Appendix J-2: Financial Bid template for Demand Resource projects

OVERVIEW:

The Bidder agrees that the Contract Quantity denoted below will participate in the following ISO-NE Markets (***only check items that apply)*** once it has reached Commercial Operation or is otherwise designated as a qualifying resource by ISO-NE:

☐ a. Forward Capacity Market

☐ b. Locational Forward Reserve Market

☐ c. Day-Ahead Energy Market

☐ d. None

If item b. above is checked, what Quantity (MW)? ☐

If item b. above is checked, Is the Bidder expecting project to participate in both the summer and winter auctions? (*select only one*):

☐ **YES**

☐ **NO**

CAPACITY CONTRACT:

The Annual Contract Prices in this Agreement will be settled against (***select only one option***):

☐ ***Option 1*:** the Market Price in the FCM only

☐ ***Option 2*:** the Market Price in the FCM and the LFRM (the LFRM, in this case, represents the Market Clearing Price net of FCM payments). Note that Demand Resource projects must be qualified to participate in the LFRM in order to select this option.

☐ ***Option 3*:** no market settlement possible (***Option 3 must be selected if "d. None" was selected above***). Note however that the terms of the Demand Resource Contract may require modification of the Options selected and resulting settlement process for payment if and when Demand Resources become eligible as capacity resources in the FCM)

Please fill in the following table for appropriate years of the proposed Contract Term and Contract Prices depending on whether Option 1, 2, or 3 was selected. The Bidder may opt to settle against the LFRM (Option 2) for select years of the Contract Term. The Bidder may also choose to have different Contract Quantities for settlement purposes for LFRM and FCM under Option 2.

Depending on whether Option 1, 2, or 3 was selected above, different Annual Contract Price Columns should be completed:

a. If Option 1 or Option 3 was selected, Column B must be filled out.

b. If Option 2 was selected, both Column C (which indicates the price against with the FCM will be settled) and Column D (which indicates the price against which the LFRM will be settled) must be filled out.

Depending on whether Option 1, 2, or 3 was selected above, different Contract Quantity Columns should be completed:

a. If Option 1 or Option 3 was selected, Column E must be filled out.

b. If Option 2 was selected, both Column E and Column F must be filled out.

***** THIS TABLE MUST BE COMPLETED TO PARTICIPATE IN THE PROCUREMENT PROCESS *****

We will evaluate only upto the second decimal point

Note that Contract Quantity must be equal to Contract Quantity entered in Project Description Template, which must be equal to Base Level Capacity and Supplemental Capacity

A	B	C	D	E	F
Contract Year	Annual Contract Price ($/kW) for Options 1 and 3	Annual Contract Price ($/kW) for Option 2 (FCM settlement)	Annual Contract Price ($/kW) for Option 2 (LFRM settlement)	Base Level FCM Contract Quantity (MW)	Base Level LFRM Contract Quantity (MW)

*** AT BIDDER OPTION ***

CAPACITY CONTRACT CALL OPTION:

Is the Bidder electing the Call Option? (*select only one*):

☐ **YES**

☐ **NO**

The DPUC reserves the right to accept the Capacity Contract with or without the Call Option

Strike Price ($/MWh) for settling against the ISO-NE's Day-Ahead Energy Price at Connecticut Load Zone:	

Please supply an index against which Strike Price will be indexed (starting the day that winning projects are approved): *(Bidders may refer to publicly available indices, such as ISO-NE's fuel price index for the LFRM or the U.S. Consumer Price Index, or may provide at the time of the Financial Bid submission a customized index showing the year-on-year percentage change desired.)*

CALL OPTION PRICING:

Please fill in table below (for all years of the Contract Term)

***Notes*:**

Call Option Contract Quantity (in MW) cannot exceed the Contract Quantity (in MW) specified earlier in Appendix J-2 for the Capacity Contract.

Bidders can specify an alternative Annual Contract Price for the FCM if it chooses to bid for the Call Option, as the DPUC recognizes that contracting on the Call Option may change a Bidder's expectation regarding energy profits within the Capacity Contract.

Contract Year	Call Option Contract Quantity (MW)	Call Option Supplemental Capacity Payment ($/kW)	Alternative Annual Contract Price ($/kW) for FCM under Option 2