

RFP Protocol

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I. Introduction

This RFP Protocol describes the process of administering the Requests for Proposals (“RFP”) and specifies how the Independent Evaluator (“IE”) will communicate with bidders, with representatives of PECO Energy Company (“Company” or “PECO”), and with the Staff of the Pennsylvania Public Utility Commission (“Commission” or “PaPUC”) . The RFP Protocol is focused on specific procedures that the IE and PECO will follow. The following topics will be covered:

- General Principles
- Confidentiality
- Website and Data Room
- Frequently Asked Questions
- Announcements & Communications to Bidders
- Communications to the Press and the Media
- Bidder Information Webcasts
- Guaranty Process
- Processing of Proposals
- Transmitting Confidential Information
- Bid Submission Training
- Market Report
- Bid Processing
- Post-Bid Procedures

II. General Principles

The main guiding principle of this RFP Protocol is that all bidders will be treated equally. This equality means that no bidder will be provided with information that is not available to all other bidders, and all bidders will be subject to the exact same rules and standards for participation. This not only ensures fairness of the process but it also fosters competition and so favors the best

final prices possible. Bidders are more willing to participate in the RFP if they know that no other bidder will be granted an advantage over them.

Furthermore, information that is of a sensitive nature, such as information a bidder provides about itself during the proposal process and information about individual bidders' bids, shall be considered confidential and will not be released to the public. As stated in the PaPUC's Policy Statement at §69.1807(8):

“[t]he public interest would be served by the adoption of uniform rules for the confidentiality of competitive solicitation information. Supplier participation, bid prices, and retail rates may be impacted by protecting certain information, including, the identity of winning and losing bidders, the number of bids submitted, bid prices, the allocation of load among winning bidders, and the like.”

PECO and the IE are committed to upholding these principles, and to that end:

- The IE and PECO will nominate particular individuals who will review RFP information. Each nominated individual signs a Confidentiality Statement. The individual may only discuss the RFP information to which it has access with other nominated individuals. Information will be provided to Staff at critical junctures.
- The IE will serve as the sole interface with bidders.
- The IE will set up a public RFP website to disseminate information and data about this RFP efficiently and to which all stakeholders will have access.

III. Confidentiality

This RFP Protocol describes the extent of the communication between the IE and PECO. Information not specifically designated in this protocol for communication between the IE and PECO shall not be communicated, and shall be treated as confidential. All PECO and NERA personnel involved in the administration of a solicitation will sign the Confidentiality Statement provided as Appendix 11 of the RFP, ensuring that all information submitted by prospective suppliers through this process will be treated as confidential. This RFP Protocol describes what information can be released, to whom and under what circumstances.

PECO and the IE will each designate specific individuals that will take part in the implementation of DSP ~~IV~~.

- These individuals will sign the Confidentiality Statement provided as Appendix 11 of the RFP and will commit to strictly adhere to the RFP Protocol.
- The IE will maintain a master list of individuals who can have access to confidential information and each individual on that list can only discuss confidential information with another individual on that list.
- Each individual, when communicating RFP information, will consult this list of individuals as needed to ascertain that the recipient has signed the Confidentiality Statement.

PECO will have a supporting role during the implementation of each solicitation, consisting primarily of the following:

- Development of data that the IE then posts to the RFP website and updates as necessary;
- Response to bidder inquiries, particularly on data methodology and the PECO Energy Company - Pennsylvania Default Service Supplier Master Agreement “Uniform SMA”, after the IE has redacted the identity of the questioner;
- Review with the IE of financial information provided by bidders with their qualification package to determine the credit line that would prevail under the terms of the Uniform SMA;
- Review additional documents provided by bidders that are qualifying under an agency agreement, or as foreign entities, or relying on the financial standing of a foreign entity;

- Review with the IE of modifications to credit instruments proposed by bidders (once the IE has redacted the identity of the prospective supplier) to determine whether the modifications are non-material in nature;
- Review with the IE of alternate guaranty forms to determine whether the alternate guaranty form provides the same protection as the standard format of the guaranty under the Uniform SMA;
- Review with the IE of bid security (once the IE has redacted the identity of the bidder and the amount) to determine whether the bid security instruments follow the standard formats or only include approved changes;
- Review the Uniform SMA documents and the guaranty (if applicable) prepared for Default Suppliers.

In addition, and assuming the Commission approves the results of a solicitation, the IE will provide PECO with the information necessary to administer the winning contracts, namely the identity of the approved suppliers, the amount that they will supply of each product, and the supplier-specific price for each product (which is the average of the supplier's approved bids for that product).

In addition to the information needed to administer the contracts, PECO will have access to certain additional information to assist in assessing whether the products offered could be improved in future procurement plans and to assist it in finalizing its contingency plans should the results of any solicitation be rejected by the Commission. The IE, at the conclusion of each solicitation, will provide PECO with a redacted version of the report it provides to the Commission. The redaction will ensure that PECO does not have access to information concerning losing bids of specific bidders. This redacted report is discussed in more detail in Section ~~XV.C~~XV.C of this Protocol.

The Commission's regulations at §§54.186(c)(5) specifically provide as follows:

“The bids submitted by a supplier in response to a competitive bid solicitation process shall be treated as confidential pursuant to the confidentiality agreement approved by the Commission pursuant to §§ 54.185(D)(6). The DSP, the Commission, and a third party involved in the administration, review or monitoring of the bid solicitation process shall be subject to this confidentiality provision.”

IV. Website and Data Room

A website dedicated specifically to the RFP is the most efficient way for the IE to disseminate information to bidders and other stakeholders. An RFP website (www.pecoprocurement.com) was developed during DSP I. The RFP website has been maintained since that time and will be maintained during DSP ~~IV~~V. The main pages of the RFP website will contain DSP ~~IV~~V information. Materials from prior Default Service Programs will be accessible through an “archives” section of the RFP website. The RFP website is public, and anyone can access the site at any time and find any information they require simply by searching the RFP website instead of calling or emailing the IE. No password or login information is required to view the RFP website.

The RFP website contains a section where any visitor may register by submitting information such as name, phone number and email address. Any user who submits an email address will be signed up to receive updates via email from the IE. A registrant who elected to receive email updates during previous Default Service Programs will be sent updates about DSP ~~IV~~V unless the registrant opts out, which the registrant can do at any time.

The RFP website allows stakeholders to download all key documents as soon as these become available. Such documents include the RFP Rules, the Uniform SMA, and the qualification materials that bidders will need to submit (e.g., proposal forms and standard templates for pre-bid security). These documents for a given solicitation will continue to be posted well in advance of the qualification deadlines. The RFP website also includes a calendar providing the deadlines for each solicitation. A calendar is provided in the RFP, in Article II of the RFP Rules as well as in Appendix 10 of the RFP.

The RFP website includes a data room to assist bidders in assessing the RFP opportunity. This data room includes data that is useful for providers in assessing the load associated with each product, such as historical load by class, switching statistics, etc. Data series are updated once a month.

In addition to allowing bidders to assess their ability to serve different products, the provision of data via the RFP website also has the effect of leveling the playing field for all bidders; without the provision of data, some bidders may have a better idea of the load associated with PECO's customers, and this would put bidders without such familiarity at a competitive disadvantage. Therefore, providing data on an equal basis to all bidders equalizes knowledge across prospective suppliers, and spurs competition in areas where some bidders might not otherwise have the ability to offer competitive bids. This is in keeping with the guiding principle of equality described at the beginning of this protocol.

It is expected that the same data series that were provided in prior Default Service Programs would continue to be provided during DSP ~~IV~~V. The IE did not receive any requests for additional data series that would improve bidders' ability to submit competitive bids. Confidential data can expand the information provided, but at the cost of setting up a password-protected section of the website or of providing data through mailings only to qualified parties, and at the possible cost of monitoring access to the data. At this point in time, PECO does not anticipate the need to provide data on such a confidential basis, but will be able to do so if the need arises.

Data are currently updated on or about the 13th day of each month, on an ongoing basis, and PECO will continue this process without interruption between DSP ~~III~~IV and DSP ~~IV~~V. Initial data series were first provided on March 27, 2009 including historical data dating back to January 2006. The procedure for the monthly updates of the data series on the RFP website is as follows:

1. PECO provides the updated data to the IE at least three days in advance of the scheduled monthly update;
2. The IE checks the data, ensuring that it is accurate and error-free, contacting PECO if necessary to resolve any issues;
3. The IE posts the updated data series to the RFP website.

The following data are available on the RFP website:

- hourly usage data;

- number of retail customers;
- capacity peak load contribution (“PLC”);
- historical monthly retention figures;
- estimated loss factors;
- customer size distributions.

Data may be archived so that the more recent five years of data are more immediately available to stakeholders.

The material on the RFP website will be updated when new content becomes available that would be of use to stakeholders. The process for updating the RFP website and adding new material is as follows:

1. PECO and the IE together prepare the material for posting, ensuring that it is accurate and error-free;
2. The IE posts the new documents to the RFP website;
3. The IE sends an announcement (via email) to registrants informing them of the newly available content on the RFP website.

V. Frequently Asked Questions

The RFP website also contains a web-based form that stakeholders can use to submit questions, and a section where the IE would post questions received and the associated responses, in order to ensure equal distribution of information. This FAQ form is available for all stakeholders to ask questions and receive answers, although in times of high demand, priority may be given to answering questions from prospective suppliers. There are four major steps to the process.

In the first step, the question is received and the IE sends an acknowledgement to the questioner. The acknowledgement serves as a bidder’s confirmation that its question has been received, and the acknowledgement will also inform the bidder of the expected turnaround time for an answer, expected to be two business days. In the second step, the IE drafts an answer to the question, consulting PECO for expertise as necessary. If PECO is consulted, the identity of the

entity who has asked the question is not revealed, and any information in the question itself that could potentially identify the questioner is removed before sending to PECO.

Once an answer has been finalized by the IE (and PECO if necessary), the IE sends the final response directly to the questioner. If there is any delay in answering the question, such that the answer cannot be sent before the end of the expected turnaround period, the IE will send a delay notice to the questioner informing it of the delay and of a revised expected turnaround time for the answer. In the final step, questions and answers that were received during the previous week are posted to the Frequently Asked Questions (FAQ) section of the RFP website by the IE.

Posting the questions to the RFP website ensures an equal distribution of information among stakeholders – any information that is conveyed to one party via an answer to a question submitted through the RFP website is then conveyed to all stakeholders in a public manner through the FAQ section of the RFP website. This practice ensures that all bidders have the same information and can compete on an equal playing field. Any question received by a party other than the IE must be sent to the IE for processing – no party other than the IE will directly answer a question from a stakeholder. Because all questions received about the RFP must go through the IE, bidders know that all questions receive the same treatment; as specified in the guiding principles of this RFP Protocol, the IE is the sole interface with bidders.

The FAQ section of the RFP website is updated once per week, allowing for more frequent posts at times of high volume or less frequent posts due to holidays.

VI. Announcements & Communications to Bidders

As specified in Section IV, postings of new information to the RFP website will be followed by an announcement made to all registrants to the RFP website. (The only exception will be for data postings that have been scheduled to occur on the same day each month.) The IE and PECO may also issue announcements to a list of registrants to the RFP website from time to time to remind prospective suppliers of deadlines for a given solicitation under the RFP or to make them aware of events that may impact the bids. Announcements will include the following milestones:

- Initial documents posted
- Part 1 Proposal Window opening & closing
- Bidder Information Webcast reminders
- Part 2 Proposal Window opening & closing
- Bids due
- PaPUC decision on RFP results

The goal of these announcements is to ensure that all bidders and stakeholders are aware of the ongoing progress of a solicitation, and to minimize the possibility that a potential bidder is unable to bid due to a missed deadline.

The IE will also engage in direct marketing to promote the RFP opportunity. Members of the IE team will compile a list of prospective suppliers using publicly available information and contact representatives of these entities or contract with a professional marketing service to contact the representatives to inform them of key dates in the RFP, and opportunities for them to gain more information about participation in the RFP, such as bidder information webcasts and the RFP website. All prospective suppliers reached during these marketing calls will receive the same public information.

VII. Communications to the Press and the Media

The IE and PECO may also issue press releases or advertisements in order to promote the RFP opportunity. Information placed in the trade press has the ability to reach prospective suppliers that might not have been contacted otherwise, and might not have registered to the RFP website of their own volition; thus, more parties may be made aware of the RFP website, and more participation may be achieved for the bidder information webcasts. The IE and PECO will work together to draft these communications. If the IE and PECO issue a press release, contact information of a team member of the IE will be included in case additional information is required.

PECO may grant interviews to the press or respond to press inquiries concerning the RFP. The interviews and responses to press inquiries are limited to public information regarding the

RFP. PECO may require that the IE, who is to provide support in promotion efforts, participate in interviews and press inquiries. PECO has complete discretion to provide its customers and security analysts with public information regarding the RFP. PECO has complete discretion to provide public information to utilities or regulators from outside Pennsylvania.

The IE will coordinate with PECO's press representatives on all media contacts before the RFP. The IE will coordinate with PECO before granting interviews or commenting on any aspect of the RFP. Notwithstanding this, the IE will answer routine inquiries from the press and will inform PECO of such inquiries (e.g., wanting to know where a document is on the RFP website).

VIII. Bidder Information Webcasts

In addition to the electronic information dissemination methods via the RFP website, email, or through press releases, bidder information webcasts are effective for presenting efficiently and concisely the main elements of the RFP. Such webcasts also have the significant benefit of allowing bidders to ask questions directly of the IE and PECO. The IE and PECO expect that, for each solicitation, there would be a webcast prior to the due date for submission of Part 1 Proposals, and a subsequent training session held for bidders that are qualified to submit a Part 2 Proposal.

Each webcast will be tailored to parties considering participation in the RFP, and will cover a broad range of general topics about the opportunity. The aim is to provide a wealth of information quickly, so that potential bidders can evaluate the opportunity. Subject material will consist of the requirements of the RFP, the rules for the submission of proposals, the general structure of the RFP, the definition of the products available, and a summary of the RFP website and communication channels by which interested parties can obtain further information throughout the process.

The IE will prepare and deliver the presentation at the webcast, with representatives of PECO on hand to answer questions if necessary. The IE will take down all questions asked and answered at the bidder information webcast and post them to the RFP website as Frequently Asked Questions, so that bidders that are unable to attend the bidder information webcast have access to the same information as bidders able to attend. Similarly, the presentation will be available on the RFP website after the bidder information webcast, both as a pdf and as a recording of both the

audio and the slides. No information about the parties in attendance at the bidder information webcast will be made public.

Shortly before the Bid Date, the IE will hold a training session on the mechanics of submitting bids on the Bid Date. This session will be limited to bidders.

IX. Alternate Guaranty Process

PECO will allow any prospective supplier to submit for consideration an alternate guaranty form that the prospective supplier uses in its normal course of business. A separate and more detailed document about the Alternate Guaranty Process is included as Appendix 2 of the RFP. This document provides the specific minimum requirements of any alternate guaranty form.

The protocol for the processing of a submission under the Alternate Guaranty Process will occur in the following steps:

1. Parties submit alternate guaranty forms by emailing the form and all relevant documentation (as specified in the Alternate Guaranty Process document).
2. The IE acknowledges receipt of the package by email. The notice includes an assessment of whether all required materials have been received. If there is time before the deadline, a prospective supplier submitting incomplete documentation will be given an opportunity to complete its submission.
3. The IE redacts all information that could identify the prospective supplier submitting the alternate guaranty form and provides the redacted form and other documentation to PECO electronically.
4. PECO evaluates the alternate guaranty package with the assistance of the IE and of outside counsel as necessary.
 - a. If the package is acceptable, the IE sends a notice to the prospective supplier informing it of the form's acceptability for use under the Uniform SMA.
 - b. If the package is unacceptable, the IE sends a notice to the prospective supplier informing it of what must be changed in order for the package to be acceptable for use under the Uniform SMA.
5. Prospective suppliers that submit revised alternate guaranty packages do so via email.

6. The IE redacts all information that could identify the parties submitting the revised packages and provides the redacted material to PECO electronically.
7. PECO evaluates with the assistance of the IE and of outside counsel as necessary.
 - a. If a revised package is acceptable, the IE sends a notice to the prospective supplier informing it of the form's acceptability for use in the RFP.
 - b. If a package is unacceptable, the IE sends a notice to the prospective supplier informing it of the form's final rejection for use in the RFP and the reasons for the rejection.
8. Accepted forms are kept on file by the IE, as they will be acceptable for use in future solicitations under the RFP.
9. A prospective supplier submits the executed alternate guaranty form and the signed enforceability opinion with the Part 2 Proposal.

An alternate guaranty form approved through this process will be acceptable to PECO. This alternate guaranty form may be used for purposes of the solicitation during which it is approved and may be used for the course of DSP ~~IV~~V barring changes in the applicable law or changes to the RFP process as may be ordered by the PaPUC. Suppliers that had alternate forms of guaranty approved during a prior Default Service Program will be required to resubmit their materials.

X. Processing of Proposals

A proposal consists of three (3) parts. The Part 1 Proposal is the bidder's response to the qualification standards described in Article IV of the RFP Rules. Bidders that qualify pursuant to a successful Part 1 Proposal may submit the second part, the Part 2 Proposal. The Part 2 Proposal, described in detail in Article V of the RFP Rules, includes financial support for the bidder's offers. Bidders that present a successful Part 1 Proposal and Part 2 Proposal may submit the third part of the Proposal, which consists of the bidder's bids.

Part 1 and Part 2 Proposals are received and processed by the IE, with certain specified decisions and evaluations made by PECO with the assistance of the IE. The IE is the main party responsible for processing the proposals and bids. This section lays out the step-by-step procedures to be followed and time periods for each action to be taken.

Prospective suppliers submit Part 1 proposals during the Part 1 Window. Any information provided by a bidder in its Part 1 Proposal is provided on a confidential basis to the IE, and may be provided on a confidential basis to PaPUC Staff. PECO representatives and the IE will review the information provided to fulfill the financial requirements under the Uniform SMA. PECO representatives and the IE will review draft documents provided to comply with specific requirements for bidders submitting a proposal under an agency agreement, and draft documents provided to comply with specific requirements for foreign bidders or for bidders relying on the financial standing of a foreign entity.

Bidders submit Part 2 proposals during the Part 2 Window. Bidders may also provide the [representations and certifications required by the online](#) Part 2 Form during the Part 1 Window for early processing. Any information provided by a bidder in its Part 2 Proposal is provided on a confidential basis to the IE, and may be provided on a confidential basis to the PaPUC Staff. PECO representatives review the pre-bid letter of credit with the name of the bidder and the amount redacted and will participate in the evaluation of this pre-bid letter of credit. PECO representatives and the IE determine the sufficiency of documents provided to comply with specific requirements for bidders applying under an agency agreement, and documents provided to comply with specific requirement for foreign bidders or for bidders relying on the financial standing of a foreign entity.

The IE provides all notifications by email and documents by secure file transfer to the bidder's designated representative and up to three (3) additional individuals. The IE may also communicate with the named officer.

X.A. Part 1 Proposals

In the Part 1 Proposal, applicants submit basic information, such as the name of the prospective supplier and contact information. The officer of the bidder named in the Part 1 Proposal will designate a representative as a point of contact for purposes of the RFP and will make a number of certifications regarding its participation in the RFP as well as provide information required by the Part 1 Proposal. A bidder may designate up to three (3) additional individuals who are authorized to act on behalf of the bidder and who receive all correspondence from the IE.

X.A.1. Receipt and Processing of Part 1 Proposals

- All materials for the Part 1 Proposals must be received by 12 PM (noon EPT) on the Part 1 Date.
- The Part 1 Proposal includes the completed Part 1 Form as well as one (1) copy of all documents required by the Part 1 Form. The Part 1 Form will be available online for bidders to complete through an online proposal website. The online proposal website will only be accessible to suppliers that have requested an online account and have been provided login credentials by the IE.
- Any documents required by the Part 1 Proposal other than the Part 1 Form must be submitted electronically either by email to the IE at pecoprocurement@nera.com or by upload to the online Part 1 Form.
- When a bidder submits the online Part 1 Form, the IE receives an email from the online proposal website that indicates that a submission has been received. The email provides the company name associated with the submission. The IE will lock the bidder out of the form so that no further changes are possible to the submitted information while such information is under review. The IE will access the submission through the administrative interface of the online proposal website. The submission will be downloaded and saved on a secure network accessible only by the IE. The submission will also be saved to a portable medium such as ~~a DC~~ an encrypted USB flash drive and stored off-site for at least four years after the conclusion of the current default service program.
- If the Part 1 Proposal is received by the IE before noon on any business day during the Part 1 Window, the IE will send an acknowledgment confirming receipt on the day the Part 1 Proposal is received with the results of an initial review. If a Part 1 Proposal arrives after noon on any business day during the Part 1 Window prior to the Part 1 Date, the IE will send the acknowledgment along with the initial review by noon of the next business day.

- The IE's initial review will include a determination of the completeness of the proposal. The initial review will state either that the Part 1 Proposal is complete and is being considered, or the initial review will list items of the Part 1 Proposal that are deficient or require clarification. When a review is sent, the IE will restore access for the bidder to the online Part 1 Form.
- If the proposal is missing information, or requires clarification, a communication listing all information and documents required to complete the proposal will be prepared by the IE and sent to the bidder.
 - The bidder has until noon on the Part 1 Date, or until 6 PM on the business day following the business day during which such a notice is sent to the bidder, whichever comes later, to respond.
 - If the information and documents required to remedy deficiencies are submitted within the time allowed, the IE reconsiders the proposal.
 - If the required information is not submitted within the time allowed, the proposal is incomplete. The Part 1 Proposal will be rejected and the IE will send a rejection notice to the bidder by email.
- The Part 1 Proposal allows the bidder to submit non-material modifications to the credit instruments, namely the standard form of the pre-bid letter of credit, the standard form of the letter of credit appended to the Uniform SMA, and the standard format of the guaranty. If such a submission is received:
 - The IE will redact identifying information from the document and provide the redacted version to PECO for review.
 - PECO and the IE will evaluate the submission.
 - The IE will communicate the results of the review to the bidders in the specified timeframe.

- All such modifications related to a particular credit instrument will be posted in a single document on the RFP website.
- To the extent that they remain applicable, modifications that were acceptable in previous Default Service Programs will remain acceptable during DSP ~~IV~~V. A document containing all such modifications will be posted to the RFP website in advance of the first solicitation under DSP ~~IV~~V.
- Bidders submitting a proposal under a number of specific special circumstances are requested to submit additional documents with their Part 2 Proposals. Any such bidder can submit draft documents with its Part 1 Proposal. These include bidders submitting a proposal under an agency agreement, foreign bidders, and bidders relying on the financial standing of a foreign entity. The IE will take the following steps for the evaluation of any such documents.
 - The IE will redact identifying information from the document and provide the redacted version to PECO for review.
 - PECO will review the document with the assistance of the IE and the IE will communicate the results of the review to the bidder with the Part 1 Notification.
- The financial documents submitted by all bidders that accompany the Part 1 Proposals will be provided to PECO. PECO representatives will be provided with the information they need to make the creditworthiness evaluation on the Part 1 Date. It is expected that the creditworthiness evaluation will take no more than a day. The following steps will occur:
 - The IE will provide to PECO a spreadsheet that contains the names of the applicants and their guarantors;

- PECO will make a determination of the creditworthiness of the applicants and their guarantors, with the IE assistance;
- The credit assessment of the applicants and their guarantors is entered into the spreadsheet.

X.A.2. Notification for Part 1 Results

- For each prospective supplier that qualifies under the requirements of the Part 1 Proposal, the IE will send a Part 1 Notification regarding their qualification status. This letter also details the creditworthiness assessment.
- With the initial notification, the IE sends by secure file transfer the Part 1 Materials: (i) the Bid Form and instructions for submission of bids; (ii) instructions for filling out and encrypting the Bid Form; (iii) instructions for the electronic transfer of the completed Bid Form from the bidder to the IE; (iv) instructions for submission of the bids in case of technical difficulties with the electronic transfer; (v) invitation to a training session on the bid submission process; and, (vi) a username, a password, and security codes to be used for bid submission uniquely by that bidder.

X.B. Part 2 Proposals

In the Part 2 Proposal, bidders fulfill the requirements specified in Article V of the RFP Rules, including providing financial support for the bidder's offers.

X.B.1. Receipt and Processing of Part 2 Proposals

- All materials for the Part 2 Proposals must be received by 12 PM (noon EPT) on the Part 2 Date. Bidders also have the option to submit the certifications required with the Part 2 Proposal during the Part 1 Window for early processing.
- The Part 2 form is submitted online through an online proposal website. The Part 2 Proposal includes the completed Part 2 Form submitted online and an executed Pre-Bid Letter of Credit submitted in hardcopy at the IE's offices.

- Bidders submitting a proposal under an agency agreement, foreign bidders, and bidders relying on the financial standing of a foreign entity submit additional documents as specified in Article V of the RFP Rules. Any additional documents required by the Part 2 Proposal must be submitted electronically either by email or by upload to the online Part 2 Form.
- When a bidder submits the online Part 2 Form, the IE receives an email from the online proposal website that indicates that a submission has been received. The email provides the company name associated with the submission. The IE will lock the bidder out of the form so that no further changes are possible to the submitted information while such information is under review. The IE will access the submission through the administrative interface of the online proposal website. The submission is downloaded and saved on a secure network accessible only by the IE. The submission will also be saved to a portable medium such as ~~a DC~~an encrypted USB flash drive and stored off-site for at least four years after the conclusion of the current default service program.
- If the Part 2 Proposal is received by the IE before noon on any business day during the Part 2 Window, the IE sends the acknowledgment confirming receipt on the day the Part 2 Proposal is received with the results of an initial review. If a Part 2 Proposal arrives after noon on any business day during the Part 2 Window prior to the Part 2 Date, the IE sends the acknowledgment along with the initial review by noon of the next business day.
- A copy of all security documents is made. Original security documents are stored in a safe in the IE office.
- The IE's initial review of the proposal makes a determination on the completeness of the proposal. The initial review states either that the Part 2 Proposal is complete and is being considered, or the initial review lists items of the Part 2 Proposal that are deficient or require clarification.

- Review of the pre-bid letter of credit as well as documents provided for bidders submitting a proposal under an agency agreement, as foreign bidders, or while relying on the financial standing a guarantor may be part of an initial review or may be provided separately the next business day.
- If the proposal is missing required information, or requires clarification, a communication listing all information and documents required to complete the proposal is prepared by the IE and sent to the bidder:
 - With the exceptions noted below, the bidder has until noon on the Part 2 Date, or until 6 PM on the business day following the business day during which such a notice is sent to the bidder, whichever comes later, to respond.
 - For deficiencies related to the pre-bid letter of credit or documents provided to comply with specific requirements for bidders applying under an agency agreement, and documents provided to comply with specific requirement for foreign bidders or for bidders relying on the financial standing of a foreign entity, the bidder will have until noon on the Part 2 Date, or until 6 PM of the second business day following the business day during which the bidder is notified, whichever comes later, to respond.
 - The IE will restore the bidder's access to the online Part 2 Form to allow the bidder to remedy the deficiencies to the submitted information.
- If the information and documents required to remedy deficiencies are submitted within the time allowed, the IE reconsiders the proposal.
- If the required information and documents are not submitted within the time allowed, the proposal is incomplete. If the Part 2 Proposal is rejected, the IE sends a rejection notice to the bidder by email.
- All bidders submit an executed pre-bid letter of credit with their Part 2 Proposals. PECO review the pre-bid letter of credit to ensure that it either uses the standard

form or that it includes only approved modifications. The following steps will occur:

- IE redacts all information that could identify the applicant and the amount of the LC from the pre-bid letter of credit prior to providing it electronically to PECO for review.
 - PECO will check that the forms of the pre-bid letters of credit are acceptable with the assistance of the IE. The IE and PECO undertake a daily review, and conference call if necessary, during the Part 2 Proposal Window to review the pre-bid letters or credit as they arrive.
 - If the pre-bid letter of credit requires revision, the IE prepares a deficiency notice informing the bidder of how its pre-bid letter of credit is deficient and what it must do to remedy the deficiencies. This notice to the bidder by via email.
 - If a new/amended pre-bid letter of credit is submitted the IE confirms whether the new pre-bid letter of credit follows the instructions of the deficiency notice. The IE consults PECO as needed by conference call. If the new pre-bid letter of credit does not follow the requirements, the bidder will receive an additional deficiency notice as long as time remains for the bidder to remedy the deficiencies. If no time remains, the bidder will not be allowed to submit bids.
- Bidders in special circumstances provide additional documents with the Part 2 Proposal. This is the case for bidders applying under an agency agreement, documents provided to comply with specific ~~requirement~~requirements for foreign bidders, and for bidders relying on the financial standing of a foreign entity. The sufficiency of these documents is evaluated by PECO and the IE. For each of these documents submitted:

- The IE and PECO meet daily as needed via conference call during the Part 2 Proposal Window to evaluate these documents as they arrive. PECO and IE determine the sufficiency of the documents provided.
- If the document(s) requires revision, the IE prepares a deficiency notice informing the bidder of how its document(s) is deficient and what it must do to remedy the deficiencies. This letter is sent to the bidder.
- If a bidder had submitted a draft of these documents with its Part 1 Proposal for review and if the bidder conforms these documents submitted with the Part 2 Proposal to the review provided during the assessment of the Part 1 Proposal, then these documents will automatically be considered sufficient.
- If a new/amended document(s) is submitted, the IE confirms whether the new document(s) follows the requirements of the deficiency notice. The IE consults PECO as needed by conference call. If the new document(s) does not follow the requirements, the bidder is not allowed to submit bids, or is not be granted unsecured credit under the terms of the Uniform SMA, or is not allowed to rely on the financial standing of the guarantor.

X.B.2. Notification for Part 2 Results

A bidder that submits a Part 2 Proposal will be notified whether it has qualified to submit bids no later than 6 PM on the Part 2 Notification Date. This Part 2 Notification letter will be sent to the bidder by email.

XI. Transmitting Confidential Information

At various times throughout the RFP process it will be necessary for the IE to communicate certain highly confidential information to RFP Bidders. This section specifies the methods by which such information will be transferred. These protocols are used when designated highly confidential information must be transmitted; they are not used in the course of standard Proposal-related communication such as deficiency and complete notices. Any communication containing any of the following items is designated as highly confidential:

- Bidding results
- Login information for the secure file transfer system
- Bidder-specific load caps
- Part 1 and Part 2 Notifications

XI.A. Email & Secure File Transfer

When sending highly confidential communications to bidders, the IE will observe the following protocols:

- Communications with information regarding a bidder's participation in the RFP will only be sent to the representatives designated in the Proposal forms.
- Confidential information will be contained in pdf documents, with a note in the text of the communication informing the recipient of the purpose of the email and instructing the recipient to destroy the email and its attachment without reading or retaining them if the email has been received in error.
- Communications with confidential information will be checked by at least two members of the IE Team before being sent to ensure that the recipients' email addresses are correct and that the correct file attachment for that bidder has been attached.

XII. Bid Submission Training

The IE will hold a training session for bidders to practice the bid submission process prior to the submission of bids. The principle of the training is to familiarize all bidders with the step-by-step procedure to submit bids so that they can be sure they understand the process in advance of the actual Bid Date, allowing them to submit their actual bids without being hampered by technical difficulties or procedural questions. The training session is scheduled to occur early during the Part 2 Proposal Window, and will allow only potential bidders that have submitted successful Part 1 Proposals to familiarize themselves with the process by which they will be allowed to submit bids pursuant to successful Part 2 Proposals.

The IE will conduct the training exactly as it would on the Bid Date, except that bids submitted through the training exercise will not be binding in any way. PaPUC Staff may monitor the training exercise. PECO is not involved in the bidder training, but may participate in a separate mock trial with the IE so as to understand the bid submission process.

The training exercise will occur as follows:

1. Bidders will be provided with information on how to participate in the training with their Part 1 Notifications, including information for the electronic transfer of the Bid Form specific to the training;
2. Bidders will fill out, encrypt¹, and transfer electronically their Bid Forms to the IE using the system that will be employed on the actual Bid Date, and during a specific timeframe set aside for the training;
3. The IE will receive, decrypt and evaluate the submitted forms for completeness; as it would on the actual Bid Date;
4. The IE will contact the bidders to inform them of the receipt of their practice Bid Forms, and whether or not the forms were filled out properly;
5. Bidders wishing to practice submitting bids using a backup method will be afforded the opportunity to do so.

XIII. Market Report

This report would provide visible market prices for components of the full-requirements product and provide the PaPUC with any changes in broad trends in the wholesale markets since the previous solicitation. If appropriate, the market report could also report the results of similar solicitations held in the State or in a comparable region.

¹ Encryption is optional, but bidders will be encouraged to practice the encryption method and to use it on the Bid Date. The Independent Evaluator will verify the identity of bidders that submit unencrypted bid forms using the bidder-specific confidential information provided with the Part 1 Notification.

- If desired, the IE will prepare a confidential report to the PaPUC detailing current market conditions affecting the products of the RFP.
- This report would be provided one week to ten days in advance of the Bid Date to the PaPUC on a confidential basis.

XIV. Bid Processing

A bidder's bids must be received between 10 AM and noon on the Bid Date. The Bid Form, as provided to each bidder along with its Part 1 Notification, is the exclusive method for the submission of bids. The RFP Rules are the governing document regarding the processing of bids on the Bid Date. The steps of the process are as follows:

- The Bid Form must be filled out completely, encrypted (optional), and transferred according to the instructions provided by the IE.
- A bidder submits its bids electronically, by transferring a Bid Form through a secure file transfer interface. The bidder must use a username and a password provided by the IE to access the secure interface. The bidder must use a security code provided by the IE to encrypt the file, or provide the security code over the phone if the file is not encrypted.
- The primary backup method for submitting the Bid Form is by ~~fax. The secondary method is by~~ email. A bidder that submits the Bid Form by email will be informed that the IE recommends that the Bid Form be encrypted. A bidder that must resort to submitting its Bid Form by ~~fax or~~ email because of technical difficulties must follow the instructions provided by the IE for this contingency. These instructions will include a representative of the bidder phoning the IE to advise the IE of the use of ~~a fax or an~~ email transmission to submit bids and to provide authenticating information.
- The IE checks the Bid Form received for consistency with the requirements of the RFP, including a verification that the pre-bid letter of credit is sufficient to cover

the bids of each bidder. The IE contacts each bidder within 15 minutes of receipt of the Bid Form.

- If the Bid Form is complete and consistently filled out, the IE acknowledges receipt of the Bid Form and states to the bidder that the Bid Form is complete and consistent with the requirements of the RFP.
 - If the Bid Form received by the IE is incomplete or inconsistent, the IE acknowledges receipt of the Bid Form but advises the bidder of the information that must be added or modified. The bidder may correct and resubmit the Bid Form as long as the Bid Form is received between 10 AM and noon on the Bid Date. Otherwise, the bids are not evaluated.
 - If the pre-bid letter of credit is insufficient to support the bids, the IE states that fact to the bidder. The bidder may correct and resubmit the Bid Form as long as the Bid Form is received between 10 AM and noon on the Bid Date. Otherwise, IE will modify the Bid Form as specified in the RFP Rules.
- Members of the IE communicating with bidders during the submission procedures use a script so as to minimize any disparity of information provided to bidders.
 - The bids supported by adequate financial guarantees will be evaluated on a price-only basis. The bids for each product will be ranked from lowest to highest price until all bids are ranked or until the number of bids that are ranked equals the number of tranches available for the product.
 - The IE phones each bidder that has submitted bids by 6 PM on the Bid Date and identifies the bidder's bids that are being identified to the PaPUC as winning bids.
 - If two or more bidders submit bids that are identical for a product, these bids will be considered "Tied Bids" at that price. The IE will use the tie-breaking procedure described in the RFP Rules.

The IE communicates with PECO and provides the average winning price for each product and whether the solicitation has purchased all available tranches. PECO will not have information regarding any bidder's specific bids.

XV. Post-Bid Procedures

XV.A. Post-Bid Meeting with PECO

To facilitate the timeline for the execution of contracts, the IE will provide to PECO certain information about the results of bidding prior to the PaPUC decision on a confidential basis. All recipients of this information will have signed the Confidentiality Statement and will treat such information as highly confidential. All recipients of the information will be advised of its confidential nature and that it is preliminary, subject to approval by the PaPUC.

The information provided to PECO will include:

- The number of tranches of each product that were filled;
- The weighted average winning bid price of each product;
- The names of bidders that submitted Part 1 and Part 2 Proposals.

XV.B. PaPUC Decision

The IE will present the results of each solicitation to the PaPUC by ~~118~~ AM on the day immediately following the Bid Date in a confidential report. This confidential report will include the winning bids determined during the evaluation. Following the submission of the report by the IE:

- The PaPUC will have one (1) business day to consider the report of the IE and to approve or reject each of the winning bids. If the PaPUC does not act within one (1) business day, the winning bids are deemed to be approved.
- The IE will notify all bidders that have approved bids. The IE provides to PECO the name of each approved supplier, and for each such supplier, the number of tranches won by the supplier and the supplier-specific price for each product. The

supplier-specific price for a given product is the average of the supplier's approved bids for that product.

- PECO is not provided with information concerning losing bids.

XV.C. Provision of Redacted Final Report to PECO

To assist PECO in assessing whether the products offered could be improved in future procurement plans and to assist it in finalizing its contingency plans should the results of any solicitation be rejected by the Commission, PECO will be provided with certain additional information. Namely, PECO will be provided with a redacted version of the factual report provided to the Commission on the results of the solicitation. The report will be redacted so that PECO will not receive information about bids that is bidder-specific or proposal information that a bidder may consider confidential or proprietary. The report will be provided at the conclusion of the solicitation, namely when all contracts with winning suppliers that are approved by the Commission have been executed.

Any bidder-specific information that is not relevant to PECO's assessment of the products offered or to its contingency plan will be redacted to the extent that the bidder could reasonably believe such information to be confidential. Analysis of the bidding data that provides an overview of the competition or summary statistics for the entire pool of bidders will not be redacted. The IE expects items that will be redacted to include:

- The identities of losing bidders that submitted bids and the particular products for which losing bidders submitted bids;
- The bid prices of individual tranches won by each bidder;
- Information concerning specific losing bids;
- The identities of bidders that did or did not participate in the bidder training session to practice the online submission of bids; and
- Deficiencies in the Proposals of certain bidders or difficulties with the submission or practice or actual bids, to the extent that such deficiencies were cured and or such difficulties did not materially impact the results of the solicitation.

XV.D. Preparation of Uniform SMA Documents by the IE

The IE will prepare the Uniform SMA for each New Default Supplier and the guaranty for each Default Supplier that is relying on the financial standing of an RFP Guarantor in accordance to the timeline provided below.

- On the Bid Date the IE will contact RFP Bidders that have Bids that are identified to the PaPUC as winning Bids and did not provide the necessary information to prepare the Uniform SMA with the Part 1 Proposal. These RFP Bidders are instructed to provide the required information by 12PM on the following business day.
- On the day the Commission approves some or all of the winning Bids, the IE sends to PECO by secure file transfer the Uniform SMA, including all exhibits, for each New Default Supplier, the guaranty for each New Default Supplier relying on the financial standing of a Guarantor, transaction confirmations for each product and Default Supplier, and the most current contact information that the IE has for each Default Supplier.

XV.E. Execution of Uniform SMA Documents and Transaction Confirmations

PECO and each Default Supplier will execute the Uniform SMA documents and transaction confirmations in accordance with the schedule provided below.

- By 12PM on the second business day following the Commission approval of some or all of the winning Bids, PECO:
 - Partially executes two (2) originals of each Transaction Confirmation for each Default Supplier and each product.
 - Partially executes two (2) originals of the Uniform SMA with each New Default Supplier.
 - Informs each Default Supplier of its specific creditworthiness requirements.

- By 12PM on the second business day following the Commission approval of some or all of the winning Bids, PECO sends:
 - One (1) copy of the signature page of the Uniform SMA (page 75) by ~~fax~~ or other electronic means email to each New Default Supplier;
 - One (1) copy of the partially executed Transaction Confirmation by ~~fax or other electronic means~~ email to each Default Supplier for each product for which the Default Supplier has won tranches; and
 - The guaranty or an amendment to the current guaranty (if necessary) by ~~fax~~ or other electronic means email for each Default Supplier relying on the financial standing of an RFP Guarantor.
- By close of the second business day following the Commission approval of some or all of the winning Bids, PECO sends by overnight delivery service:
 - The two (2) originals of the partially executed Uniform SMA, including all exhibits, to each New Default Supplier; and
 - The two (2) original partially executed Transaction Confirmations to each Default Supplier.
- By 2PM on the third business day following Commission approval of some or all of the winning Bids:
 - Each New Default Supplier partially executes the two (2) originals of the Uniform SMA and returns one (1) copy of these signature pages to PECO by ~~fax or other electronic means~~ email. Additionally, each New Default Supplier completes the PJM Declaration of Authority online;
 - Each Default Supplier partially executes the two (2) originals of the Transaction Confirmations and returns one (1) copy of the signature page to PECO by ~~fax or other electronic means~~ email; and

- Each Default Supplier relying on the financial standing of an RFP Guarantor executes the guaranty or any amendment to the guaranty and returns one (1) copy of the signature page of the guaranty to PECO by ~~fax or other electronic means~~ email.
- By close of the third business day following Commission approval of some or all of the winning Bids:
 - Each New Default Supplier returns by overnight delivery service to PECO one (1) original of the Uniform SMA, including all exhibits;
 - Each Default Supplier returns by overnight delivery service to PECO one (1) original of the Transaction Confirmation.
 - Each Default Supplier complies with all instructions from PECO to fulfill the creditworthiness requirements under the Uniform SMA.

XV.F. Return of Pre-Bid Security

The IE plans to release the pre-bid letters of credit for all bidders no later than ~~five (5)~~ six (6) business days after the Bid Date. To ensure that the signed certificates of cancellation are returned to the bidder's bank as quickly as possible, the certificates of cancellation will be signed by PECO in advance of when the pre-bid letter of credit must be released and held by the IE. The time of release will depend on whether or not the bidder has won any products at the RFP and on the PaPUC's decision:

- If the Commission does not approve any of a particular bidder's bids, the IE will release that bidder's pre-bid letter of credit within ~~two (2)~~ three (3) business days after the Bid Date.
- If the Commission approves any of a particular bidder's bids, the IE will release that bidder's pre-bid letter of credit as soon as practical and no later than ~~five (5)~~ six (6) business days after the Bid Date.

- PECO will notify the IE as soon as an approved supplier has returned the executed Uniform SMA and Transaction Confirmation.
- The prompt return of bid security will also be conditioned upon the bidder not having violated any undertakings agreed to as part of the RFP.