputes and Adjustments of Invoices.

- (a) Consistent with the PJM rules as they may be revised in accordance with Settlement C, Buyer may, in good faith, adjust the Invoice to include revised load data or correct any errors. In the event Settlement C is not adopted by PJM, any adjustment to include revised load data or to correct any errors must occur within 12 months from the date on which an Invoice is issued.. The adjustment shall include interest calculated at the Interest Rate from the original due date to the date of payment. Buyer shall provide Seller a written explanation of the basis for the adjustment.
- (b) Within twelve (12) months of the date on which an Invoice is issued or an Invoice is adjusted pursuant to Section 7.5(a) (Billing Disputes and Adjustment of Invoices), or within the period established in Settlement C, whichever is shorter, Seller may, in good faith, dispute the correctness of such Invoice or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that Seller has paid any portion of an Invoice that is not disputed.
- (c) Within twelve (12) months of the date on which a PJM bill is issued or adjusted, or within the period established in Settlement C, whichever is shorter, Buyer or Seller may, in good faith, dispute the correctness of any such PJM bill or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that the disputing Party has paid any portion of an Invoice that is not disputed.

7.6 Interest on Unpaid Balances. Interest on delinquent amounts, other than amounts in dispute as described in Section 7.5 (Billing Disputes and Adjustment of Invoices), shall be calculated at the Interest Rate from the original due date to the date of payment.

ARTICLE 8 TAXES

8.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Taxes.

- (a) As between the Parties: (i) Seller is responsible for the payment of all taxes imposed by any Governmental Authority on the wholesale sales of Full Requirements Service under this Agreement; and (ii) Buyer is responsible for the payment of all taxes imposed by any Governmental Authority on retail sales of Full Requirements Service under this Agreement.
- (b) Any Party paying taxes that should have been paid by the other Party pursuant to Section 8.2(a) (Taxes), shall be reimbursed by such other Party in the next invoice issued pursuant to Section 7.1 (Billing).

ARTICLE 9 INDEMNIFICATION

- 9.1 Seller's Indemnification for Third-Party Claims. Seller shall indemnify, hold harmless, and defend Buyer and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Buyer's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities for damage to property injury to or death of any person, including Buyer's employees or any third parties, to the extent directly caused by the negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Seller's performance under this Agreement, Seller's exercise of rights under this Agreement, or Seller's breach of this Agreement.
- 9.2 Buyer's Indemnification for Third-Party Claims. Buyer shall indemnify, hold harmless, and defend Seller and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Seller's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities for damage to property, injury to or death of any person, including Seller's employees or any third parties, to the extent directly caused by the negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement, or Buyer's breach of this Agreement.
- 9.3 Indemnification Procedures. If either Party intends to seek indemnification under Sections 9.1 (Seller's Indemnification for Claims) or 9.2 (Buyers Indemnification for Claims), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within one (1) year of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.
- 9.4 Survival of Indemnification Provisions. The indemnification obligations of each Party under this Article 9 (Indemnification) shall continue in full force and effect during each applicable Delivery Period and for thirty-six (36) months thereafter or until any claim or action is resolved where a Party has notified the other Party of its intent to seek indemnity pursuant to Section 9.3.

ARTICLE 10

LIMITATIONS ON LIABILITY

- 10.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR

MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 10.2 Limitation on Buyer Liability for Conduct of Consultant. As set forth in the Orders, Buyer is obligated to share certain information with a consultant ("PSC Consultant") chosen and supervised by the Commission. Notwithstanding anything set forth in this Agreement, in no event will Buyer have any liability of any kind with respect to Seller for any conduct of the PSC Consultant, except to the extent of any remedy that Buyer actually recovers from the PSC Consultant.

ARTICLE 11 FORCE MAJEURE

- 11.1 Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfill the requirements set forth in Section 11.2 (Notification).
- 11.2 Notification. A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party's inability to perform due to the event of Force Majeure; (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 12

EVENTS OF DEFAULT; REMEDIES

- 12.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (“Defaulting Party”), the occurrence of any of the following:
- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;
 - (b) any representation or warranty made by such Party herein or in response to the RFP is false or misleading in any material respect when made or when deemed made or repeated
 - (c) the failure of a Party to comply with the requirements of Section 4.9 (PJM Membership) and 4.11 (FERC Authorization) if such failure is not remedied within three (3) Business Days after written notice
 - (d) PJM has declared a Party to be in default of any provision of any PJM Agreement, which default prevents a Party’s performance hereunder if such failure is not remedied within three (3) Business Days after written notice
 - (e) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
 - (f) such Party becomes Bankrupt;
 - (g) such Party consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, or assigns the Agreement or any rights, interests, or obligations hereunder without the prior written consent of the other Party when such consent is required, and, at the time of such consolidation, merger, transfer or assignment, the resulting, surviving, transferee, or assigned entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party, and in the case of Seller, to provide a Guaranty in form and substance acceptable to the Buyer and to provide adequate assurance that Confidential Information will not be disclosed;
 - (h) the failure of a Party to comply with its obligations pursuant to Article 14 (Performance Assurance) if such failure is not remedied within three (3) Business Days after written notice, or the failure of a provider of a Performance Assurance pursuant to Article 14 to satisfy its obligations under such Performance Assurance;
 - (i) with respect to Seller’s Guarantor if any:
 - i. if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - ii. the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
 - iii. the failure of the Guarantor’s guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party;
 - iv. the Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of the Guaranty;
 - v. conditions described with respect to a Party in subparagraph, (f) of this Section 12.1 (Events of Default) occurs with respect to its Guarantor; or

- (j) any Governmental Approval necessary for a Party to be able to perform all of its obligations under this Agreement expires, or is revoked or suspended and such expiration, revocation or suspension creates a material adverse impact on the other Party.

12.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the “Non-Defaulting Party”) may exercise the following remedies:

- (a) If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Section 12.2(b). If, by the end of the ten (10) Business Day period of suspension, the Non-Defaulting Party has not commenced the implementation of the remedies pursuant to Section 12.2(b), then the Non-Defaulting Party must resume performance of its obligations under this Agreement.
- (b) In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all, but not less than all, the following remedies:
 - i. designate a day, in a notice to the Defaulting Party, no earlier than the day such notice is effective and no later than twenty (20) (calendar) days after such notice is effective, as an early termination date (“Early Termination Date”) for the purposes of determining the Settlement Amount,
 - ii. calculate and receive from the Defaulting Party, payment for any Default Damages the Non-Defaulting Party incurs as of the date of the event giving rise to the Event of Default, until the earlier of: (i) the Early Termination Date (if applicable); or (ii) the Event of Default has been cured by the Defaulting Party; or (iii) the Non-Defaulting Party waives such Event of Default;
 - iii. withhold any payments due to the Defaulting Party under this Agreement as an offset to any Default Damages or Termination Payment, as defined in Section 12.3 (Calculation and Net Out of Settlement Amounts); and
 - iv. permanently suspend performance.
- (c) If an Event of Default has occurred and the Non-Defaulting Party is the Buyer, then:
 - i. unless the Event of Default was a failure by Seller to meet any or all of its Full Requirements Service obligations, Buyer may offer to waive the default on such terms and conditions as Buyer, at its sole discretion, may deem appropriate to propose (“Special Remedy”); provided however that;
 - ii. any such Special Remedy can only be offered to Seller if it first is specifically approved by the Commission.

12.3 Calculation and Net Out of Settlement Amounts.

- (a) If other seller(s) exercise step-up rights in accordance with their agreements for any of the obligations of Seller in the event of a Seller default, then for purposes of calculating the Settlement Amount, Buyer shall reflect the net impact of the exercise of the option on the part of the other sellers as described in Section 4.13 (Seller Step-Up Rights) of this Agreement.
- (b) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single liquidated amount (the "Termination Payment") by netting out: (i) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 14 (Performance Assurance), plus any or all other amounts due to the Defaulting Party under this Agreement; against (ii) all Settlement Amounts that are due to the Non-Defaulting Party plus any or all other amounts due to the Non-Defaulting Party under this Agreement. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. When the Buyer is the Non-Defaulting Party and replaces Seller's full requirements obligation under this Agreement through mechanisms specified in Section 4111.3 of the Rules, the result of that procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount.

Seller may, in its sole discretion, add the following subsection 12.3(c) if selected below:

- (c) In order to avoid doubt regarding a commercially reasonable calculation for the purposes of calculating the Settlement Amount by the Non-Defaulting Party, the quantity of amounts of Energy, Capacity and other services to have been provided under the WFRSA for the period following the Early Termination Date (the "Termination Quantity") shall be deemed those quantity amounts that would have been delivered on an hourly basis had the WFRSA been in effect during the previous calendar year, adjusted for SOS load changes as have occurred since the previous calendar year. Nothing in this section shall limit the right of the Buyer when Seller is the Defaulting Party to replace Seller's full requirements obligation pursuant to Rule 4111.3(b) and the result of any Commission-approved procedure under Rule 4111.3(b) will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount and will be deemed to have been determined by reference to the Termination Quantity.

12.4 Notice of Termination Payment. As soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide written notice to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The owing Party shall make the Termination Payment within five (5) Business Days after receipt of such notice, unless the Defaulting Party disputes the calculation of the Termination Payment in accordance with Section 12.5.

12.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of Non-Defaulting Party's notice pursuant to Section 12.4 (Notice of Termination Payment), provide to the Non-Defaulting Party a notice that it intends

to dispute the calculation of the Termination Payment (“Termination Payment Dispute Notice”), which dispute shall be resolved pursuant to the provisions of Article 13 (Dispute Resolution), and provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form reasonably acceptable to the Non-Defaulting Party, with the Termination Payment Dispute Notice.

- 12.6 Closeout Setoffs. After calculation of a Termination Payment in accordance with Section 12.3, (Calculation and Net Out of Settlement Amounts) if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to: (i) set off against such Termination Payment any amounts payable by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party; and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 12.2 (a), withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Article shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise). If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained.
- 12.7 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party’s failure to perform pursuant to this Agreement.
- 12.8 Reserved
- 12.9 Optional Bankruptcy Provision. (If applicable) The Parties acknowledge that as of the Effective Date, and on the date on which any Transaction Confirmation is executed, and that such Transaction Confirmation so indicates, that [enter Party’s name] is debtor in a proceeding Under Chapter 11 of the United States Bankruptcy Code and such case remains pending in a United States Bankruptcy Court (“Bankruptcy Court”). Notwithstanding anything to the contrary herein, until such time as [enter Party’s name] emerges from Chapter 11 bankruptcy, Section 12.1(f) shall not apply to [enter Party’s name] and shall not constitute an Event of Default; provided, however, that in the event that (i) [enter Party’s name] files a motion with the Bankruptcy Court which contemplates the sale of substantially all of its assets; (ii) [enter Party’s name] files a Chapter 11 plan of reorganization which contemplates the sale of substantially all of its assets; (iii) [enter Party’s name] files a motion or request with the Bankruptcy Court to convert its Chapter 11 filing to a Chapter 7 proceeding; or (iv) the Bankruptcy Court enters an order converting the bankruptcy case from a Chapter 11 proceeding to a Chapter 7 proceeding; any such event shall constitute an Event of default.

ARTICLE 13

DISPUTE RESOLUTION

- 13.1 Informal Dispute Resolution. Before pursuing resolution of any dispute arising out of this Agreement, the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last

for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Section 13.1 (Informal Dispute Resolution), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Rate from the original due date through the date of payment.

- 13.2 Formal Dispute Resolution. After the requirements of Section 13.1 (Informal Dispute Resolution) have been satisfied, all disputes between the Parties shall be submitted to the appropriate authority.

ARTICLE 14

PERFORMANCE ASSURANCE

- 14.1 Requirement for Performance Assurance. With respect to all Transactions under this Agreement, Seller will post on the Effective Date and maintain at all times until the final monthly settlement is complete, Performance Assurance with the Buyer in an amount equal to fifteen percent (15%) of the total Purchase Amount. Buyer will calculate the initial amount of Performance Assurance on the Transaction Date in accordance with Exhibit B. Buyer will include with each Transaction Confirmation, an Initial Notice of Performance Assurance in the Form of Attachment B-1 to Exhibit B. Seller will provide the original documents providing Performance Assurance to Buyer, with a copy to the Commission, on the Effective Date.
- 14.2 Recalculation of Performance Assurance. At the end of each Service Year, Buyer will calculate the Performance Assurance required for the remaining term of each Transaction in accordance with Exhibit B. Buyer will provide a Revised Notice of Performance Assurance to Seller for the remaining term in the form of Attachment B-2 to Exhibit B. Seller will provide the Performance Assurance required by the Revised Notice of Performance Assurance to Buyer with a copy to the Commission. Upon receipt of such revised Performance Assurance, the Buyer shall return the replaced Performance Assurance to Seller within two Business Days.
- 14.3 Substitution of Performance Assurance. Seller may substitute new Performance Assurance on the first Business Day following the date on which the Commission and the Buyer receive written notice of such substitution. The substituted Performance Assurance shall be in the required amount as determined pursuant to Section 14.1 or 14.2. Upon the receipt by the Buyer of the original substitute Performance Assurance, the Buyer shall return the replaced Performance Assurance to the Seller within two Business Days; provided, however, that in no event will the Buyer be required to return or cancel a Letter of Credit or Bond until it has received the applicable replacement therefore.
- 14.4 Creditworthiness of Guarantor. If Seller provides Performance Assurance in the form of a Corporate Guarantee, the Guarantor must meet the following financial qualifications and capabilities: (i) The Credit Rating of the Guarantor is publicly rated, at a minimum, “BBB-” from S&P or Fitch, or “Baa3” from Moody’s; (ii) The total assets of the Guarantor are at least 5.0 times the amount of the Corporate Guarantee, or if the Corporate Guarantee is not limited to a specific amount, the amount of the required Performance Assurance; and (iii) The total common equity of the Guarantor is at least 2.5 times the amount of the Corporate Guarantee, or if the Corporate Guarantee is not limited to a specific amount, the amount of the required Performance Assurance.

If a corporate Guarantor's Credit Rating is determined by: (i) two of the agencies listed above, the guarantor's rating will be determined by the lower assigned rating; or (ii) all three of the agencies listed above, two of those agencies must have assigned ratings equal to or higher than the required ratings described above.

14.5 Change in Creditworthiness. If during the term of the Agreement, the Guarantor's Credit Rating downgraded by any of the rating agencies referenced in Section 14.4 (Creditworthiness of Guarantor) of the Agreement, the Seller or the Guarantor shall provide written notice to the Commission and to Buyer of such Credit Rating change no later than two (2) Business Days after the date of such change. If during the term of the Agreement, the Guarantor fails to meet any of the financial capability requirements specified in Section 14.4 (Creditworthiness of Guarantor), the Commission may require the Seller to immediately post a Bond or a Letter of Credit. Failure to provide a Bond or Letter of Credit in accordance with this section shall be considered an Event of Default under Section 12.1 (Events of Default) of the Agreement. In the event Seller, or its Guarantor, arranges for the issuance of a Letter of Credit in favor of Buyer, neither Seller nor any of its affiliates shall be required to provide any kind of notice to Buyer concerning Seller or its affiliates' change in credit rating.

14.6 Foreign Entities. The following standards shall apply to Seller, or Seller's Guarantor, that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States. For Sellers who cannot meet the following requirements, the posting of cash or letter of credit in an acceptable form (see standard format in Exhibit C-1) for the Performance Assurance shall be required.

- (a) The Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. The Buyer shall have full discretion, without liability or recourse to the Seller, to evaluate the evidence of creditworthiness submitted by such Seller; or
- (b) The Guarantor of a Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Guarantors of Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. Buyer shall have full discretion, without liability or recourse to the Guarantor or the Seller, to evaluate the evidence of creditworthiness submitted by such Guarantor.

All Sellers or Guarantors of Sellers that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States shall, in addition to all documentation required elsewhere in this Section 14.6 (Foreign Entities), supply the following as a condition of evaluating credit worthiness for the purpose of covering Performance Assurance in the form of a Corporate Guarantee.

- (i) For Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Seller is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Seller in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the person executing this Agreement on behalf of the Seller has the authority to execute the Agreement and that the governing board of such Seller has approved the execution of this Agreement; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the Seller has been authorized by its governing board to enter into agreements of the same type as this Agreement.

Buyer shall have full discretion, without liability or obligation to the Seller, to evaluate the sufficiency of the documents submitted by the Seller.

(ii) For Guarantor of a Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in the which the Guarantor is incorporated or otherwise formed that this Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as this Guaranty.

Buyer shall have full discretion, without liability or obligation to the Guarantor or the Seller, to evaluate the sufficiency of the documents submitted by such Guarantor.

14.7 Total Assets and Common Equity. If Seller provides a Corporate Guarantee as its required Performance Assurance during the term of the Agreement, and if the Seller's Guarantor's equity is not publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, Seller shall be required to provide Buyer written financial information to determine the Guarantor's total assets and total common equity. Financial information shall include an audited annual report, containing, but not limited to, a balance sheet prepared in accordance with generally accepted accounting principles, a schedule of long term debt including maturity dates, and all notes to the financial statement that apply to long term debt, short term borrowing, and liquidity and capital resources. The Seller shall also provide the Buyer with the Guarantor's written financial information on a quarterly basis containing a balance sheet prepared in accordance with generally accepted accounting principles.

ARTICLE 15

REPRESENTATIONS AND WARRANTIES

- 15.1 Representations and Warranties. On the Effective Date and throughout the term of this Agreement, each Party represents and warrants to the other Party that:
- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
 - (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and each Transaction;
 - (c) the execution, delivery and performance of this Agreement and each Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
 - (d) this Agreement and each Transaction constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
 - (e) it is either (i) not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it becoming Bankrupt; or, (ii) it is debtor in a Chapter 11 bankruptcy proceeding and has obtained a ruling from the Bankruptcy Court approving participation in the wholesale Full Requirements Service procurement process and execution of the WFRSA and any related Transactions;
 - (f) there are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates any legal proceedings before any court, government authority or regulatory body that is likely to materially have an adverse effect on its financial condition or on its ability to perform its obligations under this Agreement and each Transaction;
 - (g) no event has occurred and is continuing that would, nor would its execution of or performance of its obligations under this Agreement constitute an event that would, constitute an Event of Default.;
 - (h) with respect to Buyer, it is acting to fulfill its obligations under and in accordance with Commission Orders issued pursuant to Formal Case No. 1017 to enter into this Agreement;
 - (i) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and each Transaction, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement;
 - (j) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
 - (k) it has entered into this Agreement and each Transaction in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of the Full Requirements

Service; and it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act;

- (l) this Agreement is for the purchase and sale of Full Requirements Service that will be delivered in quantities expected to be used or sold over a defined period(s) in the normal course of business, and it is the intention at the inception and throughout the term of this Agreement and each Transaction hereunder that the Agreement will result in physical delivery and not financial settlement, and the quantity of Full Requirements Service that Seller must deliver and Buyer must receive will be determined by the requirements of the SOS Load served by Buyer, and, as such, the Agreement does not provide for an option by either Party with respect to the quantity of Full Requirements Service to be delivered or received during performance of the Agreement.

ARTICLE 16 MISCELLANEOUS

- 16.1 Notices. Unless otherwise specified herein, all notices shall be in writing and delivered by hand, overnight or Email. Notice shall be effective on the next Business Day after it is sent. A Party may change its address by providing notice of the same in accordance with this Section 16.1. Notice information for Buyer and Seller is shown on Exhibit G.
- 16.2 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement or any Transaction. Any provision declared or rendered unlawful will not otherwise affect the remaining lawful obligations that arise under this Agreement or any Transaction; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.
- 16.3 Rules of Interpretation. The following principles shall be observed in the interpretation and construction of this Agreement:
 - (a) unless otherwise stated, the terms “include” and “including” when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;
 - (b) all titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;
 - (c) references to the singular include the plural and vice versa;
 - (d) references to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;
 - (e) In carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing.

16.4 Audit. Each Party has the right upon at least three (3) Business Days prior to written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Sections 7.1 (Billing) and 7.6 (Interest on Unpaid Balances).

16.5 Confidentiality.

- (a) Each Party shall hold in confidence and not release or disclose any document or information (“Confidential Information”) furnished by the other Party in connection with this Agreement, unless: (i) requested or compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the receiving Party on a non-confidential basis; (iv) such document or information was developed or derived by the receiving Party without the aid, application or use of Confidential Information, or (v) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation.
- (b) Notwithstanding any other provision of this Section 16.5, a Party may disclose to its and its affiliates’ employees, officers, directors financial advisors, legal counsel, auditors, representatives and agents (collectively, “Representatives”) all documents and information furnished by the other Party in connection with this Agreement, provided that such, Representatives have been advised of the confidentiality provisions of the Section 16.5, and the disclosing Party shall be responsible for ensuring that all Representatives to whom it discloses such information shall keep it confidential and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.
- (c) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.
- (d) Any independent auditor performing an audit on behalf of a Party pursuant to Section 16.4 shall be required to execute a confidentiality agreement with the Party being audited. Such audit information shall be treated as confidential pursuant to this Section 16.5.
- (e) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party’s breach of its obligations under this Section 16.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the Party breaches or threatens to breach its obligations under this Section 16.5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

- (f) Notwithstanding the foregoing, it shall not be deemed a breach of this Section if a Party discloses the terms or conditions of a Transaction (other than the name of and any other identifying information relating to the other Party) to an entity that aggregates and reports to the public price data on an aggregate basis.
- (g) Notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, the Parties agree that the Parties (and their employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the U.S. federal income tax treatment of the Transactions (“tax treatment”) and any fact that may be relevant to understanding the tax treatment (“tax structure”) and all materials of any kind (including opinions or other tax analyses) that are provided to the Parties relating to such tax treatment and tax structure, except where confidentiality is reasonably necessary to comply with securities laws.
- (h) For all Transactions entered into pursuant to this Agreement, the confidentiality provisions contained in this Section 16.5 shall supersede and replace the RFP Confidentiality Agreement executed by Supplier and Buyer.

16.6 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

16.7 Assignment/Change in Corporate Identity. Neither Party shall assign this Agreement, its rights or obligations hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder), and so long as the Party taking the assignment of the Agreement has equal or greater creditworthiness to that of the assigning party,

- (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements,
- (b) transfer or assign this Agreement to an affiliate of such Party if: (i) such affiliate’s creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such affiliate’s creditworthiness is not equal to or higher than that of such Party, such affiliate provides the Performance Assurance required pursuant to this Agreement,
- (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose: (i) creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such entity’s creditworthiness is not equal to or higher than that of such Party, such entity provides the Performance Assurance required pursuant to this Agreement;
- (d) provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

16.8 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTITUTED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

- 16.9 Jurisdiction and Venue. Except as provided in Sections 2.5 (Other Changes in PJM Charges) and 4.4 (Renewable Energy Resource Requirement), and except for matters jurisdictional to FERC, the Commission or the appellate courts having jurisdiction over the Commission or FERC matters, all disputes hereunder shall be resolved in the Federal or District of Columbia courts and each Party hereby irrevocably submits to the in personam jurisdiction of such courts. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.
- 16.10 Amendments. Except as provided in Section 16.11 (PJM Agreement Modifications), this Agreement or any Transaction shall not be amended, modified, terminated, discharged or supplemented, nor any provision hereof waived, unless mutually agreed, in writing, by the Parties. Except as provided in Section 16.11 (PJM Agreement Modifications), the rates, terms and conditions contained in this Agreement or any Transaction are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U. S. 348 (1956) (the “*Mobile-Sierra*” doctrine).
- 16.11 PJM Agreement Modifications.
- (a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.
 - (b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement.
 - (c) If PJM requires market participants to perform settlements on other than the PJM Settlement Dates, then the Parties will adjust the timing of their settlements under this Agreement to conform with the revised PJM timetable.
- 16.12 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to the respective Parties hereto upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.
- 16.13 Regulatory Approvals. The commencement of the Delivery Period is subject to: (i) the receipt or waiver by Seller of all Seller required regulatory approvals; and (ii) the receipt or waiver by Buyer

of all Buyer required regulatory approvals. In the event such required regulatory approvals are not received or waived, the Step-Up provisions of Section 4.12 shall apply.

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date(s) first set forth in the Transaction Confirmation.

Seller:

Buyer: Potomac Electric Power Company

By: _____

Name:

Title:

Date:

By: _____

Name: Mario A. Giovannini

Title: Director, Energy Acquisition

Date:

Exhibits A, B1 & B2

Please open separate file WFRSA Exhibit A, B1 & B2

EXHIBIT B
CALCULATION OF PURCHASE AMOUNT AND PERFORMANCE
ASSURANCE

1. Purchase Amount. On the Transaction Date, Buyer will estimate the total MWh to be provided by Seller during the Delivery Period by month, and further divided by time of use periods. These estimates will be based on the same parameters used to do the volume approximation on the bid form spreadsheet. The estimates of monthly MWh of energy will be multiplied by the corresponding Monthly Settlement Prices and summed over the Delivery Period to calculate the initial Purchase Amount. The Purchase Amount for the first Service Year (June 1, 2021 through May 31, 2022) will be subtracted from the total Purchase Amount. The result will be the Purchase Amount beginning on June 1, 2022. Likewise, the Purchase Amount for the second Service Year (June 1, 2022 through May 31, 2023) will be subtracted from the second year Purchase Amount. The result will be the Purchase Amount beginning June 1, 2023. Similar calculations will be carried out for subsequent Service Years, if any.
2. Initial Performance Assurance. The Purchase Amount effective for each Service Year will be multiplied by 15% to determine the Performance Assurance requirement applicable in each Service Year. The Performance Assurance required for each Service Year will be established initially on the Transaction Date, and will be provided by Buyer to Seller corresponding to each Transaction Confirmation in an Initial Notice of Performance Assurance in the form of Attachment B-1.
3. Revised Performance Assurance. Thirty (30) days prior to each Service Year, Buyer will calculate the Performance Assurance required for the remaining term, by Service Year, of multi-year agreements. Buyer will take account of any load migration that has occurred since the previous calculation of Performance Assurance, and will adjust the MWh quantities included in the previous calculation accordingly. For example, Buyer may substitute the actual volumes from the immediately preceding year for the estimated volumes in the remaining years. Buyer will provide Seller with the revised calculation in the form of Attachment B-2.

EXHIBIT C
BID ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE LETTER OF CREDIT NO.

ISSUE DATE EXPIRY DATE

APPLICANT

BENEFICIARY
PEPCO
POTOMAC ELECTRIC POWER COMPANY
701 NINTH STREET NW, SUITE 6412
WASHINGTON DC 20068
ATTENTION: DIANA NOVAK

<u>CURRENCY</u>	<u>AMOUNT</u>
USD	\$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE LETTER OF CREDIT NO: FOR THE ACCOUNT OF (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF (“ISSUER”) (ADDRESS), EFFECTIVE AND EXPIRING AT OUR COUNTERS ON UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THE PEPCO DISTRICT OF COLUMBIA REQUEST FOR PROPOSALS FOR WHOLESALE FULL REQUIREMENTS SERVICE DATED OR OTHERWISE EXTENDED BY AMENDMENT.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF LETTER OF CREDIT NUMBER , REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR BID ASSURANCE RELATED TO THE PEPCO DC REQUEST FOR PROPOSALS FOR WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT DATED (RFP).”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

THIS LETTER OF CREDIT MAY BE TERMINATED UPON BENEFICIARY’S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER’S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS.

THE TERM “BUSINESS DAY” AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO PEPCO UP TO, BUT NOT BEYOND, THE STATED EXPIRY DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO PEPCO NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”) OR SUCH LATER

REVISION (S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.

- 5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.

- 6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILTY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE: _____
TITLE:

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO: [BANK NAME, ADDRESS AND PHONE NUMBER]

EXHIBIT C-1
PERFORMANCE ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE LETTER OF CREDIT NO.

ISSUE DATE

EXPIRY DATE

APPLICANT

BENEFICIARY

PEPCO

POTOMAC ELECTRIC POWER COMPANY

701 NINTH STREET NW, SUITE 5017

WASHINGTON DC 20068

ATTENTION: MATT LORDEN

CURRENCY

AMOUNT

USD

\$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE LETTER OF CREDIT NO: FOR THE ACCOUNT OF (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF (“ISSUER”) (ADDRESS), EFFECTIVE AND EXPIRING AT OUR COUNTERS ON OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE, AS PROVIDED HEREIN. THIS LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS UP TO THE AGGREGATE AMOUNT SET FORTH HEREIN.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD (INSERT AMOUNT), BEING MADE UNDER THE BANK OF (BANK) LETTER OF CREDIT NUMBER , REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR PERFORMANCE ASSURANCE RELATED TO THE PEPCO DISTRICT OF COLUMBIA WHOLESALE FULL REQUIREMENTS SERVICE AGREEMENT(S) DATED BETWEEN PEPCO AND

.”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU AT THE ABOVE ADDRESS BY REGISTERED MAIL OR HAND DELIVERED COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH PERIOD.

THIS LETTER OF CREDIT MAY BE TERMINATED UPON BENEFICIARY’S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER’S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS..

THE TERM “BUSINESS DAY” AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO PEPCO FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO PEPCO NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.

2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”) OR SUCH LATER REVISION(S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.
5. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.
6. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILTY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE: _____

TITLE:

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR INQUIRIES TO: [BANK NAME, ADDRESS AND PHONE NUMBER]

EXHIBIT D

Bond # _____

Wholesale Full Requirements Service Agreement

PERFORMANCE BOND

KNOW ALL MEN BY THESE PRESENTS, That we, _____ as Principal and _____ a corporation organized under the laws of the State of _____, and authorized to transact the business of suretyship in the State of _____, as Surety, are held and firmly bound unto Potomac Electric Power Company as Obligee in the amount of \$ _____ dollars, for which sum, well and truly to be paid, we bind ourselves, our heirs, executors, administrators, successors and assigns, jointly and severally, firmly by these presents.

THE CONDITION OF THIS OBLIGATION IS SUCH THAT WHEREAS

Principal has entered into a Wholesale Full Requirements Service Agreement (WFRSA) with Obligee dated _____, which WFRSA is hereby referred to and made a part hereof as fully and to the extent as if copies at length were attached herein,

NOW THEREFORE, if Principal shall comply with and faithfully perform the terms and obligations of the WRSFA, then this bond shall be null and void, otherwise to remain in full force and effect.

THIS BOND IS SUBJECT TO THE FOLLOWING TERMS, LIMITATIONS & CONDITIONS:

1. Surety hereby agrees that it will not be necessary as a condition to enforce this Bond, that a suit or other action be first instituted against Principal or that any rights or remedies against Principal be first exhausted. Rather, it is understood and agreed that the liability of the Surety will be strict, primary, direct, and in all respects, unconditional.
2. Surety hereby agrees that this Bond is an absolute, unconditional, irrevocable and continuing Bond and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the WFRSA has been terminated, whichever comes later.
3. It is understood and agreed that Surety may substitute new Performance Assurance on the first Business Day following the date on which the Commission and Obligee receive written notice of such substitution. The substituted Performance Assurance shall be in the required amount as determined pursuant to Section 14.1 or 14.2. Upon the receipt by the Obligee of the original substitute Performance Assurance, Obligee shall return the replaced Bond to the Principal within two Business Days; provided, however, that in no event will Obligee be required to return or cancel Bond until it has received the applicable replacement therefore. the Commission and the Obligee receive written notice of such substitution.

4. That no proceeding in law or in equity may be brought under this bond unless the same shall be commenced and process served prior to the expiration of one (1) year from the date of cancellation of this bond.
5. At the end of each Service Year, Obligees will calculate the amount of bond (Performance Assurance) required for the remaining term of each transaction in the form of Attachment B-2 to Exhibit B. Obligees will provide Principal and Surety a Revised Notice of Performance Assurance with the amount of bond (Performance Assurance) required for the remaining term(s) of each transaction.

If the amount of Performance Assurance required necessitates an increase in this bond, Surety shall provide a rider increasing the amount of this bond prior to the beginning of the corresponding Service Year. If Surety does not issue and Obligees does not receive such rider increasing the amount of this bond, and Principal does not provide and Obligees does not receive an acceptable replacement surety bond, or an acceptable irrevocable letter of credit or a Corporate Guaranty that meets Creditworthiness requirements stipulated in Article 14, Performance Assurance, prior to the beginning of the corresponding Service Year., then Obligees shall have the right to file a claim with Surety for the full amount of this bond. Surety shall pay any such claim no later than two (2) business days from the date the claim is made.

6. This Bond will be governed by and construed in accordance with the laws of the District of Columbia. The Surety hereby irrevocably submits to the jurisdiction of the courts located within the District of Columbia with regard to the controversy arising out of or relating to the Agreement. The Surety consents to the selection of the District of Columbia and United States Courts situated within the District of Columbia as the exclusive forums for any legal proceeding arising out of or relating to the Bond.
7. This Bond shall insure to the benefit of Obligees, its successors and assigns, and shall be binding on Surety and its successors and assigns.
8. The parties agree that this bond may be executed in separate counterparts and that Email copies shall be treated as originals.
9. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by Email transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Principal and the Obligees set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Obligee shall be directed to:

Daniel Tudor
701 Ninth Street N.W. EP6412
Washington, D.C. 20068
Phone: 202-872-2090
Email: Datudor@pepco.com

And to:

Diana Novak
701 Ninth Street N.W. EP6412
Washington, DC 20068
Phone: (202) 872-2319
Email: dcsostrfpcoordinator@pepco.com

With a copy to:

General Counsel
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

IN WITNESS WHEREOF, PRINCIPAL and SURETY have caused these presents to be duly signed and sealed this day of 20 .

SURETY

PRINCIPAL

By _____

By _____

EXHIBIT E

BILLING LINE ITEM TRANSFERS / SAMPLE PJM INVOICE
(APPLICABLE TO WEEKLY AND MONTHLY SETTLEMENT BILLING)

BILLING LINE ITEM TRANSFERS TO BUYER

ID #	Billing Line Item
1100	Network Integration Transmission Service Charge
1108	Transmission Enhancement Charge
1115	Transmission Enhancement Settlement (EL05-121-009) Charge
2108	Transmission Enhancement Credit
2140	Non-Firm Point-to-Point Transmission Service Credit

SAMPLE PJM INVOICE

ID #	CHARGES	Responsible Party
1000	Amount Due for Interest on Past Due Charges	Seller
1100	Network Integration Transmission Service	Buyer
1101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
1104	Network Integration Transmission Service Offset	Seller
1108	Transmission Enhancement	Buyer
1109	MTEP Project Cost Recovery	Seller
1110	Direct Assignment Facilities	Seller
1115	Transmission Enhancement Settlement (EL05-121-009) Charge	Buyer
1120	Other Supporting Facilities	Seller
1130	Firm Point-to-Point Transmission Service	Seller
1133	Firm Point-to-Point Transmission Service Resale	Seller
1135	Neptune Voluntary Released Transmission Service (Firm)	Seller
1138	Linden Voluntary Released Transmission Service (Firm)	Seller
1140	Non-Firm Point-to-Point Transmission Service	Seller
1143	Non-Firm Point-to-Point Transmission Service Resale	Seller
1145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
1146	Neptune Default Released Transmission Service (Non-Firm)	Seller
1147	Neptune Unscheduled Usage Billing Allocation	Seller
1155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
1156	Linden Default Released Transmission Service (Non-Firm)	Seller
1157	Linden Unscheduled Usage Billing Allocation	Seller

1200	Day-ahead Spot Market Energy	Seller
1205	Balancing Spot Market Energy	Seller
1210	Day-ahead Transmission Congestion	Seller
1215	Balancing Transmission Congestion	Seller
1218	Planning Period Congestion Uplift	Seller
1220	Day-ahead Transmission Losses	Seller
1225	Balancing Transmission Losses	Seller
1230	Inadvertent Interchange	Seller
1240	Day-ahead Economic Load Response	Seller
1241	Real-time Economic Load Response	Seller
1242	Day-Ahead Load Response Charge Allocation	Seller
1243	Real-Time Load Response Charge Allocation	Seller
1245	Emergency Load Response	Seller
1250	Meter Error Correction	Seller
1260	Emergency Energy	Seller
1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration	Seller
1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration	Seller
1303	PJM Scheduling, System Control and Dispatch Service - Market Support	Seller
1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration	Seller
1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	Seller
1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center	Seller
1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset	Seller
1308	PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration	Seller
1309	PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration	Seller
1310	PJM Scheduling, System Control and Dispatch Service Refund - Market Support	Seller
1311	PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration	Seller
1312	PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	Seller
1313	PJM Settlement, Inc.	Seller
1314	Market Monitoring Unit (MMU) Funding	Seller
1315	FERC Annual Charge Recovery	Seller
1316	Organization of PJM States, Inc. (OPSI) Funding	Seller
1317	North American Electric Reliability Corporation (NERC)	Seller
1318	Reliability First Corporation (RFC)	Seller
1320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
1340	Regulation and Frequency Response Service	Seller
1350	Energy Imbalance Service	Seller

1360	Synchronized Reserve	Seller
1365	Day-ahead Scheduling Reserve	Seller
1370	Day-ahead Operating Reserve	Seller
1371	Day-ahead Operating Reserve for Load Response	Seller
1375	Balancing Operating Reserve	Seller
1376	Balancing Operating Reserve for Load Response	Seller
1377	Synchronous Condensing	Seller
1378	Reactive Services	Seller
1380	Black Start Service	Seller
1400	Load Reconciliation for Spot Market Energy	Seller
1410	Load Reconciliation for Transmission Congestion	Seller
1420	Load Reconciliation for Transmission Losses	Seller
1430	Load Reconciliation for Inadvertent Interchange	Seller
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service	Seller
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund	Seller
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	Seller
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	Seller
1445	Load Reconciliation for FERC Annual Charge Recovery	Seller
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	Seller
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	Seller
1448	Load Reconciliation for Reliability First Corporation (RFC)	Seller
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1460	Load Reconciliation for Regulation and Frequency Response Service	Seller
1470	Load Reconciliation for Synchronized Reserve	Seller
1475	Load Reconciliation for Day-ahead Scheduling Reserve	Seller
1478	Load Reconciliation for Balancing Operating Reserve	Seller
1480	Load Reconciliation for Synchronous Condensing	Seller
1490	Load Reconciliation for Reactive Services	Seller
1500	Financial Transmission Rights Auction	Seller
1600	RPM Auction	Seller
1610	Locational Reliability	Seller
1650	Auction Specific MW Capacity Transaction	Seller
1660	Demand Resource and ILR Compliance Penalty	Seller
1661	Capacity Resource Deficiency	Seller
1662	Generation Resource Rating Test Failure	Seller
1663	Qualifying Transmission Upgrade Compliance Penalty	Seller
1664	Peak Season Maintenance Compliance Penalty	Seller
1665	Peak-Hour Period Availability	Seller
1666	Load Management Test Failure	Seller
1670	FRR LSE Reliability	Seller

1680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
1681	FRR LSE Capacity Resource Deficiency	Seller
1682	FRR LSE Generation Resource Rating Test Failure	Seller
1683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
1684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
1685	FRR LSE Peak-Hour Period Availability	Seller
1686	FRR LSE Load Management Test Failure	Seller
1687	FRR LSE Schedule 9-5	Seller
1688	FRR LSE Schedule 9-6	Seller
1710	PJM/MISO Seams Elimination Cost Assignment	Seller
1712	Intra-PJM Seams Elimination Cost Assignment	Seller
1720	RTO Start-up Cost Recovery	Seller
1900	Unscheduled Transmission Service	Seller
1910	Ramapo Phase Angle Regulators	Seller
1911	Michigan - Ontario Interface Phase Angle Regulators	Seller
1920	Station Power	Seller
1930	Generation Deactivation	Seller
1932	Generation Deactivation Refund	Seller
1950	Virginia Retail Administrative Fee	Seller
1952	PPL Deferred Tax Adjustment	Seller
1955	Deferral Recovery	Seller
1980	Miscellaneous Bilateral	Seller
1995	PJM Annual Membership Fee	Seller
1999	PJM Customer Payment Default	Seller

ID #	CREDITS	
2100	Network Integration Transmission Service	Seller
2101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
2104	Network Integration Transmission Service Offset	Seller
2106	Non-Zone Network Integration Transmission Service	Seller
2108	Transmission Enhancement	Buyer
2109	MTEP Project Cost Recovery	Seller
2110	Direct Assignment Facilities	Seller
2120	Other Supporting Facilities	Seller
2130	Firm Point-to-Point Transmission Service	Seller
2132	Internal Firm Point-to-Point Transmission Service	Seller
2133	Firm Point-to-Point Transmission Service Resale	Seller
2135	Neptune Voluntary Released Transmission Service (Firm)	Seller
2138	Linden Voluntary Released Transmission Service (Firm)	Seller
2140	Non-Firm Point-to-Point Transmission Service	Buyer
2142	Internal Non-Firm Point-to-Point Transmission Service	Seller
2143	Non-Firm Point-to-Point Transmission Service Resale	Seller

2145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
2146	Neptune Default Released Transmission Service (Non-Firm)	Seller
2155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
2156	Linden Default Released Transmission Service (Non-Firm)	Seller
2210	Transmission Congestion	Seller
2217	Planning Period Excess Congestion	Seller
2218	Planning Period Congestion Uplift	Seller
2220	Transmission Losses	Seller
2240	Day-ahead Economic Load Response	Seller
2241	Real-time Economic Load Response	Seller
2245	Emergency Load Response	Seller
2260	Emergency Energy	Seller
2320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
2340	Regulation and Frequency Response Service	Seller
2350	Energy Imbalance Service	Seller
2360	Synchronized Reserve	Seller
2365	Day-ahead Scheduling Reserve	Seller
2370	Day-ahead Operating Reserve	Seller
2371	Day-ahead Operating Reserve for Load Response	Seller
2375	Balancing Operating Reserve	Seller
2376	Balancing Operating Reserve for Load Response	Seller
2377	Synchronous Condensing	Seller
2378	Reactive Services	Seller
2380	Black Start Service	Seller
2420	Load Reconciliation for Transmission Losses	Seller
2500	Financial Transmission Rights Auction	Seller
2510	Auction Revenue Rights	Seller
2600	RPM Auction	Seller
2620	Interruptible Load for Reliability	Seller
2630	Capacity Transfer Rights	Seller
2640	Incremental Capacity Transfer Rights	Seller
2650	Auction Specific MW Capacity Transaction	Seller
2660	Demand Resource and ILR Compliance Penalty	Seller
2661	Capacity Resource Deficiency	Seller
2662	Generation Resource Rating Test Failure	Seller
2663	Qualifying Transmission Upgrade Compliance Penalty	Seller
2664	Peak Season Maintenance Compliance Penalty	Seller
2665	Peak-Hour Period Availability	Seller
2666	Load Management Test Failure	Seller
2670	FRR LSE Reliability	Seller
2680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller

2681	FRR LSE Capacity Resource Deficiency	Seller
2682	FRR LSE Generation Resource Rating Test Failure	Seller
2683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
2684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
2685	FRR LSE Peak-Hour Period Availability	Seller
2686	FRR LSE Load Management Test Failure	Seller
2687	FRR LSE Schedule 9-5	Seller
2688	FRR LSE Schedule 9-6	Seller
2710	PJM/MISO Seams Elimination Cost Assignment	Seller
2712	Intra-PJM Seams Elimination Cost Assignment	Seller
2720	RTO Start-up Cost Recovery	Seller
2910	Ramapo Phase Angle Regulators	Seller
2930	Generation Deactivation	Seller
2932	Generation Deactivation Refund	Seller
2950	Virginia Retail Administrative Fee	Seller
2952	PPL Deferred Tax Adjustment	Seller
2955	Deferral Recovery	Seller
2980	Miscellaneous Bilateral	Seller
2996	Annual PJM Cell Tower	Seller
2997	Annual PJM Building Rent	Seller

EXHIBIT F

FORM OF GUARANTY

THIS GUARANTY AGREEMENT (this “Guaranty”) is made and entered into as of this ____ day of ____, by ____ (the “Guarantor”), with an address at ____, in favor of Potomac Electric Power Company (“Pepco”) (the “Creditor”), with an address at 701 Ninth Street, N.W., Washington D.C. 20068, in consideration of the Wholesale Full Requirements Service Agreement (the “WFRSA”) between Pepco and ____ (the “Supplier”) dated ____, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Guarantor is the ____ of Supplier.

Whereas, Supplier ____ is an affiliate of ____, ____ will therefore benefit by Supplier entering into the WFRSA with Creditor and ____ desires Creditor to enter into the WFRSA with Supplier and to extend credit to Supplier thereunder. (May be revised if guarantor is not a parent or affiliate of supplier).

1. Guaranty of Obligations.

The Guarantor hereby guarantees the prompt and complete payment of Supplier’s payment obligations evidenced by the WFRSA, and all reasonable out-of-pocket costs and expenses of Creditor incurred in the enforcement, or collection under this Guaranty, including reasonable attorney’s fees and expenses (collectively, the “Obligations”). Guarantor shall pay any amount due under this Guaranty on or before the fifth Business Day after such amount becomes due. Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Guaranty and Creditor’s right of recovery hereunder for all Obligations is limited to a total aggregate amount of \$____ (“Guaranty Amount”).

Any Performance Assurance provided by Guarantor pursuant to this Guaranty will be demanded by Creditor, held by Creditor, and returned to Guarantor, in the same manner as specified in the WFRSA for Performance Assurance provided by Supplier.

2. Nature of Guaranty; Waivers.

- a) This is a guaranty of payment and not of collection and the Creditor shall not be required, as a condition of the Guarantor’s liability, to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations. This is not a performance guaranty and the Guarantor is not obligated to provide power under the WFRSA or this Guaranty Agreement.
- b) This Guaranty is an absolute, unconditional, irrevocable and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the WFRSA has been terminated, whichever comes later. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Creditor of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Creditor to take any steps to perfect or maintain its lien or security interest in or to

preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations or any part thereof or any security or other guaranty thereof.

- c) Except as to any claims, defenses, rights of set-off or to reductions of Supplier pursuant to the WFRSA, (all of which are expressly reserved under this Guaranty), the Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against Supplier or the Creditor, including, (i) any change in the corporate existence (including its charter or other governing agreement, laws, rules, regulations or powers), structure or ownership of Supplier or the Guarantor, or (ii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Supplier or its assets, or (iii) the invalidity or unenforceability in whole or in part of the WFRSA or (iv) any provision of applicable law or regulations purporting to prohibit payment by Supplier of amounts to be paid by it under the WFRSA.
- d) Guarantor waives notice of acceptance of this Guaranty, notice of default or nonpayment, diligence, presentment, notice of dishonor, protest and demand for payment (other than as provided in paragraph 1(b)), notice of any sale of collateral and any notice not provided for herein, any right of subrogation and any requirement that at any time any person exhaust any right to take any action against Supplier or their assets or any other guarantor or person. The Guarantor waives all defenses based on suretyship or impairment of collateral or any other defenses that would constitute a legal or equitable discharge of Guarantor's obligations, except any claims or defenses of Supplier under the WFRSA that are expressly preserved in this Guaranty.
- e) The Creditor at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (i) to the extent permitted by the WFRSA or this Guaranty, change the manner, place, time or terms of payment or performance of, or other terms relating to, any of the Obligations; (ii) to the extent permitted by the WFRSA or this Guaranty, renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, any other guaranties, or any security for any Obligations or guaranties; (iii) settle, compromise or deal with any other person, including Supplier, with respect to any Obligations in such manner as the Creditor deems appropriate in its sole discretion; (iv) substitute, exchange or release any security or guaranty; or (v) take such actions and exercise such remedies hereunder as Creditor deems appropriate.

3. Representations and Warranties. The Guarantor hereby represents and warrants that:

- a) it is a corporation duly organized, validly existing and in good standing under the laws of the jurisdiction of its incorporation and has the corporate power and authority and the legal right to own and operate its property, to lease the property it operates and to conduct the business in which it is currently engaged;

- b) it has the corporate power and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary corporate action to authorize its execution, delivery and performance of this Guaranty;
- c) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of creditors' rights generally, general equitable principles and an implied covenant of good faith and fair dealing;
- d) the execution, delivery and performance of this Guaranty will not violate any provision of any requirement of law or contractual obligation of the Guarantor (except to the extent that any such violation would not reasonably be expected to have a material adverse effect on the Guarantor or this Guaranty) and will not result in or require the creation or imposition of any lien on any of the properties or revenues of the Guarantor pursuant to any requirement of law or contractual obligation of the Guarantor;
- e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person (including, without limitation, any stockholder or creditor of the Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty, other than any which have been obtained or made prior to the date hereof and remain in full force and effect; and
- f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Guarantor, threatened by or against the Guarantor or against any of its properties or revenues with respect to this Guaranty or any of the transactions contemplated hereby that would have a material adverse effect on the Guarantor or this Guaranty.

4. Repayments or Recovery from the Creditor. If any demand is made at any time upon the Creditor for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations and if the Creditor repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor (subject to Sections 2 (c) and (d)) will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Creditor. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Creditor's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

5. Enforceability of Obligations. No modification, limitation or discharge of the Obligations of Supplier arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the

Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of Supplier that may result from any such proceeding.

6. Postponement of Subrogation. Until the Obligations and all other amounts due hereunder are indefeasibly paid in full, the Guarantor postpones and subordinates in favor of the Creditor any and all rights which the Guarantor may have to (a) assert any claim against the Supplier based on subrogation rights with respect to payments made by Guarantor hereunder and (b) any realization on any property of the Supplier, including participation in any marshalling of the Supplier's assets.

7. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by Email transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Creditor and the Guarantor set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Creditor shall be directed to:

Matthew Lorden
Pepco Holdings
701 Ninth Street N.W., EP5027
Washington, D.C. 20068
Phone: (202) 331-4837
Email: Matthew.Lorden@exeloncorp.com

With a copy to:

General Counsel
Public Service Commission of the District of Columbia
1325 G Street, NW, Suite 800
Washington, DC 20005

Pepco DC SOS RFP Coordinator
Pepco Holdings
701 Ninth Street N.W. EP6412
Washington, D.C. 20068
Phone: 202-872-2319
Email: PepcoDCRfpcoordinator@pepco.com

or such other address as the Creditor shall from time to time specify to Guarantor.

All communications to Guarantor shall be directed to:

Attn: _____
Address: _____
Phone: _____
Email: _____

or such other address as the Guarantor shall from time to time specify to Creditor.

8. Preservation of Rights Except as provided by any applicable statute of limitations, no delay or omission on the Creditor's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Creditor's action or inaction impair any such right or power. The Creditor's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Creditor may have under other agreements, at law or in equity.

9. Illegality. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

10. Amendments. No modification, amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom, will be effective unless made in a writing signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.

11. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Creditor with respect to the subject matter hereof.

12. Successors and Assigns. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Creditor and their respective successors and permitted assigns. Neither party may assign this Guaranty in whole or in part without the other's prior written consent, which consent will not be unreasonably withheld or delayed, except that Creditor may at any time assign this Guaranty without Guarantor's consent, in the same manner, on the same terms and to the same persons as Creditor assigns the WFRSA in accordance with Sections 16.6 and 16.7 of that agreement.

13. Definitions and Interpretation. Terms capitalized but not defined in this Guaranty shall have the meaning given such terms in the WFRSA. In this Guaranty, unless the Creditor and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "or" shall be deemed to include "and/or", the words "including", "includes" and "include" shall be deemed to be followed by the words "without limitation"; and references to sections or exhibits are to those of this Guaranty unless otherwise indicated. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

14. Governing Law and Jurisdiction.

- a) This Guaranty has been delivered to and accepted by the Creditor and will be deemed to be made in the District of Columbia. IT WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE CREDITOR AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE DISTRICT OF COLUMBIA INCLUDING ITS CONFLICT OF LAWS RULES.
- b) The Guarantor hereby irrevocably consents to the non-exclusive jurisdiction of any state or federal court in the District of Columbia ; provided that nothing contained in this Guaranty will prevent the Creditor from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue first provided above is the most convenient forum for both the Creditor and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

15. WAIVER OF JURY TRIAL. THE GUARANTOR IRREVOCABLY WAIVES ANY AND ALL RIGHT THE GUARANTOR MAY HAVE TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR ACKNOWLEDGES THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

16. Term. This Guaranty shall survive termination of the WFRSA and remain in full force and effect until all amounts due under the WFRSA and hereunder, including all of the Obligations, have been paid or performed in full.

17. Stay of Acceleration Ineffective with Respect to Guarantor. If acceleration of the time for payment of any amount payable by Supplier under the WFRSA is stayed upon the insolvency, bankruptcy or reorganization of Supplier, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the WFRSA shall nonetheless be payable by the Guarantor hereunder on written demand by Creditor.

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, and has been advised by counsel as necessary or appropriate.

WITNESS the due execution hereof as a document under seal, as of the date first written above, with the intent to be legally bound hereby.

[Guarantor]

By: _____

Name: _____

Title: _____

EXHIBIT G

FORM OF NOTICE

Please provide specific personnel contact information and notify Buyer in advance should such contact information or bank information change.

Any notices required under this Agreement shall be made as follows:

Buyer: Potomac Electric Power Company

Seller:

All Notices:

Attn: Daniel Tudor
Street: 701 Ninth Street N.W. EP6412
City/State/Zip: Washington, D.C. 20068
Duns: 6920284
Federal Tax ID Number: 53-0127880
Email: datudor@pepco.com

All Notices:

Attn:
Street:
City/State/Zip:
Duns:
Federal Tax ID Number:
Email:

Invoices:

Attn: James Jacoby
Phone: 302-429-3148
Email: Jim.Jacoby@pepcoholdings.com

Invoices:

Attn:
Phone:
Email:

Scheduling:

Attn:
Phone:
Email:

Scheduling:

Attn:
Phone:
Email:

Payments:

Attn: James Jacoby
Phone: 302-429-3148
Email: Jim.Jacoby@pepcoholdings.com

Payments:

Attn:
Phone:
Email:

Electronic Funds Transfer⁽¹⁾:

BNK: Wells Fargo Bank,
San Francisco, CA
FED ABA: 121000248
ACH ABA:
FOR ACCT: Potomac Electric Power Co.
ACCT: 2000700025231

Electronic Funds Transfer⁽¹⁾:

BNK:
FED ABA:
ACH ABA:
FOR ACCT:
ACCT:

Credit and Collections:

Attn: Matthew Lorden
Phone: 202-331-4834
Email: Matthew.Lorden@exeloncorp.com

Credit and Collections:

Attn:
Phone:
Email:

InSchedules:

Attn: Jason Jones
Phone: 202-872-2589
Email: JPJones@pepco.com

InSchedules:

Attn:
Phone:
Email:

With additional Notices of an Event of Default to:

Attn: Daniel Tudor
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, D.C. 20068
Phone: 202-872-2090
Email: datudor@pepco.com

With Additional Notices of an Event of Default to:

Attn:
Phone:
Email:

With copy to:

Attn: Pepco DC SOS RFP Coordinator
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, DC 20068
Phone: 202-872-2319
Email: PepcoDCSOSRfpCoordinator@pepco.com

Performance Assurance:

Attn: Matthew Lorden
Pepco Holdings
701 Ninth Street, NW EP5027
Washington, DC 20068
Phone: 202-331-4834
Email: Matthew.Lorden@exeloncorp.com

With copy to:

Attn: Pepco DC SOS RFP Coordinator
Pepco Holdings
701 Ninth Street, NW EP6412
Washington, DC 20068
Phone: 202-872-2319
Email: PepcoDCSOSRfpCoordinator@pepco.com

(1) If the bank's ABA number for ACH transfers differs from the Fed wire ABA number please provide both

EXHIBIT H
RENEWABLE ENERGY PORTFOLIO STANDARD LEGISLATION

RFP
(Redline)

PEPCO
20192020
DISTRICT OF COLUMBIA
REQUEST FOR PROPOSALS
FOR
WHOLESALE FULL REQUIREMENTS ELECTRIC POWER
SUPPLY

DATED
October 75, 2019-2020

**2019-2020 Request for Proposals
For District of Columbia
Full-Requirements Wholesale Electric Power Supply**

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- F. Binding Bid Agreement
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- H. PEPCO Bid Plan Information
- I. Notice of Final Rulemaking Amending the Commission's SOS Rules in Accordance with Community Renewable Energy Amendment Act of 2013

**~~2019-2020~~ Request for Proposals
For District of Columbia
Full-Requirements Wholesale Electric Power Supply**

1. Introduction

Retail choice began in the District of Columbia on January 1, 2001. Under the retail choice program, retail customers can select their provider of electric power from several licensed retail power suppliers. Standard Offer Service (“SOS”) is available from the Potomac Electric Power Company (“PEPCO”) for those customers: (1) who contract for electricity with an electricity supplier, but who fail to receive delivery of electricity under such contracts; (2) who cannot arrange to purchase electricity from an alternative electricity supplier; (3) who do not choose an alternative electricity supplier or choose to receive SOS from Pepco. PEPCO’s provision of SOS at fixed prices expired on February 7, 2005. In Order No. 13118, dated March 1, 2004, the Public Service Commission of the District of Columbia (“Commission”) adopted a wholesale procurement model to be used by PEPCO to acquire full requirements service to meet the SOS load after February 7, 2005. The rules and regulations governing the procurement process and the solicitation documents including the Request for Proposals (“RFP”) and Wholesale Full Requirements Service Agreement (“WFRSA”) were further detailed in Order Nos. 13115, 13225, 15313 and 17863. These Orders are available at www.dcpsc.org.

In January ~~2019~~2020, Pepco completed its ~~fifteenth-sixteenth~~ Commission approved bidding process and began providing SOS through supply contracts awarded to winning suppliers in the wholesale competitive market. Some of the awarded contracts are scheduled to expire May 31, ~~2020-2021~~ and must be replaced in a ~~sixteenth-seventeenth~~ year of bidding. The Commission issued Order No. ~~20227~~ ~~20626~~~~[Insert once issued]~~ modifying the RFP and WFRSA as is reflected in this RFP and WFRSA for the ~~sixteenth-seventeenth~~ year of bidding. Order No. ~~20626~~ ~~[Insert once issued]~~ ~~20227~~ is available at www.dcpsc.org.

This RFP reflects the wholesale bidding process set forth in the Orders referenced above, to solicit proposals from suppliers interested in providing SOS to PEPCO for the customer classes and terms indicated in Section 2.2 (Product Definition). The RFP is for full-requirements wholesale supply service to meet the needs of PEPCO’s SOS retail load obligation as described in this document. Successful bidders will be required to execute a WFRSA. A pro forma WFRSA is attached to this RFP as Appendix G. Capitalized terms used in this RFP are defined in the WFRSA.

2. Services Requested

2.1. Supply Requirement Overview

PEPCO is requesting full-requirements wholesale supply service generally including energy, capacity, ancillary services, renewable energy resource requirements and losses, but excluding network integration transmission service. The renewable energy obligation shall be in compliance with the District’s Renewable Energy Portfolio Standard as specified in Exhibit H of the WFRSA. A supplier of full-requirements service will have an obligation stated as a specific percentage of PEPCO’s retail load for specific service types or customer classes, and as such, full-requirements service encompasses any changes in customers’ demand for any reason. Suppliers are advised that, pursuant to the provisions of the Community Renewable Energy Amendment Act of 2013 (‘CREA’) which became effective on December 13, 2013, the overall load needed for SOS customers may decrease. A copy of the Notice of Final Rulemaking that amended the Commission’s SOS rules in accordance with CREA is included herein as

Appendix I. The CREA related sections of the revised SOS rules are 4100.3, 4101.2, 4102.1, 4102.4, 4103.1, 4103.4, 4104.3, 4107.1, 4107.14, 4108.2, 4108.3, 4109 and 4199.1.

Suppliers are advised to incorporate a capacity price component of ~~\$102.22~~~~\$0~~/MW-day into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial delivery year of June 1, 2022 through May 31, 2023 and the delivery year of June 1, 2023 through May 31, 2024. For each billing month for the delivery year June 1, 2022 through May 31, ~~2023~~2024, an additional line item on the Seller’s invoice will show a charge or credit equal to the final PJM RPM Zonal Net Load Price actually charged for load served on the day for PEPCO’s PJM zone less \$102.22/MW-day multiplied by the Seller’s capacity obligation for each day of the billing month in question. For avoidance of doubt, Seller will be compensated for these charges for this time period only.

All customers who switch between SOS and another electricity supplier must adhere to the existing retail choice notification requirements contained in PEPCO’s Electricity Supplier Coordination Tariff in the District of Columbia, section 7 (see PEPCO web site, www.pepco.com), and incorporated herein by reference. See Section 2.5 below for more details on switching rules.

The specific definition of full-requirements service and associated responsibilities are stated in the WFRSA, which is included as part of this RFP document as Appendix G. The current peak load contribution (PLC) associated with the customer classes for which PEPCO is soliciting wholesale supply in this RFP is stated in the following table. Two representations of PLC are provided. The first represents the PLC associated with customers currently receiving SOS from PEPCO. The second represents the PLC associated with all customers currently eligible for a specific service type within the District of Columbia. The customer classes that comprise a service type are listed, and those classes where separate PLCs are stated will be bid independently of the other classes within that service type.

Service Type	Capacity PLC* Megawatts as of July 2715, 2019-2020	
	SOS	Eligible
Residential Customers		
R and Master Metered Apartment Classes	157.5 <u>116.7</u>	204.0 <u>150.9</u>
Small Commercial Customers		
GS-LV non-demand, GS-3A non-demand, SL, OL-LED, TS, T, and TN & SL-TN Classes	11.88 <u>5</u>	17.4 <u>12.4</u>
Large Commercial Customers		
GS-LV demand, GS-3A demand, GT-LV, MGT-LV, GT-3A, GT-3B, and RT Classes	218.7 <u>227.9</u>	1,561.7 <u>1,538.1</u>
Total	388.0 <u>353.1</u>	1,783.1 <u>1,701.4</u>

* All Capacity PLC numbers are inclusive of all losses and unaccounted for energy.

Pursuant to the Orders, PEPCO will target the following load percentages for each contract term for the various service types.

<u>Service Type</u>	<u>Contract Term</u>	
	<u>12-Months</u>	<u>36-Months</u>
Residential Customers	0%	100%
Small Commercial Customers	0%	100%
Large Commercial Customers	100%	

2.2. Product Definition

In this RFP, PEPCO is soliciting full-requirements wholesale service for the terms indicated below.

Term Description

12-month Term	June 1, 2020-2021 through May 31, 2021-2022 for Large Commercial Customers
36-month Term	June 1, 2020-2021 through May 31, 2023-2024 for Residential and Small Commercial Customers

2.3. Multi-Tranche Process

The selection of proposals by PEPCO in this solicitation will be conducted through a multi-tranche process following the contract term portfolio criteria stated in Section 2.1 (Supply Requirement Overview). As specified in Appendix A (SOS Implementation Timeline), this process will allow for up to three tranches to fulfill PEPCO's requests for its various customer service types. The process is designed, however, such that PEPCO's requests are fully met in no more than two tranches, as set forth below. Any remaining tranche(s) will be reserved for use only if PEPCO's requests go unfulfilled in the prior tranche(s). The load within each tranche and for each contract term is further divided into bid blocks. Each bid block represents a certain and specific percentage of the associated load and, as of the date indicated in the header of the capacity PLC table in Section 2.1 (Supply Requirement Overview), such specific percentage represents about 50 MW for the multi-year bid blocks and about 50 MW for the single-year bid blocks. The bid block design for this solicitation is provided in Appendix H (PEPCO Bid Plan Information).

Unfilled Tranche Targets:

The number of blocks in each tranche for each contract term are PEPCO targets. If the amount of conforming bids in any tranche are unable to meet that tranche's targets, then the unfilled portion of that tranche will be included in the next tranche, and the targets in the next tranche will be revised accordingly. If in the last tranche there is a contract target deficiency, then the remaining reserve tranche(s) will be conducted to solicit for any deficiencies.

Change in Service Type PLCs:

PEPCO will update the Bid Form Spreadsheets on the website with the total PLC in each service type approximately one week prior to the date on which the first tranche bids are due.

If the total PLC in a service type (i.e. residential, small commercial, or large commercial customers) changes during the multi-tranche bidding process by more than +/- 40 MW in total, PEPCO will adjust the bid block size and number of remaining bid blocks to maintain a bid block size of approximately 50 MW.

2.4. Supplier Step-Up Provision

As set forth in the WFRSA, in the event of an early termination of a WFRSA, all other wholesaler suppliers serving PEPCO's SOS load pursuant to the Orders, will have the option to take a full or partial pro-rata share of the load for the balance of the terminated WFRSA term, under the same pricing, terms and conditions of the terminated WFRSA. Such option to take a pro-rata share of the load will include a transfer to the step-up supplier of any rights associated with congestion management. The supplier to which the option is offered shall meet any additional collateral requirements related to the step-up of its obligation. If any supplier does not exercise its option to increase its obligation, the other suppliers will have the option to take a pro-rata share of the amount of the increased obligation that such supplier declined to take. A supplier's pro-rata share will be the ratio of the supplier's load obligation, stated on a capacity PLC basis, to the total load being served under WFRSAs pursuant to the Orders, excluding the terminated WFRSA and, if applicable, WFRSAs under which suppliers decline to exercise their step-up option in part or full.

2.5. Customer Restrictions

Residential SOS:

Pursuant to the Orders, subject to PEPCO's customer enrollment rules (contained in PEPCO's Electricity Supplier Coordination Tariff in the District of Columbia, Section 7 which can be found on PEPCO's website at www.pepco.com), customers may leave and return to Residential SOS at any time without switching restrictions.

Commercial SOS

Pursuant to the Orders subject to PEPCO's customer enrollment rules and tariffs, commercial customers may leave and return to SOS at any time without switching restrictions.

3. Eligibility of Applicants

3.1. Overview of Eligibility

The purpose of the eligibility process is to provide information to the applicants regarding their eligibility to bid, and to determine the amount of bid assurance collateral that will be required from every bidder upon submission of its proposals. An applicant is eligible to bid if, in a timely and complete fashion, it submits an Expression of Interest Form, executes the Confidentiality Agreement, submits its documentation indicating that it meets the PJM membership and FERC authorization requirements stated in Section 3.4 (Submittal of Applicant's PJM and FERC Qualifications), its, or its guarantor's, unsecured senior long-term debt is currently rated by Standard & Poor's Ratings Group, Fitch Investor Services or Moody's Investor Services, submits the Credit Application and associated financial information requested in Section 3.5 (Submittal of Credit Application and Financial Information) and submits an executed Binding Bid Agreement requested in Section 3.6 (Submittal of Binding Bid Agreement). Upon submission of bids, eligible bidders will be required to post bid assurance collateral in an amount directly proportional to the amount of load bid upon. The bid assurance collateral will be returned to the bidder subsequent to contract execution or the rejection of its bid(s), as described in Section 3.8 (Bid Assurance Collateral and Alternative Letter of Credit Form). Within two Business Days of receiving notification that the Commission has

accepted the award to a Seller, the Seller or its Guarantor must provide Performance Assurance as described in Article 14 of the WFRSA.

For unrated applicants who do not have a rated Guarantor, or whose Guarantor is not capable of executing a Guaranty on behalf of the bidder, the applicant will be subject to the increased bid assurance requirements in Section 3.8.

3.2. Submittal of Expression of Interest

Applicants interested in participating in this RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix B). An electronic copy of the Expression of Interest Form will be made available to applicants for completion on the Pepco RFP website. 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 related to this RFP.

3.3. Confidentiality Agreement

Access to confidential information relating the PEPCO's procurement of SOS power supply will be governed by the OPC Confidentiality Agreement, the Consultant's Confidentiality Agreement contained in the Bidder RFP, the Confidentiality Agreement contained in the RFP and the confidentiality provisions of the WFRSA (collectively the Confidentiality Agreements). An applicant and PEPCO will be required to execute the Confidentiality Agreement (Appendix C) electronically. An electronic copy of the Confidentiality Agreement can be found on the Pepco RFP website. The applicant will not be eligible to submit proposals until such agreement has been executed. Once the agreement is received from the applicant, Pepco will complete the execution of the agreement and electronically return a fully executed agreement to the applicant.

3.4. Submittal of Applicant's PJM and FERC Qualifications

An applicant must document that it is a member of the PJM Interconnection, LLC (PJM) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full-requirements obligation. In addition, an applicant must document that it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of energy, capacity and ancillary services at market based rates. The forms for such documentation can be found on the Pepco RFP website and must be signed by a signatory with the authority to act on behalf of the applicant. Applicants are required to submit such documentation no later than the due date noted in Section 6 (Schedule for RFP Process). The applicant will not be eligible to submit bids until such documentation has been provided to PEPCO. In the event the applicant has previously submitted such documents for qualification to participate in a neighboring PHI SOS jurisdiction for the same RFP year, such documents can be referenced to meet this requirement. If, however, the applicant's good-standing membership with PJM or its FERC authorization has been adversely affected since submittal of the original documents, it is the responsibility of the applicant to immediately notify Pepco of such events. Once notified, Pepco will make any appropriate adjustments to the applicant's eligibility status.

3.5. Submittal of Credit Application and Financial Information

Applicants are required to submit the Credit Application (Appendix D) and associated financial information to PEPCO no later than the Application and Financial Information due date noted in Section 6

(Schedule for RFP Process). An electronic copy of the Credit Application can be found on the Pepco RFP website. The applicant should send the complete application and the associated financial information electronically. In the event the applicant has previously submitted such credit application and financial information for qualification to participate in a neighboring PHI SOS jurisdiction for the same RFP year, such documents can be referenced to meet this requirement. If, however, the applicant's credit rating has downgraded since submittal of the original documents, it is the responsibility of the applicant to immediately notify Pepco of such event. Once notified, Pepco will make any appropriate adjustments to the applicant's eligibility status.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the applicant's financial information is consolidated with other entities, then it is the applicant's responsibility to extract and submit as separate documents all data and information related solely to the applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

In the event the applicant's information is not submitted by the due date or submitted in an incomplete fashion, the applicant will be eliminated from further consideration in the first tranche of this RFP. Therefore, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing some time to cure incomplete information before the due date.

3.6. Submittal of Binding Bid Agreement

An applicant must complete and submit, electronically, a signed Binding Bid Agreement provided as Appendix F. An electronic copy of the Binding Bid Agreement can be found on the Pepco RFP website. The signatory to the Binding Bid Agreement must certify that he/she has the authority to act on behalf of, and to bind, the bidder to perform the terms and conditions of the WFRSA at the prices and for the load amounts specified in any proposal(s) in response to this multi-tranche solicitation. Applicants are required to submit such certification no later than the due date noted in Section 6 (Schedule for RFP Process).

3.7. Cure Time for Deficiencies in Qualification Requirements

Bidders are urged to provide the materials necessary to establish eligibility as soon as practicable. PEPCO will endeavor to notify bidders of any deficiencies in their submittals in a timely manner. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to November 15th. PEPCO will notify bidders as soon as PEPCO has determined that they have met the eligibility requirements. Notification of eligibility or deficiencies will be provided to bidders by email. Bidders have a 24-hour cure period after they are notified of a deficiency. For example, if application materials are due on a Wednesday at close of business (“COB”), and Pepeco notified a bidder on Thursday of one or more deficiencies, then that bidder will have until COB Friday to cure the deficiencies. In the event that an applicant has not met all of the qualification requirements under Section 3 (Eligibility of Applicants) so as to not be eligible to submit proposals in the first tranche, such applicant will be allowed to cure any such deficiency and participate in subsequent tranches, if the deficiency is cured no later than two weeks prior to the due date of proposals for the next tranche.

3.8. Bid Assurance Collateral and Alternative Letter of Credit Form

Accompanying each proposal in each tranche, each bidder must provide liquid bid assurance collateral. The purpose of this collateral is to assure commitment of the bidder to execute the WFRSA and/or transactions for the bid blocks awarded to the bidder in each tranche. The form of collateral must be either cash or an irrevocable letter of credit (LOC). An acceptable LOC form is provided as Exhibit C in the WFRSA. If an applicant prefers to use an alternative LOC form for the bid assurance collateral, the applicant must provide such form along with its Credit Application and financial information. The acceptability of such alternative LOC form will be at PEPCO’s sole discretion, and such acceptability will be communicated to the applicant at the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. For rated bidders the amount of the bid assurance collateral is \$300,000 per bid block. For unrated bidders who do not have a rated Guarantor, or whose Guarantor is not capable of executing a Guaranty on behalf of the bidder, the amount of the bid assurance collateral is \$600,000 per bid block. PEPCO will hold the bid assurance collateral until either the bidder's proposal is rejected in whole, or the bidder executes the WFRSA and/or transactions and fully executed electronic documents are received by PEPCO. Upon either of the above two conditions, bid assurance collateral in the form of cash will be returned within one business day, and bid assurance collateral in the form of a LOC will be returned within two business days. A bidder that is awarded bid block(s) and does not execute the WFRSA and/or transaction(s) associated with such bid block(s) shall forfeit its bid assurance collateral and be ineligible to participate in the remaining tranche(s) of this solicitation.

3.9. Alternative Forms of Performance Assurance

Subsequent to the return of a successful bidder’s bid assurance collateral, another instrument of performance assurance will be required under the terms of the WFRSA. Such performance assurance may be in the form of a bond, LOC or corporate guaranty of an affiliate of the supplier acceptable as further explained in the WFRSA. If a corporate guaranty is obtained, it must conform to the Commission approved form. If an applicant prefers to use an alternative form for the performance assurance, the applicant must provide such alternative form along with its Credit Application and financial information. PEPCO will determine whether any such alternative form of performance assurance is commercially acceptable and notify the applicant accordingly. If PEPCO and the applicant cannot agree on a commercially acceptable form of performance assurance, PEPCO will request a determination by the Commission. If a final

determination of acceptability is not made by November ~~2220~~, ~~2019-2020~~ in accordance with the SOS Implementation Timeline, applicant must use the form included in the WFRSA in order to be eligible to bid.

4. Proposals

4.1. Bid Format

Bidders shall submit their proposals electronically using the Bid Form Spreadsheets provided on the Pepco RFP website/Bidding Application (Ariba). Attached to this RFP, as Appendix E, is an example of a Bid Form Spreadsheet. There is a separate Bid Form Spreadsheet for each tranche, and each service type, as indicated in the title area of each Bid Form Spreadsheet. The Bid Form Spreadsheets contain sections of information labeled Bidder Information, Bid Block Information, Volume Bid, Price Periods Within Contract Term, Price Quote for Bid Blocks Offered, Volume Weighting Factors, Discount Factors, Load Weighted Prices, Discounted Price for Evaluation Purposes, Tag Number, Bid Assurance Collateral Amount and Complete/Incomplete Flag. The Bid Form Spreadsheets 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. 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.** The non-shaded cells are read-only cells containing either fixed or computed amounts. All formulas in cells in which computations are performed can be viewed by simply placing the cursor on the cell.

There is no limitation on the number of proposals that a bidder may offer, however, no proposal(s) can be conditioned in any manner. PEPCO reserves the right to accept or reject any number of a bidder's proposals in accordance with the proposal evaluation criteria set forth in Section 4.6 (Evaluation of Proposals).

Bidder Information - These cells are **bidder input cells** and include Company Name, Contact Name, Phone Number ~~and~~ Email ~~and Fax Number and~~ must be provided by the bidder. As set forth in Section 4.3 (Confirmation and Proposal Tagging Process), such information will be used to confirm receipt of bidder's offer(s).

Bid Block Information - The content of these cells are provided by PEPCO and include the Maximum Blocks To Be Awarded, Block Size (% of Load) and Approximate Block Size (MW-Generator). The Maximum Blocks To Be Awarded represents an initial target consistent with the multi-tranche structure described in Section 2.3 (Multi-Tranche Process). However, such targets are subject to change depending on the results of prior tranches, as described in "*Unfilled Tranche Targets*" within Section 2.3 (Multi-Tranche Process). In the event that the initial target for the Maximum Blocks To Be Awarded changes, PEPCO will revise such targets in the Bid Form Spreadsheets accordingly immediately following the prior tranche, as indicated in Section 6 (Schedule for RFP Process). The Block Size (% of Load) represents the portion of the service type load. Where there are multiple customer classes being bid in aggregate within a service type, the Block Size (% of Load) is applicable to each class. For example, if there are three customer classes being bid in aggregate within a service type, and the Block Size is 5%, the bidders awarded those blocks will supply 5% of each of the three customer classes. The Approximate Block Size (MW-Generator) is provided in terms of capacity PLC. The "Generator" qualifier within this term indicates that the stated Approximate Block Size represents load at the generator-level, rather than at the customer

premise or retail meter level, meaning it includes energy losses, consistent with the reporting of PLC to PJM.

Volume Bid - This cell is a **bidder input cell** for the number of bid blocks it is willing to supply at the prices offered in the Price Quote for Bid Blocks Offered section. PEPCO reserves the right to accept any number of bid blocks up to the Number of Bid Blocks Offered by the bidder. In the case of multi-year contract term proposals, the Number of Bid Blocks Offered by the bidder shall apply for the entire contract term and the number of blocks accepted by PEPCO shall not change throughout the entire contract term.

Price Periods Within Contract Term - The content of these cells are provided by PEPCO and represent the periods for which the bidder's price quotes apply.

Price Quote for Bid Blocks Offered - These cells are **bidder input cells** for its price offer in each Price Period Within Contract Term. Bidders must use only two decimal places in these cells, consistent with the display characteristics of the cells. Use of more than two decimal places by the bidder may result in rounding discrepancies. If PEPCO cannot replicate the bid precisely using two decimal places, PEPCO may reject the bid. PEPCO is requesting price offers for Summer Energy and Non-Summer Energy, and, where applicable, Summer and Non-Summer Energy price offers within the time-of-use (on, intermediate and off-peak) periods. The energy price offers shall be in terms of \$/MWh. All MWh energy shall be at the customer premise or retail meter-level. As set forth in the WFRSA, the MWh of energy shall be equivalent to the amount of energy reported as the supplier's obligation by PEPCO to PJM adjusted for losses in accordance with PEPCO's initial and 60-day retail load settlement process. PEPCO's summer period begins on May 1st and ends on September 30th, and its non-summer period begins on October 1st and ends on April 30th. PEPCO's time-of-use periods are as follows:

RATING PERIODS

Weekdays - (Excluding Holidays)	Eastern Prevailing Time
On-Peak Period	12:00 noon to 8:00 p.m.
Intermediate Period	8:00 a.m. to 12:00 noon and 8:00 p.m. to 12:00 midnight
Off-Peak Period	12:00 midnight to 8:00 a.m.
Saturdays, Sundays and Holidays	
Off-Peak Period	All Hours

HOLIDAYS

New Year's Day, Rev. Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day, as designated by the Federal Government.

Volume Weighting Factors - The content of these cells are provided by PEPCO and include Summer and Non-Summer Energy factors, and, where applicable, Summer and Non-Summer Energy factors within the time-of-use (on, intermediate and off-peak) periods. As stated, these factors are derived from historical data, which may or may not be representative of future behavior of electricity consumption.

Discount Factors - The content of these cells are provided by PEPCO or computed and include the Discount Rate and the Mid-Year Discount Factor used in the calculation of the discounted prices. The Discount Rate is equal to two percent (200 basis points) over the Prime Rate as published in The Wall Street Journal under "Money Rates" on the date the RFP is issued. Assumed within the mid-year discounting

convention, cash flows occur in the middle of each Price Period Within Contract Term and are discounted back to the start of the term.

Load Weighted Prices - The content of these cells are computed by applying the Volume Weighting Factors to the Price Quotes for Bid Blocks Offered. The Load Weighted Average Energy Price are determined by summing the load weighted price quotes derived by applying the corresponding energy to the respective price quotes. The Load Weighted Average Energy Prices are discounted by the Mid-Year Discount Factor.

Discounted Price for Evaluation Purposes - The content of this cell is computed and is the single parameter that will be used to compare all offers within the same service type and the same contract term. For single Price Periods Within Contract Term, the Discounted Average Term Price is equivalent to the Discounted Average Price. Where there is multi-Price Periods Within Contract Term, the Discounted Average Term Price is set equal to the time weighted average of the Discounted Average Prices.

Tag Number - The content of this cell will be provided by PEPCO and will represent a unique identification for each Bid Form Spreadsheet submitted by the bidders. This identification will be communicated to the bidder at the time PEPCO confirms receipt of the bidder's offer(s), as described in Section 4.3 (Confirmation and Proposal Tagging Process).

Bid Assurance Collateral Amount - The content of this cell is computed as the product of the Number of Bid Blocks Offered, as entered by the bidder in the Volume Bid section, and \$300,000.

Complete/Incomplete Flag - The content of this cell is computed and indicates whether or not the Bid Form Spreadsheet has been fully completed in accordance with Section 4.1 (Bid Format). An incomplete Bid Form Spreadsheet will be deemed non-conforming, as set forth in Section 4.4 (Conforming Proposals).

4.2. Submittal of Proposals

Bidders shall receive bid forms electronically and submit proposals electronically using the bid forms described in Section 4.1 and attached as Appendix E. Proposals are to be submitted beginning at ~~3103:00 p.m.a.m.p.m.~~ and received by ~~4411:30 p.m.p.m.a.m.~~ Eastern Prevailing Time (ET), on the due date for each tranche as indicated in Section 6 (Schedule for RFP Process). Accompanying each proposal, each bidder must provide the appropriate amount of bid assurance collateral, as described in Section 3.8, and as computed on the Bid Form Spreadsheet(s). Bid assurance collateral must be received by Pepco by ~~12125:00 p.m. ET~~ on the price proposal due date. A bidder may withdraw its proposal(s) before ~~4411:30 p.m.-ET~~ on the due date, however such withdrawal notice must be provided electronically as a pdf file, with a signatory certifying that he/she has the authority to act on behalf of the bidder in such a manner. Upon receipt of a withdraw notice, PEPCO will provide the bidder with a notice by phone of receipt of such withdrawal.

The bidder is required to submit the bid(s) through the Ariba platform. Pepco screens the bids submitted to ensure that bids are being processed. Upon 1) the bidder's discovery of a bid submission problem, the bidder(s) shall contact Pepco by telephone or 2) Pepco's discovery of a bid submission problem, Pepco shall contact the bidder(s) by telephone. Pepco shall inform the bidder(s) of the appropriate electronic email address for resubmission. Such resubmission must be received by Pepco by the deadline as described above.

In the event of a breakdown in voice communication either 1) the bidder will inform Pepco of the rejected bid(s) via the appropriate email address or 2) Pepco will inform the bidder of the rejection via email and request the bidder to submit the bid to the appropriate email address.

4.3. Confirmation and Proposal Tagging Process

PEPCO will confirm receipt of a bidder's proposal(s) electronically. As indicated on each Bid Form Spreadsheet, Pepco will send an alert to the bidder that includes the tranche number, service type, contract term, number of blocks bid, tag number, Discounted Average Term Price and bidder name.

4.4. Conforming Proposals

In order for a proposal(s) to be conforming, the proposal(s) must be:

- accompanied by the appropriate amount of bid assurance collateral;
- submitted using the Bid Form Spreadsheet(s), completed in full and without modification;
- submitted by the due date(s) and due time; and
- submitted by an eligible applicant.

Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of proposals will be communicated by PEPCO to the relevant bidder(s) as soon as practicable.

4.5. Expiration of Proposals

A bidder's proposal(s) shall expire on the earlier to occur of PEPCO's notification that a bid is rejected or at midnight ET on the scheduled day of the Commission's approval of the transactions within each tranche, as indicated in the Section 6 (Schedule for RFP Process). Accordingly, the expiration dates are as follows.

	<u>Expiration Date</u>
Tranche 1 Proposals:	December 9-7 or December 12 <u>10</u>
Tranche 2 Proposals:	January 6-4 or January 9 <u>7</u>
Tranche 3 Proposals:	January 21-19 or January 24 <u>22</u>

4.6. Evaluation of Proposals

As described in Section 4.1, the Discounted Average Term Price calculated on each Bid Form Spreadsheet will be the single parameter used to compare all offers within the same service type and for the same contract term. The Bid Block Offers with the lowest Discounted Price for Evaluation Purposes will be selected within each contract term until the tranche targets specified in Section 2.3 (Multi-Tranche Process) have been met. Bidders that are awarded bid blocks shall receive their offered prices as stated in their submission of the Bid Form Spreadsheet(s) under the Price Quote for Bid Blocks Offered section.

In the event that comparable offers from different suppliers have equivalent Discounted Average Term Prices (rounded to two decimal places, \$0.01/MWh), and such Discounted Average Term Price qualifies to be awarded a contract, but not all of the Number of Bid Blocks Offered between or among such

suppliers are necessary to meet the tranche target, such bid blocks will be awarded evenly to such suppliers. If all such bid blocks cannot be awarded evenly, the balance of bid blocks that remains after as much as possible has been evenly awarded, will be awarded to the supplier(s) that has the least amount of load awarded to it thus far in the current multi-tranche solicitation. If such suppliers have equal amounts of awarded load, then the number of decimal places in the Discounted Average Term Price will be expanded until a distinction arises.

Bidders may submit Bid Block Offers of 12 and 36 months in duration. The least average discounted price shall be the sole criterion used to evaluate bids of qualified bidders. The criterion shall be applied in evaluating all ~~12-month~~12-month bids against 12-month bids and ~~36-month~~36-month bids against 36-month bids, in order to meet the requirements of Rules 4102.4 (a), (b) and (c).

5. Wholesale Full-Requirements Service Agreement

The pro forma WFRSA to be executed as a result of this RFP is provided as Appendix G. The WFRSA contains the parties' rights and obligations for providing and receiving full-requirements wholesale electric supply, including those rights and obligations associated with performance assurances. There will be a master WFRSA executed with each supplier under which separate transactions will be executed for the specific service types and contract terms.

6. Schedule for RFP Process

The solicitation and selection process will be carried out in accordance with Appendix A (SOS Implementation Timeline). Key events are noted in the following schedule:

Activity	Date
RFP Website goes active with due diligence information	October 75, 2019 2020
Solicitation for Expressions of Interest	October 75
Pre-Bid Conference	Mid to Late-October
Confidentiality Agreement due	November 15 13
Credit Application and financial information due	November 15 13
Alternative Letter of Credit Form(s) due, if applicable	November 15 13
Alternative Form of Performance Assurance due, if applicable	November 15 13
PJM and FERC qualifications due	November 15 13
Binding Bid Agreement due	November 15 13
Issue applicants' eligibility status	November 22 20
1 st tranche price proposals due	December 9 7

The process for awarding, fully executing and approving a WFRSA and/or Transactions will be as follows:

- ~~Monday: Monday:~~ Bid assurance collateral due by ~~512~~12:00 p.m. ET ~~the business day prior to price proposal due date., bid submittal beginning 3:00 p.m., bids due by 4:30 p.m. ET~~
- Monday: Bid submittal beginning ~~10:00 a.m., 3:00 p.m. ET, bids due by 4:30 p.m.~~11:30 a.m. ~~ET,~~ bids awarded by ~~388~~3:30 p.m. ET.
- ~~Tuesday: Monday~~Tuesday: PEPCO will electronically submit, partially executed Transaction Confirmations (and a WFRSA if this is the first award to a bidder) to the winning bidders.

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- Wednesday: By 9:30 a.m. ET, the bidder will return to PEPCO electronic fully executed Transaction Confirmations.
- Wednesday: Winning bidders will electronically return a fully executed WFRSA (if this is a first award to the bidder).
- Wednesday: In the morning, PEPCO will submit copies of the fully executed Transaction Confirmations to the Commission for review and approval;
- Thursday: The transactions will be deemed to be approved by the Commission unless the Commission orders otherwise by close of business.

If a Tranche is scheduled for a Tuesday rather than a Monday, the days of the week noted above will change: ~~Friday will become Monday~~. Monday will become Tuesday, Tuesday will become Wednesday, and so on.

7. RFP Website

Information related to this RFP will be posted on PEPCO's RFP website at www.pepco.com/dcrfp. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by PEPCO to provide retail electric supply services in PEPCO's service territory pursuant to PEPCO's Electricity Supplier Coordination Tariff. The information will include:

- a. RFP with the following appended documents
 - Expression of Interest Form
 - Confidentiality Agreement
 - Credit Application
 - Bid Form Spreadsheets
 - Binding Bid Agreement
- b. Wholesale Full Requirements Service Agreement
- c. Order No. [2062620227](#) ~~[Insert once issued]~~
- d. PJM Website Link
- e. Link to Commission website and page with customer migration data.
- f. Historic, hourly, premise-level, unrestricted (i.e., excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all eligible customers (in aggregate) within each service type and each customer class within each service type, and corresponding billing determinants. Load data provided will be the latest available.
- g. Historic, hourly, premise-level, unrestricted (i.e., excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all SOS customers (in aggregate) within each service type and each customer class within each service type, and corresponding billing determinants. Load data provided will be the latest available.
- h. Number of customers in each SOS customer class and the number of customers taking SOS within each customer class.
- i. Representative load shapes for each of PEPCO's profile groups by month.

- j. Estimated loss factors associated with each service type and each customer class within each service type.
- k. Current capacity PLCs and Network Service Peak Load Contribution (NSPLCs) for all eligible customers (in aggregate) within each service type and each customer class or partial customer class within each service type.
- l. Current capacity PLCs and NSPLCs for all SOS customers (in aggregate) within each service type and each customer class or partial customer class within each service type.
- m. Historical PLCs for the previous two years by Service Type and daily 7-day forward PLCs by Service Type the week before bid day through the day before bid day.
- n. Daily PLCs will be provided to winning bidders between the period of contract execution and power flow.
- o. Frequently asked questions and answers.
- p. The amount of electricity supply acquired from CREFs and the total capacity of all authorized CREFs.

The general requirements and conditions for information provided by PEPCO to potential bidders are: (a) all information provided shall be on an aggregate class basis. Individual customer information shall not be provided without the consent of the customer. (b) All information will reflect usage for at least the last five years to the extent such information reasonably is available. (c) PEPCO will provide descriptions of any factors that may cause the information provided by PEPCO to be unrepresentative of usage in the forward looking SOS period. PEPCO does not believe past weather conditions cause historic data to be unrepresentative of future usage. If practicable, retail rates will be posted on or about February 28, 2020.

8. Reserved Rights

8.1. Bidder Elimination Right

If in the course of the solicitation process, any bidder is found to provide faulty information, misrepresent its financial or operational characteristics or omit any pertinent information, PEPCO reserves the right to eliminate such bidder from the solicitation process.

8.2. WFRSA Termination Right

If a bidder who engages in any conduct described in Section 8.1 is successful in being awarded a bid and executes the WFRSA and/or transactions, PEPCO reserves the right to terminate the WFRSA and pursue remedies as outlined in the WFRSA.

9. Miscellaneous

9.1. Warranty on Information

The information provided in the RFP, or on PEPCO's RFP website, has been prepared to assist bidders in evaluating the solicitation. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. PEPCO makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check PEPCO's website frequently, to ensure it has the latest documentation and information. Neither PEPCO nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

9.2. Hold Harmless

Bidder shall hold PEPCO harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

9.3. Proposals Become PEPCO's Property

Subject to the Confidentiality Agreement, all proposals submitted by each bidder pursuant to this solicitation shall become the exclusive property of PEPCO.

9.4. Bidder's Acceptance

The submission of a proposal to PEPCO shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this solicitation and the WFRSA and or transactions.

Bidder and its representatives irrevocably agree to submit to the personal jurisdiction of any District of Columbia or Federal court and any appellate court thereof in respect of any action, dispute or proceeding arising out of this solicitation process, including but not limited to the execution, implementation and performance of a WFRSA.

9.5. Permits, Licenses and Compliance with the Law

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier's business or to perform hereunder. Supplier's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

9.6. Proprietary Information

The treatment of proprietary and confidential information of a bidder's and of PEPCO's is addressed in the Confidentiality Agreement (Appendix C).

Any information about the supply procurement results that does not provide supplier-specific information, or disclose any individual bid prices may be made public by the Commission and OPC, at their discretion after all tranches of bidding for that year of SOS are completed. Examples of such information that can be released include, but are not limited to, the total number of bids submitted, or the range in price between the lowest and the highest bids submitted.

9.7. Regulatory Approvals

As indicated in Section 6 (Schedule for RFP Process), the executed transactions will be contingent upon the approval of the Commission and any necessary FERC approvals. The transactions will be deemed approved by the Commission unless the Commission orders otherwise within the two business days

following the execution of the transactions. Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all required District of Columbia, Federal or other regulatory approvals of the WFRSA and/or transactions resulting from its proposal(s).

Appendix A

District of Columbia SOS

2019-2020-2020-2021 Implementation Timeline

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	Oct 75 , 2019 2020
Solicitation for Expressions of Interest	Oct 75
Pre-Bid Conference	Mid - Late Oct
Confidentiality Agreement due	Nov 15 13
Credit Application and financial information due	Nov 15 13
Alternative Letter of Credit Form(s) due, if applicable	Nov 15 13
Alternative Form of Performance Assurance due, if applicable	Nov 15 13
PJM and FERC qualifications due	Nov 15 13
Executed Binding Bid Agreement due	Nov 15 13
Issue applicants' eligibility status	Nov 22 20
Issue any revisions to 1 st Tranche bid block targets	Dec -Nov 23 0
1st Tranche bid assurance collateral due	Dec 74
1 st Tranche price proposals due	Dec 97
4th Tranche bid assurance collateral due	Dec 97
Award 1 st Tranche bids	Dec 97
Execute 1 st Tranche WFRSAs, transactions and DOA	Dec 11 9
Execute Guaranty Agreement, if applicable	Dec 11 9
Commission approval of 1 st Tranche transactions	Dec 12 10
Issue any revisions to 2 nd Tranche bid block targets	Dec 30 28
2nd Tranche bid assurance collateral due	Dec 31 Jan 4, 2021
2 nd Tranche price proposals due	Jan 64 , 2020 2021
2nd Tranche bid assurance collateral due	Jan 6
Award 2 nd Tranche bids	Jan 64
Execute 2 nd Tranche WFRSAs, transactions and DOA	Jan 86
Execute Guaranty Agreement, if applicable	Jan 86
Commission approval of 2 nd Tranche transactions	Jan 97
If necessary, issue 3 rd Tranche bid block targets	Jan 13 11
3rd Tranche bid assurance collateral due	Jan 195
3 rd Tranche price proposals due	Jan 21 19
3rd Tranche bid assurance collateral due	Jan 21
Award 3 rd Tranche bids	Jan 21 19
Execute 3 rd Tranche WFRSAs and transactions	Jan 23 21
Execute Guaranty Agreement, if applicable	Jan 23 21
Commission approval of 3 rd tranche transactions	Jan 24 22
File retail prices with Commission	
3 rd tranche is not conducted	Feb 28 26
3 rd tranche is conducted	Mar 13 11
Post retail prices *	
3 rd tranche is not conducted	Feb 28 26
3 rd tranche is conducted	Mar 13 11
File updated tariffs with Commission	
3 rd tranche is not conducted	Within 7 days of Commission
Approval	
3 rd tranche is conducted	Within 7 days of Commission
Approval	
Contract delivery period begins	Jun 1

* Subject to Commission approval as noted on web page. Notation on web page removed after Commission approval notification is received.

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Appendix B

pepco		Expression of Interest		delmarva power	
Expression of Interest					
Submission of this form indicates your interest in Pepco and/or Delmarva's Requests for Proposal to provide wholesale full requirements service.					
The applicant will be the authorized individual responsible for SOS wholesale full requirements electric service bid submittal.					
Note: All fields are required.					
Applicant Information		Contact Information		Company Information	
First Name Betsy		Email bjones@werockenergy.com		Legal Company Name We Rock Energy, Inc.	
Last Name Jones		Phone Number (555) 363-1461		Address 666 Toto Blvd	
Title VP Energy Sales				City Rockastan	
				State GA	
				Zip 66607-8814	
Request for Proposal					
Please select at least one (1) Request for Proposal interest from the list below:					
<input type="checkbox"/> 2020 Delmarva MD SOS RFP					
<input type="checkbox"/> 2020 Delmarva DE SOS RFP					
<input type="checkbox"/> 2020 Pepco MD SOS RFP					
<input type="checkbox"/> 2020 Pepco DC SOS RFP					
Email Filtering					
NOTICE: To ensure proper delivery of important messages, please confirm that your email application's filter does not prevent receiving emails from pepco.com or delmarva.com.					
Please click the button below to submit your request. We will send you an email confirming that your request was received. A second email will be sent within three (3) business days stating whether your request was approved or denied. If approved, access to the RFP platform shall be provided.					
Note: Not all RFPs will be open. Once an RFP is officially released per the Commission approved date, the status of the EOI will be provided.					
SUBMIT EXPRESSION of INTEREST REQUEST					

Appendix C
Confidentiality Agreement

[Name and Address of Company]

[Date]

PEPCO DC RFP Coordinator
Potomac Electric Power Company
Suite 6418
701 Ninth Street, N.W
Washington, D.C. 20068

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between Potomac Electric Power Company (Pepco) (“Utility”) and _____ (“the Company”) in connection with the Company’s intent to participate in the Request for Proposals (“RFP”) to provide Full Requirements Wholesale Electric Power Supply to serve a portion of the Utility’s Residential Standard Offer Service (SOS), Small Commercial SOS, and Large Commercial SOS. This Confidentiality Agreement also pertains to the rights and obligations of the Utility and the Company in the event the Company ultimately is selected as a winner in the RFP and provides service pursuant to the Full-requirements Service Agreement (“WFRSA”) Utility and the Company hereby agree to accept, and to be bound by the terms of this Agreement.

DEFINITIONS:

(a) The following terms have the following meanings:

1. “Agreement” is this Confidentiality Agreement.
2. “Commission” has the meaning set forth in Section 3(b).
3. “Confidential Information” has the meaning set forth in Section 4.
4. “Party” means Utility or the Company.
5. “Parties” means Utility and the Company collectively.
6. “Representatives” means the officers, directors, employees, advisors, lenders, and other persons, including but not limited to any affiliates who are actively and directly participating in evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP and/or performing

under the WFRSA. A person or entity is not a “Representative” unless that person or entity agrees to preserve the confidentiality of the Confidential Information in accordance with the terms of this Agreement.

7. “Third Parties” means a party or parties other than Utility, the Company or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the WFRSA.

TERMS:

1. Condition Precedent. The Utility and the Company shall execute this Agreement as a condition precedent to Utility’s furnishing to the Company or the Company furnishing to the Utility a copy of any Confidential Information.

2. Purpose. The purpose of this Agreement is to protect the confidentiality of the Confidential Information and to restrict the use and disclosure of that information in the manner set forth below.

3. Limitations on Use and Disclosure. (a) A Party shall use the other Party’s Confidential Information only for the purpose of evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP, and/or consummating the WFRSA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about the Utility’s or Company’s participation in the RFP or execution of an WFRSA, or the terms or conditions or any other facts relating thereto, provided, however, that any Party may disclose its own Confidential Information.

(b) Notwithstanding the foregoing or any other provision of this Agreement, the Utility may share any Confidential Information with the Public Service Commission of the District of Columbia, its Staff, or the Consultant working for the Commission. Any such information shared will be designated as confidential, and the Utility will ask the Commission to hold and use it on a confidential basis. To the extent that the Office of People’s Counsel and its representatives and/or consultants (collectively “OPC”) enter into a confidentiality agreement to hold any shared information confidentially, Utility may also share Confidential Information with OPC for the purposes of OPC’s review of the results of the RFP.

(c) Notwithstanding the foregoing or any other provision of the Agreement, the Utility may disclose Confidential Information in the event of a Supplier Default, as provided for in the WFRSA. The Utility may disclose to any Company with whom it has executed an WFRSA and who is not a Defaulting Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Company to make the election provided for in Article 4 of the WFRSA.

4. Definition of Confidential Information. Confidential Information shall consist of oral, electronic and written information that is confidential, proprietary, or generally not available to the public. Whenever possible, such Confidential Information shall be marked prior to or at the time of disclosure as being “Confidential Information”. Confidential Information in the case of information provided by Utility to the Company shall include, without limitation, all data, reports, interpretations, forecasts or records relating to Utility and/or its customers, and any other document created by Utility or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the Company by Utility. Confidential Information in the case of information provided by the Company to the Utility shall include, without limitation, all data, reports, interpretations, forecasts, bids, credit information, credit collateral amounts, bidder identity, and shall also include information prepared by the Company that includes directly or indirectly Confidential Information furnished by Utility.

5. Non-Confidential Information. Notwithstanding the provisions of Section 4, information shall not be deemed confidential that (i) becomes generally available to the public; (ii) is already known to the receiving Party at the time of receipt by the receiving Party; or (iii) is acquired after such receipt from a Third Party not known to the receiving Party to be prohibited from making disclosures. The receiving Party shall give prompt notice to the other Party in the event it believes that any of the other Party's information in its possession is not Confidential Information as a result of the provisions of this Section 5.

6. Property of Utility or the Company. Confidential Information belonging to Utility shall consist of Confidential Information supplied by Utility to the Company and shall also include the portion of Confidential Information furnished by the Company to Utility that incorporates Confidential Information furnished to the Company by Utility. Confidential Information belonging to the Company consists of Confidential Information supplied by the Company to Utility. Utility and the Company acknowledge that each Party's Confidential Information is and at all times remains the sole and exclusive property of that Party, who, it is agreed, has the exclusive right, title, and interest to its Confidential Information. Neither Party grants any right or license, by implication or otherwise, as a result of the provision of Confidential Information to the receiving Party.

7. Disclosure Prohibited Except Where Explicitly Permitted. Neither Party shall disclose or use the other Party's Confidential Information without the other Party's prior written consent except as explicitly stated in Sections 3, 8 and 9 of this Agreement.

8. Disclosure for Bid Evaluation Purposes. A Party may disclose the other Party's Confidential Information to its Representatives for the purposes set forth in Section 3. The obligations and restrictions under this Agreement that apply to a Party also apply to a Party's Representatives.

9. Disclosure to Governmental Authorities. A Party (the "disclosing Party") may also disclose the other Party's Confidential Information to any governmental, judicial, or regulatory authority ("Authority") requiring such Confidential Information; provided that, the disclosing Party (a) promptly informs the other Party of the substance of any inquiries, requests or requirements in order to afford the other Party an opportunity to attempt to prevent or limit the disclosure of the Confidential Information; (b) makes a good faith effort to persuade the Authority (i) that submission of the Confidential Information should not be required, or, if that effort fails, (ii) that submission of the Confidential Information on a non-public basis should be permitted; and (c) endeavors in good faith to protect the Confidential Information provided to an Authority from disclosure to Third Parties. Notwithstanding the foregoing, the Parties agree and understand that any Party must provide information to FERC as it requires, and such information may be made public. If an Authority orders the disclosing Party to disclose any documents containing the other Party's Confidential Information, the disclosing Party shall a) attempt to obtain from the other Party, if the Authority allows the time, a "Public Disclosure Copy", or b) if the Authority does not allow such time, shall prepare itself a "Public Disclosure Copy" in which the Confidential Information has been redacted to the extent that such redaction is permitted by the Authority requiring disclosure. Confidential Information disclosed pursuant to this Section 9 on a non-public basis shall not lose its status as Confidential Information by virtue of such non-public disclosure.

10. Termination of RFP Participation. If the Company determines that it does not wish to proceed with the RFP, or if the Utility excludes the Company from the RFP for any of the reasons set forth in the RFP, it will immediately notify the other Party of that decision. In such case, or if the RFP is not consummated, upon the written request of the Party (the "requesting Party"), the other Party (the "receiving Party") shall not retain and shall promptly return to the requesting Party all the requesting Party's written Confidential Information in the possession of the receiving Party or its Representatives, except for the

portion (“said portion”) of the requesting Party’s Confidential Information that may be found in analyses, compilations, or other documents prepared by, or for, the receiving Party and its Representatives. The said portion and any oral Confidential Information furnished by the requesting Party and not so requested or returned will be held by the receiving Party and kept subject to the terms of this Agreement, or destroyed.

11. Liability and Relief. A Party or any of its Representatives shall be liable for any breach of this Agreement. In the event a non-breaching Party or its Representatives shall have knowledge of any breach of the confidentiality of, or the misappropriation of, any of the Confidential Information, the non-breaching Party shall promptly give notice thereof to the breaching Party. The non-breaching Party shall be entitled to specific performance or other equitable relief by way of injunction or otherwise, if the other Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement. Such remedy shall not be deemed to be the exclusive remedy available to the non-breaching Party, but shall be in addition to all other available remedies. Neither failure nor delay by the non-breaching Party, in exercising any of its rights or privileges herein, shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.

12. Representatives, Successors and Assigns. This Agreement shall be binding upon and for the benefit of the Parties, and their respective Representatives, successors, and permitted assigns. Neither Party may assign its rights or obligations hereunder without prior written consent of the other Party.

13. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia without regard to conflicts of laws rules or principles.

14. Full Compliance Required. The failure in any instance to insist on full compliance with the terms of this Agreement shall not be deemed to be a waiver of the right to insist upon full compliance with these terms thereafter.

15. Signatures. The signatures below establish each Party’s agreement to the terms hereof.

16. Termination. This Agreement shall terminate three years from the date hereof.

COMPANY

UTILITY

By
Name
Title

By
Name Mario A. Giovannini
Title Director, Energy Acquisition

Appendix D

Credit Application

The following information will be used to assess the applicant's or applicant's guarantor's financial capability in accordance with the Rules and Regulations Governing the Provision of Standard Offer Service in the District of Columbia.

1. Company Information

Type of Business

- Corporation
- Limited Liability Company
- Joint Venture
- Other (describe)

Applicant Organization

Legal Corporate Name: _____
Street Address: _____
City, State, Zip Code: _____
Dun & Bradstreet Number: _____
Federal Tax ID Number: _____

Applicant Credit Contact Name

Name: _____
Title: _____
Phone Number: _____
~~Fax Number: _____~~
Email Address: _____

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration: _____
Registered Agent Name: _____
Street Address: _____
City, State, Zip Code: _____

For Limited Partnerships

Name of General Partner: _____
Address of General partner/Registered Agent: _____
City, State, Zip Code: _____

2. Application for Credit Basis

This application for credit is to be based on the creditworthiness of the Applicant indicated below.

- The applicant listed under section 1.
- The parent company listed below.

Parent Guarantor Company

Legal Corporate Name: _____

Street Address: _____

City, State, Zip Code: _____

Dun & Bradstreet Number: _____

Federal Tax ID Number: _____

3. Credit Information

The Applicant indicated in section 2 is required to submit the most recent 2 years of financial statements audited by a firm of certified public accountants of national standing. Indicate below what statements are being submitted.

_____ Annual Report

_____ 10K

_____ 10Q

_____ Other (describe)

- a. In the event the above information is inadequate to appropriately assess the Applicant's creditworthiness, the Applicant must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the Applicant's financial information is consolidated with other entities, then it is the Applicant's responsibility to extract and submit as separate documents all data and information related solely to the Applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- b. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- c. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- d. Credit Rating information (including rating, rating agency and date of rating).
- e. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

Has the applicant or predecessor company declared bankruptcy in the last 5 years?

Yes
 No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the applicant?

Yes
 No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the applicant's ability to meet or not to meet its credit obligations.

Applicant's Credit Ratings

Standard & Poors

Last Rating Date: _____
Senior Unsecured Long Term Debt Rating: _____

Moody's

Last Rating Date: _____
Senior Unsecured Long Term Debt Rating: _____

Fitch

Last Rating Date: _____
Senior Unsecured Long Term Debt Rating: _____

Along with the above information, attach the latest review from each of the agencies.

4. Authorization

Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned authorized official of the Applicant warrants that the Applicant agrees to be bound by these representations. The applicant authorizes the above listed entities to release data requested by PEPCO necessary to perform a credit check in connection with Applicant's interest to bid on the Full Requirements Wholesale Electric Power Supply RFP.

Applicant's Company Name: _____

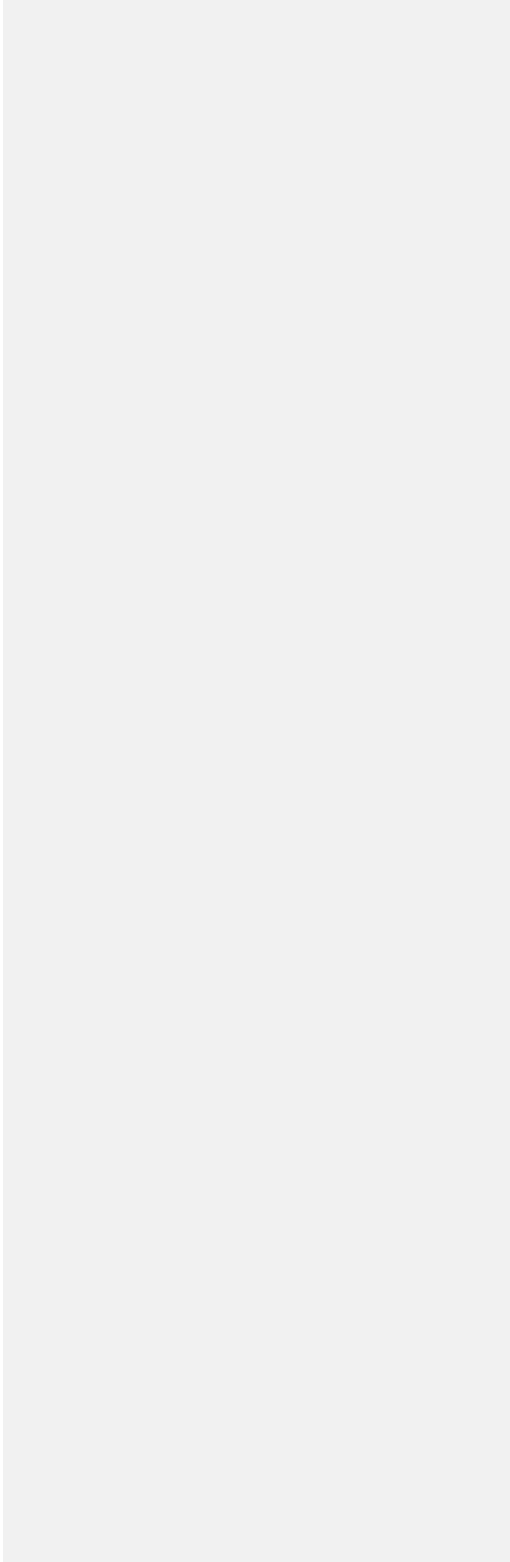
Signature of Authorized Official: _____

Name of Authorized Official (print): _____

Title of Authorized Official (print): _____

Date Signed: _____

Appendix E
Bid Form Spreadsheets
(For illustrative purpose only)



2021 PEPCO DC Request For Proposals

Bid Form Spreadsheet

Tranche 1

Proposal Due Date: December 7, 2020, 11:30 a.m. EPT

Service Type: Large Commercial Customers

Large Commercial Classes - GS-LV-D with Demand, GS-3A with Demand, GT-LV, MGT-LV, GT-3A, GT-3B and RT

12-Month Term: June 1, 2021 - May 31, 2022

Bidder Information

Company Name	
Contact Name	
Phone Number	
Fax Number	
Email	

Bid Block Information

Maximum Blocks To Be Awarded	3
Block Size (% of Load)	20.0000%
Approximate Block Size (MW-Generator)	45.6

Volume Bid

Number of Bid Blocks Offered	
------------------------------	--

Price Periods Within Contract Term

6/1/21-5/31/22

Price Quote for Bid Blocks Offered

	GS-LV-D &					
	GS-3A	RT	GT-LV	MGT-LV	GT-3A	GT-3B
Summer Energy (\$/MWh)						
Non-Summer Energy (\$/MWh)						
Summer On-Peak Energy (\$/MWh)						
Summer Int-Peak Energy (\$/MWh)						
Summer Off-Peak Energy (\$/MWh)						
Non-Summer On-Peak Energy (\$/MWh)						
Non-Summer Int-Peak Energy (\$/MWh)						
Non-Summer Off-Peak Energy (\$/MWh)						

Volume Weighting Factors - Current SOS

Summer Energy	12.05%	0.00%				
Non-Summer Energy	14.80%	0.00%				
Summer On-Peak Energy			1.66%	7.81%	0.60%	0.00%
Summer Int-Peak Energy			1.29%	6.81%	0.56%	0.00%
Summer Off-Peak Energy			2.12%	13.05%	1.08%	0.00%
Non-Summer On-Peak Energy			2.27%	7.71%	0.48%	0.00%
Non-Summer Int-Peak Energy			1.97%	7.11%	0.45%	0.00%
Non-Summer Off-Peak Energy			3.56%	13.73%	0.87%	0.00%

Discount Factors

Discount Rate	5.25%
Mid-Year Discount Factor	0.9747

Load Weighted Prices

Load Weighted Average Price (\$/MWh)	Data Input Error
Discounted Average Price (\$/MWh)	Data Input Error

Discounted Price for Evaluation Purposes

Discounted Average Term Price (\$/MWh)	Data Input Error
----------------------------------------	------------------

Tag Number	0
------------	---

Bid Assurance Collateral Amount	\$ -
---------------------------------	------

Complete / Incomplete	INCOMPLETE
-----------------------	------------

2021 PEPCO DC Request For Proposals

Bid Form Spreadsheet

Tranche 1

Proposal Due Date: December 7, 2020, 11:30 a.m. EPT

Service Type: Large Commercial Customers

Large Commercial Classes - GS-LV-D with Demand, GS-3A with Demand, GT-LV, MGT-LV, GT-3A, GT-3B and RT

12-Month Term: June 1, 2021 - May 31, 2022

Bidder Information

Company Name	
Contact Name	
Phone Number	
Email	

Bid Block Information

Maximum Blocks To Be Awarded	3
Block Size (% of Load)	20.0000%
Approximate Block Size (MW-Generator)	45.6

Volume Bid

Number of Bid Blocks Offered	
------------------------------	--

Price Periods Within Contract Term

6/1/21-5/31/22

Price Quote for Bid Blocks Offered

GS-LV-D &

	GS-3A	RT	GT-LV	MGT-LV	GT-3A	GT-3B
Summer Energy (\$/MWh)						
Non-Summer Energy (\$/MWh)						
Summer On-Peak Energy (\$/MWh)						
Summer Int-Peak Energy (\$/MWh)						
Summer Off-Peak Energy (\$/MWh)						
Non-Summer On-Peak Energy (\$/MWh)						
Non-Summer Int-Peak Energy (\$/MWh)						
Non-Summer Off-Peak Energy (\$/MWh)						

Volume Weighting Factors - Current SOS)

	GS-3A	RT	GT-LV	MGT-LV	GT-3A	GT-3B
Summer Energy	12.05%	0.00%				
Non-Summer Energy	14.80%	0.00%				
Summer On-Peak Energy			1.66%	7.81%	0.60%	0.00%
Summer Int-Peak Energy			1.29%	6.81%	0.56%	0.00%
Summer Off-Peak Energy			2.12%	13.05%	1.08%	0.00%
Non-Summer On-Peak Energy			2.27%	7.71%	0.48%	0.00%
Non-Summer Int-Peak Energy			1.97%	7.11%	0.45%	0.00%
Non-Summer Off-Peak Energy			3.56%	13.73%	0.87%	0.00%

Discount Factors

Discount Rate	5.25%
Mid-Year Discount Factor	0.9747

Load Weighted Prices

Load Weighted Average Price (\$/MWh)	Data Input Error
Discounted Average Price (\$/MWh)	Data Input Error

Discounted Price for Evaluation Purposes

Discounted Average Term Price (\$/MWh)	Data Input Error
----------------------------------------	------------------

Tag Number 0

Bid Assurance Collateral Amount \$ -

Complete / Incomplete INCOMPLETE

Formatted: Left

2021 PEPCO DC Request For Proposals

Bid Form Spreadsheet

Tranche 1

Proposal Due Date: December 7, 2020, 11:30 a.m. EPT

Service Type: Residential and Small Commercial Customers SOS

RES (SOS Class - R), MMA (Master Metered Apartment) and

SC (including Small Commercial Classes - GS-LV-ND, SL, OL-LED, TS, T and TN)

36-Month Term: June 1, 2021 - May 31, 2024

Bidder Information				
Company Name				
Contact Name				
Phone Number				
Email				
Bid Block Information				
Maximum Blocks To Be Awarded	2			
Block Size (% of Load)	8.5317%			
Approximate Block Size (MW-Generator)	41.7			
Volume Bid				
Number of Bid Blocks Offered				
Price Periods Within Contract Term - P1				
	6/1/21-5/31/22			
Price Quote for Bid Blocks Offered				
	RES	MMA	SC	
Summer Energy (\$/MWh)				
Non-Summer Energy (\$/MWh)				
Price Periods Within Contract Term - P2				
	6/1/22-5/31/23			
Price Quote for Bid Blocks Offered				
	RES	MMA	SC	
Summer Energy (\$/MWh)				
Non-Summer Energy (\$/MWh)				
Price Periods Within Contract Term - P3				
	6/1/23-5/31/24			
Price Quote for Bid Blocks Offered				
	RES	MMA	SC	
Summer Energy (\$/MWh)				
Non-Summer Energy (\$/MWh)				
Volume Weighting Factors - Current SOS				
Summer Energy (\$/MWh)	40.51%	1.15%	3.56%	
Non-Summer Energy (\$/MWh)	48.71%	1.05%	5.03%	
Discount Factors				
	P1	P2	P3	
Discount Rate	5.25%	5.25%	5.25%	
Mid-Year Discount Factor	0.9747	0.9261	0.8799	
Load Weighted Prices				
	P1	P2	P3	
Load Weighted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error	
Discounted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error	
Discounted Price for Evaluation Purposes				
Discounted Average Term Price (\$/MWh)	Data Input Error			
Tag Number	0			
Bid Assurance Collateral Amount	\$	-		
Complete / Incomplete	INCOMPLETE			

2021 PEPCO DC Request For Proposals			
Bid Form Spreadsheet			
Tranche 1			
Proposal Due Date: December 7, 2020, 11:30 a.m. EPT			
Service Type: Residential and Small Commercial Customers SOS			
RES (SOS Class - R), MMA (Master Metered Apartment) and			
SC (including Small Commercial Classes - GS-LV-ND, SL, OL-LED, TS, T and TN)			
36-Month Term: June 1, 2021 - May 31, 2024			
Bidder Information			
Company Name			
Contact Name			
Phone Number			
Fax Number			
Email			
Bid Block Information			
Maximum Blocks To Be Awarded	2		
Block Size (% of Load)	8.5317%		
Approximate Block Size (MW-Generator)	41.7		
Volume Bid			
Number of Bid Blocks Offered			
Price Periods Within Contract Term - P1 6/1/21-5/31/22			
Price Quote for Bid Blocks Offered			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
Price Periods Within Contract Term - P2 6/1/22-5/31/23			
Price Quote for Bid Blocks Offered			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
Price Periods Within Contract Term - P3 6/1/23-5/31/24			
Price Quote for Bid Blocks Offered			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
Volume Weighting Factors - Current SOS			
Summer Energy (\$/MWh)	40.51%	1.15%	3.56%
Non-Summer Energy (\$/MWh)	48.71%	1.05%	5.03%
Discount Factors			
	P1	P2	P3
Discount Rate	5.25%	5.25%	5.25%
Mid-Year Discount Factor	0.9747	0.9261	0.8799
Load Weighted Prices			
	P1	P2	P3
Load Weighted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error
Discounted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error
Discounted Price for Evaluation Purposes			
Discounted Average Term Price (\$/MWh)	Data Input Error		
Tag Number	0		
Bid Assurance Collateral Amount	\$ -		
Complete / Incomplete	INCOMPLETE		

PEPCO Request For Proposals
Residential and Small Commercial Customers
36 - Month Term
Notes
<p>Residential Customers - effective 06/01/21, class RES (including Residential Schedules R, AE, RAD, RAD-AE and R-TM) and a second class - MMA (Master Meter Apartments) and all associated riders for electric service. Bidders must separately price each group in accordance with the pricing structure set forth in the Residential Spreadsheet. Bids for RES and MMA classes are for a flat \$/MWh prices for summer calendar months and a flat \$/MWh prices for winter calendar months. All usage will be measured at the customer meter level.</p>
<p>Small Commercial Customers - effective 06/01/21, class SC (including customers served on General Service Schedule GS LV-ND that is classified as non-demand, Temporary Service Schedule T, Telecommunications Network Service Schedule TN, Street Lighting Service Schedule SL, Overhead Lighting Schedule OL-LED, Traffic Signal Service Schedule TS) and all associated riders for electric service. Bidders must separately price each group in accordance with the pricing structure set forth in the Small Commercial Spreadsheet. Bids are for a flat \$/MWh price for summer calendar months and a flat \$/MWh price for winter calendar months for the SC class. All usage will be measured at the customer meter level.</p>
<p>SEASONAL DEFINITION</p> <p>Summer Calendar Months = May - September</p> <p>Winter Calendar Months = October - April</p>

Appendix F

Binding Bid Agreement

_____, (“Bidder”) agrees to be bound by the price and volume quotes entered on any Bid Form Spreadsheet(s), up to the expiration time of its proposal, as set forth in Section 4.5 (Expiration of Proposals) of this Request For Proposals, submitted to Potomac Electric Power Company (PEPCO) in response to this multi-tranche solicitation, which shall constitute a firm offer to supply service in accordance with the Wholesale Full Requirements Service Agreement and applicable District of Columbia Law and regulations. Any offer is not subject to any contingencies or conditions precedent and, if accepted by the PEPCO, the Bidder agrees to execute the Wholesale Full Requirements Service Agreement in a timely manner as set forth in Section 6 (Schedule for RFP Process) of this Request For Proposals.

The submission of this binding offer to PEPCO shall constitute the Bidder’s acknowledgment and acceptance of all the terms, conditions and requirements of this Request For Proposals.

The person submitting an offer(s) represents and warrants that he/she has the authority to act on behalf of, and to bind the Bidder to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature: _____

Title: _____

Date: _____

Appendix G
Please see WFRSA

Appendix H

Pepco DC SOS Bid Plan Information DC SOS RFP 2020 Tranche 1

Note: All Capacity PLC's, Number of Blocks and associated Block Size Percents represent PLC information as of July 15, 2020.

<u>Service Type</u>	<u>Capacity PLC* Megawatts</u>	
	<u>SOS</u>	<u>Eligible</u>
Residential Customers Service Classifications: R and Master Metered Apartment Classes	116.7	150.9
Small Commercial Customers Service Classifications: GS-LV non-demand, OL-LED, SL, TS, T, and TN Classes	8.5	12.4
Large Commercial Customers Service Classifications: GS-LV demand, GS-3A demand, GT-LV, GT-3A, GT-3B, MGT-LV and RT Classes	227.9	1,538.1
Total	353.1	1,701.4

* All Capacity PLC numbers are inclusive of all losses and unaccounted for energy.

Term Description

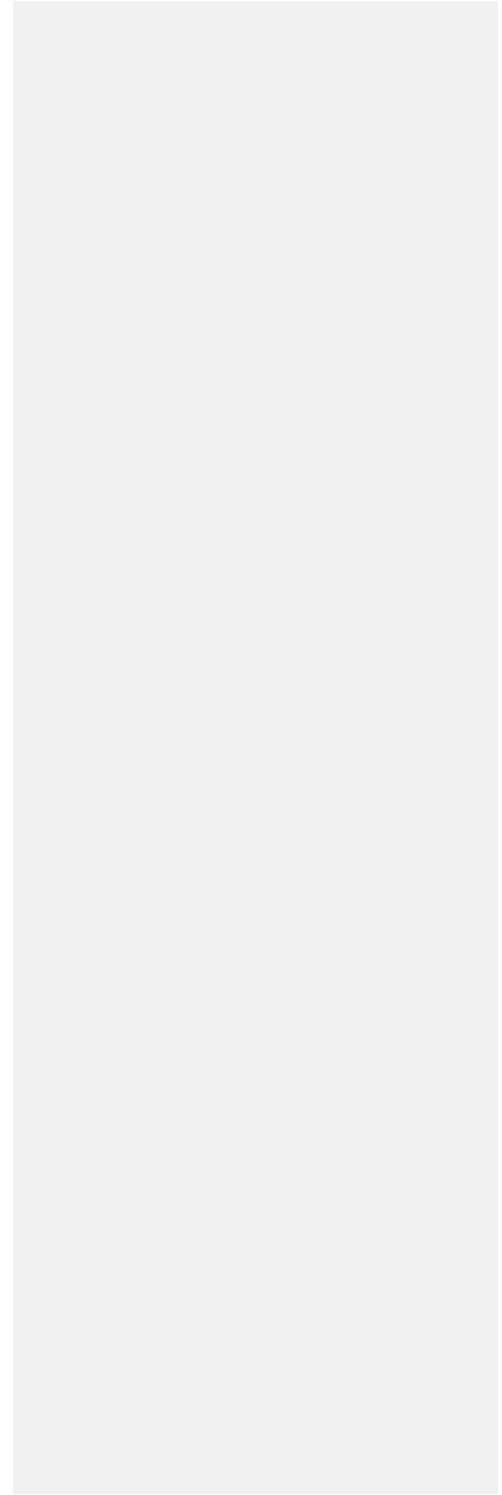
Residential and Small Commercial Customers: 36-Month Term, June 1, 2021 - May 31, 2024

Large Commercial Customers: 12-Month Term, June 1, 2021 - May 31, 2022

	<u>Contract Term</u>		<u>Total</u>
	<u>12 Month</u>	<u>36 Month</u>	
Residential Customers		25.5951%	25.5951%
Service Classifications: R, R-EV, AE, RAD, RAD-AE, R-TM & R-TM-EV, RTM-EX and Master Metered Apartment Classes			
and			
Small Commercial Customers			
Service Classifications: GS-LV non-demand, GS-3A non-demand, SL, TS, T, and TN & SL-TN Classes			
Approximate Total PLC		125.2	125.2
Block Size %		8.5317%	
Approximate Block Size (MW)		41.7	
Total Number of Blocks		3	3
Tranche 1 blocks		2	2
Tranche 2 blocks		1	1
Large Commercial Customers	100%		100%
Service Classifications: GS-LV demand, GS-3A demand, GT-LV, GT-3A, GT-3B and RT Classes			
Approximate Total PLC	227.9		227.9
Block Size %	20.0000%		
Approximate Block Size (MW)	45.6		
Total Number of Blocks	5		5
Tranche 1 blocks	3		3
Tranche 2 blocks	2		2

Appendix I

SOS Rules Related to the Community Renewable Energy Amendment Act of 2013



RFP
(Clean)

PEPCO

2020

**DISTRICT OF COLUMBIA
REQUEST FOR PROPOSALS
FOR**

**WHOLESALE FULL REQUIREMENTS ELECTRIC POWER
SUPPLY**

DATED

October 5, 2020

**2020 Request for Proposals
For District of Columbia
Full-Requirements Wholesale Electric Power Supply**

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- I. Notice of Final Rulemaking Amending the Commission's SOS Rules in Accordance with Community Renewable Energy Amendment Act of 2013

2020 Request for Proposals For District of Columbia Full-Requirements Wholesale Electric Power Supply

1. Introduction

Retail choice began in the District of Columbia on January 1, 2001. Under the retail choice program, retail customers can select their provider of electric power from several licensed retail power suppliers. Standard Offer Service (“SOS”) is available from the Potomac Electric Power Company (“PEPCO”) for those customers: (1) who contract for electricity with an electricity supplier, but who fail to receive delivery of electricity under such contracts; (2) who cannot arrange to purchase electricity from an alternative electricity supplier; (3) who do not choose an alternative electricity supplier or choose to receive SOS from Pepco. PEPCO’s provision of SOS at fixed prices expired on February 7, 2005. In Order No. 13118, dated March 1, 2004, the Public Service Commission of the District of Columbia (“Commission”) adopted a wholesale procurement model to be used by PEPCO to acquire full requirements service to meet the SOS load after February 7, 2005. The rules and regulations governing the procurement process and the solicitation documents including the Request for Proposals (“RFP”) and Wholesale Full Requirements Service Agreement (“WFRSA”) were further detailed in Order Nos. 13115, 13225, 15313 and 17863. These Orders are available at www.dcpsec.org.

In January 2020, Pepco completed its sixteenth Commission approved bidding process and began providing SOS through supply contracts awarded to winning suppliers in the wholesale competitive market. Some of the awarded contracts are scheduled to expire May 31, 2021 and must be replaced in a seventeenth year of bidding. The Commission issued Order No. 20626 modifying the RFP and WFRSA as is reflected in this RFP and WFRSA for the seventeenth year of bidding. Order No. 20626 is available at www.dcpsec.org.

This RFP reflects the wholesale bidding process set forth in the Orders referenced above, to solicit proposals from suppliers interested in providing SOS to PEPCO for the customer classes and terms indicated in Section 2.2 (Product Definition). The RFP is for full-requirements wholesale supply service to meet the needs of PEPCO’s SOS retail load obligation as described in this document. Successful bidders will be required to execute a WFRSA. A pro forma WFRSA is attached to this RFP as Appendix G. Capitalized terms used in this RFP are defined in the WFRSA.

2. Services Requested

2.1. Supply Requirement Overview

PEPCO is requesting full-requirements wholesale supply service generally including energy, capacity, ancillary services, renewable energy resource requirements and losses, but excluding network integration transmission service. The renewable energy obligation shall be in compliance with the District’s Renewable Energy Portfolio Standard as specified in Exhibit H of the WFRSA. A supplier of full-requirements service will have an obligation stated as a specific percentage of PEPCO’s retail load for specific service types or customer classes, and as such, full-requirements service encompasses any changes in customers’ demand for any reason. Suppliers are advised that, pursuant to the provisions of the Community Renewable Energy Amendment Act of 2013 (‘CREA’) which became effective on December 13, 2013, the overall load needed for SOS customers may decrease. A copy of the Notice of Final Rulemaking that amended the Commission’s SOS rules in accordance with CREA is included herein as Appendix I. The CREA related sections of the revised SOS rules are 4100.3, 4101.2, 4102.1, 4102.4, 4103.1, 4103.4, 4104.3, 4107.1, 4107.14, 4108.2, 4108.3, 4109 and 4199.1.

Suppliers are advised to incorporate a capacity price component of \$102.22/MW-day into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial delivery year of June 1, 2022 through May 31, 2023 and the delivery year of June 1, 2023 through May 31, 2024. For each billing month for the delivery year June 1, 2022 through May 31, 2024, an additional line item on the Seller’s invoice will show a charge or credit equal to the final PJM RPM Zonal Net Load Price actually charged for load served on the day for PEPCO’s PJM zone less \$102.22/MW-day multiplied by the Seller’s capacity obligation for each day of the billing month in question. For avoidance of doubt, Seller will be compensated for these charges for this time period only.

All customers who switch between SOS and another electricity supplier must adhere to the existing retail choice notification requirements contained in PEPCO’s Electricity Supplier Coordination Tariff in the District of Columbia, section 7 (see PEPCO web site, www.pepco.com), and incorporated herein by reference. See Section 2.5 below for more details on switching rules.

The specific definition of full-requirements service and associated responsibilities are stated in the WFRSA, which is included as part of this RFP document as Appendix G. The current peak load contribution (PLC) associated with the customer classes for which PEPCO is soliciting wholesale supply in this RFP is stated in the following table. Two representations of PLC are provided. The first represents the PLC associated with customers currently receiving SOS from PEPCO. The second represents the PLC associated with all customers currently eligible for a specific service type within the District of Columbia. The customer classes that comprise a service type are listed, and those classes where separate PLCs are stated will be bid independently of the other classes within that service type.

Service Type	Capacity PLC* Megawatts as of July 15, 2020	
	<u>SOS</u>	<u>Eligible</u>
Residential Customers		
R and Master Metered Apartment Classes	116.7	150.9
Small Commercial Customers		
GS-LV non-demand, GS-3A non-demand, SL, OL-LED, TS, T, and TN & SL-TN Classes	8.5	12.4
Large Commercial Customers		
GS-LV demand, GS-3A demand, GT-LV, MGT-LV, GT-3A, GT-3B, and RT Classes	227.9	1,538.1
Total	353.1	1701.4

* All Capacity PLC numbers are inclusive of all losses and unaccounted for energy.

Pursuant to the Orders, PEPCO will target the following load percentages for each contract term for the various service types.

<u>Service Type</u>	<u>Contract Term</u>	
	<u>12-Months</u>	<u>36-Months</u>
Residential Customers	0%	100%
Small Commercial Customers	0%	100%
Large Commercial Customers	100%	

2.2. Product Definition

In this RFP, PEPCO is soliciting full-requirements wholesale service for the terms indicated below.

Term Description

12-month Term	June 1, 2021 through May 31, 2022 for Large Commercial Customers
36-month Term	June 1, 2021 through May 31, 2024 for Residential and Small Commercial Customers

2.3. Multi-Tranche Process

The selection of proposals by PEPCO in this solicitation will be conducted through a multi-tranche process following the contract term portfolio criteria stated in Section 2.1 (Supply Requirement Overview). As specified in Appendix A (SOS Implementation Timeline), this process will allow for up to three tranches to fulfill PEPCO's requests for its various customer service types. The process is designed, however, such that PEPCO's requests are fully met in no more than two tranches, as set forth below. Any remaining tranche(s) will be reserved for use only if PEPCO's requests go unfulfilled in the prior tranche(s). The load within each tranche and for each contract term is further divided into bid blocks. Each bid block represents a certain and specific percentage of the associated load and, as of the date indicated in the header of the capacity PLC table in Section 2.1 (Supply Requirement Overview), such specific percentage represents about 50 MW for the multi-year bid blocks and about 50 MW for the single-year bid blocks. The bid block design for this solicitation is provided in Appendix H (PEPCO Bid Plan Information).

Unfilled Tranche Targets:

The number of blocks in each tranche for each contract term are PEPCO targets. If the amount of conforming bids in any tranche are unable to meet that tranche's targets, then the unfilled portion of that tranche will be included in the next tranche, and the targets in the next tranche will be revised accordingly. If in the last tranche there is a contract target deficiency, then the remaining reserve tranche(s) will be conducted to solicit for any deficiencies.

Change in Service Type PLCs:

PEPCO will update the Bid Form Spreadsheets on the website with the total PLC in each service type approximately one week prior to the date on which the first tranche bids are due.

If the total PLC in a service type (i.e. residential, small commercial, or large commercial customers) changes during the multi-tranche bidding process by more than +/- 40 MW in total, PEPCO will adjust the bid block size and number of remaining bid blocks to maintain a bid block size of approximately 50 MW.

2.4. Supplier Step-Up Provision

As set forth in the WFRSA, in the event of an early termination of a WFRSA, all other wholesaler suppliers serving PEPCO's SOS load pursuant to the Orders, will have the option to take a full or partial pro-rata share of the load for the balance of the terminated WFRSA term, under the same pricing, terms and conditions of the terminated WFRSA. Such option to take a pro-rata share of the load will include a transfer to the step-up supplier of any rights associated with congestion management. The supplier to which the option is offered shall meet any additional collateral requirements related to the step-up of its obligation. If any supplier does not exercise its option to increase its obligation, the other suppliers will have the option to take a pro-rata share of the amount of the increased obligation that such supplier declined to take. A supplier's pro-rata share will be the ratio of the supplier's load obligation, stated on a capacity PLC basis, to the total load being served under WFRSAs pursuant to the Orders, excluding the terminated WFRSA and, if applicable, WFRSAs under which suppliers decline to exercise their step-up option in part or full.

2.5. Customer Restrictions

Residential SOS:

Pursuant to the Orders, subject to PEPCO's customer enrollment rules (contained in PEPCO's Electricity Supplier Coordination Tariff in the District of Columbia, Section 7 which can be found on PEPCO's website at www.pepco.com), customers may leave and return to Residential SOS at any time without switching restrictions.

Commercial SOS

Pursuant to the Orders subject to PEPCO's customer enrollment rules and tariffs, commercial customers may leave and return to SOS at any time without switching restrictions.

3. Eligibility of Applicants

3.1. Overview of Eligibility

The purpose of the eligibility process is to provide information to the applicants regarding their eligibility to bid, and to determine the amount of bid assurance collateral that will be required from every bidder upon submission of its proposals. An applicant is eligible to bid if, in a timely and complete fashion, it submits an Expression of Interest Form, executes the Confidentiality Agreement, submits its documentation indicating that it meets the PJM membership and FERC authorization requirements stated in Section 3.4 (Submittal of Applicant's PJM and FERC Qualifications), its, or its guarantor's, unsecured senior long-term debt is currently rated by Standard & Poor's Ratings Group, Fitch Investor Services or Moody's Investor Services, submits the Credit Application and associated financial information requested in Section 3.5 (Submittal of Credit Application and Financial Information) and submits an executed Binding Bid Agreement requested in Section 3.6 (Submittal of Binding Bid Agreement). Upon submission of bids, eligible bidders will be required to post bid assurance collateral in an amount directly proportional to the amount of load bid upon. The bid assurance collateral will be returned to the bidder subsequent to contract execution or the rejection of its bid(s), as described in Section 3.8 (Bid Assurance Collateral and Alternative Letter of Credit Form). Within two Business Days of receiving notification that the Commission has

accepted the award to a Seller, the Seller or its Guarantor must provide Performance Assurance as described in Article 14 of the WFRSA.

For unrated applicants who do not have a rated Guarantor, or whose Guarantor is not capable of executing a Guaranty on behalf of the bidder, the applicant will be subject to the increased bid assurance requirements in Section 3.8.

3.2. Submittal of Expression of Interest

Applicants interested in participating in this RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix B). An electronic copy of the Expression of Interest Form will be made available to applicants for completion on the Pepco RFP website. 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 related to this RFP.

3.3. Confidentiality Agreement

Access to confidential information relating the PEPCO's procurement of SOS power supply will be governed by the OPC Confidentiality Agreement, the Consultant's Confidentiality Agreement contained in the Bidder RFP, the Confidentiality Agreement contained in the RFP and the confidentiality provisions of the WFRSA (collectively the Confidentiality Agreements). An applicant and PEPCO will be required to execute the Confidentiality Agreement (Appendix C) electronically. An electronic copy of the Confidentiality Agreement can be found on the Pepco RFP website. The applicant will not be eligible to submit proposals until such agreement has been executed. Once the agreement- is received from the applicant, Pepco will complete the execution of the agreement and electronically return a fully executed agreement to the applicant.

3.4. Submittal of Applicant's PJM and FERC Qualifications

An applicant must document that it is a member of the PJM Interconnection, LLC (PJM) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full-requirements obligation. In addition, an applicant must document that it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of energy, capacity and ancillary services at market based rates. The forms for such documentation can be found on the Pepco RFP website and must be signed by a signatory with the authority to act on behalf of the applicant. Applicants are required to submit such documentation no later than the due date noted in Section 6 (Schedule for RFP Process). The applicant will not be eligible to submit bids until such documentation has been provided to PEPCO. In the event the applicant has previously submitted such documents for qualification to participate in a neighboring PHI SOS jurisdiction for the same RFP year, such documents can be referenced to meet this requirement. If, however, the applicant's good-standing membership with PJM or its FERC authorization has been adversely affected since submittal of the original documents, it is the responsibility of the applicant to immediately notify Pepco of such events. Once notified, Pepco will make any appropriate adjustments to the applicant's eligibility status.

3.5. Submittal of Credit Application and Financial Information

Applicants are required to submit the Credit Application (Appendix D) and associated financial information to PEPCO no later than the Application and Financial Information due date noted in Section 6

(Schedule for RFP Process). An electronic copy of the Credit Application can be found on the Pepco RFP website. The applicant should send the complete application and the associated financial information electronically. In the event the applicant has previously submitted such credit application and financial information for qualification to participate in a neighboring PHI SOS jurisdiction for the same RFP year, such documents can be referenced to meet this requirement. If, however, the applicant's credit rating has downgraded since submittal of the original documents, it is the responsibility of the applicant to immediately notify Pepco of such event. Once notified, Pepco will make any appropriate adjustments to the applicant's eligibility status.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the applicant's financial information is consolidated with other entities, then it is the applicant's responsibility to extract and submit as separate documents all data and information related solely to the applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

In the event the applicant's information is not submitted by the due date or submitted in an incomplete fashion, the applicant will be eliminated from further consideration in the first tranche of this RFP. Therefore, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing some time to cure incomplete information before the due date.

3.6. Submittal of Binding Bid Agreement

An applicant must complete and submit, electronically, a signed Binding Bid Agreement provided as Appendix F. An electronic copy of the Binding Bid Agreement can be found on the Pepco RFP website. The signatory to the Binding Bid Agreement must certify that he/she has the authority to act on behalf of, and to bind, the bidder to perform the terms and conditions of the WFRSA at the prices and for the load amounts specified in any proposal(s) in response to this multi-tranche solicitation. Applicants are required to submit such certification no later than the due date noted in Section 6 (Schedule for RFP Process).

3.7. Cure Time for Deficiencies in Qualification Requirements

Bidders are urged to provide the materials necessary to establish eligibility as soon as practicable. PEPCO will endeavor to notify bidders of any deficiencies in their submittals in a timely manner. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to November 15th. PEPCO will notify bidders as soon as PEPCO has determined that they have met the eligibility requirements. Notification of eligibility or deficiencies will be provided to bidders by email. Bidders have a 24-hour cure period after they are notified of a deficiency. For example, if application materials are due on a Wednesday at close of business (“COB”), and Pepco notified a bidder on Thursday of one or more deficiencies, then that bidder will have until COB Friday to cure the deficiencies. In the event that an applicant has not met all of the qualification requirements under Section 3 (Eligibility of Applicants) so as to not be eligible to submit proposals in the first tranche, such applicant will be allowed to cure any such deficiency and participate in subsequent tranches, if the deficiency is cured no later than two weeks prior to the due date of proposals for the next tranche.

3.8. Bid Assurance Collateral and Alternative Letter of Credit Form

Accompanying each proposal in each tranche, each bidder must provide liquid bid assurance collateral. The purpose of this collateral is to assure commitment of the bidder to execute the WFRSA and/or transactions for the bid blocks awarded to the bidder in each tranche. The form of collateral must be either cash or an irrevocable letter of credit (LOC). An acceptable LOC form is provided as Exhibit C in the WFRSA. If an applicant prefers to use an alternative LOC form for the bid assurance collateral, the applicant must provide such form along with its Credit Application and financial information. The acceptability of such alternative LOC form will be at PEPCO’s sole discretion, and such acceptability will be communicated to the applicant at the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. For rated bidders the amount of the bid assurance collateral is \$300,000 per bid block. For unrated bidders who do not have a rated Guarantor, or whose Guarantor is not capable of executing a Guaranty on behalf of the bidder, the amount of the bid assurance collateral is \$600,000 per bid block. PEPCO will hold the bid assurance collateral until either the bidder's proposal is rejected in whole, or the bidder executes the WFRSA and/or transactions and fully executed electronic documents are received by PEPCO. Upon either of the above two conditions, bid assurance collateral in the form of cash will be returned within one business day, and bid assurance collateral in the form of a LOC will be returned within two business days. A bidder that is awarded bid block(s) and does not execute the WFRSA and/or transaction(s) associated with such bid block(s) shall forfeit its bid assurance collateral and be ineligible to participate in the remaining tranche(s) of this solicitation.

3.9. Alternative Forms of Performance Assurance

Subsequent to the return of a successful bidder’s bid assurance collateral, another instrument of performance assurance will be required under the terms of the WFRSA. Such performance assurance may be in the form of a bond, LOC or corporate guaranty of an affiliate of the supplier acceptable as further explained in the WFRSA. If a corporate guaranty is obtained, it must conform to the Commission approved form. If an applicant prefers to use an alternative form for the performance assurance, the applicant must provide such alternative form along with its Credit Application and financial information. PEPCO will determine whether any such alternative form of performance assurance is commercially acceptable and notify the applicant accordingly. If PEPCO and the applicant cannot agree on a commercially acceptable form of performance assurance, PEPCO will request a determination by the Commission. If a final

determination of acceptability is not made by November 20, 2020 in accordance with the SOS Implementation Timeline, applicant must use the form included in the WFRSA in order to be eligible to bid.

4. Proposals

4.1. Bid Format

Bidders shall submit their proposals electronically using the Bid Form Spreadsheets provided on the Pepco RFP website/Bidding Application (Ariba). Attached to this RFP, as Appendix E, is an example of a Bid Form Spreadsheet. There is a separate Bid Form Spreadsheet for each tranche, and each service type, as indicated in the title area of each Bid Form Spreadsheet. The Bid Form Spreadsheets contain sections of information labeled Bidder Information, Bid Block Information, Volume Bid, Price Periods Within Contract Term, Price Quote for Bid Blocks Offered, Volume Weighting Factors, Discount Factors, Load Weighted Prices, Discounted Price for Evaluation Purposes, Tag Number, Bid Assurance Collateral Amount and Complete/Incomplete Flag. The Bid Form Spreadsheets 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. 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.** The non-shaded cells are read-only cells containing either fixed or computed amounts. All formulas in cells in which computations are performed can be viewed by simply placing the cursor on the cell.

There is no limitation on the number of proposals that a bidder may offer, however, no proposal(s) can be conditioned in any manner. PEPCO reserves the right to accept or reject any number of a bidder's proposals in accordance with the proposal evaluation criteria set forth in Section 4.6 (Evaluation of Proposals).

Bidder Information - These cells are **bidder input cells** and include Company Name, Contact Name, Phone Number and Email must be provided by the bidder. As set forth in Section 4.3 (Confirmation and Proposal Tagging Process), such information will be used to confirm receipt of bidder's offer(s).

Bid Block Information - The content of these cells are provided by PEPCO and include the Maximum Blocks To Be Awarded, Block Size (% of Load) and Approximate Block Size (MW-Generator). The Maximum Blocks To Be Awarded represents an initial target consistent with the multi-tranche structure described in Section 2.3 (Multi-Tranche Process). However, such targets are subject to change depending on the results of prior tranches, as described in "*Unfilled Tranche Targets*" within Section 2.3 (Multi-Tranche Process). In the event that the initial target for the Maximum Blocks To Be Awarded changes, PEPCO will revise such targets in the Bid Form Spreadsheets accordingly immediately following the prior tranche, as indicated in Section 6 (Schedule for RFP Process). The Block Size (% of Load) represents the portion of the service type load. Where there are multiple customer classes being bid in aggregate within a service type, the Block Size (% of Load) is applicable to each class. For example, if there are three customer classes being bid in aggregate within a service type, and the Block Size is 5%, the bidders awarded those blocks will supply 5% of each of the three customer classes. The Approximate Block Size (MW-Generator) is provided in terms of capacity PLC. The "Generator" qualifier within this term indicates that the stated Approximate Block Size represents load at the generator-level, rather than at the customer

premise or retail meter level, meaning it includes energy losses, consistent with the reporting of PLC to PJM.

Volume Bid - This cell is a **bidder input cell** for the number of bid blocks it is willing to supply at the prices offered in the Price Quote for Bid Blocks Offered section. PEPCO reserves the right to accept any number of bid blocks up to the Number of Bid Blocks Offered by the bidder. In the case of multi-year contract term proposals, the Number of Bid Blocks Offered by the bidder shall apply for the entire contract term and the number of blocks accepted by PEPCO shall not change throughout the entire contract term.

Price Periods Within Contract Term - The content of these cells are provided by PEPCO and represent the periods for which the bidder's price quotes apply.

Price Quote for Bid Blocks Offered - These cells are **bidder input cells** for its price offer in each Price Period Within Contract Term. Bidders must use only two decimal places in these cells, consistent with the display characteristics of the cells. Use of more than two decimal places by the bidder may result in rounding discrepancies. If PEPCO cannot replicate the bid precisely using two decimal places, PEPCO may reject the bid. PEPCO is requesting price offers for Summer Energy and Non-Summer Energy, and, where applicable, Summer and Non-Summer Energy price offers within the time-of-use (on, intermediate and off-peak) periods. The energy price offers shall be in terms of \$/MWh. All MWh energy shall be at the customer premise or retail meter-level. As set forth in the WFRSA, the MWh of energy shall be equivalent to the amount of energy reported as the supplier's obligation by PEPCO to PJM adjusted for losses in accordance with PEPCO's initial and 60-day retail load settlement process. PEPCO's summer period begins on May 1st and ends on September 30th, and its non-summer period begins on October 1st and ends on April 30th. PEPCO's time-of-use periods are as follows:

RATING PERIODS

Weekdays - (Excluding Holidays)	Eastern Prevailing Time
On-Peak Period	12:00 noon to 8:00 p.m.
Intermediate Period	8:00 a.m. to 12:00 noon and 8:00 p.m. to 12:00 midnight
Off-Peak Period	12:00 midnight to 8:00 a.m.
Saturdays, Sundays and Holidays	
Off-Peak Period	All Hours

HOLIDAYS

New Year's Day, Rev. Martin Luther King's Birthday, Presidents' Day, Memorial Day, Independence Day, Labor Day, Columbus Day, Veterans' Day, Thanksgiving Day and Christmas Day, as designated by the Federal Government.

Volume Weighting Factors - The content of these cells are provided by PEPCO and include Summer and Non-Summer Energy factors, and, where applicable, Summer and Non-Summer Energy factors within the time-of-use (on, intermediate and off-peak) periods. As stated, these factors are derived from historical data, which may or may not be representative of future behavior of electricity consumption.

Discount Factors - The content of these cells are provided by PEPCO or computed and include the Discount Rate and the Mid-Year Discount Factor used in the calculation of the discounted prices. The Discount Rate is equal to two percent (200 basis points) over the Prime Rate as published in The Wall Street Journal under "Money Rates" on the date the RFP is issued. Assumed within the mid-year discounting

convention, cash flows occur in the middle of each Price Period Within Contract Term and are discounted back to the start of the term.

Load Weighted Prices - The content of these cells are computed by applying the Volume Weighting Factors to the Price Quotes for Bid Blocks Offered. The Load Weighted Average Energy Price are determined by summing the load weighted price quotes derived by applying the corresponding energy to the respective price quotes. The Load Weighted Average Energy Prices are discounted by the Mid-Year Discount Factor.

Discounted Price for Evaluation Purposes - The content of this cell is computed and is the single parameter that will be used to compare all offers within the same service type and the same contract term. For single Price Periods Within Contract Term, the Discounted Average Term Price is equivalent to the Discounted Average Price. Where there is multi-Price Periods Within Contract Term, the Discounted Average Term Price is set equal to the time weighted average of the Discounted Average Prices.

Tag Number - The content of this cell will be provided by PEPCO and will represent a unique identification for each Bid Form Spreadsheet submitted by the bidders. This identification will be communicated to the bidder at the time PEPCO confirms receipt of the bidder's offer(s), as described in Section 4.3 (Confirmation and Proposal Tagging Process).

Bid Assurance Collateral Amount - The content of this cell is computed as the product of the Number of Bid Blocks Offered, as entered by the bidder in the Volume Bid section, and \$300,000.

Complete/Incomplete Flag - The content of this cell is computed and indicates whether or not the Bid Form Spreadsheet has been fully completed in accordance with Section 4.1 (Bid Format). An incomplete Bid Form Spreadsheet will be deemed non-conforming, as set forth in Section 4.4 (Conforming Proposals).

4.2. Submittal of Proposals

Bidders shall receive bid forms electronically and submit proposals electronically using the bid forms described in Section 4.1 and attached as Appendix E. Proposals are to be submitted beginning at 3:00 p.m. and received by 4:30 p.m. Eastern Prevailing Time (ET), on the due date for each tranche as indicated in Section 6 (Schedule for RFP Process). Accompanying each proposal, each bidder must provide the appropriate amount of bid assurance collateral, as described in Section 3.8, and as computed on the Bid Form Spreadsheet(s). Bid assurance collateral must be received by Pepco by 12:00 p.m. ET on the price proposal due date. A bidder may withdraw its proposal(s) before 4:30 p.m. ET on the due date, however such withdrawal notice must be provided electronically as a pdf file, with a signatory certifying that he/she has the authority to act on behalf of the bidder in such a manner. Upon receipt of a withdraw notice, PEPCO will provide the bidder with a notice by phone of receipt of such withdrawal.

The bidder is required to submit the bid(s) through the Ariba platform. Pepco screens the bids submitted to ensure that bids are being processed. Upon 1) the bidder's discovery of a bid submission problem, the bidder(s) shall contact Pepco by telephone or 2) Pepco's discovery of a bid submission problem, Pepco shall contact the bidder(s) by telephone. Pepco shall inform the bidder(s) of the appropriate electronic email address for resubmission. Such resubmission must be received by Pepco by the deadline as described above.

In the event of a breakdown in voice communication either 1) the bidder will inform Pepco of the rejected bid(s) via the appropriate email address or 2) Pepco will inform the bidder of the rejection via email and request the bidder to submit the bid to the appropriate email address.

4.3. Confirmation and Proposal Tagging Process

PEPCO will confirm receipt of a bidder's proposal(s) electronically. As indicated on each Bid Form Spreadsheet, Pepco will send an alert to the bidder that includes the tranche number, service type, contract term, number of blocks bid, tag number, Discounted Average Term Price and bidder name.

4.4. Conforming Proposals

In order for a proposal(s) to be conforming, the proposal(s) must be:

- accompanied by the appropriate amount of bid assurance collateral;
- submitted using the Bid Form Spreadsheet(s), completed in full and without modification;
- submitted by the due date(s) and due time; and
- submitted by an eligible applicant.

Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of proposals will be communicated by PEPCO to the relevant bidder(s) as soon as practicable.

4.5. Expiration of Proposals

A bidder's proposal(s) shall expire on the earlier to occur of PEPCO's notification that a bid is rejected or at midnight ET on the scheduled day of the Commission's approval of the transactions within each tranche, as indicated in the Section 6 (Schedule for RFP Process). Accordingly, the expiration dates are as follows.

	<u>Expiration Date</u>
Tranche 1 Proposals:	December 7 or December 10
Tranche 2 Proposals:	January 4 or January 7
Tranche 3 Proposals:	January 19 or January 22

4.6. Evaluation of Proposals

As described in Section 4.1, the Discounted Average Term Price calculated on each Bid Form Spreadsheet will be the single parameter used to compare all offers within the same service type and for the same contract term. The Bid Block Offers with the lowest Discounted Price for Evaluation Purposes will be selected within each contract term until the tranche targets specified in Section 2.3 (Multi-Tranche Process) have been met. Bidders that are awarded bid blocks shall receive their offered prices as stated in their submission of the Bid Form Spreadsheet(s) under the Price Quote for Bid Blocks Offered section.

In the event that comparable offers from different suppliers have equivalent Discounted Average Term Prices (rounded to two decimal places, \$0.01/MWh), and such Discounted Average Term Price qualifies to be awarded a contract, but not all of the Number of Bid Blocks Offered between or among such

suppliers are necessary to meet the tranche target, such bid blocks will be awarded evenly to such suppliers. If all such bid blocks cannot be awarded evenly, the balance of bid blocks that remains after as much as possible has been evenly awarded, will be awarded to the supplier(s) that has the least amount of load awarded to it thus far in the current multi-tranche solicitation. If such suppliers have equal amounts of awarded load, then the number of decimal places in the Discounted Average Term Price will be expanded until a distinction arises.

Bidders may submit Bid Block Offers of 12 and 36 months in duration. The least average discounted price shall be the sole criterion used to evaluate bids of qualified bidders. The criterion shall be applied in evaluating all 12-month bids against 12-month bids and 36-month bids against 36-month bids, in order to meet the requirements of Rules 4102.4 (a), (b) and (c).

5. Wholesale Full-Requirements Service Agreement

The pro forma WFRSA to be executed as a result of this RFP is provided as Appendix G. The WFRSA contains the parties' rights and obligations for providing and receiving full-requirements wholesale electric supply, including those rights and obligations associated with performance assurances. There will be a master WFRSA executed with each supplier under which separate transactions will be executed for the specific service types and contract terms.

6. Schedule for RFP Process

The solicitation and selection process will be carried out in accordance with Appendix A (SOS Implementation Timeline). Key events are noted in the following schedule:

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	October 5, 2020
Solicitation for Expressions of Interest	October 5
Pre-Bid Conference	Mid to Late-October
Confidentiality Agreement due	November 13
Credit Application and financial information due	November 13
Alternative Letter of Credit Form(s) due, if applicable	November 13
Alternative Form of Performance Assurance due, if applicable	November 13
PJM and FERC qualifications due	November 13
Binding Bid Agreement due	November 13
Issue applicants' eligibility status	November 20
1 st tranche price proposals due	December 7

The process for awarding, fully executing and approving a WFRSA and/or Transactions will be as follows:

- Monday: Bid assurance collateral due by 12:00 p.m. ET
- Monday: Bid submittal beginning 3:00 p.m. ET, bids due by 4:30 p.m. ET, bids awarded by 8:30 p.m. ET.
- Tuesday: PEPCO will electronically submit, partially executed Transaction Confirmations (and a WFRSA if this is the first award to a bidder) to the winning bidders.
- Wednesday: By 9:30 a.m. ET, the bidder will return to PEPCO electronic fully executed Transaction Confirmations.

- Wednesday: Winning bidders will electronically return a fully executed WFRSA (if this is a first award to the bidder).
- Wednesday: In the morning, PEPCO will submit copies of the fully executed Transaction Confirmations to the Commission for review and approval;
- Thursday: The transactions will be deemed to be approved by the Commission unless the Commission orders otherwise by close of business.

If a Tranche is scheduled for a Tuesday rather than a Monday, the days of the week noted above will change: Monday will become Tuesday, Tuesday will become Wednesday, and so on.

7. RFP Website

Information related to this RFP will be posted on PEPCO's RFP website at www.pepco.com/dcrfp. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by PEPCO to provide retail electric supply services in PEPCO's service territory pursuant to PEPCO's Electricity Supplier Coordination Tariff. The information will include:

- a. RFP with the following appended documents
 - Expression of Interest Form
 - Confidentiality Agreement
 - Credit Application
 - Bid Form Spreadsheets
 - Binding Bid Agreement
- b. Wholesale Full Requirements Service Agreement
- c. Order No. 20626
- d. PJM Website Link
- e. Link to Commission website and page with customer migration data.
- f. Historic, hourly, premise-level, unrestricted (i.e., excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all eligible customers (in aggregate) within each service type and each customer class within each service type, and corresponding billing determinants. Load data provided will be the latest available.
- g. Historic, hourly, premise-level, unrestricted (i.e., excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all SOS customers (in aggregate) within each service type and each customer class within each service type, and corresponding billing determinants. Load data provided will be the latest available.
- h. Number of customers in each SOS customer class and the number of customers taking SOS within each customer class.
- i. Representative load shapes for each of PEPCO's profile groups by month.
- j. Estimated loss factors associated with each service type and each customer class within each service type.

- k. Current capacity PLCs and Network Service Peak Load Contribution (NSPLCs) for all eligible customers (in aggregate) within each service type and each customer class or partial customer class within each service type.
- l. Current capacity PLCs and NSPLCs for all SOS customers (in aggregate) within each service type and each customer class or partial customer class within each service type.
- m. Historical PLCs for the previous two years by Service Type and daily 7-day forward PLCs by Service Type the week before bid day through the day before bid day.
- n. Daily PLCs will be provided to winning bidders between the period of contract execution and power flow.
- o. Frequently asked questions and answers.
- p. The amount of electricity supply acquired from CREFs and the total capacity of all authorized CREFs.

The general requirements and conditions for information provided by PEPCO to potential bidders are: (a) all information provided shall be on an aggregate class basis. Individual customer information shall not be provided without the consent of the customer. (b) All information will reflect usage for at least the last five years to the extent such information reasonably is available. (c) PEPCO will provide descriptions of any factors that may cause the information provided by PEPCO to be unrepresentative of usage in the forward looking SOS period. PEPCO does not believe past weather conditions cause historic data to be unrepresentative of future usage. If practicable, retail rates will be posted on or about February 28, 2020.

8. Reserved Rights

8.1. Bidder Elimination Right

If in the course of the solicitation process, any bidder is found to provide faulty information, misrepresent its financial or operational characteristics or omit any pertinent information, PEPCO reserves the right to eliminate such bidder from the solicitation process.

8.2. WFRSA Termination Right

If a bidder who engages in any conduct described in Section 8.1 is successful in being awarded a bid and executes the WFRSA and/or transactions, PEPCO reserves the right to terminate the WFRSA and pursue remedies as outlined in the WFRSA.

9. Miscellaneous

9.1. Warranty on Information

The information provided in the RFP, or on PEPCO's RFP website, has been prepared to assist bidders in evaluating the solicitation. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. PEPCO makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check PEPCO's website frequently, to ensure it has the latest documentation and information. Neither PEPCO nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

9.2. Hold Harmless

Bidder shall hold PEPCO harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

9.3. Proposals Become PEPCO's Property

Subject to the Confidentiality Agreement, all proposals submitted by each bidder pursuant to this solicitation shall become the exclusive property of PEPCO.

9.4. Bidder's Acceptance

The submission of a proposal to PEPCO shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this solicitation and the WFRSA and or transactions.

Bidder and its representatives irrevocably agree to submit to the personal jurisdiction of any District of Columbia or Federal court and any appellate court thereof in respect of any action, dispute or proceeding arising out of this solicitation process, including but not limited to the execution, implementation and performance of a WFRSA.

9.5. Permits, Licenses and Compliance with the Law

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier's business or to perform hereunder. Supplier's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

9.6. Proprietary Information

The treatment of proprietary and confidential information of a bidder's and of PEPCO's is addressed in the Confidentiality Agreement (Appendix C).

Any information about the supply procurement results that does not provide supplier-specific information, or disclose any individual bid prices may be made public by the Commission and OPC, at their discretion after all tranches of bidding for that year of SOS are completed. Examples of such information that can be released include, but are not limited to, the total number of bids submitted, or the range in price between the lowest and the highest bids submitted.

9.7. Regulatory Approvals



As indicated in Section 6 (Schedule for RFP Process), the executed transactions will be contingent upon the approval of the Commission and any necessary FERC approvals. The transactions will be deemed approved by the Commission unless the Commission orders otherwise within the two business days

following the execution of the transactions. Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all required District of Columbia, Federal or other regulatory approvals of the WFRSA and/or transactions resulting from its proposal(s).

Appendix A
District of Columbia SOS
2020-2021 Implementation Timeline

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	Oct 5, 2020
Solicitation for Expressions of Interest	Oct 5
Pre-Bid Conference	Mid - Late Oct
Confidentiality Agreement due	Nov 13
Credit Application and financial information due	Nov 13
Alternative Letter of Credit Form(s) due, if applicable	Nov 13
Alternative Form of Performance Assurance due, if applicable	Nov 13
PJM and FERC qualifications due	Nov 13
Executed Binding Bid Agreement due	Nov 13
Issue applicants' eligibility status	Nov 20
Issue any revisions to 1 st Tranche bid block targets	Nov 30
1 st Tranche bid assurance collateral due	Dec 7
1 st Tranche price proposals due	Dec 7
Award 1 st Tranche bids	Dec 7
Execute 1 st Tranche WFRSAs, transactions and DOA	Dec 9
Execute Guaranty Agreement, if applicable	Dec 9
Commission approval of 1 st Tranche transactions	Dec 10
Issue any revisions to 2 nd Tranche bid block targets	Dec 28
2 nd Tranche bid assurance collateral due	Jan 4, 2021
2 nd Tranche price proposals due	Jan 4
Award 2 nd Tranche bids	Jan 4
Execute 2 nd Tranche WFRSAs, transactions and DOA	Jan 6
Execute Guaranty Agreement, if applicable	Jan 6
Commission approval of 2 nd Tranche transactions	Jan 7
If necessary, issue 3 rd Tranche bid block targets	Jan 11
3 rd Tranche bid assurance collateral due	Jan 19
3 rd Tranche price proposals due	Jan 19
Award 3 rd Tranche bids	Jan 19
Execute 3 rd Tranche WFRSAs and transactions	Jan 21
Execute Guaranty Agreement, if applicable	Jan 21
Commission approval of 3 rd tranche transactions	Jan 22
File retail prices with Commission	
3 rd tranche is not conducted	Feb 26
3 rd tranche is conducted	Mar 11
Post retail prices *	
3 rd tranche is not conducted	Feb 26
3 rd tranche is conducted	Mar 11
File updated tariffs with Commission	
3 rd tranche is not conducted	Within 7 days of Commission
Approval	
3 rd tranche is conducted	Within 7 days of Commission
Approval	
Contract delivery period begins	Jun 1
* Subject to Commission approval as noted on web page. Notation on web page removed after Commission approval notification is received.	

Appendix B

	Expression of Interest	
Expression of Interest		
Submission of this form indicates your interest in Pepco and/or Delmarva's Requests for Proposal to provide wholesale full requirements service.		
The applicant will be the authorized individual responsible for SOS wholesale full requirements electric service bid submittal.		
Note: All fields are required.		
Applicant Information	Contact Information	Company Information
First Name Betsy	Email bjones@werockenergy.com	Legal Company Name We Rock Energy, Inc.
Last Name Jones	Phone Number (555) 363-1461	Address 666 Toto Blvd
Title VP Energy Sales		City Rockastan
		State GA
		Zip 66807-8814
Request for Proposal		
Please select at least one (1) Request for Proposal interest from the list below:		
<input type="checkbox"/> 2020 Delmarva MD SOS RFP <input type="checkbox"/> 2020 Delmarva DE SOS RFP <input type="checkbox"/> 2020 Pepco MD SOS RFP <input type="checkbox"/> 2020 Pepco DC SOS RFP		
Email Filtering		
NOTICE: To ensure proper delivery of important messages, please confirm that your email application's filter does not prevent receiving emails from pepco.com or delmarva.com.		
Please click the button below to submit your request. We will send you an email confirming that your request was received. A second email will be sent within three (3) business days stating whether your request was approved or denied. If approved, access to the RFP platform shall be provided.		
Note: Not all RFPs will be open. Once an RFP is officially released per the Commission approved date, the status of the EOI will be provided.		
SUBMIT EXPRESSION of INTEREST REQUEST		

Appendix C

Confidentiality Agreement

[Name and Address of Company]

[Date]

PEPCO DC RFP Coordinator
Potomac Electric Power Company
Suite 6418
701 Ninth Street, N.W
Washington, D.C. 20068

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between Potomac Electric Power Company (Pepco) (“Utility”) and _____ (“the Company”) in connection with the Company’s intent to participate in the Request for Proposals (“RFP”) to provide Full Requirements Wholesale Electric Power Supply to serve a portion of the Utility’s Residential Standard Offer Service (SOS), Small Commercial SOS, and Large Commercial SOS. This Confidentiality Agreement also pertains to the rights and obligations of the Utility and the Company in the event the Company ultimately is selected as a winner in the RFP and provides service pursuant to the Full-requirements Service Agreement (“WFRSA”) Utility and the Company hereby agree to accept, and to be bound by the terms of this Agreement.

DEFINITIONS:

(a) The following terms have the following meanings:

1. “Agreement” is this Confidentiality Agreement.
2. “Commission” has the meaning set forth in Section 3(b).
3. “Confidential Information” has the meaning set forth in Section 4.
4. “Party” means Utility or the Company.
5. “Parties” means Utility and the Company collectively.

6. “Representatives” means the officers, directors, employees, advisors, lenders, and other persons, including but not limited to any affiliates who are actively and directly participating in evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP and/or performing

under the WFRSA. A person or entity is not a “Representative” unless that person or entity agrees to preserve the confidentiality of the Confidential Information in accordance with the terms of this Agreement.

7. “Third Parties” means a party or parties other than Utility, the Company or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the WFRSA.

TERMS:

1. Condition Precedent. The Utility and the Company shall execute this Agreement as a condition precedent to Utility’s furnishing to the Company or the Company furnishing to the Utility a copy of any Confidential Information.

2. Purpose. The purpose of this Agreement is to protect the confidentiality of the Confidential Information and to restrict the use and disclosure of that information in the manner set forth below.

3. Limitations on Use and Disclosure. (a) A Party shall use the other Party’s Confidential Information only for the purpose of evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP, and/or consummating the WFRSA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about the Utility’s or Company’s participation in the RFP or execution of an WFRSA, or the terms or conditions or any other facts relating thereto, provided, however, that any Party may disclose its own Confidential Information.

(b) Notwithstanding the foregoing or any other provision of this Agreement, the Utility may share any Confidential Information with the Public Service Commission of the District of Columbia, its Staff, or the Consultant working for the Commission. Any such information shared will be designated as confidential, and the Utility will ask the Commission to hold and use it on a confidential basis. To the extent that the Office of People’s Counsel and its representatives and/or consultants (collectively “OPC”) enter into a confidentiality agreement to hold any shared information confidentially, Utility may also share Confidential Information with OPC for the purposes of OPC’s review of the results of the RFP.

(c) Notwithstanding the foregoing or any other provision of the Agreement, the Utility may disclose Confidential Information in the event of a Supplier Default, as provided for in the WFRSA. The Utility may disclose to any Company with whom it has executed an WFRSA and who is not a Defaulting Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Company to make the election provided for in Article 4 of the WFRSA.

4. Definition of Confidential Information. Confidential Information shall consist of oral, electronic and written information that is confidential, proprietary, or generally not available to the public. Whenever possible, such Confidential Information shall be marked prior to or at the time of disclosure as being “Confidential Information”. Confidential Information in the case of information provided by Utility to the Company shall include, without limitation, all data, reports, interpretations, forecasts or records relating to Utility and/or its customers, and any other document created by Utility or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the Company by Utility. Confidential Information in the case of information provided by the Company to the Utility shall include, without limitation, all data, reports, interpretations, forecasts, bids, credit information, credit collateral amounts, bidder identity, and shall also include information prepared by the Company that includes directly or indirectly Confidential Information furnished by Utility.

5. Non-Confidential Information. Notwithstanding the provisions of Section 4, information shall not be deemed confidential that (i) becomes generally available to the public; (ii) is already known to the receiving Party at the time of receipt by the receiving Party; or (iii) is acquired after such receipt from a Third Party not known to the receiving Party to be prohibited from making disclosures. The receiving Party shall give prompt notice to the other Party in the event it believes that any of the other Party's information in its possession is not Confidential Information as a result of the provisions of this Section 5.

6. Property of Utility or the Company. Confidential Information belonging to Utility shall consist of Confidential Information supplied by Utility to the Company and shall also include the portion of Confidential Information furnished by the Company to Utility that incorporates Confidential Information furnished to the Company by Utility. Confidential Information belonging to the Company consists of Confidential Information supplied by the Company to Utility. Utility and the Company acknowledge that each Party's Confidential Information is and at all times remains the sole and exclusive property of that Party, who, it is agreed, has the exclusive right, title, and interest to its Confidential Information. Neither Party grants any right or license, by implication or otherwise, as a result of the provision of Confidential Information to the receiving Party.

7. Disclosure Prohibited Except Where Explicitly Permitted. Neither Party shall disclose or use the other Party's Confidential Information without the other Party's prior written consent except as explicitly stated in Sections 3, 8 and 9 of this Agreement.

8. Disclosure for Bid Evaluation Purposes. A Party may disclose the other Party's Confidential Information to its Representatives for the purposes set forth in Section 3. The obligations and restrictions under this Agreement that apply to a Party also apply to a Party's Representatives.

9. Disclosure to Governmental Authorities. A Party (the "disclosing Party") may also disclose the other Party's Confidential Information to any governmental, judicial, or regulatory authority ("Authority") requiring such Confidential Information; provided that, the disclosing Party (a) promptly informs the other Party of the substance of any inquiries, requests or requirements in order to afford the other Party an opportunity to attempt to prevent or limit the disclosure of the Confidential Information; (b) makes a good faith effort to persuade the Authority (i) that submission of the Confidential Information should not be required, or, if that effort fails, (ii) that submission of the Confidential Information on a non-public basis should be permitted; and (c) endeavors in good faith to protect the Confidential Information provided to an Authority from disclosure to Third Parties. Notwithstanding the foregoing, the Parties agree and understand that any Party must provide information to FERC as it requires, and such information may be made public. If an Authority orders the disclosing Party to disclose any documents containing the other Party's Confidential Information, the disclosing Party shall a) attempt to obtain from the other Party, if the Authority allows the time, a "Public Disclosure Copy", or b) if the Authority does not allow such time, shall prepare itself a "Public Disclosure Copy" in which the Confidential Information has been redacted to the extent that such redaction is permitted by the Authority requiring disclosure. Confidential Information disclosed pursuant to this Section 9 on a non-public basis shall not lose its status as Confidential Information by virtue of such non-public disclosure.

10. Termination of RFP Participation. If the Company determines that it does not wish to proceed with the RFP, or if the Utility excludes the Company from the RFP for any of the reasons set forth in the RFP, it will immediately notify the other Party of that decision. In such case, or if the RFP is not consummated, upon the written request of the Party (the "requesting Party"), the other Party (the "receiving Party") shall not retain and shall promptly return to the requesting Party all the requesting Party's written Confidential Information in the possession of the receiving Party or its Representatives, except for the

portion (“said portion”) of the requesting Party’s Confidential Information that may be found in analyses, compilations, or other documents prepared by, or for, the receiving Party and its Representatives. The said portion and any oral Confidential Information furnished by the requesting Party and not so requested or returned will be held by the receiving Party and kept subject to the terms of this Agreement, or destroyed.

11. Liability and Relief. A Party or any of its Representatives shall be liable for any breach of this Agreement. In the event a non-breaching Party or its Representatives shall have knowledge of any breach of the confidentiality of, or the misappropriation of, any of the Confidential Information, the non-breaching Party shall promptly give notice thereof to the breaching Party. The non-breaching Party shall be entitled to specific performance or other equitable relief by way of injunction or otherwise, if the other Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement. Such remedy shall not be deemed to be the exclusive remedy available to the non-breaching Party, but shall be in addition to all other available remedies. Neither failure nor delay by the non-breaching Party, in exercising any of its rights or privileges herein, shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.

12. Representatives, Successors and Assigns. This Agreement shall be binding upon and for the benefit of the Parties, and their respective Representatives, successors, and permitted assigns. Neither Party may assign its rights or obligations hereunder without prior written consent of the other Party.

13. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the District of Columbia without regard to conflicts of laws rules or principles.

14. Full Compliance Required. The failure in any instance to insist on full compliance with the terms of this Agreement shall not be deemed to be a waiver of the right to insist upon full compliance with these terms thereafter.

15. Signatures. The signatures below establish each Party’s agreement to the terms hereof.

16. Termination. This Agreement shall terminate three years from the date hereof.

COMPANY

UTILITY

By
Name
Title

By
Name Mario A. Giovannini
Title Director, Energy Acquisition

Appendix D

Credit Application

The following information will be used to assess the applicant's or applicant's guarantor's financial capability in accordance with the Rules and Regulations Governing the Provision of Standard Offer Service in the District of Columbia.

1. Company Information

Type of Business

- Corporation
- Limited Liability Company
- Joint Venture
- Other (describe)

Applicant Organization

Legal Corporate Name: _____
Street Address: _____
City, State, Zip Code: _____
Dun & Bradstreet Number: _____
Federal Tax ID Number: _____

Applicant Credit Contact Name

Name: _____
Title: _____
Phone Number: _____
Email Address: _____

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration: _____
Registered Agent Name: _____
Street Address: _____
City, State, Zip Code: _____

For Limited Partnerships

Name of General Partner: _____
Address of General partner/Registered Agent: _____
City, State, Zip Code: _____

2. Application for Credit Basis

This application for credit is to be based on the creditworthiness of the Applicant indicated below.

- The applicant listed under section 1.
- The parent company listed below.

Parent Guarantor Company

Legal Corporate Name: _____
Street Address: _____
City, State, Zip Code: _____
Dun & Bradstreet Number: _____
Federal Tax ID Number: _____

3. Credit Information

The Applicant indicated in section 2 is required to submit the most recent 2 years of financial statements audited by a firm of certified public accountants of national standing. Indicate below what statements are being submitted.

_____ Annual Report
_____ 10K
_____ 10Q
_____ Other (describe)

- a. In the event the above information is inadequate to appropriately assess the Applicant's creditworthiness, the Applicant must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity.

All submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (GAAP) in the United States. If the Applicant's financial information is consolidated with other entities, then it is the Applicant's responsibility to extract and submit as separate documents all data and information related solely to the Applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- b. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- c. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- d. Credit Rating information (including rating, rating agency and date of rating).
- e. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

Has the applicant or predecessor company declared bankruptcy in the last 5 years?

_____ Yes

_____ No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the applicant?

_____ Yes

_____ No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the applicant's ability to meet or not to meet its credit obligations.

Applicant's Credit Ratings

Standard & Poors

Last Rating Date: _____

Senior Unsecured Long Term Debt Rating: _____

Moody's

Last Rating Date: _____

Senior Unsecured Long Term Debt Rating: _____

Fitch

Last Rating Date: _____

Senior Unsecured Long Term Debt Rating: _____

Along with the above information, attach the latest review from each of the agencies.

4. Authorization

Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned authorized official of the Applicant warrants that the Applicant agrees to be bound by these representations. The applicant authorizes the above listed entities to release data requested by PEPCO necessary to perform a credit check in connection with Applicant's interest to bid on the Full Requirements Wholesale Electric Power Supply RFP.

Applicant's Company Name: _____

Signature of Authorized Official: _____

Name of Authorized Official (print): _____

Title of Authorized Official (print): _____

Date Signed: _____

Appendix E

Bid Form Spreadsheets

(For illustrative purpose only)

2021 PEPSCO DC Request For Proposals

Bid Form Spreadsheet

Tranche 1

Proposal Due Date: December 7, 2020, 11:30 a.m. EPT

Service Type: Large Commercial Customers

Large Commercial Classes - GS-LV-D with Demand, GS-3A with Demand, GT-LV, MGT-LV, GT-3A, GT-3B and RT

12-Month Term: June 1, 2021 - May 31, 2022

Bidder Information

Company Name	
Contact Name	
Phone Number	
Email	

Bid Block Information

Maximum Blocks To Be Awarded	3
Block Size (% of Load)	20.0000%
Approximate Block Size (MW-Generator)	45.6

Volume Bid

Number of Bid Blocks Offered	
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Price Periods Within Contract Term 6/1/21-5/31/22

Price Quote for Bid Blocks Offered

	GS-LV-D &					
	GS-3A	RT	GT-LV	MGT-LV	GT-3A	GT-3B
Summer Energy (\$/MWh)						
Non-Summer Energy (\$/MWh)						
Summer On-Peak Energy (\$/MWh)						
Summer Int-Peak Energy (\$/MWh)						
Summer Off-Peak Energy (\$/MWh)						
Non-Summer On-Peak Energy (\$/MWh)						
Non-Summer Int-Peak Energy (\$/MWh)						
Non-Summer Off-Peak Energy (\$/MWh)						

Volume Weighting Factors - Current SOS)

Summer Energy	12.05%	0.00%				
Non-Summer Energy	14.80%	0.00%				
Summer On-Peak Energy			1.66%	7.81%	0.60%	0.00%
Summer Int-Peak Energy			1.29%	6.81%	0.56%	0.00%
Summer Off-Peak Energy			2.12%	13.05%	1.08%	0.00%
Non-Summer On-Peak Energy			2.27%	7.71%	0.48%	0.00%
Non-Summer Int-Peak Energy			1.97%	7.11%	0.45%	0.00%
Non-Summer Off-Peak Energy			3.56%	13.73%	0.87%	0.00%

Discount Factors

Discount Rate	5.25%
Mid-Year Discount Factor	0.9747

Load Weighted Prices

Load Weighted Average Price (\$/MWh)	Data Input Error
Discounted Average Price (\$/MWh)	Data Input Error

Discounted Price for Evaluation Purposes

Discounted Average Term Price (\$/MWh)	Data Input Error
----------------------------------------	------------------

Tag Number	0
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Bid Assurance Collateral Amount	\$ -
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Complete / Incomplete	INCOMPLETE
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PEPCO Request For Proposals	
Large Commercial Customers	
12 - Month Term	
Notes	
<p>Large Commercial Customers - effective 06/01/21, including customers on General Service Schedules GS LV and GS 3A that are classified as demand customers (kw demand >25), Time Metered General Service Schedules GT LV-D, MGT-LV-D, GT 3A, and GT 3B, Rapid Transit Service Schedule RT, and all associated riders for electric service, will be bid according to the groups shown in the Large Commercial Bid Form Spreadsheets. Bidders must separately price each group shown in the Large Commercial Spreadsheet. Bids for Schedules GS LV, GS 3A and RT are for a flat \$/MWh prices for summer and for winter calendar months. For Schedules GT LV, MGT-LV, GT 3A, and GT 3B bids are to be seasonally differentiated (see Seasonal Definition below), and by time of day using the Rating Periods shown below. All usage will be measured at the customer meter level.</p>	
<p><u>SEASONAL DEFINITION</u></p>	
Summer Calendar Months = May - September	
Winter Calendar Months = October - April	
<p><u>RATING PERIODS</u></p>	
Weekdays - (Excluding Holidays)	Eastern Prevailing Time
On-Peak Period	12:00 noon to 8:00 p.m.
Intermediate Period	8:00 a.m. to 12:00 noon
	and
	8:00 p.m. to 12:00 midnight
Off-Peak Period	12:00 midnight to 8:00 a.m.
Saturdays, Sundays and Holidays	
Off-Peak Period	All Hours
<p><u>HOLIDAYS</u></p>	
New Year's Day, Rev. Martin Luther King's Birthday, Presidents' Day,	
Memorial Day, Independence Day, Labor Day, Columbus Day,	
Veterans' Day, Thanksgiving Day and Christmas Day, as designated by	
the Federal Government.	

**2021 PEPSCO DC Request For Proposals
Bid Form Spreadsheet**

Tranche 1

Proposal Due Date: December 7, 2020, 11:30 a.m. EPT

Service Type: Residential and Small Commercial Customers SOS

RES (SOS Class - R), MMA (Master Metered Apartment) and

SC (including Small Commercial Classes - GS-LV-ND, SL, OL-LED, TS, T and TN)

36-Month Term: June 1, 2021 - May 31, 2024

<u>Bidder Information</u>			
Company Name			
Contact Name			
Phone Number			
Email			
<u>Bid Block Information</u>			
Maximum Blocks To Be Awarded	2		
Block Size (% of Load)	8.5317%		
Approximate Block Size (MW-Generator)	41.7		
<u>Volume Bid</u>			
Number of Bid Blocks Offered			
<u>Price Periods Within Contract Term - P1</u>			
	6/1/21-5/31/22		
<u>Price Quote for Bid Blocks Offered</u>			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
<u>Price Periods Within Contract Term - P2</u>			
	6/1/22-5/31/23		
<u>Price Quote for Bid Blocks Offered</u>			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
<u>Price Periods Within Contract Term - P3</u>			
	6/1/23-5/31/24		
<u>Price Quote for Bid Blocks Offered</u>			
	RES	MMA	SC
Summer Energy (\$/MWh)			
Non-Summer Energy (\$/MWh)			
<u>Volume Weighting Factors - Current SOS</u>			
Summer Energy (\$/MWh)	40.51%	1.15%	3.56%
Non-Summer Energy (\$/MWh)	48.71%	1.05%	5.03%
<u>Discount Factors</u>			
	P1	P2	P3
Discount Rate	5.25%	5.25%	5.25%
Mid-Year Discount Factor	0.9747	0.9261	0.8799
<u>Load Weighted Prices</u>			
	P1	P2	P3
Load Weighted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error
Discounted Average Price (\$/MWh)	Data Input Error	Data Input Error	Data Input Error
<u>Discounted Price for Evaluation Purposes</u>			
Discounted Average Term Price (\$/MWh)	Data Input Error		
<u>Tag Number</u>			
	0		
<u>Bid Assurance Collateral Amount</u>			
	\$ -		
<u>Complete / Incomplete</u>			
	INCOMPLETE		

PEPCO Request For Proposals
Residential and Small Commercial Customers
36 - Month Term
Notes
<p><u>Residential Customers</u> - effective 06/01/21, class RES (including Residential Schedules R, AE, RAD, RAD-AE and R-TM) and a second class - MMA (Master Meter Apartments) and all associated riders for electric service. Bidders must separately price each group in accordance with the pricing structure set forth in the Residential Spreadsheet. Bids for RES and MMA classes are for a flat \$/MWh prices for summer calendar months and a flat \$/MWh prices for winter calendar months. All usage will be measured at the customer meter level.</p>
<p><u>Small Commercial Customers</u> - effective 06/01/21, class SC (including customers served on General Service Schedule GS LV-ND that is classified as non-demand, Temporary Service Schedule T, Telecommunications Network Service Schedule TN, Street Lighting Service Schedule SL, Overhead Lighting Schedule OL-LED, Traffic Signal Service Schedule TS) and all associated riders for electric service. Bidders must separately price each group in accordance with the pricing structure set forth in the Small Commercial Spreadsheet. Bids are for a flat \$/MWh price for summer calendar months and a flat \$/MWh price for winter calendar months for the SC class. All usage will be measured at the customer meter level.</p>
<p><u>SEASONAL DEFINITION</u></p>
<p>Summer Calendar Months = May - September</p>
<p>Winter Calendar Months = October - April</p>

Appendix F

Binding Bid Agreement

_____, (“Bidder”) agrees to be bound by the price and volume quotes entered on any Bid Form Spreadsheet(s), up to the expiration time of its proposal, as set forth in Section 4.5 (Expiration of Proposals) of this Request For Proposals, submitted to Potomac Electric Power Company (PEPCO) in response to this multi-tranche solicitation, which shall constitute a firm offer to supply service in accordance with the Wholesale Full Requirements Service Agreement and applicable District of Columbia Law and regulations. Any offer is not subject to any contingencies or conditions precedent and, if accepted by the PEPCO, the Bidder agrees to execute the Wholesale Full Requirements Service Agreement in a timely manner as set forth in Section 6 (Schedule for RFP Process) of this Request For Proposals.

The submission of this binding offer to PEPCO shall constitute the Bidder’s acknowledgment and acceptance of all the terms, conditions and requirements of this Request For Proposals.

The person submitting an offer(s) represents and warrants that he/she has the authority to act on behalf of, and to bind the Bidder to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature: _____

Title: _____

Date: _____

Appendix G
Please see WFRSA

Appendix H

Pepco DC SOS Bid Plan Information DC SOS RFP 2020 Tranche 1

Note: All Capacity PLC's, Number of Blocks and associated Block Size Percents represent PLC information as of July 15, 2020.

<u>Service Type</u>	<u>Capacity PLC* Megawatts</u>	
	<u>SOS</u>	<u>Eligible</u>
Residential Customers Service Classifications: R and Master Metered Apartment Classes	116.7	150.9
Small Commercial Customers Service Classifications: GS-LV non-demand, OL-LED, SL, TS, T, and TN Classes	8.5	12.4
Large Commercial Customers Service Classifications: GS-LV demand, GS-3A demand, GT-LV, GT-3A, GT-3B, MGT-LV and RT Classes	227.9	1,538.1
Total	353.1	1,701.4

* All Capacity PLC numbers are inclusive of all losses and unaccounted for energy.

Term Description

Residential and Small Commercial Customers: 36-Month Term, June 1, 2021 - May 31, 2024

Large Commercial Customers: 12-Month Term, June 1, 2021 - May 31, 2022

	<u>Contract Term</u>		<u>Total</u>
	<u>12 Month</u>	<u>36 Month</u>	
Residential Customers		25.5951%	25.5951%
Service Classifications: R, R-EV, AE, RAD, RAD-AE, R-TM & R-TM-EV, RTM-EX and Master Metered Apartment Classes			
and			
Small Commercial Customers			
Service Classifications: GS-LV non-demand, GS-3A non-demand, SL, TS, T, and TN & SL-TN Classes			
Approximate Total PLC		125.2	125.2
Block Size %		8.5317%	
Approximate Block Size (MW)		41.7	
Total Number of Blocks		3	3
Tranche 1 blocks		2	2
Tranche 2 blocks		1	1
Large Commercial Customers	100%		100%
Service Classifications: GS-LV demand, GS-3A demand, GT-LV, GT-3A, GT-3B and RT Classes			
Approximate Total PLC	227.9		227.9
Block Size %	20.0000%		
Approximate Block Size (MW)	45.6		
Total Number of Blocks	5		5
Tranche 1 blocks	3		3
Tranche 2 blocks	2		2

Appendix I

SOS Rules Related to the Community Renewable Energy Amendment Act of 2013

CERTIFICATE OF SERVICE

I hereby certify on behalf of Potomac Electric Power Company that the final Wholesale Full Requirements Service Agreement and Request for Proposals for the 2020 to 2021 Standard Offer Service solicitation was served this September 25, 2020 on all parties in Formal Case No. 1017 by electronic mail, hand delivery, or first class mail, postage prepaid.

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