

**PPL Electric Utilities Corporation**

**Request for Proposals (RFP) Process and Rules**

**Alternative Energy Credits  
for Compliance with  
Pennsylvania's Alternative Energy Portfolio  
Standards Act**

**July 1, 2009**

# **ALTERNATIVE ENERGY CREDITS RFP PROCESS AND RULES**

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# ARTICLE 1

## INTRODUCTION

### 1.1 Overview

- 1.1.1 Capitalized terms in this document, which are not defined explicitly herein, are defined in the PPL Electric Utilities Corporation' Alternative Energy Credit Supply Master Agreement ("AEC SMA") incorporated hereto as Appendix 1.
- 1.1.2 PPL Electric Utilities Corporation ("Company" or "PPL Electric") has proposed a competitive bidding process to obtain Alternative Energy Credits ("AECs") to meet its obligations, pursuant to Pennsylvania's Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8 ("Act"). An AEC is a tradable instrument that is used to establish, verify, and monitor compliance with the AEPS Obligation; one AEC equals one megawatt hour of electricity from an alternative energy source.
- 1.1.3 This Request for Proposals ("RFP") is being issued to purchase AECs necessary to meet the AEPS Obligation associated with PPL Electric's various purchases of 50 MW quantities of Block Energy Supply ("Block Supply") under its Default Service Procurement Plan ("DSPP"). The AECs will be procured through multiple solicitations that mirror its purchases of Block Supply under its DSPP. In each solicitation, PPL Electric seeks to procure AECs necessary to meet its Tier 1, Tier 2, and Photo-voltaic (a subset of the Tier 1 AECs) obligations associated with each block of 50 MW around-the-clock electrical energy supply it obtains pursuant to its DSPP. Each type of AEC (i.e., Tier 1, Tier 2, and Photo-voltaic) will be solicited separately.
- 1.1.4 The AEPS Obligation for the relevant time period is shown in the table below.

<b>AEPS Obligation</b> <b>(% of metered retail energy sales)</b>			
<b>Compliance Period</b>	<b>Tier I</b>	<b>PV (included in Tier I Obligation)</b>	<b>Tier II</b>
1/1/11 to 5/31/11	3.0%	0.0203%	6.2%
6/1/11 to 5/31/12	3.5%	0.0325%	6.2%
6/1/12 to 5/31/13	4.0%	0.0510%	6.2%
6/1/13 to 5/31/14	4.5%	0.0840%	6.2%
6/1/14 to 5/31/15	5.0%	0.1440%	6.2%
6/1/15 to 5/31/16	5.5%	0.2500%	8.2%

- 1.1.5 A "Product" is an AEC provided: (i) for a given type of AEPS Obligation (i.e., Tier I, Tier II, and Photo-voltaic); (ii) for a given period of time ("Delivery Period"); and (iii) under the terms of the AEC SMA. An AEC Supplier selected to supply a Product or Products shall be paid under a firm price contract in which it will receive the price it bid.

- 1.1.6 PPL Electric will issue solicitations beginning in 2009 to competitively procure 5-month, 8-month, 11-month, 14-month, and 5-year Products at quantities defined on the basis of the Block Supply being purchased (see Target Quantities below). As the 5-month, 8-month, 11-month, and 14-month Products expire, they will be replaced with laddered purchases of 12-month Products. That is, subsequent quarterly solicitations beginning in April 2011 will seek to procure AECs with 12-month Delivery Periods. Thus, in 2011 solicitation numbers 7-9 will occur; in 2012 solicitation numbers 10-13 will occur; and, in January 2013 solicitation 14 will occur. Each of solicitations 7-14 will seek to procure AECs for a 12-month delivery period.
- 1.1.7 The Delivery Period for each Product begins at 12:00:00 a.m. Eastern Prevailing Time (“EPT”) of that Product’s commencement date and ends at 11:59:59 p.m. EPT of that Product’s expiration date. The table below shows the Delivery Period for the Products being procured in the first six solicitations and their associated commencement and expiration dates.

<b>Transitional AEC Products and Five-Year AEC Products</b>			
<b>Solicitation Number</b>	<b>Delivery Period</b>	<b>Commencement Date and Time</b>	<b>Expiration Date and Time</b>
<b>1</b>	<b>5-month</b>	12:00:00 a.m. EPT, January 1, 2011	11:59:59 p.m. EPT, May 31, 2011
<b>2</b>	<b>8-month</b>		11:59:59 p.m. EPT, August 31, 2011
<b>3</b>	<b>11-month</b>		11:59:59 p.m. EPT, November 30, 2011
<b>4</b>	<b>14-month</b>		11:59:59 p.m. EPT, February 29, 2012
<b>5</b>	<b>5-year</b>		11:59:59 p.m. EPT, December 31, 2015
<b>6</b>	<b>5-year</b>		

- 1.1.8 Any prospective supplier, including PPL Electric’s unregulated generation supply affiliate PPL EnergyPlus, that believes it can meet the Bidder Qualification requirements established in Article 4, and is willing to provide prices at which it will supply any Product, may respond to any solicitation in this RFP.
- 1.1.9 Any prospective respondent to this RFP must meet the Bidder Qualification requirements provided in Article 4, and submit Bid Proposal(s) as described in Articles 5 and 6. The Bidder Qualification requirements generally require the prospective RFP Bidder to provide certain evidence of being a recognized energy market participant and to submit documents establishing the RFP Bidder’s credit. A Bid Proposal must include the RFP Bidder’s Bid(s) for each Product, and must be accompanied by the executed AEC SMA, and sufficient Bid Assurance Collateral. A Bid for a Product is a quantity in MWh, and a

price or prices, in U.S. Dollars per megawatt-hour (“MWh”) at which the RFP Bidder is willing to supply that Product.

- 1.1.10 All elements of this RFP will be carried out pursuant to the RFP Schedule developed pursuant to Article 2.2. In general, for each solicitation to be conducted under this RFP, there will be a pre-specified time period prior to the submission of Bid Proposals wherein RFP Bidders can: 1) express interest in offering supplies; 2) obtain data on supply obligations; 3) attend a Bidder Information Session; and 4) submit and receive answers to questions regarding the solicitation.
- 1.1.11 On the Bid Proposal Due Date of any solicitation, a qualified RFP Bidder may submit Bid Proposals for one or more Products, subject to the restrictions of this article. In any solicitation, the RFP Bidder may only submit Bids for whole numbers of AECs. The number of AECs of a Product for which an RFP Bidder submits a Bid cannot exceed the Target Quantity for that Product in that solicitation. No Bid for any Product may be made contingent upon winning or losing another Bid for some other Product. Instructions for preparation of Bid Proposal(s) are addressed in Articles 5 and 6.
- 1.1.12 For each solicitation, the Bid Proposal Evaluation Team will present the results of that solicitation to the PUC within one (1) business day of the Bid Proposal Due Date of that solicitation. At that time, the PUC will have one (1) business day to consider the report of the Bid Proposal Evaluation Team and to render a final decision on the results of that solicitation. The PUC may either accept or reject all of the Bid Proposals presented for a product in their entirety. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved.
- 1.1.13 If, for a given Product, the PUC rejects all Bids in any solicitation, or if some amount of the Target Quantity remains unfilled, that amount will be included in the next solicitation as specified in Article 2.3. In the event that some AEPS Obligation remains unprocured, or if an AEC Supplier defaults, PPL Electric will offer AEC supply assignment as specified in Article 7.5.

## **1.2 Summary of RFP Documents**

- 1.2.1 The following documents are appended to, and shall be considered an integral part of, this RFP:

Appendix 1:	PPL Electric Utilities Corporation AEC SMA
Appendix 2:	Expression of Interest Form
Appendix 3:	Confidentiality Agreement
Appendix 4:	Credit Application
Appendix 5:	Bid Assurance Letter of Credit
Appendix 6:	Bid Proposal Spreadsheets
Appendix 7:	Binding Bid Agreement
Appendix 8:	Binding Bid Withdrawal Agreement

### **1.3 AECs and Supplier Obligations**

- 1.3.1 This section contains a general description of the AECs and an AEC Supplier's obligations. It is only a summary and is subject to and qualified in its entirety by the AEC SMA, incorporated hereto as Appendix 1.
- 1.3.2 The AEC SMA executed pursuant to this RFP will be for AECs only.
- 1.3.3 AEC Supplier must enable PPL Electric to comply with the Alternative Energy Portfolio Standards, including the regulations adopted thereunder, (together the AEPS Obligation) and shall provide AECs to fulfill PPL Electric's AEPS Obligation as set forth in the AEPS Act and PUC rules and Orders for the entire duration of the Transaction(s) in the amounts it is awarded.
- 1.3.4 AEC Supplier and PPL Electric will work together to establish the proper accounts within the PJM-EIS Generation Attribute Tracking System ("GATS"), or its successor as approved by the Pennsylvania Public Utility Commission. AEC Supplier shall be a subscriber to GATS and is responsible for paying its annual subscription fee. Within 40 calendar days after the end of each calendar month during the Delivery Period, the AEC Supplier shall transfer AECs into PPL Electric's GATS account(s) in an amount that commensurate with the AEC's contractual obligation during the said calendar month.
- 1.3.5 At the conclusion of the Delivery Period, the AEC Supplier shall complete its transfer of any AECs, not transferred in accordance with Article 1.3.4, into PPL Electric's GATS account(s) in the amount necessary to fulfill the AEC Supplier's remaining contractual obligation no later than 50 calendar days following the completion of the Delivery Period.
- 1.3.6 Subject to the AEC SMA, failure to provide AECs may require the AEC Supplier to pay PPL Electric in an amount equal to the alternative compliance payment required by the Act for each AEC not delivered.
- 1.3.7 AEC Supplier will provide to PPL Electric all information regarding the AECs it provides that may be required by the PUC rules governing reporting and auditing of PPL Electric's compliance with the AEPS Obligation.

## **ARTICLE 2**

### **INFORMATION AND SCHEDULE**

#### **2.1 Information Provided to Potential Bidders**

2.1.1 PPL Electric and its RFP Manager have established a Web site that will be the main source of information for this RFP. Prospective RFP Bidders are requested to use this Web site for current data and information about all aspects of this RFP and to access all essential RFP-related documents. Certain data may be password-protected at PPL Electric's sole discretion, in which case passwords would be provided upon execution of the Confidentiality Agreement as described in Article 4.3.

2.1.2 The information on the Web site will contain the following sections:

Home: This section welcomes prospective RFP Bidders and other interested parties and provides crucial announcements regarding the RFP process.

Regulatory Information Page: This section provides the Orders from the PUC in the proceeding.

Supplier Documents: This section provides RFP-related documents including all the RFP Rules and the AEC SMA. It also provides all credit instruments necessary for prospective RFP Bidders and for AEC Suppliers, including the standard form for the Bid Assurance LOC, the standard form for the LOC for the Delivery Period of the AEC SMA, and the standard Guaranty for the Delivery Period of the AEC SMA.

Ask a Question: In this section, all stakeholders, including prospective RFP Bidders, will be able to ask questions via a web form. The RFP Manager will post the question and an answer on the Web site so that all stakeholders and prospective RFP Bidders have access to the same information. The RFP Manager will also email the answer to the questioner.

FAQs: In this section, the RFP Manager posts the questions and answers received through the Web site and their answers.

Register Page: In this section, all stakeholders, including prospective RFP Bidders, will be able to register to receive announcements directly from the RFP Manager via email.

Schedule: This section provides prospective RFP Bidders with all crucial dates in the RFP process.



## **2.2 RFP Schedule**

2.2.1 RFP schedules will be established by PPL Electric and its RFP Manager. PPL Electric will publish advertisements in daily and weekly energy publications and the RFP Manager will notify potential bidders to inform them of the upcoming solicitation. Beginning in 2009, AEC solicitations will take place on a near quarterly basis. The Bid Proposal Due Dates will occur on the following dates:

- July 21, 2009<sup>1</sup>
- October 20, 2009
- January 19, 2010
- April 20, 2010
- July 20, 2010
- October 19, 2010
- April 18, 2011
- July 19, 2011
- October 18, 2011
- January 9, 2012
- April 3, 2012
- July 17, 2012
- October 16, 2012
- January 22, 2013

2.2.2 AEC solicitations will generally span a six-week to seven-week time period. Solicitation activities are shown below. The expected completion date of each of the activities shown is expressed in the approximate number of weeks prior to the expected execution of contracts for AECs.

- Six weeks or more: RFP Addendum Issued, Bidder Interest Form and Confidentiality Agreement Available, RFP Data Room Opens;
- Four and one-half weeks: Bidder Information Session;
- Three weeks: Bidder Qualifications Due;
- Two weeks: Cure Deficiency Deadline;
- One and one-half weeks: Qualified Bidders Notified;
- Final week: Bid Proposals Due, PUC Decision Issued, Transaction Confirmations Issued.

2.2.3 The RFP Schedule for each solicitation will be provided in the RFP Addendum issued for that solicitation.

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<sup>1</sup> This date may be changed to be as soon as reasonably possible following the date of PPL Electric's receipt of a Commission order approving its default service procurement plan.

## 2.3 Multi-Solicitation Process

- 2.3.1 In each of the solicitations in 2009 through 2010, PPL Electric will seek to procure AECs for varying Delivery Periods. Beginning in 2011, PPL Electric will start solicitations for the 12-month AECs that will replace expiring Products that were procured in the earlier solicitations.
- 2.3.2 In the event that PPL Electric is unable to secure AECs Suppliers for the entirety of the Target Quantity, the unfilled quantities in that solicitation will be added to the quantities for that Product being procured in the subsequent solicitation. Therefore, the quantities for each Product in the solicitations may change depending on the results of prior solicitations. Target Quantities are shown in the table below.

Target Quantities (MWh)			
Solicitation Number	Tier I	Photo-Voltaic	Tier II
1	4,965	34	10,331
2	8,485	67	16,625
3	11,966	100	22,850
4	15,448	132	29,076
5	84,613	1,880	129,645
6	84,613	1,880	129,645
7	14,004	131	25,040
8	14,492	151	25,040
9	14,975	169	25,040
10	15,416	187	24,971
11	15,904	206	24,971
12	16,379	239	24,971
13	16,848	272	24,971
14	47,219	305	74,979
Note: Total of Tier I and Photo-Voltaic equals total Tier I obligation.			

## **ARTICLE 3**

### **GENERAL REQUIREMENTS FOR PROPOSALS**

#### **3.1 RFP General Requirements**

3.1.1 A Proposal consists of Bidder Qualifications (a response to the Bidder Qualification requirements in Article 4 of this RFP) and one or several Bid Proposal(s) for a given solicitation with its accompanying documents (as described in Article 5). A respondent to this RFP is an RFP Bidder. An RFP Bidder that fulfills the Bidder Qualification requirements can submit a maximum of one Bid Proposal for each Product on each Bid Proposal Due Date in response to this RFP.

3.1.2 Bidder Qualifications and Bid Proposals must: (i) adhere to this RFP's terms and conditions; and (ii) fulfill all requirements in Articles 3 through 6 of this RFP.

Bidder Qualifications and Bid Proposals that do not adhere to the terms and conditions of this RFP and/or do not fulfill all requirements set forth in Articles 3 through 6 of this RFP, will not be considered.

3.1.3 It is the intention, but not the obligation, of the Company to enter into an AEC SMA with at least one RFP Bidder.

3.1.4 The RFP Bidder, at its own cost and expense, shall defend PPL Electric, its parent company, and its subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns, against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings, or allegations of any kind which in any manner relate to, arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in the Bidder Qualifications and Bid Proposal or breach of any covenant by the RFP Bidder set forth herein. The RFP Bidder shall indemnify and hold harmless PPL Electric, its parent company, subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders and agents, as well as the heirs, executors, administrators, successors and assigns against any and all liens, judgments, liabilities, losses, injuries, damages, fees, fines, costs or expenses which in any manner relate to, arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in the Bidder Qualifications and Bid Proposal or breach of any warranty by the RFP Bidder as set forth herein.

3.1.5 The submission of any portion of a Proposal to the Company constitutes the RFP Bidder's acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of this RFP or the ultimate fate of such Proposal.

- 3.1.6 An Officer of the RFP Bidder is an individual empowered to undertake contracts and bind the RFP Bidder. All Representations in this RFP must be made by an Officer of the RFP Bidder.
- 3.1.7 Each RFP Bidder must comply with all the Bidder Qualification requirements described in Article 4.
- 3.1.8 All information provided and certifications made in the Bidder Qualifications must remain valid and remain in full force until five (5) business days after the applicable Bid Proposal Due Date. Regardless of the reason, if any information provided in the Bidder Qualifications for a given solicitation changes or any certification fails to remain valid, it is the sole responsibility of the RFP Bidder to notify the Bidder Qualification Evaluation Team of such change at least three (3) business days before the submission of any Bid Proposal on a Bid Proposal Due Date. Failing to do so may result in disqualification of the RFP Bidder and the Bid Proposal for that solicitation. The Bidder Qualification Evaluation Team reserves the right to vary the assessment of Bidder Qualifications based on the revised information provided by the RFP Bidder.

## **ARTICLE 4**

### **BIDDER QUALIFICATION**

#### **4.1 Overview of Bidder Qualification Process**

- 4.1.1 The purpose of the Bidder Qualification process is to determine the applicant's eligibility to bid. An applicant is qualified to bid in a given solicitation if, by the Cure Deficiency Deadline of that solicitation, it satisfactorily completes or updates the following: 1) submits an Expression of Interest Form; 2) executes the Confidentiality Agreement; 3) demonstrates that its, or its guarantor's, unsecured senior long-term debt rating (or issuer rating, if the unsecured senior long-term debt rating is unavailable) is currently available from Standard & Poor's, Fitch Ratings, or Moody's Investor Services; 4) submits the Credit Application and associated financial information requested in Article 4.5 (Credit Application and Financial Information); and, 5) submits an executed copy of the Binding Bid Agreement provided as Appendix 7. With the submission of a Bid Proposal, qualified RFP Bidders will be required to post Bid Assurance Collateral. The Bid Assurance Collateral will be returned to the RFP Bidder subsequent to contract execution or the rejection of its bid(s), as described in Article 5.4 (Bid Assurance Collateral).
- 4.1.2 Applicants are urged to provide the materials necessary to establish eligibility as soon as practicable. PPL Electric will endeavor, on a best efforts basis, to notify applicants of any deficiencies in their submittals in accordance with Article 7.2 no later than forty-eight hours before the Cure Deficiency Deadline for the appropriate solicitation as indicated in an RFP Schedule developed subject to Article 2.2. However, PPL Electric does not bear any responsibility for failure to notify applicants of deficiencies prior to the Cure Deficiency Deadline as indicated in an RFP Schedule developed subject to Article 2.2, and PPL Electric assumes no liability or obligation for a defective submission or for notifying any RFP Bidder of a defective submission. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to the Cure Deficiency Deadline and applicants are encouraged to submit Bidder Qualifications as soon as possible following the issuance of the RFP, or RFP Addendum. PPL Electric will notify applicants whether or not they have qualified by noon of the Qualified Bidders Notified Date.
- 4.1.3 After an RFP Bidder has qualified for a solicitation in the RFP, that RFP Bidder can qualify again for a subsequent solicitation by: a) verifying, in writing, that the previously submitted credit and financial information is up-to-date and accurate; and b) providing two (2) originals of the Binding Bid Agreement for that solicitation. These documents must be provided by the Bidder Qualifications Due Date for that solicitation. Once qualified, the RFP Bidder will be required to submit the appropriate Bid Assurance Collateral for that solicitation and to fulfill all requirements of the Bid Proposal(s) as specified in Article 5. It is the sole responsibility of the RFP Bidder to notify PPL Electric of any changes to the RFP Bidder's previously submitted Bidder Qualification materials.

## **4.2 Expression of Interest**

- 4.2.1 Applicants will be required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix 2). An electronic copy of the Expression of Interest Form can be found on PPL Electric's RFP Web site. The applicant will not be eligible to submit a Bid Proposal until the completed Expression of Interest Form has been provided to PPL Electric. Applicants are required to submit this document no later than the Bidder Qualifications Due Date. The applicant can express its non-binding interest to bid by: a) completing the electronic Expression of Interest Form on PPL Electric's RFP Web site; or b) sending one (1) completed Expression of Interest Form found as Appendix 2 of these RFP Rules by mail to the address below; or c) sending the completed Expression of Interest Form found as Appendix 2 of these RFP Rules by fax to the number below:

PPL Electric Utilities Corporation RFPs  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103  
Attn: PPL Electric AEC RFP Manager  
Fax: 215-568-9364

- 4.2.2 The Bidder Qualification Evaluation Team will not provide a deficiency notice to an applicant that submits an Expression of Interest Form but that submits none of the other documents required as part of the Bidder Qualification requirements.

## **4.3 Confidentiality Agreement**

- 4.3.1 An applicant and PPL Electric will be required to execute the Confidentiality Agreement (Appendix 3). The applicant will not be eligible to submit a Bid Proposal until such agreement has been executed. An electronic copy of the Confidentiality Agreement can be found on PPL Electric's RFP Web site. The applicant must provide as part of its Bidder Qualifications two (2) originals of the executed agreement as directed in Article 6.1.2. Applicants are required to submit this Agreement no later than the Bidder Qualifications Due Date.
- 4.3.2 If PPL Electric is providing data or information on a confidential basis, upon submission of the executed Confidentiality Agreement, an applicant will be issued a password to access such data and information from the RFP Web site. Once the Confidentiality Agreement is received from the applicant, PPL Electric will complete the execution of the agreement and send a copy of the fully executed agreement to the applicant by mail or courier service.

#### **4.4 Credit Application and Financial Information**

- 4.4.1 Applicants are required to submit the Credit Application (Appendix 4) and associated financial information to PPL Electric. An electronic copy of the Credit Application can be found on PPL Electric's RFP Web site. Applicants are required to submit the Credit Application no later than the Bidder Qualifications Due Date. The applicant must provide as part of its Bidder Qualifications two (2) originals of the completed Credit Application and one (1) copy of any supporting documents to this Credit Application including the associated financial information as directed in Article 6.1.2.
- 4.4.2 All submitted information must be in the English language. Financial data must be denominated in U.S. Dollars and conform to Generally Accepted Accounting Principles ("GAAP") in the United States. If the applicant's financial information is consolidated with other entities, then it is the applicant's responsibility to extract and submit as separate documents all data and information related solely to the applicant. This must include all financial information, associated notes, and all other information that would comprise a full financial report conforming to GAAP.
- 4.4.3 PPL Electric may, at its sole discretion, consider financial information of foreign applicants or foreign guarantors that are not denominated in U.S. Dollars or do not conform to GAAP in the United States. Such acceptability will be communicated to the applicant no later than forty-eight hours before the Cure Deficiency Deadline. Any guarantor will be required to execute the Unconditional Guaranty as it appears in the AEC SMA (Exhibit D) and as such the guarantor must be able to make all representations and warranties therein.

#### **4.5 Binding Bid Agreement**

- 4.5.1 An applicant must certify that as an RFP Bidder it agrees to be bound by the price quotes entered on any Bid Proposal Spreadsheet(s) submitted by the RFP Bidder, which shall constitute a firm offer to supply AECs in accordance with the AEC SMA. The signatory to the Binding Bid Agreement must certify that he/she has the authority to act on behalf of, and to bind, the RFP Bidder to perform the terms and conditions of the AEC SMA at the prices and for the amounts specified in its Bid Proposal(s). In addition, by submitting the Binding Bid Agreement, the RFP Bidder certifies that it has met the conditions stipulated in Article 5.8 of this RFP. An electronic copy of the Binding Bid Agreement can be found on PPL Electric's RFP Web site. For each solicitation, Applicants are required to submit two (2) originals of such certification, in the form of Appendix 7, no later than the Bidder Qualifications Due Date for that solicitation. The applicant should send such certification as directed in Article 6.1.2.

## **4.6 Cure Time for Deficiencies in Qualification Requirements**

- 4.6.1 In the event that an RFP Bidder has not met all of the Bidder Qualification requirements under Article 4 (Bidder Qualification), PPL Electric will endeavor, on a best efforts basis, to notify the RFP Bidder no later than forty-eight hours before the Cure Deficiency Deadline. It is understood and agreed that PPL Electric has no liability for any failure to notify an RFP Bidder of a deficiency. If the RFP Bidder fails to remedy any deficiencies by the Cure Deficiency Deadline for a solicitation so as to not be qualified to submit Bid Proposals in that solicitation, such applicant will be allowed to cure any such deficiency and participate in subsequent solicitations, if the deficiency is cured no later than the Cure Deficiency Deadline for the next solicitation.

## **4.7 Bid Assurance Collateral and Alternative Letter of Credit Form**

- 4.7.1 No later than two (2) business days before the Bid Proposal Due Date, each RFP Bidder must provide liquid Bid Assurance Collateral in an amount of \$25,000 per Product for which the RFP Bidder is submitting a Bid (i.e., \$25,000 for Tier I Products, \$25,000 for Tier II Products, and \$25,000 for Photo-voltaic Product). The purpose of this collateral is to assure commitment of the RFP Bidder to execute the Transaction Confirmations for the Products awarded to the RFP Bidder. The form of collateral must be either cash or an irrevocable LOC. An acceptable Bid Assurance LOC form is provided as Appendix 5; an electronic copy can be found on PPL Electric's RFP Web site. If the RFP Bidder is providing Bid Assurance Collateral in the form of a Bid Assurance LOC, the RFP Bidder may provide one Bid Assurance LOC for all Products under this RFP. If the RFP Bidder is participating in more than one RFP issued by the Company, the RFP Bidder must provide separate Bid Assurance LOC for each RFP. If the RFP Bidder is providing Bid Assurance Collateral in the form of cash, and if the RFP Bidder is also participating in other RFP(s) issued by the Company, the RFP Bidder must advise the Bid Proposal Evaluation Team as to the amount allocated as Bid Assurance Collateral for purposes of each RFP.
- 4.7.2 As part of the Bidder Qualifications, an applicant may propose modifications to the Bid Assurance LOC that are non-substantive or clarifying in nature. The applicant proposing modifications to the Bid Assurance LOC must provide an electronic copy at [pplpolr@pplweb.com](mailto:pplpolr@pplweb.com) in MS Word with all proposed modifications clearly marked. The acceptability of such proposed modifications will be at PPL Electric's sole discretion, and such acceptability will be communicated to the applicant no later than forty-eight hours before the Cure Deficiency Deadline. A list of all acceptable modifications to the Bid Assurance LOC will be posted to PPL Electric's RFP Web site no later than seven (7) business days before the Bid Proposal Due Date.



## **4.8 Alternative Forms of Performance Assurance**

- 4.8.1 Subsequent to the return of a supplier's Bid Assurance Collateral, another instrument of performance assurance to secure PPL Electric's exposure during the Delivery Period of a Transaction Confirmation to the AEC SMA may be required, as set forth in the AEC SMA. Any performance assurance required of the supplier determined in accordance with the AEC SMA may be in the form of cash, LOC, or other security acceptable to PPL Electric. An acceptable Performance Assurance LOC form is provided as Exhibit B in the AEC SMA. An acceptable Unconditional Guaranty form is provided as Exhibit D in the AEC SMA. As part of its Bidder Qualifications, an applicant may propose modifications to the Performance Assurance LOC or the Unconditional Guaranty form that are non-substantive or clarifying in nature. The applicant proposing modifications to the Performance Assurance LOC or the Unconditional Guaranty must provide an electronic copy at pplpolr@pplweb.com in MS Word with all proposed modifications clearly marked. If an applicant intends to use security other than cash or LOC, PPL Electric requests that the applicant describe such other security at the time it submits its Credit Application and financial information. The acceptability of such proposed modifications to the Performance Assurance LOC or the Unconditional Guaranty form or such other form of security will be at PPL Electric's sole discretion, and such acceptability will be communicated to the applicant no later than forty-eight hours before the Cure Deficiency Deadline. A list of all acceptable modifications to the Performance Assurance LOC or the Unconditional Guaranty form will be posted to PPL Electric's RFP Web site.

## ARTICLE 5

### BID PROPOSAL REQUIREMENTS

#### 5.1 Bid Proposal Format

- 5.1.1 RFP Bidders shall submit their Bid Proposal(s) using only the Bid Proposal Spreadsheets attached to this RFP as Appendix 6; an electronic copy is available on PPL Electric's RFP Web site. There is a separate Bid Proposal Spreadsheet for each solicitation and each Product, as indicated in the title area of each Bid Proposal Spreadsheet. The Bid Proposal Spreadsheets contain sections of information labeled Bidder Information, and Bid Information. The Bid Proposal Spreadsheets contain shaded cells in which RFP Bidders provide information and their Bids. **In order to prevent any misunderstanding of an RFP Bidder's Bid Proposal, all shaded cells within a Bid Proposal Spreadsheet must be completed by the RFP Bidder. A Bid Proposal Spreadsheet submitted by an RFP Bidder that contains blank shaded cells will be deemed a non-conforming Bid Proposal, and will be eliminated from further consideration. Therefore, if it is the intent of an RFP Bidder to offer to supply a particular quantities of a Product, the RFP Bidder must enter a price quote in the price cells and a maximum quantity in the associated quantity cells.** The non-shaded cells are read-only cells containing either fixed or computed amounts.
- 5.1.2 No Bid Proposal can be conditioned in any manner. PPL Electric reserves the right to accept or reject any RFP Bidder's Bid Proposal(s) in accordance with the proposal evaluation criteria set forth in Article 7 (Evaluation of Proposals).
- 5.1.3 Bidder Information – These cells are **RFP bidder input cells** and include Company Name, Contact Name, Phone Number, and Fax Number and must be provided by the RFP Bidder. As set forth in Article 5.3 (Confirmation and Proposal Tagging Process), such information will be used to confirm receipt of the RFP Bidder's Bid Proposal Spreadsheet(s).
- 5.1.4 Bid Assurance Collateral Amount – \$25,000 for Tier I, \$25,000 for Tier II, and \$25,000 for Photo-voltaic.
- 5.1.5 Target Quantity – The contents of this cell indicates the total quantity of AECs that the Company seeks to procure for the Product in the solicitation.
- 5.1.6 Price (US\$/MWh) – This cell is an **RFP Bidder input cell** for the RFP Bidder's price quote corresponding to the maximum quantity of AECs offered for the Product. The price quotes shall be in terms of US\$/MWh for the maximum quantity of AECs offered for the Product. All price quotes are limited to two decimal places. An RFP Bidder that wishes to offer to provide AECs for a given Product must provide a price quote in the Price (US\$/MWh) cell.

- 5.1.7 Maximum Quantity Supplied – This cell is an **RFP Bidder input cell** for the RFP Bidder’s maximum quantity offered corresponding to the price quote for the Product. The maximum quantity shall be in whole numbers and indicates the number of AECs the RFP Bidder offers to supply for that Product.
- 5.1.8 Complete/Incomplete Flag – The content of this cell is computed and indicates whether or not the Bid Proposal Spreadsheet has been fully completed in accordance with Article 5.1 (Bid Proposal Format). An incomplete Bid Proposal Spreadsheet will be deemed non-conforming, as set forth in Article 5.6 (Conforming Bid Proposals).
- 5.1.9 Tag Number – The content of this cell will be provided by PPL Electric and will represent a unique identification for each Bid Proposal Spreadsheet submitted by the RFP Bidder. This identification will be communicated to the RFP Bidder at the time PPL Electric confirms receipt of the RFP Bidder's Bid Proposal, as described in Article 5.3 (Confirmation and Proposal Tagging Process).
- 5.1.10 The RFP Bidder may choose to bid in one or several of the three Products (i.e., Tier I, Tier II, or Photo-voltaic), subject to the restrictions of this article. On any Bid Proposal Due Date, the maximum quantity in a Product for which an RFP Bidder submits a Bid Proposal must be a whole number and cannot exceed the Target Quantity. Any offer for quantities of a Product cannot be made contingent on winning or losing quantities for another Product.

## **5.2 Submittal of Bid Proposals**

- 5.2.1 Each RFP Bidder shall only submit its Bid Proposal(s) using the Bid Proposal Spreadsheet described in Article 5.1 by secure electronic file transfer to the PPL secure server between 9:00:00 a.m. EPT and 11:00:00 a.m. EPT, on the Bid Proposal Due Date for each solicitation as indicated in Article 2.2 (RFP Schedule). An RFP Bidder may only withdraw one or more of its Bid Proposal(s) before 11:00:00 a.m. EPT on the Bid Proposal Due Date by submitting the Binding Bid Withdrawal Agreement, provided as Appendix 8, to the fax number provided in Article 6.1.2. The signatory to the Binding Bid Withdrawal Agreement must certify that he/she has the authority to act on behalf of the RFP Bidder in such a manner. Upon receipt of a Binding Bid Withdrawal Agreement, PPL Electric will provide the RFP Bidder with a notice by phone of receipt of such withdrawal.

## **5.3 Confirmation and Proposal Tagging Process**

- 5.3.1 PPL Electric will confirm receipt of an RFP Bidder's Bid Proposal(s) and communicate the RFP Bidder’s tag number by phone within thirty (30) minutes of receipt of a Bid Proposal Spreadsheet. As indicated on each Bid Proposal Spreadsheet, the RFP Bidder will provide a contact name and phone number, which will be used for the receipt confirmation.

## **5.4 Bid Assurance Collateral**

- 5.4.1 Each RFP Bidder must provide liquid Bid Assurance Collateral to support its Bid Proposal(s). The form of collateral must be either cash or an irrevocable LOC. An acceptable Bid Assurance LOC form is provided as Appendix 5; an electronic copy can be found on PPL Electric's RFP Web site. PPL Electric will consider modifications to the Bid Assurance LOC in accordance with the process provided in Article 4.
- 5.4.2 The RFP Bidder must provide, no later than two (2) business days before the Bid Proposal Due Date, Bid Assurance Collateral in an amount consistent with Article 5.1.4. PPL Electric will hold the Bid Assurance Collateral until either the RFP Bidder is notified that it has not been awarded quantities for a solicitation or until the RFP Bidder executes the Transaction Confirmation forms upon being awarded quantities. Upon either of the above two conditions, Bid Assurance Collateral in the form of cash will be returned within one (1) business day, and Bid Assurance Collateral in the form of an LOC will be returned within two (2) business days. The RFP Bidder may request that the Bid Assurance Collateral reside with PPL Electric through the entire multi-solicitation period. An RFP Bidder that is awarded quantities and does not timely execute the Transaction Confirmation forms associated with such quantities shall forfeit its Bid Assurance Collateral.
- 5.4.3 Wire transfer instructions for RFP Bidders who intend to provide Bid Assurance Collateral in the form of cash is available upon request from the RFP Manager.

## **5.5 Submittal of AEC SMA**

- 5.5.1 No later than two (2) business days before the Bid Proposal Due Date, the RFP Bidder must submit two (2) executed originals of the AEC SMA as instructed in Article 6.1.5, including the completed signature page of the AEC SMA, and Exhibit E of the AEC SMA filled in with the appropriate contact information for the RFP Bidder. Other exhibits of the AEC SMA either are samples or are documents that do not need to be completed until execution of the Transaction Confirmation form.

## **5.6 Conforming Bid Proposals**

- 5.6.1 In order for a Bid Proposal to be conforming, the Bid Proposal must be: (i) submitted using the Bid Proposal Spreadsheet, completed in full and without modification; (ii) submitted by the Bid Proposal Due Date; (iii) submitted by a qualified RFP Bidder as defined in Article 6.1.1; (iv) submitted by an RFP Bidder that has also submitted sufficient Bid Assurance Collateral; (v) submitted by an RFP Bidder that has also submitted two (2) executed originals of the AEC SMA as instructed in Article 5.5.1.

Bid Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of Bid Proposals will be communicated by PPL Electric to the relevant RFP Bidder(s) as soon as practicable.

## **5.7 Expiration of Bid Proposals**

- 5.7.1 An RFP Bidder's Bid Proposal shall expire the earlier of the time PPL Electric notifies the RFP Bidder that its Bid Proposal has been rejected or at midnight EPT two (2) business days after the scheduled day of awarding bids within each solicitation.

## **5.8 Additional Requirements**

- 5.8.1 The RFP Bidder certifies, by its submission of a Binding Bid Agreement in its Bidder Qualifications, that it is bidding independently and that it has no knowledge of any Proposal being submitted by another RFP Bidder in response to this RFP.
- 5.8.2 The RFP Bidder certifies by its submission of a Binding Bid Agreement that, except for any communication with its financial institution for the purpose of preparing the Bid Assurance Letter of Credit, the RFP Bidder has not disclosed and will not disclose publicly or to any other party before the PUC has rendered a decision on the RFP results any information relating to its Proposal, which could have an effect on whether another party submits a Proposal to this RFP or on the contents of such Proposal that another RFP Bidder would be willing to submit in response to this RFP. Such information includes, but is not limited to: the fact that the RFP Bidder is submitting a Proposal in response to this RFP; the RFP Bidder's Bids; the RFP Bidder's quantities of each Product bid; the RFP Bidder's estimation of the value of a Product; the RFP Bidder's estimation of the risks associated with supplying AECs; the RFP Bidder's preference for bidding on one or several Products; the RFP Bidder's preference for bidding on one or another Bid Proposal Due Date; and the RFP Bidder's contractual arrangements for AECs were the RFP Bidder to become an AEC Supplier.

## **ARTICLE 6**

### **INSTRUCTIONS FOR PREPARATION OF BIDDER QUALIFICATIONS AND BID PROPOSALS**

#### **6.1 General**

- 6.1.1 An RFP Bidder must submit its Bidder Qualifications and Bid Proposal(s) separately. The RFP Bidder will first submit its Bidder Qualifications (responses to Bidder Qualification requirements) as required in Article 4 of this RFP. RFP Bidders that are notified that they are qualified RFP Bidders for a solicitation may submit a Bid Proposal for each Product, along with all other required documents as described in Article 5.6, by the Bid Proposal Due Date as indicated in Article 2.2 (RFP Schedule).
- 6.1.2 For each solicitation, each RFP Bidder must deliver its Bidder Qualifications described in Article 4 by certified mail, registered mail, hand delivery, or courier service to PPL Electric at the following address:

PPL Electric Utilities Corporation RFPs  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103  
Attn: PPL Electric AEC RFP Manager  
Fax: 215-568-9364

- 6.1.3 Bidder Qualifications must be delivered to the address designated in Article 6.1.2 above by the Bidder Qualifications Due Date for the appropriate solicitation as specified in Article 2.2 (RFP Schedule). Bidder Qualifications received after the due date specified in Article 2.2 will be considered for the next solicitation if there are remaining solicitations; otherwise Bidder Qualifications will be returned to the RFP Bidder unopened, the Bidder Qualifications will be rejected, and the RFP Bidder will have failed to qualify for submitting a Bid Proposal. Each RFP Bidder assumes full responsibility for timely delivery to the location specified in Article 6.1.2 above.
- 6.1.4 Bid Assurance Collateral for a solicitation, if submitted in the form of a LOC, must be sent by certified mail, registered mail, hand delivery, or courier service to the address specified in Article 6.1.2. All Bid Assurance Collateral, in the form of LOC or cash, must be received no later than two (2) business days prior to the Bid Proposal Due Date for that solicitation. Bid Assurance Collateral received after the second business day prior to the Bid Proposal Due Date will result in the rejection of the corresponding Bid Proposal(s). Each RFP Bidder assumes full responsibility for timely delivery to the address specified in Article 6.1.2 above.
- 6.1.5 For the first solicitation in which an RFP Bidder is qualified and submits a Bid Proposal, the RFP Bidder must have signed two (2) originals of the AEC SMA as instructed in Article 5.5.1 and sent these by certified mail, registered mail, hand delivery, or courier

service to the address specified in Article 6.1.2 by noon on the second business day prior to the Bid Proposal Due Date. If the RFP Bidder is awarded any quantities in any solicitation in this RFP, the signed AEC SMAs that were initially submitted will be executed by PPL Electric and one original will be returned to the RFP Bidder together with the partially executed Transaction Confirmation forms. The execution of a Transaction Confirmation is all that will be required in subsequent solicitations wherein a RFP Bidder that has previously executed the AEC SMA in a satisfactory manner is awarded additional quantities. If the RFP Bidder was not awarded quantities in the solicitation for which AEC SMAs were provided, PPL Electric will retain the AEC SMAs for any future solicitation in which the RFP Bidder may again submit a Bid Proposal.

- 6.1.6 Bid Proposals must be completed in the full legal name of the party that will execute the AEC SMA with the Company should the party be a winning RFP Bidder and should the PUC approve the RFP results. Each RFP Bidder shall submit its Bid Proposal(s) using the Bid Proposal Spreadsheet described in Article 5.1 by secure electronic file transfer to the PPL secure server between 9:00:00 a.m. EPT and 11:00:00 a.m. EPT, on the Bid Proposal Due Date.

## **6.2 Packaging**

- 6.2.1 In response to this RFP, each RFP Bidder must provide to the RFP Manager two (2) originals of its Bidder Qualifications on the Bidder Qualifications Due Date (except for the Expression of Interest, for which one (1) original is sufficient, and any supporting documents to the Credit Application including the associated financial information, for which one (1) original is sufficient).
- 6.2.2 The qualified RFP Bidder must provide Bid Assurance Collateral supporting its Bid Proposal(s). The RFP Bidder must provide two (2) originals of the AEC SMA no later than two (2) business days prior to the Bid Proposal Due Date. Each original must bear original signatures.
- 6.2.3 Only Bid Proposals using the Bid Proposal Spreadsheet submitted by secure electronic file transfer to the PPL secure server or through an alternate method if so directed by the RFP Manager will receive consideration.
- 6.2.4 Each package must be sent by certified mail, registered mail, hand delivery, or courier service to the address as specified in Article 6.1.2 in a manner that allows immediate and unambiguous identification of the RFP Bidder.

## **ARTICLE 7**

### **EVALUATION OF PROPOSALS**

#### **7.1 Bidder Qualifications Processing**

- 7.1.1 As determined by the RFP Manager, the Bidder Qualification Evaluation Team will consist of representatives of the RFP Manager, a credit representative from PPL Electric, and representatives on behalf of PPL Electric (including PPL Electric's AEC RFP Manager).
- 7.1.2 All packages containing Bidder Qualifications will be opened privately by the Bidder Qualification Evaluation Team. A representative from the PUC may be present. PPL Electric assumes no liability for any failure to notify RFP Bidders of a deficiency in a submission prior to the Cure Deficiency Deadline.
- 7.1.3 Bidder Qualifications of an RFP Bidder that do not comply with the packaging instructions will be returned to the RFP Bidder.
- 7.1.4 Bidder Qualifications must include all documents and information required to satisfy the Bidder Qualification requirements as set out in Article 4.
- 7.1.5 The Bidder Qualification Evaluation Team will review Bidder Qualifications until the Cure Deficiency Deadline. The Bidder Qualification Evaluation Team will assess the Bidder Qualifications for completeness and compliance with the terms and conditions of this RFP, in accordance with the procedure in Article 7.2.

#### **7.2 Bidder Qualifications Evaluation**

- 7.2.1 The Bidder Qualification Evaluation Team will deem a response to the Bidder Qualifications to be complete and compliant if: (i) all information specified in Article 4.1 has been fully and satisfactorily provided; and (ii) all certifications and documents have been signed by an Officer of the RFP Bidder.
- 7.2.2 The Bidder Qualification Evaluation Team will review Bidder Qualifications upon receipt but no earlier than ten (10) business days prior to the Bidder Qualifications Due Date. If the Bidder Qualification Evaluation Team determines that some portion of the RFP Bidder's response to the Bidder Qualifications is deficient because the response is incomplete or is not compliant with the terms of this RFP, the Bidder Qualification Evaluation Team will endeavor, on a best efforts basis, to issue a deficiency notice requesting that the RFP Bidder cure the deficiency with respect to that particular aspect of its Bidder Qualifications. The Bidder Qualification Evaluation Team will endeavor, on a best efforts basis, to notify RFP Bidders of any deficiencies in their Bidder Qualifications, and to provide a decision on the acceptability of proposed modifications to the Bid Assurance LOC or other instruments for Performance Assurance, no later than



forty-eight hours before the Cure Deficiency Deadline. PPL Electric assumes no liability for any failure to notify RFP Bidders of a deficiency in a submission prior to the Cure Deficiency Deadline. The Bidder Qualification Evaluation Team will review all responses to deficiencies submitted by the specified Cure Deficiency Deadline. If a response to a deficiency is provided by an RFP Bidder before the Cure Deficiency Deadline and the response is not sufficient to cure the deficiency, the RFP Bidder may continue to provide the required clarification or additional information to cure the deficiency until the Cure Deficiency Deadline for that solicitation.

- 7.2.3 If a deficiency notice is sent and the RFP Bidder does not respond by the Cure Deficiency Deadline established by the Bidder Qualification Evaluation Team, or does not address the deficiency in a manner that is deemed satisfactory at the Bidder Qualification Evaluation Team's sole discretion, the RFP Bidder will not be qualified for that solicitation.
- 7.2.4 When the evaluation of the responses to the Bidder Qualifications is completed for all RFP Bidders, RFP Bidders will be either qualified or disqualified. RFP Bidders whose responses to the Bidder Qualifications, as may be supplemented or amended in response to a deficiency notice by the Bidder Qualification Evaluation Team, are found to be complete and compliant will be deemed qualified for that solicitation; all other RFP Bidders will be disqualified for that solicitation.
- 7.2.5 Bidders will be notified on the Qualified Bidders Notified Date in the RFP Schedule if they qualify to submit Bid Proposal(s) on the Bid Proposal Due Date. (i) Only those RFP Bidders whose response to the Bidder Qualification requirements is complete and compliant with the terms of this RFP will be invited to submit Bid Proposal(s). (ii) An RFP Bidder acting in concert with another RFP Bidder may be disqualified by the Company in its sole and exclusive discretion at any point in the process.

### **7.3 Bid Proposals Processing**

- 7.3.1 Bid Proposals will only be considered for those RFP Bidders that qualify as a result of the prior submission of a response to the Bidder Qualification requirements.
- 7.3.2 The Bid Proposal Evaluation Team will consist of representatives of the RFP Manager and representatives on behalf of the Company.
- 7.3.3 All Bid Proposals will be electronically and privately opened by the Bid Proposal Evaluation Team and will be evaluated at the same time. A representative of the PUC may be present to attend the opening and evaluation of the Bid Proposals. Information regarding the content or status of any Bid Proposal will not be publicly released during the evaluation process.

- 7.3.4 The Bid Proposal Evaluation Team will assess the Bid Proposal(s) and all accompanying documents for completeness and compliance with the terms and conditions of this RFP, in accordance with the procedure in Article 7.4.
- 7.3.5 The Bid Proposal Evaluation Team may issue a deficiency notice with respect to any aspect of the Bid Proposal(s) and accompanying documents as described in Article 5.6.1 if practicable to do so before the Bid Proposal Deadline. The Bid Proposal Evaluation Team is under no obligation to issue such a deficiency notice. Should the Bid Proposal Evaluation Team issue such a deficiency notice, the RFP Bidder will have until the bid Proposal Due Date to cure any such deficiency. All non-conforming Bid Proposals will be removed from consideration.

#### **7.4 Bid Proposal Evaluation**

- 7.4.1 Bid Proposals received from RFP Bidders may be eliminated from further consideration at any point, at the Bid Proposal Evaluation Team's sole and exclusive discretion, for any of the following reasons including (but not limited to): (i) failure to provide clarification of, or additional information relating to, a Bid Proposal as requested by the Bid Proposal Evaluation Team subsequent to the submission of a Bid Proposal; (ii) illegal conduct, attempts or the appearance of attempts to improperly influence the consideration or ranking of the Bids; and (iii) failure to honor representations made in a Proposal.
- 7.4.2 The Bid Proposal Evaluation Team will assess that all information required with the Bid Proposal(s), as specified in Article 5, have been submitted. If they have not been submitted by the Bid Proposal Due Date, the Bid Proposal(s) will be rejected.
- 7.4.3 Any Bid Proposal will be removed from consideration if: (i) it is not submitted electronically using the Bid Proposal Spreadsheet that the RFP Bidder was instructed to use in Article 5.1; or (ii) it is on a Bid Proposal Spreadsheet that includes extraneous information; or (iii) it is not supported by a Bid Assurance LOC acceptable to the Company; or (iv) the RFP Bidder has not submitted two (2) signed originals of the AEC SMA.
- 7.4.4 The Bid Proposal Evaluation Team will ensure that sufficient financial guarantees are provided to support the Bids. Financial guarantees will be sufficient if the amount of Bid Assurance Collateral is sufficient as specified in Article 4.7.
- 7.4.5 If a qualified RFP Bidder's Bid Assurance Collateral is insufficient to support the number of Products for which the RFP Bidder has provided a Bid, the Bid Proposal Evaluation Team will modify that RFP Bidder's Bid Proposal Spreadsheets. The Bid Proposal Evaluation Team will determine for each such RFP Bidder the greatest number of Products its amount of Bid Assurance Collateral is sufficient to support. The Bid Proposal Evaluation Team will strike a Bid from a Bid Proposal Spreadsheet for any quantity that is not supported by the amount of Bid Assurance Collateral. The Bid Proposal Evaluation Team will remove a Bid first from the Product where there is the

most competition, as measured by the ratio of the total quantity bid to the total quantity needed. By submitting a Bid Proposal in response to this RFP, each RFP Bidder is authorizing the Bid Proposal Evaluation Team to modify the RFP Bidder's Bid Proposal documents as specified in and as required by this article.

- 7.4.6 The remaining Bid Proposals will be evaluated on a price-only basis in each solicitation as follows. The Bid Proposal Evaluation Team will, for each Product in that solicitation, rank all Bids (from least expensive to most expensive) by the price offered in each Bid. In the event that two or more Bids, for a given Product in that solicitation, are offered at the same price, the ranking within these tied Bids will be determined randomly. The winning Bid(s) will be the least expensive Bid(s) necessary to fulfill the Target Quantity for that Product in that solicitation as shown in Article 2.3. An RFP Bidder will be awarded quantities in the amounts stated in its Bid Proposal Spreadsheet, unless (i) the the RFP Bidder's Bid is the most expensive Bid (given the ranking) that is necessary to fulfill the Target Quantity; and (ii) the quantity offered in that Bid exceeds the difference between the Target Quantity and the sum of all other quantities offered in the other winning Bids for that Product in that solicitation. In such a case, the RFP Bidder will only be award the quantity necessary to fulfill the Target Quantity after accounting for the other winning Bids. An RFP Bidder that is awarded quantities shall receive the Price (US\$/MWh) corresponding to the winning Bid as stated in its Bid Proposal Spreadsheet under the Bid Information section.
- 7.4.7 After sufficient financial guarantees are determined, all Bid(s) are ranked from least expensive to most expensive for each of the Products, and the tied Bids, if any, are resolved, the Bid Proposal Evaluation Team will communicate with each RFP Bidder that has submitted at least one of the winning Bid(s) for each Product and present the winning Bid(s) to the Commission. For each such RFP Bidder for a Product, the Bid Proposal Evaluation Team will identify the Bid(s) submitted by such RFP Bidder that will be presented to the PUC for that product.

The Bid Proposal Evaluation Team will also communicate to the Company the weighted average prices of the winning Bids for each Product and the number of Bids presented to the PUC.

- 7.4.8 An RFP Bidder acting in concert with another RFP Bidder may be disqualified by the Company at its sole and exclusive discretion.

## **7.5 Commission Approval and Review**

- 7.5.1 The Bid Proposal Evaluation Team will prepare a report that presents the results of a solicitation to the PUC for approval. The Bid Proposal Evaluation Team's report will summarize the Bidder Qualification process and the Bid Proposals that were considered on the Bid Proposal Due Date. The PUC will have one (1) business day to decide whether to approve the results. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved. The winning RFP Bidders will then receive a

Transaction Confirmation from PPL Electric on the date of the PUC's approval, or in the event the PUC does not act no later than the next business day following the date when the PUC was expected to act. The winning RFP Bidders must follow the Transaction Confirmation directions in the AEC SMA. If a winning RFP Bidder fails to execute the Transaction Confirmation as required under Article 2.11 of the AEC SMA, the winning RFP Bidder may forfeit its Bid Assurance Collateral.

- 7.5.2 In the event that results for any solicitation are rejected by the PUC or that some amount of the Target Quantity is unfilled in a particular solicitation, those quantities will be offered in next scheduled solicitation. In the event that some AEPS Obligation remains un-supplied for a Product, or in the event that an AEC Supplier for a Product defaults, PPL Electric will offer assignment to other winning RFP Bidders for the same Product consistent with the Step-Up process described in the AEC SMA. If this assignment is not successful, PPL Electric will offer assignment to all AEC Suppliers consistent with the Step-Up process described in the AEC SMA, as appropriate, even if an AEC Supplier does not serve quantities for that Product. These assignments will be offered at the original bid price in the event of default(s), or at the average price from the last successful bid for that product in the event of insufficient bids.

## **ARTICLE 8 RESERVED RIGHTS**

### **8.1 Non-Binding RFP**

- 8.1.1 Prior to the submission of any Bid Proposals and with PUC approval, PPL Electric has the right to withdraw and terminate this RFP without any liability or responsibility to any RFP Bidder or any other party, for reasonable cause, including, but not limited to, adverse statutory changes or interpretations, issuance of new PUC orders and/or regulations, market conditions, etc., that preclude this RFP from being implemented in substantially the manner described herein.
- 8.1.2 Subject to PUC approval, the Company reserves the right to accept or reject, in whole or in part, any and all Proposals, without any liability or responsibility to any RFP Bidder or any other party, for reasonable cause including, but not limited to, adverse statutory changes or interpretations, issuance of new PUC orders and/or regulations, market conditions, etc., that preclude this RFP from being implemented in substantially the manner described herein.
- 8.1.3 PPL Electric will not be liable to any RFP Bidder or any other party for failure to execute an AEC SMA. Nothing herein may be construed to bind the Company unless and until the PUC has approved winning Bid(s), and each AEC SMA with an RFP Bidder has been executed and is effective. Once effective, the AEC SMA will govern the relationship between and the responsibilities of the parties to that agreement and not the RFP or any documents relating thereto.
- 8.1.4 Pursuant to these RFP rules, PPL Electric or the Bid Proposal Evaluation Team shall reject Bid Proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of this RFP, or are submitted beyond the deadline for submission.

### **8.2 Proposals Become PPL Electric's Property**

- 8.2.1 All Proposals submitted by RFP Bidders in response to this RFP will become the exclusive property of PPL Electric upon the receipt of such document(s).

## **Appendix 1**

### **Alternative Energy Credit Supply Master Agreement**

## **Appendix 2**

### **Expression of Interest Form Alternative Energy Credits**

FAX TO: 215-568-9364

Note that completion of all information is required.

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This response is an indication of our interest in PPL Electric Utilities Corporation's Request for Proposals to provide Alternative Energy Credits.

Date:

Company:

Contact Name:

Contact Title:

Address:

City:

State:

Zip:

Phone Number

Fax Number:

Email Address:

## Appendix 3

### Confidentiality Agreement

[Name and Address of Bidder]

[Date]

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between PPL Electric Utilities Corporation (“PPL Electric”) and \_\_\_\_\_ (“RFP Bidder”) in connection with the RFP Bidder’s intent to participate in the Request for Proposals (“RFP”) to provide Alternative Energy Credits (“AECs”) to supply a portion of PPL Electric’s obligation, pursuant to Pennsylvania’s Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1-1648.8. This Confidentiality Agreement also pertains to the rights and obligations of PPL Electric and the RFP Bidder in the event the RFP Bidder ultimately is selected as a winner in the RFP and provides AECs pursuant to PPL Electric’s Alternative Energy Credit Supply Master Agreement (“AEC SMA”). PPL Electric and the RFP Bidder hereby agree to accept, and to be bound by the terms of this Agreement.

#### DEFINITIONS:

(a) The following terms have the following meanings:

- 1 “Agreement” is this Confidentiality Agreement.
- 2 “Pennsylvania PUC” has the meaning set forth in Section 3(b).
- 3 “Confidential Information” has the meaning set forth in Section 5.
- 4 “Party” means PPL Electric or the RFP Bidder.
- 5 “Parties” means PPL Electric and the RFP Bidder collectively.
- 6 “Representatives” means the officers, directors, employees, advisors, lenders, and other persons, including but not limited to any affiliates who are actively and directly participating in evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP. A person or entity is not a “Representative” unless that person or entity agrees to preserve the confidentiality of the Confidential Information in accordance with the terms of this Agreement.



7 “Third Parties” means a party or parties other than PPL Electric, the RFP Bidder or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the applicable Request for Proposals, and/or the applicable AEC SMA.

#### TERMS:

1. Condition Precedent. PPL Electric and the RFP Bidder shall execute this Agreement as a condition precedent to PPL Electric’s furnishing to the RFP Bidder or the RFP Bidder furnishing to PPL Electric a copy of any Confidential Information.

2. Purpose. The purpose of this Agreement is to protect the confidentiality of the Confidential Information and to restrict the use and disclosure of that information in the manner set forth below.

3. Limitations on Use and Disclosure.

(a) A Party shall use the other Party’s Confidential Information only for the purpose of evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP, and/or consummating the AEC SMA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about PPL Electric’s or RFP Bidder’s participation in the RFP or execution of an AEC SMA, or the terms or conditions or any other facts relating thereto, including the fact that discussions are taking place with respect thereto, the status of those discussions, or the fact that Confidential Information has been made available by or to PPL Electric or RFP Bidder or their Representatives. Provided, however, that the identity of all (but no fewer than all) bidders who were awarded any quantities in the state may be released on a statewide basis on or after the first day of the service year, and that no winning bidder’s name is to be associated with a particular PPL Electric retail load.

(b) Notwithstanding the foregoing or any other provision of this Agreement, PPL Electric may share any Confidential Information with the Pennsylvania Public Utility Commission, or its Staff (collectively “Pennsylvania PUC”) as requested by the Pennsylvania PUC. Any such information shared will be designated as confidential, and PPL Electric will ask the Pennsylvania PUC to hold and use it on a confidential basis.

4. Disclosure upon Default. Notwithstanding the foregoing or any other provision of the Agreement, PPL Electric may disclose Confidential Information in the event of a Supplier Default, as provided for in the AEC SMA. PPL Electric may disclose to any RFP Bidder with whom it has executed the AEC SMA, and who is not an AEC Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Bidder to make the election provided for in Section 4.11 of the AEC SMA.

5. Definition of Confidential Information. Confidential Information shall consist of oral, electronic and written information that is confidential, proprietary, or generally not

available to the public. Whenever possible, such Confidential Information shall be marked prior to or at the time of disclosure as being “Confidential Information”. Confidential Information in the case of information provided by PPL Electric to the RFP Bidder shall include, without limitation, all data, reports, interpretations, forecasts or records relating to PPL Electric and/or its customers, and any other document created by PPL Electric or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the RFP Bidder by PPL Electric. Confidential Information in the case of information provided by the RFP Bidder to PPL Electric shall include, without limitation, all data, reports, interpretations, forecasts, bids, credit information, credit collateral amounts, bidder identity, and shall also include information prepared by the RFP Bidder that includes directly or indirectly Confidential Information furnished by PPL Electric.

6. Non-Confidential Information. Notwithstanding the provisions of Section 5, information shall not be deemed confidential that: (i) becomes generally available to the public; (ii) is already known to the receiving Party at the time of receipt by the receiving Party; or (iii) is acquired after such receipt from a Third Party not known to the receiving Party to be prohibited from making disclosures. The receiving Party shall give prompt notice to the other Party in the event it believes that any of the other Party’s information in its possession is not Confidential Information as a result of the provisions of this Section 6.

7. Property of PPL Electric or the RFP Bidder. Confidential Information belonging to PPL Electric shall consist of Confidential Information supplied by PPL Electric to the RFP Bidder and shall also include the portion of Confidential Information furnished by the RFP Bidder to PPL Electric that incorporates Confidential Information furnished to the RFP Bidder by PPL Electric. Confidential Information belonging to the RFP Bidder consists of all other Confidential Information supplied by the RFP Bidder to PPL Electric. PPL Electric and the RFP Bidder acknowledge that each Party’s Confidential Information is and at all times remains the sole and exclusive property of that Party, who, it is agreed, has the exclusive right, title, and interest to its Confidential Information. Neither Party grants any right or license, by implication or otherwise, as a result of the provision of Confidential Information to the receiving Party.

8. Disclosure Prohibited Except Where Explicitly Permitted. Neither Party shall disclose or use the other Party’s Confidential Information without the other Party’s prior written consent except as explicitly stated in Sections 3, 4, 9 and 10 of this Agreement.

9. Disclosure For Bid Evaluation Purposes. A Party may disclose the other Party’s Confidential Information to its Representatives for the purposes set forth in Section 3. The obligations and restrictions under this Agreement that apply to a Party also apply to a Party’s Representatives.

10. Disclosure to Governmental Authorities.

(a) A Party (the “disclosing Party”) may also disclose the other Party’s Confidential Information to any governmental, judicial, or regulatory authority (“Authority”) requiring such Confidential Information; provided that, the disclosing Party a) promptly informs the other Party of the substance of any inquiries, requests or requirements in order to afford the other Party an

opportunity to attempt to prevent or limit the disclosure of the Confidential Information; b) makes a good faith effort to persuade the Authority (i) that submission of the Confidential Information should not be required, or, if that effort fails, (ii) that submission of the Confidential Information on a non-public basis should be permitted; and c) endeavors in good faith to protect the Confidential Information provided to an Authority from disclosure to Third Parties. If an Authority orders the disclosing Party to disclose any documents containing the other Party's Confidential Information, the disclosing Party shall a) attempt to obtain from the other Party, if the Authority allows the time, a "Public Disclosure Copy", or b) if the Authority does not allow such time, shall prepare itself a "Public Disclosure Copy" in which the Confidential Information has been redacted to the extent that such redaction is permitted by the Authority requiring disclosure. Confidential Information disclosed pursuant to this Section 10 on a non-public basis shall not lose its status as Confidential Information by virtue of such non-public disclosure.

(b) Notwithstanding the foregoing, the Parties agree that either party may be required to provide Confidential Information to FERC in order to comply with FERC Form 1 or FERC transaction reporting requirements. Each Party agrees that to the extent it is required to provide FERC any such information, the Party required to provide such information will provide only the information that is reasonably necessary to comply with such reporting requirements and shall not be required to comply with the provisions of Section 10(a) of this Agreement unless there have been substantive changes to the information required for FERC reporting purposes.

11. Termination of RFP Participation. If the RFP Bidder determines that it does not wish to proceed with the RFP, or if PPL Electric excludes the RFP Bidder from the RFP for any of the reasons set forth in the RFP, it will immediately notify the other Party of that decision. In such case, or if the RFP is not consummated, upon the written request of the Party (the "requesting Party"), the other Party (the "receiving Party") shall not retain and shall promptly return to the requesting Party all the requesting Party's written Confidential Information in the possession of the receiving Party or its Representatives, except for the portion ("said portion") of the requesting Party's Confidential Information that may be found in analyses, compilations, or other documents prepared by, or for, the receiving Party and its Representatives. The said portion and any oral Confidential Information furnished by the requesting Party and not so requested or returned will be held by the receiving Party and kept subject to the terms of this Agreement, or destroyed.

12. Liability and Relief. A Party or any of its Representatives shall be liable for any breach of this Agreement. In the event a non-breaching Party or its Representatives shall have knowledge of any breach of the confidentiality of, or the misappropriation of, any of the Confidential Information, the non-breaching Party shall promptly give notice thereof to the breaching Party. The Parties agree that breach of this confidentiality agreement may cause damages to which a dollar amount may be difficult or impossible to ascribe, however, that such a breach would be irremediable by damages alone and specifically agree to equitable relief as appropriate. The non-breaching Party shall be entitled to specific performance or other equitable relief by way of injunction or otherwise, if the other Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement. Such remedy shall not be deemed to be the exclusive remedy available to the non-breaching Party, but shall be in addition to all other available remedies. Neither failure nor delay by the non-breaching Party, in exercising any of its

rights or privileges herein, shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.

13. Representatives, Successors and Assigns. This Agreement shall be binding upon and for the benefit of the Parties, and their respective Representatives, successors, and permitted assigns. Neither Party may assign its rights or obligations hereunder without prior written consent of the other Party.

14. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflicts of laws rules or principles

15. Full Compliance Required. The failure in any instance to insist on full compliance with the terms of this Agreement shall not be deemed to be a waiver of the right to insist upon full compliance with these terms thereafter.

16. Signatures. The signatures below establish each Party's agreement to the terms hereof.

17. Termination. This Agreement shall terminate three years from the date hereof.

**RFP BIDDER**

**PPL ELECTRIC UTILITIES CORPORATION**

By \_\_\_\_\_

By \_\_\_\_\_

Title \_\_\_\_\_

Title \_\_\_\_\_

As part of your Bidder Qualifications, please send two (2) originals of this Confidentiality Agreement to:

PPL Electric Utilities Corporation RFPs  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103  
Attn: PPL Electric AEC RFP Manager

## **Appendix 4**

### **Credit Application**

#### **1. Company Information**

##### **Type of Business**

- ☐ Corporation
- ☐ Limited Liability Company
- ☐ Joint Venture
- ☐ Other (describe)

##### **Applicant Organization**

Legal Corporate Name:

Street Address:

City, State, Zip Code:

DUNS Number:

Federal Tax ID Number:

##### **Applicant Credit Contact Name**

Name:

Title:

Street Address:

City, State, Zip Code:

Phone Number:

Fax Number:

Email Address:

**For Corporation/Limited Liability Companies (please enter “n/a”, if this does not apply to you)**

Date and State of Incorporation/Registration:

**For Limited Partnerships (please enter “n/a”, if this does not apply to you)**

Name of General Partner:

Address of General partner:

City, State, Zip Code:

#### **2. Application for Credit**

This application for credit is to be based on the creditworthiness of the **Applicant indicated below**.

- ☐ The Applicant listed under Section 1.
- ☐ The parent/guarantor company listed below.

**Parent/Guarantor Company**

Legal Corporate Name:

Street Address:

City, State, Zip Code:

DUNS Number:

Federal Tax ID Number:

**3. Credit Information**

The Applicant indicated in Section 2 is required to submit the most recent 2 years of financial statements audited by a firm of certified public accountants of national standing. Please provide one (1) copy of financial statements with your Credit Application. Indicate below what statements are being submitted.

☐ Annual Report

☐ 10K

☐ Other (describe)

In the event the above information is inadequate to appropriately assess the Applicant's creditworthiness, the Applicant must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity.

Subject to Article 4.5.2, submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles ("GAAP") in the United States. If the Applicant's financial information is consolidated with other entities, then it is the Applicant's responsibility to extract and submit as separate documents all data and information related solely to the Applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP.

Has the Applicant or predecessor company declared bankruptcy in the last 5 years?

☐ Yes

☐ No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the Applicant?

☐ Yes

☐ No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the Applicant's ability to meet or not to meet its credit obligations.

#### 4. Bank Reference Information

Bank Name:  
Street Address:  
City, State, Zip Code:  
Contact Name:  
Phone Number:  
Fax Number:  
Account Number:  
Revolving Credit Facility? ☐ Yes ☐ No  
If Yes,  
Amount of Facility: \$  
Expiration Date:

Bank Name:  
Street Address:  
City, State, Zip Code:  
Contact Name:  
Phone Number:  
Fax Number:  
Account Number:  
Revolving Credit Facility? ☐ Yes ☐ No  
If Yes,  
Amount of Facility: \$  
Expiration Date:

Bank Name:  
Street Address:  
City, State, Zip Code:  
Contact Name:  
Phone Number:  
Fax Number:  
Account Number:  
Revolving Credit Facility? ☐ Yes ☐ No  
If Yes,  
Amount of Facility: \$  
Expiration Date:

**5. Applicant's Credit Ratings (please enter "n/a" when the information requested in this item is unavailable)**

**Standard & Poor's**

Current Rating: \_\_\_\_\_

Indicate whether this rating is:

\_\_\_Senior Unsecured Long-Term Debt Rating

\_\_\_Issuer Rating

**Moody's Investor Services**

Current Rating: \_\_\_\_\_

Indicate whether this rating is:

\_\_\_Senior Unsecured Long-Term Debt Rating

\_\_\_Issuer Rating

**Fitch Ratings**

Current Rating: \_\_\_\_\_

Indicate whether this rating is:

\_\_\_Senior Unsecured Long-Term Debt Rating

\_\_\_Issuer Rating

Along with the above information, attach the latest review from each of the agencies. Documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant is acceptable.

**6. Authorization**

Applicant hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned authorized official of the Applicant warrants that the Applicant agrees to be bound by these representations. The Applicant authorizes the above listed entities to release data requested by PPL Electric Utilities Corporation necessary to perform a credit check in connection with Applicant's interest to bid on this RFP.

Applicant's Company Name: \_\_\_\_\_

Signature of Authorized Official: \_\_\_\_\_

Name of Authorized Official (print): \_\_\_\_\_

Title of Authorized Official (print): \_\_\_\_\_

Date Signed: \_\_\_\_\_



As part of your Bidder Qualifications, please send two (2) originals of this form to:

PPL Electric Utilities Corporation RFPs  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103  
Attn: PPL Electric AEC RFP Manager

## APPENDIX 5

### BID ASSURANCE LETTER OF CREDIT ALTERNATIVE ENERGY CREDITS

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}  
IRREVOCABLE STANDBY LETTER OF CREDIT NO.

ISSUE DATE \_\_\_\_\_

EXPIRY DATE \_\_\_\_\_

APPLICANT

[NAME]

[ADDRESS]

BENEFICIARY

[NAME]

[ADDRESS]

CURRENCY      AMOUNT

USD      \*\*\*\*\*\$

WE HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: \_\_\_\_\_ FOR THE ACCOUNT OF \_\_\_\_\_ (APPLICANT) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS \_\_\_\_\_ AVAILABLE BY YOUR DRAFT(S) AT SIGHT ON THE BANK OF \_\_\_\_\_ (“ISSUER”) \_\_\_\_\_ (ADDRESS), EFFECTIVE \_\_\_\_\_ AND EXPIRING AT OUR COUNTERS ON \_\_\_\_\_ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AT OUR COUNTERS AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

BENEFICIARY WILL HOLD THIS LETTER OF CREDIT UNTIL WE RECEIVE WRITTEN NOTIFICATION FROM THE BENEFICIARY THAT EITHER:

1. THE APPLICANT’S BID PROPOSAL IN THE PPL ELECTRIC ALTERNATIVE ENERGY CREDIT RFP SOLICITATION ON [INSERT DATE] (THE “SOLICITATION DATE”) HAS BEEN REJECTED IN WHOLE AND THE APPLICANT HAS BEEN NOTIFIED OF SUCH REJECTION; OR
2. THE APPLICANT HAS WON QUANTITIES IN THE PPL ELECTRIC ALTERNATIVE ENERGY CREDIT RFP SOLICITATION ON THE SOLICITATION DATE AND HAS EXECUTED THE ALTERNATIVE ENERGY CREDIT SUPPLY MASTER

AGREEMENT (“SMA”) AND/OR TRANSACTION CONFIRMATIONS FOR SUCH QUANTITIES.

UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS. THE APPLICANT MAY REQUEST THAT THIS LETTER OF CREDIT RESIDE WITH THE BENEFICIARY THROUGH THE ENTIRE MULTI-SOLICITATION PERIOD OF THE PPL ALTERNATIVE ENERGY CREDIT RFP.

THIS LETTER OF CREDIT MAY ALSO BE TERMINATED PRIOR TO THE STATED EXPIRY DATE UPON BENEFICIARY’S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER’S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT.

IF THE APPLICANT IS AWARDED A QUANTITY OR QUANTITIES IN THE PPL ELECTRIC ALTERNATIVE ENERGY CREDIT RFP SOLICITATION ON THE SOLICITATION DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH QUANTITIES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1 YOUR SIGNED AND DATED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD \_\_\_\_\_  
(INSERT AMOUNT), BEING MADE UNDER THE BANK OF \_\_\_\_\_  
(INSERT NAME OF BANK) LETTER OF CREDIT  
NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER),  
REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY  
PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT.”

2 THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY.

THE TERM “BUSINESS DAY” AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF ISSUER UNDER THIS LETTER OF CREDIT AND ISSUER SHALL REMAIN LIABLE TO BENEFICIARY UNTIL THE EXPIRATION DATE OF THIS LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO BENEFICIARY NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

- 1 ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
- 2 THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
- 3 THIS LETTER OF CREDIT IS IRREVOCABLE.
- 4 THIS LETTER OF CREDIT IS SUBJECT TO THE INTERNATIONAL STANDBY PRACTICES (1998) OF THE INTERNATIONAL CHAMBER OF COMMERCE PUBLICATION NO. 590 (“ISP98”). AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.
- 5 THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.
- 6 A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILITY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS LETTER OF CREDIT.

AUTHORIZED SIGNATURE:\_\_\_\_\_

TITLE:\_\_\_\_\_

PLEASE DIRECT ANY WRITTEN CORRESPONDENCE, INCLUDING DRAWING OR  
INQUIRIES TO:

[BANK NAME, ADDRESS AND PHONE NUMBER]

**PPL Electric Utilities  
AEC RFP Process and Rules**

**APPENDIX 6  
Notes**

Instructions:

The RFP Bidder must complete the Bid Proposal Spreadsheet as directed in Article 5.

**All required information must be entered in the shaded cells. The absence of any required information will be deemed a non-conforming bid and will be eliminated from further consideration.**

**PPL Electric Utilities**  
**Alternative Energy Credits RFP Process and Rules**

**APPENDIX 6**  
**Example Bid Proposal Spreadsheet -- Tier I**

**Solicitation # <number>**

AECs for Tier I

Bid Proposal Due Date: <month>, <day>, <year>

**Delivery Period**

<number>-Month Delivery Period: <commencement date> - <expiration date>

**Bidder Information:**

Company Name

Contact Name

Phone Number

Fax Number


\* Required Field

\* Required Field

\* Required Field

\* Required Field

**Target Quantity (MWh  
Tier I AECs):**

**Tag Number:**

**Bid Information:**

	Maximum Quantity Supplied	Price (US\$/MWh Tier I AEC)	Bid Assurance Collateral Amount
Bid			\$25,000

\* Required Field

**Complete/Incomplete:**

## Appendix 7

### Binding Bid Agreement

Bid Proposal Due Date: <month> <day><year>

In consideration for the privilege of submitting bids as part of the Alternative Energy Credit Requests For Proposals process, \_\_\_\_\_ (“RFP Bidder”) agrees to be bound by the price quotes entered on any Bid Proposal Spreadsheet(s), up to the expiration time of its proposal, as set forth in Article 5.7 (Expiration of Bid Proposals) of this Request For Proposals (“RFP”), submitted to PPL Electric Utilities Corporation (“PPL Electric”), in response to this multi-solicitation process, which shall constitute a firm offer to supply service in accordance with the Alternative Energy Credit Supply Master Agreement (“AEC SMA”), and applicable Pennsylvania Law and regulations. Any bid is not subject to any contingencies or conditions precedent and, if accepted by PPL Electric, the RFP Bidder agrees to execute the Transaction Confirmation in a timely manner as set forth in Article 2.8 (Transaction Confirmation) of the AEC SMA.

The submission of any binding offer to PPL Electric shall constitute the Bidder’s acknowledgment and acceptance of all the terms, conditions and requirements of this RFP.

The undersigned represents and warrants that he/she has the authority to act on behalf of, and to bind, the RFP Bidder to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature of Authorized Official: \_\_\_\_\_

Name of Authorized Official (*print*): \_\_\_\_\_

Title of Authorized Official (*print*): \_\_\_\_\_

Date Signed: \_\_\_\_\_

As part of your Bidder Qualifications, please send two (2) originals of this certification to:

PPL Electric Utilities Corporation RFPs  
1835 Market Street, Suite 1205  
Philadelphia, PA 19103  
Attn: PPL Electric AEC RFP Manager



## Appendix 8

### Binding Bid Withdrawal Agreement

\_\_\_\_\_ (“RFP Bidder”) hereby freely and irrevocably withdraws the price quotes entered on the Bid Proposal Spreadsheet(s) previously submitted to PPL Electric Utilities Corporation (“PPL Electric”), and listed next to “Tag Number / Bid Proposal Filename”. This withdrawal of bid(s) is not subject to any contingencies or conditions precedent, and constitutes a final cancellation of the subject bid(s). RFP Bidder expressly acknowledges and agrees that the withdrawn bid(s) will not be considered by PPL Electric, and will not be accepted by PPL Electric under any circumstances.

The submission of this binding bid withdrawal to PPL Electric constitutes RFP Bidder’s continuing acknowledgement and acceptance of all the terms, conditions and requirements of this Request For Proposals.

The person submitting this bid withdrawal represents and warrants that he/she has the authority to act on behalf of, and to bind, the Bidder with respect to all actions and obligations stated herein.

Signature of Authorized Official: \_\_\_\_\_

Name of Authorized Official (*print*): \_\_\_\_\_

Title of Authorized Official (*print*): \_\_\_\_\_

Date Signed: \_\_\_\_\_

Tag Number / Bid Proposal Filename: \_\_\_\_\_

#### NOTE:

Please fax your completed form to PPL Electric AEC RFP Manager at the following number:  
**215-568-9364.**

Please also send an e-mail alert to [pplpolr@pplweb.com](mailto:pplpolr@pplweb.com).

Please note that all bid withdrawals must be received by PPL Electric before 11:00:00 a.m. EPT on the Bid Proposal Due Date.