

Exhibit 3

EXHIBIT 3

Description of Term Sheets

The following exhibit provides a brief summary of various key terms in the Bluewater, Conectiv and NRG Term Sheets. Complete copies of the three proposed Term Sheets were filed by Delmarva with the State Agencies on September 14, 2007. Certain capitalized terms used in this exhibit and not defined herein have the meanings set out in the Response of Delmarva Power & Light Company, dated November 13, 2007, to which this exhibit is attached.

A. Bluewater's Proposed Term Sheet

1. Project Description and Contract Term

The Bluewater Term Sheet contemplates that Delmarva will purchase from Bluewater energy, capacity and renewable energy credits ("RECs") for approximately 25 years from a 450 MW offshore wind farm (the "Wind Project"), to be located off the coast of Rehoboth Beach, Delaware. It is proposed that the Wind Project will consist of 150 wind turbines manufactured by Vestas Offshore A/S and the related interconnection and transmission facilities needed to connect the Wind Project to Delmarva's transmission system. The proposed Wind Project will cover approximately 30 square miles of the Atlantic Ocean.

Under Bluewater's current proposed term sheet, Bluewater's projected schedule provides for construction to begin by the first quarter of 2012. The full contract term would begin when the Wind Project is completed and various completion conditions are satisfied and would end on the earlier of the date that is 25 years from the project

completion date or June 1, 2039.¹ If Bluewater is not able to complete the Wind Project by June 1, 2014, it will be required, under certain circumstances, to pay delay damages. Bluewater must complete the Wind Project by November 30, 2015 (the “Date Certain”) or Delmarva can terminate and receive a termination fee. If Bluewater is able to install at least half of the total turbines by the Date Certain, Bluewater would be permitted to continue to perform under the contract with scaled back delivery requirements.²

2. Project Sizing and Products to be Supplied by Bluewater

The quantity of capacity to be purchased will be up to 105 MW based on the capacity values assigned to the Wind Project by PJM.³ The quantity of energy to be purchased will be the amount of energy that the Wind Project is able to produce up to a limit of 300 MWh in any hour and an aggregate maximum of 1,357,402 MWh per year. Delmarva will also purchase a set amount of RECs from Bluewater in each year of the contract term (150,000 in 2014 and 175,000 for years 2015 and beyond). Delmarva will also have an option to purchase additional RECs during the contract term up to a level consistent with Delmarva’s total compliance obligation under Delaware state law.

Delmarva will have the option to discontinue the purchase of capacity from Bluewater under the Bluewater contract and purchase energy and RECs from Bluewater

¹Under the Bluewater Term Sheet, the June 1, 2039 date can be extended for up to 18 months for certain delays associated with force majeure and permitting.

² The Bluewater Term Sheet also provides for the purchase and sale of energy and other products from groups of wind turbines as they reach commercial operation during the extended construction period for the Wind Project and before the main service term.

³ Delmarva will have the first right to all capacity up to 100 MW. If the Wind Project has more than 117 MW of total capacity available for sale, Delmarva will purchase up to 5 additional MW of capacity.

