

Overview of the RFP Process

Delmarva Power & Light is using the model RFP, approved by the Delaware Public Service Commission, to solicit full-requirements wholesale electric power supply, except for the provision of Renewable Energy Credits (RECs). On July 29, 2008, Delmarva filed an application with the Commission to modify the process by which it procures electricity for SOS customers by removing the requirement that wholesale electricity suppliers provide RECs to Delmarva. On August 19, 2008, the Commission approved the application in Order No. 7432.

The RFP, approved by the Delaware Public Service Commission, seeks offers for the supply of electric power to meet the needs of four specific service types. The types are described as Residential and Small Commercial & Industrial, Medium General Service-Secondary, Large General Service-Secondary, and General Service-Primary. Table 1 below describes the service types and the service classifications included in each service type.

Bidding on the load for each service type will be by bid rounds referred to as “tranches”. Up to two tranches of bidding are planned, with a third tranche held in reserve to be used if any load is still unfilled after the second tranche. One hundred percent (100%) of the load solicited in the 2023 RFP process will be solicited in the first two tranches, but the third tranche will be used if not all the load is awarded.

In this RFP, Delmarva is soliciting full requirements wholesale service for the Residential and Small Commercial & Industrial FP-SOS Service type with a two-year contract. One-year contracts will be solicited for each of the three remaining types namely: Medium General Service-Secondary, Large General Service-Secondary and General Service-Primary.

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

For the MGS-S, LGS-S and GS-P customer classes, the RFP provides a volumetric risk mechanism to mitigate the risk to wholesale suppliers if there is large customer migration back to SOS from competitive retail service. When such events occur and to the extent that the SOS load per 50 MW

block increases by an increment more than 5 MW, that “incremental” load will become the responsibility of Delmarva. More specifically, when an increment of load is triggered, the supplier will supply the full requirements service that follows load up to the SOS load plus 5 MW and Delmarva will supply the full requirements service that follows the “incremental” load above that level. Table 2 shows preliminary Peak Load Contribution (PLC) for the specific service types. Two representations of PLC are provided. The first represents the PLC associated with customers currently receiving SOS from Delmarva. The second represents the PLC associated with all customers currently eligible for a specific service type within Delmarva’s service territory.

Within each tranche and for each FP-SOS bid block offered by service type, there is a single auction conducted on the Enel X web-based auction platform. The energy price offers shall be in terms of \$/MWh. Each auction will open and close as shown below and will be conducted in accordance with the following schedule:

Tranche 1 – November 28, 2022

| DELMARVA DELAWARE - SOS - TRANCHE 1 AUCTION DAY SCHEDULE | | | | |
|---|--------------------|-------------|--------------|--------------------------|
| Service Type/Offer | Auction No. | Open | Close | Input Price Offer |
| RSCI–24 Mth /1 block | 1 | 10:00 AM | 10:30 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 2 | 10:00 AM | 10:40 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 3 | 10:00 AM | 10:50 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 4 | 10:00 AM | 11:00 AM | \$/MWhr |
| | | | | |
| MGS /1 block | 5 | 10:00 AM | 11:10 AM | \$/MWhr |
| MGS /1 block | 6 | 10:00 AM | 11:20 AM | \$/MWhr |
| | | | | |
| LGS /1 block | 7 | 10:00 AM | 11:30 AM | \$/MWhr |
| | | | | |
| GS-P /1 block | 8 | 10:00 AM | 11:40 AM | \$/MWhr |

Tranche 2 – January 30, 2023

| DELMARVA DELAWARE - SOS - TRANCHE 2 AUCTION DAY SCHEDULE | | | | |
|---|-------------|----------|----------|-------------------|
| Service Type/Offer | Auction No. | Open | Close | Input Price Offer |
| | | | | |
| RSCI–24 Mth /1 block | 1 | 10:00 AM | 10:30 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 2 | 10:00 AM | 10:40 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 3 | 10:00 AM | 10:50 AM | \$/MWhr |
| RSCI–24 Mth /1 block | 4 | 10:00 AM | 11:00 AM | \$/MWhr |
| | | | | |
| MGS /1 block | 5 | 10:00 AM | 11:10 AM | \$/MWhr |

Bids will only be accepted through the Enel X web-based auction platform in accordance with the schedule specified in Section 6 of the RFP starting at 10:00 AM EPT. The bid block auctions will be held at <http://www.exchange.apps.enelx.com> , which is the auction website. During each auction, bidders will be able to see all the bids they have posted and the current low bid. All bids shall be anonymous.

To access and use the auction website, eligible bidders will be contacted by Enel X, the proprietor of the auction website, and will be required to sign a Supplier Agreement with Enel X before being issued a password to access the auction website. Please note that all legacy World Energy Solutions, Inc. and/or EnerNOC, Inc. Supplier Agreements are still valid under Enel X. Appendix 6 of the RFP contains the Enel X Supplier Agreement. In addition, all eligible bidders must agree to pay a required fee to Enel X for any auction awards made by Delmarva to the bidders as a result of this RFP. All bids submitted must be inclusive of this fee.

Applicants interested in participating in the RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form. The applicant will not be eligible to submit proposals until such submission has been provided to Delmarva. Upon submission of the Expression of Interest Form, the applicant will be issued access to the Ariba platform which will contain additional information relating to the RFPs.

| Table 1. Customer Service Types and Customer Classes Included in SOS | | |
|---|--|--|
| Utility | Service type | Customer Classes |
| Delmarva | Residential and Small Commercial & Industrial FP-SOS | R, R-TOU-ND, SGS-ND, SGS-SH, SGS-WH, MGS-SH, OL, ORL, PIV, X |
| | Medium General Service-Secondary FP-SOS | MGS-S |
| | Large General Service- Secondary FP-SOS | LGS-S |
| | General Service- Primary FP-SOS | GS-P |

| Table 2. Preliminary SOS Capacity PLC as of 8/2/2022 | | | |
|---|--|--------|----------|
| Utility | Service type | SOS | Eligible |
| Delmarva | Residential and Small Commercial & Industrial FP-SOS | 849.3 | 932.5 |
| | Medium General Service-Secondary FP-SOS | 144.3 | 242.9 |
| | Large General Service- Secondary FP-SOS | 23.9 | 74.3 |
| | General Service- Primary FP-SOS | 46.8 | 104.6 |
| Delmarva Total | | 1064.3 | 1354.3 |