

PECO Alternative Energy Portfolio Standard (AEPS) RFP Responses to Bidder Inquiries

In the event of any discrepancy between this document and the documents approved by the Pennsylvania Public Utility Commission (PA PUC), the documents approved by the PA PUC will govern.

Q1. Can you elaborate on Section 2. "The Source" of the AECs? (p.17 of the presentation)

A1. The question refers to RFP rules Exhibit 3: Form of Bidder Application Section 2: AEC Source Information/ Property Rights to AECs. If the AECs that the bidder proposes to sell are already in bidder's GATS inventory, bidder can make a representation that it is currently holding the Tier II AECs in its GATS inventory and reference the associated Unit ID, Facility Name and Fuel Type. If, at the time of the Bidder Application, the bidder is not holding the AECs in its GATS inventory, the Bidder must provide documentation to demonstrate that it owns the rights to the AECs in their entirety and that it will receive those AECs in time to transfer them to PECO by the RFP deadline for delivery. An example of such documentation would be a broker agreement. The Facility Name and Fuel Type should be provided in this case.

Q2: How will winning bidders be determined if both price and quantity are the same for two or more winning bidders?

A2. This would be a rare occurrence because the price of the AEC is to the whole penny, and the scenario would only matter to the extent that the accepting combined Contract Amounts would exceed the 275,000 AEC RFP Maximum. However, refer to section 6.2 Evaluation of Bid Proposals, of the RFP rules.

Q3: Where will the wire information be posted for the bid deposit?

A3. The wire information for bid deposits:

BNK: Bank of America, N.A.

100 West 33rd street , NY, NY 10001

ABA (wire transfer): 026009593

ACCT: 5800392168

Swift code: BOFAUS3N

Q4: When is the bid deposit due?

A4. Bid Deposits are due with each Bid Application by 5pm EPT on December 16, 2011.

Q5: Will the presentation from today be available to participants on this call?

A5. Yes, it is posted on www.peco.com/aepe

Q6: How is the final price set if multiple prices and volumes are accepted?

A6. Each bid of a multiple bid is treated separately in the bid evaluation. Should more than one bid win, then the contract will be for the total Contract Amount of winning bids with the Price calculated as the weighted average of the winning bids:

For example:

Two winning bids:

- 1) 10,000 AECs @ \$0.50/AEC, value of \$5,000 and
- 2) 20,000 AECs @ \$0.60/AEC, value of \$12,000

Weighted average price = $(\$5,000 + \$12,000) / 30,000 \text{ AECs} = \$0.567 / \text{AEC}$

Contract will be written for 30,000 AECs @ \$0.567/AEC = \$17,000

Q7: If I have multiple bids of say 100k, do I have multiple bid deposits?

A7. Each bidder application including bid deposit entitles the bidder to offer up to three bids. If a bidder wishes to submit more than three bids, then the bidder should submit multiple applications, each with its own bid deposit for up to three bids allowed per application.

Q8: Is this RFP only for Tier II AECs?

A8. Yes, this RFP is only for Tier II AECs.

Q9: Is the RFP open to all Bidders?

A9: **Yes, it is open to all bidders!**