

Duquesne Light Company

Request For Proposal – Pre-Bid Webinar (Aug 24, 2016)

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Conference Objectives

We are here to:

- Inform interested wholesale electric suppliers of the Duquesne Light Company's (DLC's) competitive Request for Proposal (RFP) process to acquire default supplies
- Specifically, we will review:
 - September 2016 Solicitation Schedule
 - Customer classes offered, procurement amount and terms
 - Eligibility criteria and qualification rules
 - Bid submission procedure
 - Bid evaluation process
- Answer questions on all of the above topics

Disclaimer



This presentation is not meant to be a fully comprehensive description of every aspect related to all of the Pennsylvania Public Utility Commission (Commission) orders related to the RFP process, but rather a summary of the key features. No statements made in this presentation, or made orally by any consultant or utility representative, are intended to be binding in any way. In all cases, the RFP, Supply Master Agreement (SMA), and Compliance Plans, as approved by the Commission, and all Commission orders, control and supersede all other statements.

Summary Agenda



- Background Information
- Schedule of Key Events
- RFP Process Details
- Guide to Placing Bids
- Evaluation of Bids

Background Information

Background Information

- Based on the Default Service Plan approved by the Pennsylvania Public Utility Commission (“Commission”), DLC conducts a competitive RFP process to acquire default supplies for Residential, Medium and Small C&I customers
- Solicitation is for full requirements load following service
 - Requires energy, ancillary services, capacity, alternative energy credits, losses and other items listed in the SMA
 - The amount of energy and other services and products a supplier must provide will vary depending upon DLC’s actual default service load
- The procurement amount in each customer class is divided into blocks of equal size
 - Load served within each block will increase or decrease proportionally with the other blocks to achieve the supply needed to meet load.
- Delivery is to the Duquesne Residual Aggregate Zone in PJM
- See SMA for full and complete details
 - A copy of the SMA can be found on the RFP website / Procurement website, <http://sourcingsystem.procurexinc.com/DuquesneRFP>

Background Information (continued)

- DLC utilizes relevant bid documents specific to the Commission approved POLR VII plan for ALL POLR VII solicitations
- If for any reason an RFP fails to attract a sufficient volume of bids, the Commission does not approve the submitted bids, or an accepted supplier defaults, DLC will meet its default supply obligation on an interim basis through purchases in the PJM spot market and will be permitted to recover all of the costs of such purchases and reasonable administrative costs from Default Service Customers. DLC will submit to the Commission within 15 days after any such occurrence, a contingency plan to handle any default service shortfall.

Schedule of Key Events

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- Webinar – August 24, 2016 at 2:00PM ET
- Answers to questions received during webinar posted – August 25, 2016
- Credit applications due – September 8, 2016
- All submissions completed and bidders qualified – September 12, 2016
- Bidding website open to bidders to practice submitting bids – September 12, 2016

- **Bid Day – September 13, 2016 from 10:00 AM to 2:00 PM ET**

- All bidders notified of the result – September 13, 2016, from 2:00 PM to 4:00 PM ET
- Bids submitted to the Commission for approval – September 14, 2016
- Approval expected by Commission – September 15, 2016
- Winning bidders notified of the final results – September 15, 2016
- Release of weighted average of winning bids, separately by class, within 2 business days after execution of the contracts

RFP Process Details

Supply Requirement Overview

- The current solicitation seeks proposals for default supply for Residential & Lighting, Small Commercial & Industrial (C&I) and Medium C&I Customers:
 - Residential and Lighting – Offered in 12 blocks for 50% of supply requirements for delivery period 12/1/2016 – 11/30/2017
 - Small C&I – Offered in 2 blocks for 50% of supply requirements for delivery period 12/1/2016 – 11/30/2017
 - Medium C&I – Offered in 4 blocks for 100% of supply requirements for delivery period 12/1/2016 – 2/28/2017
- Pursuant to the Commission’s Order, no one supplier may procure more than 50% of the load for the Small C&I and the Residential and Lighting classes for this delivery period
- A single supplier can procure 100% of the Medium C&I class for this delivery period

Pace Global Responsibilities

Independent Market Monitor



- We are the liaison between the potential bidders and DLC
- We answer all the questions regarding the solicitation process
 - Questions and correspondence can be sent to Pace Global by email to ICUSBTPaceDuquesneRFP.Industry@siemens.com
- We conduct and monitor the RFP process
 - Bids can be submitted through the Procurex bidding interface
 - Up to 6 bids may be submitted by any bidder for the Residential & Lighting blocks (50% of the available blocks)
 - Up to 1 bid may be submitted by any bidder for the Small C&I blocks (50% of the available blocks)
 - Up to 4 bids may be submitted by any bidder for the Medium C&I blocks (100% of the available blocks)
- We review all bids and associated paperwork for compliance and conformity
- Only Pace Global and the Commission have discretion to reject bids
- We review any disputes or selection decisions for resolution
- We maintain the security at the bid site - DLC does not see bid results until after close of bidding
- We summarize the results along with a certification of compliance with all requirements and security

DLC Responsibilities

- Signs the Non-Disclosure Agreement (NDA)
- Reviews and approves all financial qualifications
- Provides Pace Global with answers to all questions (posted on the web site and / or sent to bidders)
- Cooperates with bidders and provides relevant information
- Verifies that bidders are qualified with PJM to provide the services
- Signs the SMA
- Works with Pace Global to address any conflicts or disputes
- Manages the contracts in accordance with the SMA
- Works with PJM and winning bidders to properly allocate charges per the SMA
- Releases the weighted average of all winning bids for all solicitations, (not individual bid prices or supplier names), within 2 business days after execution of all contracts and publishes the revised retail rates 45 days before they become effective

Supplier Eligibility Criteria

- PJM qualification and FERC authorization
 - Must be a qualified market supplier in good standing with PJM
 - Must have FERC authorization to make sales of energy, capacity and ancillary services at market based rates
- Express interest by requesting a username and password via Procurement web site
- Execute the Non-Disclosure Agreement (NDA)
 - If you have an executed NDA from either the March 2015 RFP, June 2015 RFP, September 2015 RFP, December 2015 RFP, March 2016 RFP or the June 2016 RFP, this will carry through the end of the POLR VII solicitations
- Submit financial information through a credit application
- Conform with bidding requirements
- Upon notification of a winning bid, submit a Binding SMA at completion of bidding
- Submit the credit application and NDA, place bids, sign the SMA and serve the load in PJM *all under the same legal entity*

Bid Submission Process

- All bids must be submitted:
 - On the bid day that is set – September 13, 2016
 - Through the secure Procurex website's bidding interface
 - Using the appropriate Bid Form on the website
- All bids can be rescinded and/or reviewed via the bid interface. Bidders' individual login and password is required to submit, rescind, or review bid
- All fields within the Bid Form require that the supplier's input must be completed in order for the bid to be conforming
- An e-mail will be automatically sent to the bidder indicating that the bid has been received
- Bids may be sent by FAX as a contingency if there is a problem with the electronic system. FAX Number 1-844-806-8411. If a fax is used, Pace Global must be alerted by telephone to this change in the normal electronic submission. Telephone Number 1-703-227-1037

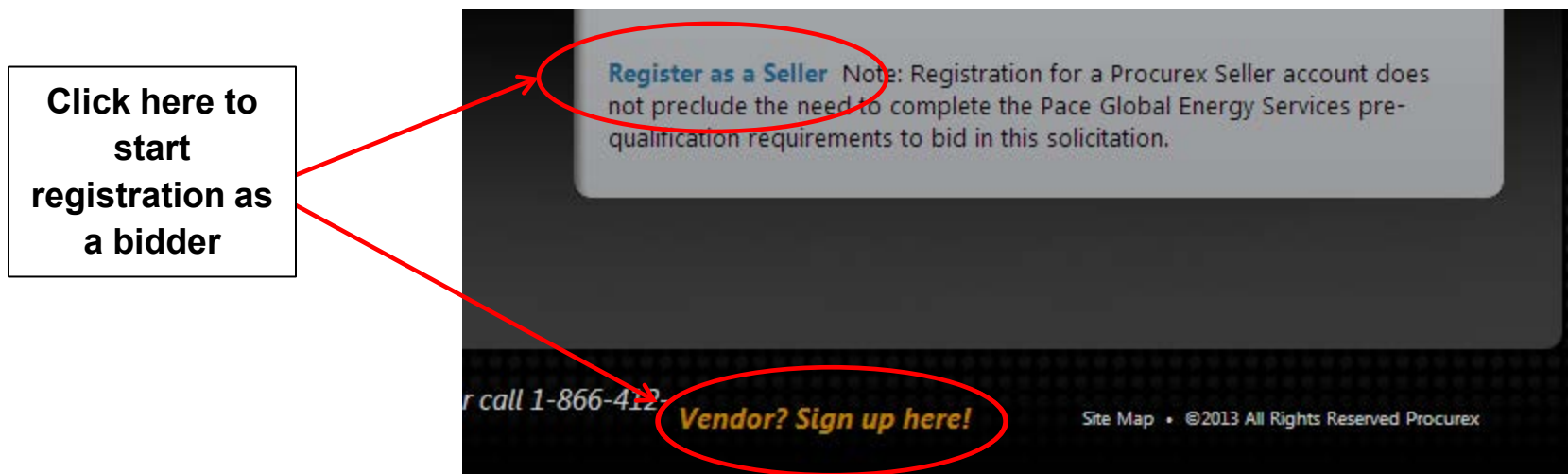
Default Supply Master Agreement (SMA)



- The SMA is included on the Procurex web site for review
- No changes to this document are permitted

Guide to Placing Bids

Create a Login ID on the Procurement Website



- Suppliers are able to register on the RFP / Procurement website at any time:
<http://sourcingsystem.procurexinc.com/DuquesneRFP>
- The RFP event is not available until a signed Non-Disclosure Agreement and a Credit Application have been submitted and approved by DLC

Procurex Bidding Interface

Login Home Page



- Once approved as a bidder, you are invited to 2 events: A practice event on 9/12/2016 and the live procurement event on 9/13/2016, which will start at 10:00 AM ET and close at 2:00 PM ET
- After logging in, you can select the “Accept / View / Bid In Events” link

October 11, 2013 -- 14:17 EST

[Change Procurex Account Options](#)

Event Tools

Seller

- [ACCEPT/VIEW/BID IN EVENTS](#)
- [VIEW A COMPLETED EVENT](#)
- [VIEW ADVERTISED EVENTS](#)
- [VIEW QUESTIONNAIRES](#)

Spread the Word About Procurex!

- DO YOU THINK YOUR COMPANY COULD BENEFIT FROM USING PROCUREX? SEND AN [E-MAIL](#) TO YOUR PURCHASING MANAGER TO RECOMMEND THIS EASY-TO-USE, AFFORDABLE TOOL THAT CAN HELP YOUR COMPANY SAVE TIME AND REDUCE THE COST OF PURCHASED MATERIALS. [CLICK HERE TO SEND AN E-MAIL.](#)

Bidding Interface

Event Screen



- This screen shows you the events you are able to participate in

[Home](#) | [Help](#) | [Log Out](#)

Portal ▾ Procurex ▾ Profile
DEMO 52

October 11, 2013 -- 14:19 EST

Notes:

- To **sort** the list of events, click on the column header that you wish to **sort** by.
- To reverse the **sort** order, click on the same column header again.

Current Events

Event Status	Type	Response	Number	Event Name	Company	Pre-bid Start Date	Pre-bid End Date	Start Date
Activated	QUOTE	No Answer	04103-00003	DEMO EVENT - DUQUESNE LIGHT POWER RFP POLR-VI (Training Event)	Pace Global/DQE	n/a	n/a	10/10/2013 16:00 (EST)

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Note: This site uses pop-up windows for functionality purposes. Pop-up blockers could cause needed windows to not appear. Please disable your pop-up blockers for our site.

QuoteParameters Page Last Refreshed 01/08/2014 11:41:28(EST)

Training Event

 Start Date: 01/14/2014 08:00 (EST)
 Bids Due By: 01/27/2014 23:00 (EST)

Notes:

- In order to participate, you must review the details for the Event and click the 'Continue' button below. The next page will provide you with the options to specify whether your company is interested in participating and if so, whether you agree with the Terms and Conditions.

Contact Information | Terms and Conditions | Comments

Item	Description	Quantity	Unit of Measure
60 MW BLOCK	See RFP for details. Bidders will be submitting a price (in \$/MWh) at which they are willing to deliver up to 60 MWs of power between the days of 6/1/2014 and 5/31/2015 (1 block).	1.0000	\$ per MWh
60 MW BLOCK	See RFP for details. Bidders will be submitting a price (in \$/MWh) at which they are willing to deliver up to 60 MWs of power between the days of 6/1/2014 and 5/31/2015 (1 block).	1.0000	\$ per MWh
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Currency: USD



Bidding Interface

Accepting an Event



- Before you are able to start placing bids, you need to read and agree to the Terms and Conditions and confirm your participation in the RFP

Accept DEMO EVENT - DUQUESNE LIG

Note: Before you will be allowed to place any bids you must have read and agreed to the [Terms and Conditions](#)

I have read and agreed to the **Terms and Conditions**

Note: The following choices determine whether your company will participate in the DEMO EVENT - DUQUESNE LIGHT POWER RFP POLR-VI.

We will participate in this Quote

We will not participate in this Quote

We will advise (I understand I have until the time bidding starts for this Quote to make my decision)

Company Comments:

Bidding Interface

Placing bids

- The bidding interface is shown below

[04103-00006] DEMO EVENT - JAN 2014 DUQUESNE LIGHT POWER RFP POLR-V for Pace Global/DQE

QuoteParameters Page Last Refreshed 01/08/2014 11:44:35(EST)

● Training Event Start Date: 01/14/2014 08:00 (EST)
Bids Due By: 01/27/2014 23:00 (EST)

Tasks: [View Your Bids](#) | [View Contact](#) | [View Terms](#) | [Event Documents](#) | [View Comments](#) | [Broadcast Log](#) | [Message Board Help](#)

You have bid 0 times. Time Remaining
Days: 19 11:14:17

Item	Qty	UoM	Previous Bid Price	Previous Ext. Bid Price	New Bid Price	Notes	Documents
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text"/>	add	manage

Currency: USD Total Bid Value: 0.00000

[Preview Bid](#) [Reset](#) [Close](#)

You are not required to bid on all blocks. For blocks you do not intend to bid on, leave the Bid Price field blank. You can choose to bid on all or some of the blocks.

- After placing a bid, the Previous Bid Price and Previous Ext. Bid Price fields reflect what you entered (these fields are identical). Bids can be changed by submitting a new bid
- Notes can be attached to bids which are visible to Pace Global

Bidding Interface

Retracting Bids



- You are able to change the price of any bids you place

Tasks: [View Your Bids](#) | [View Contact](#) | [View Terms](#) | [Event Documents](#) | [View Comments](#) | [Broadcast Log](#) | [Message Board Help](#)

You have bid 0 times.

Time Remaining
Days: 19 11:12:40

Item	Qty	UoM	Previous Bid Price	Previous Ext. Bid Price	New Bid Price	Notes	Documents
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="30"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="35"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="40"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="45"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="50"/>	add	manage
60 MW BLOCK	1.00000	\$ per MWh			<input type="text" value="55"/>	add	manage

- You are able to change the bid price, however, you do not have the ability to retract the bid completely
- If you need to retract your bid completely, use the “Message Board” function to have an administrator clear your bids

Evaluation of Bids

Evaluation Criteria

- Conforming bids must be submitted:
 - using the Procurex bidding interface
 - by the due date and time
 - by an eligible supplier
- Evaluation of Bids
 - The single price bid for a given block is the parameter used to compare all offers within the same service type and the same contract term
 - Bids are ranked by price and the lowest bidders are chosen
 - Tie breaking between 2 identical bids are based on the bid that was received first
 - Winning suppliers are paid their offer prices pursuant to contract
 - All bids submitted are kept confidential, in accordance with the NDA, although aggregate prices of winning bids are released
 - DLC does not see bid results until after the close of bidding

Contact Information



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