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August 25, 2020

Via DelaFile

Ms. Donna Nickerson, Secretary
Delaware Public Service Commission
Cannon Building, Suite 100
861 Silver Lake Boulevard
Dover, DE 19904

Re: Docket 20-0536: Provision of Standard Offer Supply to Retail Consumers in the Service Territory of Delmarva Power & Light Company: Revised Filing

Dear Secretary Nickerson:

Pursuant to procedures followed during past Standard Offer Service (“SOS”) bidding, Delmarva Power & Light Company (“Delmarva Power”) hereby submits the following documents for the upcoming Delmarva Power Delaware 2021 SOS procurement cycle.

- Exhibit 1. Delmarva Power Delaware 2021 SOS Procurement Improvement Process Proposals
- Exhibit 2. Proposed 2021 Request for Proposals for Full Requirements Wholesale Electric Power Supply in Delaware (Red Lined Version; *Revised*)
- Exhibit 3. Proposed 2021 Request for Proposals for Full Requirements Wholesale Electric Power Supply in Delaware (Clean Version; *Revised*)¹

¹ Section 2.6 of Exhibit 3 (and the corresponding redline in Exhibit 2) has been revised to indicate that the PIV customer exception applies to ‘Residential and Small Commercial & Industrial FP-SOS’ rather than to ‘Medium General Service-Secondary; Large General Service-Secondary; General Service-Primary FP-SOS’ as was erroneously noted in the initial filing on August 17, 2020. With the exception of that revision, no other edits have been made to this revised filing.

Ms. Donna Nickerson
Delaware Public Service Commission
August 25, 2020

- Exhibit 4. Proposed 2021 Full Requirements Service Agreement (Red Lined Version)
- Exhibit 5. Proposed 2021 Full Requirements Service Agreement (Clean Version)
- Exhibit 6. Stakeholder list

As the Delaware Public Service Commission (“Commission”) is aware, the SOS procurement process is reviewed each year. Changes to the procurement process are recommended by Delmarva Power, the Staff for the Commission, the Division of the Public Advocate and/or any stakeholders in the process.

The Exhibits hereto contain proposed changes to the SOS procurement process as recommended by Delmarva Power. Exhibit 1 summarizes the proposed modifications to the Request for Proposals (“RFP”) and the Full Requirements Service Agreement (“FSA”). Exhibits 2 and 4 consist of “red lined” versions of the RFP and FSA, respectively, which identify the specific proposed changes to the documents. Exhibit 3 and 5 are clean versions of those same documents.

The proposed changes addressed in this filing have been reviewed with stakeholders traditionally involved in this process; a list of stakeholders is attached as Exhibit 6. Each stakeholder has been provided with an electronic copy of this filing and the exhibits.

Delmarva Power respectfully requests that this matter be placed on the Commission’s agenda for its September 9, 2020 meeting, which will enable the upcoming reverse auction to proceed as scheduled, beginning October 7, 2020.

Should you have any questions related to this matter, please feel free to contact me at dawn.crompton@exeloncorp.com or Diana Novak at dnnovak@pepco.com.

Respectfully,



Dawn Kurtz Crompton

cc: Pamela Knotts (w/attachments)
Andrew Slater (w/attachments)
Regina Iorii (w/attachments)
Diane Goff (w/attachments)
Diana N. Novak (w/ attachments)
Daniel A. Tudor (w/attachments)
Mario Giovannini (w/attachments)
Stakeholder List (w/attachments)

Exhibit 1

Delmarva Power Delaware

2021 SOS Procurement Improvement Process Proposals

Exhibit 1

Delmarva Power Delaware 2021 SOS Procurement Improvement Process Proposals

1. Replace fax numbers with email addresses in the RFP and FSA

Delmarva proposes to edit the RFP and FSA documents to replace fax numbers with email addresses. The email address used will be DelmarvaDeSosRfpCoordinator@delmarva.com

2. Overview of Eligibility – RFP 3.1

Remove language surrounding the \$400k collateral requirement and require all unrated entities to post \$600k and add collateral due date

Remove: In the event that the applicant's Guarantor is not capable of executing a Guaranty on behalf of the applicant, the applicant must submit credit ratings of its parent and will be required to post pre-bid creditworthiness collateral in the form of a Letter of Credit (LOC) or cash in the amount of \$400,000 US per auction for each auction in which the applicant intends to participate. Notwithstanding the foregoing, in the event that an applicant is unable to provide a Guarantor or a parent company with the required credit rating, such applicant may still establish its pre-bid creditworthiness by posting enhanced creditworthiness collateral in the form of a LOC or cash in the total amount of \$600,000 US per auction for each auction in which the applicant intends to participate.

Replace: In the event that i) the applicant's Guarantor is not capable of executing a Guaranty on behalf of the applicant, ii) an applicant is unable to provide a Guaranty from a Guarantor with the credit requirements defined in Article 14 of the FSA, or iii) if an applicant does not meet the credit requirements defined in Article 14 of the FSA then such applicant may establish its pre-bid creditworthiness by posting creditworthiness collateral in the form of a Letter of Credit (LOC) or cash in the total amount of \$600,000 US per auction for each auction in which the applicant intends to participate. Collateral must be received by Delmarva Power by 5:00 p.m. EPT on the business day prior to the auction.

3. Billing Line Items 1730 and 2730

The Expansion Cost Recovery Charge (1730) and Credit (2730) are no longer being used. They were removed from PJM in December 2018. Delmarva will remove them as Billing Line Items in the FSA.

4. Information Sharing – FSA 3.3

Delmarva proposes to remove (d) from section 3.3 of the FSA. We do not currently provide this information.

(d) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated SOS Load for each of the Buyer’s Service Types on a reasonable effort basis. Buyer does not warrant the accuracy of such information.

5. PJM Capacity Auction

Due to the delay in the PJM 22/23 Capacity Auction, the Delaware Commission has already approved the use of a capacity proxy price for the 22/23 delivery year. This approach will give wholesale suppliers a known capacity price to be used in their bid calculations. The supplier will be credited or charged the difference between the proxy price and the actual capacity price beginning in DY 2022-23.

The capacity proxy price is based on the average of the two most recent PJM capacity auctions multiplied by a factor of 0.9 as shown below.

Auction Date	Delivery Year	Auction	Zonal Net Load Price \$/MW-day
Mar-20	2020	3rd I.A.	\$174.32
Sep-19	2021	1st I.A.	\$162.79
22/23 Capacity Proxy Price			\$151.70

The proxy price suppliers should use for 22/23 is \$151.70

The RFP and FSA documents will be edited to reflect this change.

Exhibit 2.

Revised Proposed 2021 Request for Proposals for
Full Requirements Wholesale Electric Power Supply in Delaware
(Red Lined Version)

DELMARVA POWER & LIGHT COMPANY
20210
REQUEST FOR PROPOSALS
FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC
POWER SUPPLY
IN
DELAWARE

Dated
October 79, 202019

**Request for Proposals
For
Full Requirements Wholesale Electric Power Supply
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8. Full Requirements Service Agreement

Request for Proposals For Full Requirements Wholesale Electric Power Supply

1. Introduction

Delmarva Power & Light Company (Delmarva) provided electric supply service to Delaware customers through fixed price power supply tariffs offered by Delmarva pursuant to settlements filed with the Delaware Public Service Commission (“Commission”) as part of electric restructuring (Docket No. 99-163) and the merger involving Delmarva and Potomac Electric Power Company (Docket No. 01-194). These offers and Delmarva’s obligation to provide Standard Offer Service (“SOS”) expired as of April 30, 2006. In October 2004, the Commission established Docket No.04-391 to investigate and determine: (a) which entity will act as the SOS supplier in the Delmarva service territory as of May 2006; and (b) what prices will be charged for SOS in the Delmarva service territory as of May 2006. On March 22, 2005 the Commission issued Order No. 6598 addressing certain major policy issues including determining that the SOS shall be provided by Delmarva using a wholesale model (Phase 1). On July 18, 2005, a Phase 2 settlement was presented to the Commission proposing the terms and conditions for provision of electric service at the end of the current fixed price offers. Also included in the settlement was a brief description of the Bid Plan procedures and the Request For Proposal (RFP) process. On September 16, 2005 a detailed Bid Plan which consisted of the Full Requirements Service Agreement (“FSA”) and the RFP was filed with the Commission. On October 11, 2005 in Order No. 6746, the Delaware Public Service Commission approved the settlement agreement by which Delmarva will procure SOS to customers through the competitive selection of wholesale supply. The Bid Plan was approved on October 11, 2005 in Order No.6746 and the first wholesale competitive bid process was completed in February 2006.

On April 6, 2006, the Delaware Legislature enacted the “Electric Utility Retail Customer Supply Act of 2006”. On June 20, 2006 the Commission issued Order No. 6943 initiating a process to revisit the RFP procedures to explore and determine what changes, if any, should be made to the RFP procurement process previously accepted by the Commission in Order No. 6746. On October 17, 2006, the Commission issued Order No. 7053 approving consensus recommendations for improving the process and adopting certain additional recommendations related to contested issues. On September 18, 2007, the Commission issued Order No. 7284 approving consensus recommendations and the revised RFP and FSA for the 2008 process to be in place by October 1, 2007.

In mid-year 2008, Delmarva executed four long-term contracts for wind energy and Renewable Energy Credits (“RECs”) in amounts to meet its Delaware obligations under the Renewable Energy Portfolio Standards Act. On July 29, 2008, Delmarva filed an application with the Commission to modify the process by which it procures electricity for SOS customers by removing the requirement that wholesale electricity suppliers provide RECs to Delmarva. On August 19, 2008, the Commission approved the application in Order No. 7432. On October 7, 2008, the Commission issued Order No. 7461, which provides that SOS supply be procured using

the Enel X¹ (formerly World Energy Solutions, then EnerNOC) reverse auction process for contracts effective June 1, 2009 and beyond. On October 6, 2009, the Commission issued Order No. 7670 in Docket No 04-391 modifying the RFP and FSA for the 2010 process to be in place by October 7, 2009. On September 21, 2010, the Commission issued Order No. 7846 in Docket No. 04-391 modifying the RFP and FSA for the 2011 process to be in place by October 6, 2010. On September 20, 2011, the Commission issued Order No. 8038 in Docket No. 04-391 modifying the RFP and FSA for the 2012 process to be in place by October 5, 2011. On September 18, 2012, the Commission issued Order No. 8216 in Docket No. 04-391 modifying the RFP and FSA for the 2013 process to be in place by October 3, 2012. On September 26, 2013, the Commission issued Order No. 8460 in Docket No. 04-391 modifying the RFP and FSA for the 2014 process to be in place by October 2, 2013. On May 13, 2014, the Commission issued Order No. 8562, which closed Docket No. 04-391. On September 30, 2014 in Docket No. 14-144, the Commission issued Order No. 8642 modifying the RFP and FSA for the 2015 process to be in place by October 1, 2014. On April 1, 2015, Delmarva Power submitted its request for approval of the 2015 Standard Offer Service Rates, Procurement Cost Adjustment and RARM filing identified as Docket No. 15-0889. On May 5, 2015, pursuant to Order No. 8732 in Docket No. 15-0889, the Commission approved the revised tariff sheets and revised rates, on a temporary basis, with usage on and after June 1, 2015, subject to refund. On September 2, 2015, Delmarva filed proposed changes to the RFP and FSA for the 2016 process, which was amended by an amended filing on September 4, 2015. On September 22, 2015, the Commission issued Order No. 8795 in Docket No. 15-0889 modifying the RFP and FSA for the 2016 process to be in place by September 30, 2015. On October 6, 2016, Commission issued Order No. 8946 in Docket No. 16-0909 modifying the RFP and FSA for the 2017 process to be in place by October 7, 2016.

On May 23, 2017, the Commission issued Order No. 9064 in Docket No. 14-0283, in which the Commission directed Delmarva to transition from three-year to two-year laddered, fixed price contracts for its Residential and Small Commercial & Industrial FP-SOS Service Type. The move to two-year contracts requires two transition years – for the 2018 and 2019 delivery years – during which time some of the contracts will have a term of only one year. The terms of the other Service Types included in this RFP are not affected by the requirements of Order 9064. On September 14, 2017, the Commission issued Order No. 9113 in Docket No. 17-1016 approving modifications to the RFP and FSA for the 2018 process to be in place by October 4, 2017. On September 25, 2018, the Commission issued Order No. 9276 in Docket No. 18-1065 approving modifications to the RFP and FSA for the 2019 process to be in place by October 3, 2018. On September 12, 2019, the Commission issued Order No. 9463 in Docket No. 19-0520 approving modifications to the RFP and FSA for the 2020 process to be in place by October 9, 2019. On September 9, 2020, the Commission issued Order No. XXXX in Docket No. XX-XXXX approving modifications to the RFP and FSA for the 2021 process to be in place by October 7, 2020.

This RFP reflects the improved wholesale bidding process set forth in Docket No.04-391 to solicit proposals from suppliers interested in providing Fixed Price SOS (“FP-SOS”) to Delmarva for the customer Service Types and terms indicated in Section 2.2 (Product Definition).

¹ Effective October 1, 2018, EnerNOC has rebranded to Enel X. All legacy EnerNOC agreements and auction platform functionality remain in-place.

The RFP is for full requirements wholesale supply service to meet the needs of Delmarva's SOS retail load obligations in Delaware as described in the settlement and further described in the RFP. Fixed Price SOS bids will only be accepted through the Enel X web-based auction platform.

2. Services Requested

2.1. Supply Requirement Overview

Delmarva is requesting full requirements wholesale supply service generally including energy, capacity, ancillary services and losses, but excluding renewable energy obligations and network integration transmission service. A supplier of full requirements service will have an obligation stated as a specific percentage of Delmarva retail load for specific Service Types, and as such, full requirements service encompasses any changes in customers' demand for any reason.

In order to mitigate wholesale suppliers' exposure to the volumetric risk associated with the Medium General Service-Secondary FP-SOS, Large General Service-Secondary FP-SOS and General Service-Primary FP-SOS Service Types an increment load pricing mechanism, as described in the FSA, has been included in this solicitation. Generally, upon a date certain associated with each awarded bid block, Delmarva will determine the specific amount of capacity peak load contribution (PLC) in megawatts (MW) represented by each awarded bid block (base load). As set forth in Section 2.3 (Multi-Tranche process), each bid block equates to a specific and fixed percentage of the load, and at the time of this RFP, such percentage equates to about 50 MW. However, over time as Delmarva load changes, the MW equivalency of such fixed percentage shall change accordingly. The supplier will be paid its awarded bid price for such base load plus any additional load up to 5 MW per awarded bid block. For load exceeding the base load plus 5 MW per awarded bid block, that "incremental" load will become the responsibility of Delmarva. If load declines below the base load in an amount that equals 3 MW per awarded bid block, a new base load is established at the former base load less 3 MW per awarded bid block.

PJM Base Residual Auction Delays due to FERC Order on PJM Extended Minimum Offer Price Rule (MOPR): For each month in the contract term that the Zonal Net Load Price for capacity resulting from the Base Residual Auction (BRA) is unknown at the time Suppliers provide their offers in a Standard Offer Service auction pursuant to this RFP, Suppliers shall incorporate a proxy Net Load Price of \$151.70/MW-day for capacity into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial & Industrial (RSCI) class. For each billing month in which the proxy price was used by the Suppliers, an additional line item on the SOS Invoice will show a supplemental capacity payment or charge. A supplemental capacity payment will be stated if the Final Zonal Net Load Price for capacity is higher than the proxy Zonal Net Load Price, and a supplemental capacity charge will be stated if the Final Net Load Price for capacity is lower than the proxy Zonal Net Load Price. The supplemental capacity payment or charge will equal the Final Zonal Net Load Price for the Utility's PJM zone less the proxy Zonal Net Load Price, multiplied by the Seller's unforced capacity obligation for each day of the billing month.

The specific definition of full requirements service and associated responsibilities are stated in the FSA, which is included as part of this RFP document as Appendix 7. The PLC

associated with the customer classes for which Delmarva is soliciting wholesale supply in this RFP is stated in the following table using data as of July 23~~9~~, 2020~~19~~. Two representations of PLC are provided. The first represents that portion of the PLC associated with customers, currently receiving SOS from Delmarva, for whom wholesale supply will be solicited in the RFP. The second represents an equivalent proportion of the PLC associated with customers currently eligible for a specific Service Type within Delmarva service territory. These PLCs will be updated to a date closer to when the RFP is issued.

<u>Service Type</u>	<u>Capacity PLC Megawatts as of July 239, 202019</u>	
	<u>SOS</u>	<u>Eligible</u>
422.3449.2 Residential and Small Commercial & Industrial FP-SOS	378.6398.6	
Medium General Service-Secondary FP-SOS	122.5109.7	244.2246.0
Large General Service-Secondary FP-SOS	14.57.1	107.874.6
General Service-Primary FP-SOS	22.919.3	127.4112.3
Total	538.5534.7	901.7882.4

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, the composition of Delmarva’s portfolio of contracts will target the following load percentages for each contract term for the various Service Types. The specific contracts for which Delmarva is soliciting in this RFP are indicated in Section 2.2 (Product Definition).

2.2. Product Definition

In this RFP, Delmarva is soliciting full requirements wholesale service for the terms indicated below.

Term Description

Residential and Small Commercial
& Industrial (RSCI) FP-SOS: 24-Month Term, June 1, 2021~~0~~ - May 31, 2023~~2~~

Medium General Service - Secondary
(MGS) FP-SOS: 12-Month Term, June 1, 2021~~0~~ - May 31, 2022~~4~~

Large General Service - Secondary
(LGS) FP-SOS: 12-Month Term, June 1, 2021~~0~~ - May 31, 2022~~4~~

General Service - Primary (GS-P)

FP-SOS:

12-Month Term, June 1, 202~~10~~ - May 31, 202~~21~~

2.3. Multi-Tranche Process

The selection of proposals by Delmarva in this solicitation will be conducted through a multi-tranche process following the contract term portfolio criteria stated in Section 2.1 (Supply Requirement Overview). As specified in Section 6 (Schedule for RFP Process), this process will allow for up to three tranches to fulfill Delmarva's requests for its various Service Types. The process is designed, however, such that Delmarva requests are fully met in no more than two tranches, as set forth below. Any remaining tranche(s) will be reserved for use only if Delmarva requests go unfulfilled in the prior tranche(s). If multi-year contracts are applicable, the load associated with each tranche will be further divided among the contract terms. The load within each tranche and for each contract term is further divided into bid blocks. Each bid block represents a certain and specific percentage of the associated load, as of the date indicated in the header of the capacity PLC table in Section 2.1 (Supply Requirement Overview). The bid block design for this solicitation is as follows.

Contract Term

	<u>12-Month</u>	<u>24-Month</u>
Residential and Small Commercial & Industrial FP-SOS		
		50.0%
Approximate Total PLC, MW		398.6378.6
Block Size, %		6.25%
Approximate Block Size, MW		49.847.3
Total # of Blocks		8
Tranche 1 Blocks		4
Tranche 2 Blocks		4
Medium General Service-Secondary FP-SOS		
	100.0%	
Approximate Total PLC, MW	109.7122.5	
Block Size, %	33.3333%	
Approximate Block Size, MW	36.640.8	
Total # of Blocks	3	
Tranche 1 Blocks	2	
Tranche 2 Blocks	1	
Large General Service-Secondary FP-SOS		
	100.0%	

Approximate Total PLC, MW	7.144.5
Block Size, %	100.0%
Approximate Block Size, MW	7.144.5
Total # of Blocks	1
Tranche 1 Blocks	1

General Service-Primary

FP-SOS	100.0%
Approximate Total PLC, MW	19.322.9
Block Size, %	100.0%
Approximate Block Size, MW	19.322.9
Total # of Blocks	1
Tranche 1 Blocks	1

Unfilled Tranche Targets:

The number of blocks in each tranche for each contract term is a Delmarva target. If the amount of conforming bids in any tranche is unable to meet that tranche's targets, then the unfilled portion of that tranche will be included in the next tranche, and the targets in the next tranche will be revised accordingly. If in the last tranche in which bids are being solicited, as set forth above for any Service Type, any multi-year contract targets are not met, then conforming surplus single-year bids will fill the deficiencies. If in the last tranche there are not sufficient conforming surplus single-year bids to fill a multi-year contract target deficiency, or if the single-year contract target has not been met, then the remaining reserve tranche(s) will be conducted to solicit for any deficiencies.

2.4. Reverse Auction

Within each tranche and for each FP-SOS bid block offered by Service Type and Term, there is a single auction conducted on the Enel X web-based auction platform. The energy price offers shall be in terms of \$/MWh. Each auction will open and close as shown below and will be conducted in accordance with the following schedule:

Tranche 1 – ~~November 30, 2020~~December 2, 2019

DELMARVA DELAWARE - SOS - TRANCHE 1 AUCTION DAY SCHEDULE				
Service Type/Offer	Auction No.	Open	Close	Input Price Offer
RSCI-24 Mth /1 block	1	10:00 AM	10:30 AM	\$/MWhr
RSCI-24 Mth /1 block	2	10:00 AM	10:40 AM	\$/MWhr
RSCI-24 Mth /1 block	3	10:00 AM	10:50 AM	\$/MWhr

RSCI-24 Mth /1 block	4	10:00 AM	11:00 AM	\$/MWhr
MGS /1 block	5	10:00 AM	11:10 AM	\$/MWhr
MGS /1 block	6	10:00 AM	11:20 AM	\$/MWhr
LGS /1 block	7	10:00 AM	11:30 AM	\$/MWhr
GS-P /1 block	8	10:00 AM	11:40 AM	\$/MWhr

Tranche 2 – January 25⁷, 2021⁰

DELMARVA DELAWARE - SOS - TRANCHE 2 AUCTION DAY SCHEDULE				
Service Type/Offer	Auction No.	Open	Close	Input Price Offer
RSCI-24 Mth /1 block	1	10:00 AM	10:30 AM	\$/MWhr
RSCI-24 Mth /1 block	2	10:00 AM	10:40 AM	\$/MWhr
RSCI-24 Mth /1 block	3	10:00 AM	10:50 AM	\$/MWhr
RSCI-24 Mth /1 block	4	10:00 AM	11:00 AM	\$/MWhr
MGS /1 block	5	10:00 AM	11:10 AM	\$/MWhr

Bids will only be accepted through the Enel X web-based auction platform events to be held on ~~November 30, 2020~~ ~~December 2, 2019~~ and January 25⁷, 2021⁰ in accordance with the schedule specified in Section 6 (Schedule for RFP Process) starting at 10:00 AM EPT. The bid block auctions will be held at <http://www.exchange.apps.enelx.com>, which is the auction website.

During each auction, bidders will be able to see all the bids they have posted and the current low

bid. All bids shall be anonymous.

In order to access and use the auction website, eligible bidders will be contacted by Enel X, the proprietor of the auction website, and will be required to sign a Supplier Agreement with Enel X before being issued a password to access the auction website. Please note that all legacy World Energy Solutions, Inc. and/or EnerNOC, Inc. Supplier Agreements are still valid under Enel X. Appendix 6 contains the Enel X Supplier Agreement. In addition, all eligible bidders must agree to pay a required fee to Enel X for any auction awards made by Delmarva to the bidders as a result of this RFP. All bids submitted must be inclusive of this fee. Bidders who fail to satisfy all the Pre-Bid requirements in Section 3 in a timely manner will be denied access to the auction website and such bidders will not be able to participate in the Auction.

All costs and expenses associated with developing and/or submitting a bid in response to this RFP and/or any related activity following the submission of any such bid shall be borne by the bidder.

Questions regarding the auction process should be directed to Sean Perry of Enel X by email to sean.perry@enel.com or telephone at 1-617-688-1322 no later than 5:00 pm EPT on Tuesday November 24~~6~~, 2020~~19~~. All questions and their answers shall be posted on the Delmarva DE RFP Website.

Interested bidders are invited to call into a pre-bid teleconference on the auction process to be held in mid-October 2020~~19~~. A ~~Skype~~ meeting invitation will be sent out to interested bidders. Participants will be able to ask questions only during the open floor portion of the call. For purposes of this teleconference, it is not required that individual or company names be identified when questions are asked. The teleconference will include a demonstration of the auction platform. Internet access will be required for this demonstration.

2.5. Supplier Step-Up Provision

As set forth in the FSA, in the event of an early termination of a FSA, all other wholesale suppliers serving Delmarva FP-SOS load, pursuant to the Delaware Public Service Commission Orders and approved settlement in Docket No. 04-391, will have the option to take a full or partial pro-rata share of the load for the balance of the terminated FSA term, under the same pricing, terms and conditions of the terminated FSA. Such option to take a pro-rata share of the load will include a transfer to the step-up supplier of any rights associated with congestion management. The supplier to which the option is offered shall meet any additional collateral requirements related to the step-up of its obligation. If any supplier does not exercise its option to increase its obligation, the other suppliers will have the option to take a pro-rata share of the amount of the increased obligation that such supplier declined to take. A supplier's pro-rata share will be the ratio of the supplier's load obligation, stated on a capacity PLC basis, to the total load being served under FSAs pursuant to the Delaware Public Service Commission Orders and approved settlement in Docket No. 04-391, excluding the terminated FSA and, if applicable, FSAs under which suppliers decline to exercise their step-up option in part or full.

2.6. Customer Restrictions

The FP-SOS procurement set forth in this RFP is to meet the supply needs for those customers that “choose not to choose” to take supply from a competitive retail supplier; are unable to obtain supply from competitive retail suppliers; or have been served by a competitive retail supplier, but, for any reason returns to FP-SOS. All customers other than General Service-Transmission are eligible for FP-SOS. Customers within the General Service-Transmission classification will be eligible for an hourly priced standard offer service (HPS) provided by Delmarva. HPS will also be available to the General Service-Primary classification subject to the restrictions described below.

Residential and Small Commercial & Industrial FP-SOS:

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, subject to Delmarva customer enrollment rules and tariffs, customers (with the exception of PIV customers) may leave and return to FP-SOS at any time without switching restrictions.

*Medium General Service-Secondary; Large General Service-Secondary;
General Service-Primary FP-SOS:*

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, subject to Delmarva customer enrollment rules and tariffs, customers may leave and return to FP-SOS at any time without switching restrictions. For the General Service-Primary customers an additional option is available to take HPS if an affirmative election is made and certain metering requirements are met prior to when bids for FP-SOS are due.

3. Eligibility of Applicants

3.1. Overview of Eligibility

The purpose of the eligibility process is to provide information to the applicants regarding their eligibility to bid. An applicant is eligible to bid if, in a timely and complete fashion, it submits an Expression of Interest Form, executes the Confidentiality Agreement, certifies that it meets the PJM membership and FERC authorization requirements stated in Section 3.4 (Submittal of Applicant's PJM and FERC Qualifications), if qualifying for unsecured credit, its, or its guarantor's, unsecured senior long-term debt is currently rated by at least two of the following three credit rating agencies, Standard & Poor's Ratings Group, Fitch Investor Services or Moody's Investor Services, and submits the Credit Application and associated financial information requested in Section 3.5 (Submittal of Credit Application and Financial Information).

An applicant must submit all available credit ratings from the aforementioned rating agencies. Except as otherwise provided hereunder, credit ratings are required to establish the pre bid creditworthiness of an applicant, its parent or its Guarantor, and to determine the maximum amount of unsecured credit to be extended in accordance with Article 14 of the FSA. The lowest credit rating will be used to determine creditworthiness and maximum Unsecured Credit amount. If such entity does not have a rating for its senior unsecured long-term debt, then the rating assigned to such entity as an Issuer Rating by the rating agencies is acceptable. In the case of an applicant that does not rely on its own financial standing to establish creditworthiness but instead relies on a parent or other entity as Guarantor, such Guarantor must be capable of executing a Guaranty on

behalf of the applicant. ~~In the event that i) the applicant's Guarantor is not capable of executing a Guaranty on behalf of the applicant, ii) an applicant is unable to provide a Guaranty from a Guarantor with the credit requirements defined in Article 14 of the FSA, or iii) if an applicant does not meet the credit requirements defined in Article 14 of the FSA then such applicant may establish its pre-bid creditworthiness by posting creditworthiness collateral in the form of a Letter of Credit (LOC) or cash in the total amount of \$600,000 US per auction for each auction in which the applicant intends to participate. Collateral must be received by Delmarva Power by 5:00 p.m. EPT on the business day prior to the auction. In the event that the applicant's Guarantor is not capable of executing a Guaranty on behalf of the applicant, the applicant must submit credit ratings of its parent and will be required to post pre-bid creditworthiness collateral in the form of a Letter of Credit (LOC) or cash in the amount of \$400,000 US per auction for each auction in which the applicant intends to participate. Notwithstanding the foregoing, in the event that an applicant is unable to provide a Guarantor or a parent company with the required credit rating, such applicant may still establish its pre-bid creditworthiness by posting enhanced creditworthiness collateral in the form of a LOC or cash in the total amount of \$600,000 US per auction for each auction in which the applicant intends to participate.~~

3.2. Submittal of Expression of Interest

Applicants interested in participating in this RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix 1). An electronic copy of the Expression of Interest Form will be made available to applicants for completion on the Delmarva DE RFP website. The applicant will not be eligible to submit proposals until such submission has been provided to Delmarva. Upon submission of the Expression of Interest Form, an applicant will be issued a password to access a website containing additional information related to this RFP.

3.3. Confidentiality Agreement

An applicant and Delmarva will be required to execute the Confidentiality Agreement (Appendix 2) electronically. An electronic copy of the Confidentiality Agreement can be found on the Delmarva DE RFP website. The applicant will not be eligible to submit proposals until such agreement has been executed.

Once the agreement is received from the applicant, Delmarva will complete the execution of the agreement and electronically return the fully executed agreement to the applicant.

3.4. Submittal of Applicant's PJM and FERC Qualifications

An applicant must certify that it is a member of the PJM Interconnection, LLC (PJM) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full requirements obligation. In addition, an applicant must certify that it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of energy, capacity and ancillary services at market-based rates. The PJM Qualification Certification Form (Appendix 3) and the FERC Authorization Certification Form (Appendix 4) can be found on the Delmarva DE RFP website. Such certifications must be signed by a signatory with the authority to act on behalf of the applicant. Applicants are required to submit such

certifications no later than the due date noted in Section 6 (Schedule for RFP Process). The applicant will not be eligible to submit bids until such certifications have been provided to Delmarva. If, however, the applicant's good-standing membership with PJM or its FERC authorization has been adversely affected since submittal of the original documents, it is the responsibility of the applicant to immediately notify Delmarva of such events. Once notified, Delmarva will make any appropriate adjustments to the applicant's eligibility status.

3.5. Submittal of Credit Application and Financial Information

Applicants are required to submit the Credit Application (Appendix 5) and associated financial information to Delmarva no later than the Application and Financial Information due date noted in Section 6 (Schedule for RFP Process). An electronic copy of the Credit Application can be found on the Delmarva DE RFP website. The applicant should send the complete application and the associated financial information electronically. Additionally, if the applicant elects to post a LOC or cash as its creditworthiness collateral to meet the eligibility requirements as outlined in Section 3.1 hereof (Overview of Eligibility), such collateral must be posted by the due date for the Application and Financial Information. Delmarva will provide bank account wiring instructions upon request. Delmarva will hold the creditworthiness collateral until either the bidder's proposal is rejected in whole, or the bidder executes the FSA and/or Transaction Confirmations. Upon either the rejection of the bidder's proposal or the execution by the bidder of all necessary documents, the return of collateral in the form of cash will be initiated within one business day, and the return of collateral in the form of a LOC will be initiated within two business days. The bidder may request that the collateral remain with Delmarva through the entire multi-procurement period. A bidder that is awarded bid block(s) and does not execute the FSA and/or Transaction Confirmation(s) associated with such bid block(s) shall forfeit its creditworthiness collateral and be ineligible to participate in the remaining procurements of this RFP.

If, however, the applicant's credit rating has downgraded since submittal of the original documents, it is the responsibility of the applicant to immediately notify Delmarva of such event. Once notified, Delmarva will make any appropriate adjustments to the applicant's eligibility status and may require further collateral to establish creditworthiness.

All 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. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information

- submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
 - d. A legal opinion acceptable to Delmarva of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
 - e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency and conform to generally accepted accounting principles (GAAP) in the United States.

Applicants are urged to provide the materials necessary to establish eligibility as soon as practicable. Delmarva will endeavor, on a best efforts basis, to notify applicants of any deficiencies in their submittals by the earlier of two weeks from the time the applicant submits its material to Delmarva or the date by which Delmarva must issue applicant's eligibility status as indicated in Section 6 (Schedule for RFP Process). However, Delmarva does not bear any responsibility for failure to notify applicants of deficiencies prior to the date indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to the deadline. Delmarva will notify applicants as soon as Delmarva has determined that they have met the eligibility requirements. In the event the applicant's information is not submitted by the due date or submitted in an incomplete fashion, the applicant will be eliminated from further consideration in the first tranche of this RFP. Therefore, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing some time to cure incomplete information before the due date.

3.6. Cure Time for Deficiencies in Qualification Requirements

In the event that an applicant has not met all of the qualification requirements under Section 3 (Eligibility of Applicants) so as to not be eligible to submit proposals in the first tranche, such applicant will be allowed to cure any such deficiency and participate in subsequent tranches, if the deficiency is cured no later than two weeks prior to the due date of proposals for the next tranche.

3.7. Alternative Forms of Performance Assurance

Subsequent to the awarding of a contract to a supplier, an instrument of performance assurance to secure Delmarva's exposure during the term of the FSA may be required, as set forth in the FSA. Any performance assurance required of the supplier determined in accordance with the FSA may be in the form of cash, LOC, or other security acceptable to Delmarva. An acceptable Performance Assurance LOC form is provided as Exhibit C in the FSA. If an applicant prefers to use an alternative LOC form for the performance assurance, the applicant must provide such alternative form along with its Credit Application and financial information. If an applicant intends to use security other than cash or LOC, Delmarva requests that the applicant describe such other security at the time it submits its Credit Application and financial information. The acceptability of such alternative LOC form or such other form of security will be at the sole

discretion of Delmarva, and such acceptability will be communicated to the applicant no later than the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status.

4. Proposals

4.1. Bid Format

Price Quotes for Bid Block Offered - Auctions will be held by tranche, service type, term, and bid block, for a total of thirteen separate full-requirements wholesale electric supply products. The price offers for each auction shall be for Summer Energy and Non-Summer Energy. The energy price offers shall be in terms of \$/MWh. All MWh energy shall be at the customer premise or retail meter-level. As set forth in the FSA, the MWh of energy shall be equivalent to the amount of energy reported as the supplier's obligation by Delmarva to PJM adjusted for losses in accordance with Delmarva initial and subsequent retail load settlement process. The Delmarva summer period begins on May 1 and ends on August 31, and its non-summer period begins on September 1 and ends on April 30. All price quotes are limited to two decimal places. A successful supplier will be paid its winning bid prices by season as entered and submitted into the Enel X auction platform. The prices will be paid by service type by season and will not change over the length of the contract term. The successful supplier and Delmarva will confirm the prices by executing a Transaction Confirmation Letter in accordance with the FSA.

Volume Weighting Factors - The preliminary Summer and Non-Summer factors, listed below, are provided by Delmarva. The energy factors represent Delmarva estimates of the portion of the specified Service Type load within the specified term and season based on historical distribution load data. As stated, these factors are derived from historical data, which may or may not be representative of future behavior of electricity consumption. These factors will be updated prior to the Tranche 1 auction date.

Volume Weighting Factors (%)		
Service Type	Summer	Non-Summer
GS-P	34.5535.68	65.4564.32
LGS	32.3434.27	67.6665.73
MGS	36.6736.00	63.3364.00
RSCI	36.3735.15	63.6364.85

Load Weighted Average Price - The Load Weighted Average Energy Price is determined by summing the load weighted price quotes derived by applying the corresponding seasonal volume weighting factors to the respective seasonal price quotes. The Load Weighted Average Energy Price is the single parameter that will be used to compare all offers within each auction.

4.2. Submittal of Proposals

Product Bids will only be accepted through the Enel X web-based auction platform events to be held on ~~November 30, 2020~~~~December 2, 2019~~ and January 2~~5~~~~7~~, 202~~1~~~~0~~ in accordance with the schedule specified in Section 2.4 (Reverse Auction) and Section 6 (Schedule for RFP Process).

A bid submitted in response to this solicitation, shall a) constitute the Bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this Request For Proposals, and b) shall constitute a firm offer to supply service in accordance with the Full Requirements Service Agreement and applicable Delaware regulations. This offer is not subject to any contingencies or conditions precedent and, if accepted by Delmarva, the Bidder must agree to execute the Full Requirements Service Agreement in a timely manner as set forth in Section 6 (Schedule for RFP Process) of this Request For Proposals.

4.3. Confirmation of Proposal Receipt

Confirmation of receipt of a bidder's proposal will appear on the Enel X auction platform electronically.

4.4. Conforming Proposals

In order for a proposal(s) to be conforming, the proposal(s) must be:

- submitted using the Enel X web-based auction(s);
- submitted by the due date(s) and due time; and
- submitted by an eligible applicant.

Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of proposals will be communicated by Delmarva to the relevant bidder(s) as soon as practicable.

4.5. Expiration of Proposals

A bidder's proposal(s) shall expire at the earlier of the time Delmarva notifies the bidder that its proposal has been rejected or at 11:59 p.m. EPT on the scheduled day of awarding bids within each tranche, as indicated in Section 6 (Schedule for RFP Process).

4.6. Evaluation of Proposals

As described in Section 4.1, the Load Weighted Average Energy Price is the single parameter that will be used to compare all offers within each auction. A successful supplier will be paid its winning bid prices by season as entered and submitted into the Enel X auction platform.

In the event that comparable offers from different suppliers have equivalent Load Weighted Average Energy Prices (rounded-up to two decimal places, \$0.01/MWh, in the Enel X auction platform), and such Load Weighted Average Energy Term Price qualifies to be awarded a contract, the bid that is submitted first into the auction platform is the winning bid.

5. Full Requirements Service Agreement

The FSA to be executed as a result of this RFP is provided as Appendix 7. The FSA contains the parties' rights and obligations for providing and receiving full requirements wholesale electric supply, including those rights and obligations associated with performance assurance. No provision within the FSA is negotiable. There will be a master FSA executed with each supplier

under which separate Transaction Confirmations will be executed for the specific Service Types and auctions.

6. Schedule for RFP Process

The solicitation and selection process will be carried out in accordance with the schedule below. However, pursuant to Docket No. 04-391, the Commission reserves the right to alter the Services Requested in Section 2 of this RFP five days prior to the auction dates. Such alteration will not occur unless there are exceptional market-altering events directly prior to the date on which bids are submitted.

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	Oct 79 , 20 2019
Solicitation for Expressions of Interest	Oct 79
Pre-Bid Conference	Mid Oct
Confidentiality Agreement due	Oct 235
Credit Application and financial information due	Oct 235
Alternative Letter of Credit Form(s) due, if applicable	Oct 235
Alternative Form of Performance Assurance due, if applicable	Oct 235
PJM and FERC qualifications due	Oct 235
Issue applicants' eligibility status	Oct 30 Nov 1
Enel X Supplier Agreement due	Nov 13
Issue any revisions to 1 st tranche bid block targets	Nov 235
1 st tranche auctions begin (10:00 AM EPT)	Nov 30 Dec 2
1 st tranche auctions end (11:40 AM EPT)	Nov 30 Dec 2
Award 1 st tranche bids	Nov 30 Dec 2
Execute 1 st tranche FSAs and transactions	Dec 13
Execute Guaranty Agreement, if applicable	Dec 13
Approve 1 st tranche transactions	Dec 25
Issue any revisions to 2 nd tranche bid block targets	Jan 1921 , 2021 0
2 nd tranche auctions begin (10:00 AM EPT)	Jan 257
2 nd tranche auctions end (11:10 AM EPT)	Jan 257
Award 2 nd tranche bids	Jan 257
Execute 2 nd tranche FSAs and transactions	Jan 268
Execute Guaranty Agreement, if applicable	Jan 268
Approve 2 nd tranche transactions	Jan 279
If necessary, issue 3 rd tranche bid block targets	Jan 257
3 rd tranche auction(s)	Feb 13
Award 3 rd tranche bids	Feb 13
Execute 3 rd tranche FSAs and transactions	Feb 24
Execute Guaranty Agreement, if applicable	Feb 24
Approve 3 rd tranche transactions	Feb 35

Post Commission consultant's report	
3 rd tranche is not conducted by Delmarva	Feb 17²⁰
3 rd tranche is conducted by Delmarva	Mar 10⁵
Post retail prices	early April
Contract delivery period begins	June 1

As set forth above and in the FSA, the process for fully executing and approving a FSA and/or transactions within all tranches will be as follows:

- Monday: auctions are held, bids are awarded and Delmarva will electronically submit a partially executed FSA and/or transactions to the awarded bidder;
- Tuesday: by close of business, the bidder will electronically return a fully executed FSA and/or transactions to Delmarva.
- Wednesday: by 10:00 a.m. EPT, Delmarva will submit a copy of the fully executed transactions to the Delaware Public Service Commission for review and determination of compliance with the Delmarva Bid Plan;
- ~~(Tranche 1—2019) Thursday: transactions will be deemed to be in compliance with the Utility Bid Plan and approved by the Commission unless the Commission orders otherwise.~~
- ~~(Tranche 2 and 3—2020)~~ Wednesday: transactions will be deemed to be in compliance with the Utility Bid Plan and approved by the Commission unless the Commission orders otherwise.

7. RFP Website

Information related to this RFP will be posted on the Delmarva RFP website at www.delmarva.com/derfp. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by Delmarva to provide retail electric supply services in the Delmarva service territory pursuant to Delmarva Electricity Supplier Coordination Tariff. The information will include:

- a. RFP with the following appended documents
 - Expression of Interest Form
 - Confidentiality Agreement
 - PJM Qualification Certification Form
 - FERC Authorization Certification Form
 - Pre-bid Creditworthiness Collateral Letter of Credit
 - Credit Application
 - Enel X Supplier Agreement
 - Full Requirements Service Agreement with the following appended documents
 - Transaction Confirmation Example
 - Performance Assurance Letter of Credit
 - Billing Line Item Transfers / Sample PJM Invoice
 - Methodology for Calculation of Mark to Market (MTM) Exposure
 - MTM Example Calculation for a Transaction

- Form of Guaranty
 - Form of Notice
 - Increment Load Example
- b. Docket No. 04-391 Phase 1 Order No.6598, Phase 2 Settlement Agreement, Phase 2 Order No. 6746 and Order No. 6943.
 - c. PJM Website Link
 - d. Historic, hourly, premise-level, unrestricted (excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all eligible customers (in aggregate) within each Service Type and each customer class or partial customer class within each Service Type. Data provided will be the latest available.
 - e. Historic, hourly, premise-level, unrestricted (excludes load reductions from demand-side services that qualify as resources in PJM), SOS load data within each Service Type and each customer class or partial customer class within each Service Type. Data provided will be the latest available.
 - f. Estimated loss factors associated with each Service Type and each customer class or partial customer class within each Service Type
 - g. Current capacity PLCs and Network Service Peak Load contribution (NSPL) for all eligible customers (in aggregate) within each Service Type and each customer class or partial customer class within each Service Type
 - h. Current capacity PLCs and NSPLs for all SOS customers (in aggregate) within each Service Type and each customer class or partial customer class within each Service Type
 - i. Historic customer migration data (in aggregate) on a PLC basis, an NSPL basis, and number of customer accounts basis, for each service type, and each customer class or partial customer class within each Service Type.
 - j. Seasonal (summer/non-summer) volume weighting factors by Service Type.
 - k. Questions and answers

Delmarva Power will update the above data from time to time.

8. Reserved Rights

8.1. Bidder Elimination Right

If in the course of the solicitation process, any bidder is found to provide faulty information, misrepresent its financial or operational characteristics or omit any pertinent information, Delmarva reserves the right to eliminate such bidder from the solicitation process.

8.2. FSA Termination Right

If a bidder who engages in any conduct described in Section 8.1 is successful in being awarded a bid and executes the FSA and/or transactions, Delmarva reserves the right to terminate the FSA and pursue remedies as outlined in the FSA.

9. Miscellaneous

9.1. Warranty on Information

The information provided in the RFP, or on the Delmarva DE RFP website, has been prepared to assist bidders in evaluating the solicitation. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. Delmarva makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check the Delmarva website frequently, to ensure that it has obtained the latest documentation and information. Neither Delmarva nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

9.2. Hold Harmless

Bidder shall hold Delmarva harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

9.3. Proposals Become Delmarva Property

Subject to the Confidentiality Agreement, all proposals submitted by each bidder pursuant to this solicitation shall become the exclusive property of Delmarva.

9.4. Bidder's Acceptance

The submission of a proposal to Delmarva shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this solicitation and the FSA and or transactions.

Bidder and its representatives irrevocably agree to submit to the personal jurisdiction of any Delaware State or Federal court and any appellate court thereof in respect of any action, dispute or proceeding arising out of this solicitation process, including but not limited to the execution, implementation and performance of a FSA.

9.5. Permits, Licenses and Compliance with the Law

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier's business or to perform hereunder. Supplier's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

9.6. Proprietary Information

The treatment of proprietary and confidential information of a bidder's and of Delmarva is addressed in the Confidentiality Agreement (Appendix 2).

9.7. Disclosure of Awarded Bid Information

As set forth in the Phase 2 settlement agreement and further modified by the Commission in Docket No. 04-391, certain information related to the winning bidders and their awarded bids will be made public 21 calendar days from the date of the Commission's award of bids for the final tranche. Such information is as follows:

- Aggregate information about bids received and winning bids;
- Names of winning bidders for each customer class;
- Percentage of load won by each winning bidder (by name) for each customer class;

9.8. Regulatory Approvals

As indicated in Section 6 (Schedule for RFP Process), the executed transactions will be contingent upon the Delaware Public Service Commission and any necessary FERC approvals. The transactions will be deemed approved by the Delaware Commission unless the Commission orders otherwise within the two days following the execution of the transactions. Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the FSA and/or transactions resulting from its proposal(s).

Appendix 1

Expression of Interest Form (on RFP Website)

This response is an indication of our interest in the Delmarva Power & Light Request for Proposals to provide wholesale full requirements service beginning [date of first day of delivery period].

pepco An Exelon Company		Expression of Interest		delmarva power An Exelon Company	
Expression of Interest					
Submission of this form indicates your interest in Pepco and/or Delmarva's Requests for Proposal to provide wholesale full requirements service.					
The applicant will be the authorized individual responsible for SOS wholesale full requirements electric service bid submittal.					
Note: All fields are required.					
Applicant Information		Contact Information		Company Information	
First Name Betsy		Email bjones@werockenergy.com		Legal Company Name We Rock Energy, Inc.	
Last Name Jones		Phone Number (555) 363-1461		Address 666 Toto Blvd	
Title VP Energy Sales				City Rockastan	
				State GA	
				Zip 66807-8814	
Request for Proposal					
Please select at least one (1) Request for Proposal interest from the list below:					
<input type="checkbox"/> 2020 Delmarva MD SOS RFP					
<input type="checkbox"/> 2020 Delmarva DE SOS RFP					
<input type="checkbox"/> 2020 Pepco MD SOS RFP					
<input type="checkbox"/> 2020 Pepco DC SOS RFP					
Email Filtering					
NOTICE: To ensure proper delivery of important messages, please confirm that your email application's filter does not prevent receiving emails from pepco.com or delmarva.com.					
Please click the button below to submit your request. We will send you an email confirming that your request was received. A second email will be sent within three (3) business days stating whether your request was approved or denied. If approved, access to the RFP platform shall be provided.					
Note: Not all RFPs will be open. Once an RFP is officially released per the Commission approved date, the status of the EOI will be provided.					
SUBMIT EXPRESSION of INTEREST REQUEST					

Appendix 2

Confidentiality Agreement

[Name and Address of Company]

[Date]

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between _____ (“Utility”) and _____ (“the Company”) in connection with the Company’s intent to participate in the Request for Proposals (“RFP”) to provide Full Requirements Wholesale Electric Power Supply to serve a portion of the Utility’s Residential and Small Commercial & Industrial FP-SOS, Medium General Service-Secondary FP-SOS, Large General Service-Secondary FP-SOS and General Service- Primary FP-SOS. This Confidentiality Agreement also pertains to the rights and obligations of the Utility and the Company in the event the Company ultimately is selected as a winner in the RFP and provides service pursuant to the Full Requirements Service Agreement (“FSA”). Utility and the Company 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. “Delaware PSC” has the meaning set forth in Section 3(b).
3. “Confidential Information” has the meaning set forth in Section 5.
4. “Party” means Utility or the Company.
5. “Parties” means Utility and the Company 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 and/or performing under the FSA. 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 Utility, the Company or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the Request for Proposals dated _____ and/or the FSA.

TERMS:

1. Condition Precedent. The Utility and the Company shall execute this Agreement as a condition precedent to Utility's furnishing to the Company or the Company furnishing to the Utility 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 FSA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about the Utility's or Company's participation in the RFP or execution of an FSA, 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 the Utility or Company or their Representatives. Provided, however, as set forth in the Phase 2 settlement agreement and further modified by the Delaware Public Service Commission in Docket No. 04-391, the Utility shall publicly disclose aggregate information about bids received and winning bids, the names winning bidders for each customer class, and the percentage of load won by each winning bidder (by name) for each customer class, 21 calendar days from the date of the Commission's award of bids for the final tranche.

(b) Notwithstanding the foregoing or any other provision of this Agreement, the Utility may share any Confidential Information with the Delaware Public Service Commission, its Staff, or the Consultant working for the Delaware Public Service Commission pursuant to Section III of the Settlement Agreement approved by the Commission in Order No.6746 (collectively "Delaware PSC"). Any such information shared will be designated as confidential, and the Utility will ask the Delaware PSC to hold and use it on a confidential basis. To the extent that the Delaware Division of the Public Advocate and its representatives and/or consultants (collectively "DPA") enter into a confidentiality agreement to hold any shared information confidentially, Utility may also share Confidential Information with DPA for the purposes of DPA's review of the results of the RFP.

4. Disclosure upon Default. Notwithstanding the foregoing or any other provision of the Agreement, the Utility may disclose Confidential Information in the event of a Supplier Default, as provided for in the FSA. The Utility may disclose to any Company with whom it has executed

an FSA and who is not a Defaulting Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Company to make the election provided for in Section 4.11 of the FSA.

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 Utility to the Company shall include, without limitation, all data, reports, interpretations, forecasts or records relating to Utility and/or its customers, and any other document created by Utility or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the Company by Utility. Confidential Information in the case of information provided by the Company to the Utility 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 Company that includes directly or indirectly Confidential Information furnished by Utility.

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 Utility or the Company. Confidential Information belonging to Utility shall consist of Confidential Information supplied by Utility to the Company and shall also include the portion of Confidential Information furnished by the Company to Utility that incorporates Confidential Information furnished to the Company by Utility. Confidential Information belonging to the Company consists of all other Confidential Information supplied by the Company to Utility. Utility and the Company 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 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.

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 of this Agreement unless there have been substantive changes to the information required for FERC reporting purposes.

11. Termination of RFP Participation. If the Company determines that it does not wish to proceed with the RFP, or if the Utility excludes the Company 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 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 state of Delaware 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.

COMPANY

By _____

Title _____

UTILITY

By _____

Title _____

Appendix 3
PJM Qualification Certification Form

I, _____ (“Agent”) am an authorized signatory for
_____ (“Company”) and hereby certify that Company is a member
of the PJM Interconnection, LLC (“PJM”) and qualified as a market buyer and market seller in
good standing able to secure generation or otherwise obtain and delivery electricity in PJM
through compliance with all applicable requirements of PJM to fulfill a full requirements
obligation.

Signed:

Date:

Type or Print Name:

Title:

Company:

Appendix 4

FERC Authorization Certification Form

I, _____ (“Agent”) am an authorized signatory for
_____ (“Company”) and hereby certify that Company has been
authorized by the Federal Energy Regulatory Commission (“FERC”) to make sales of energy,
capacity and ancillary services at market based rates, pursuant to the Federal Power Act and the
provisions of FERC’s regulations promulgated thereunder. The Company’s authorization to
make such sales at market based rates was granted in Docket No(s). _____

Signed:

Date:

Type or Print Name:

Title:

Company:

Appendix 5

Credit Application

The following information will be used to assess the applicant's creditworthiness.

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:
Dun & Bradstreet Number:
Federal Tax ID Number:

Applicant Credit Contact Name

Name:
Title:
Phone Number:
~~Fax Number:~~
Email Address:

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration:
Registered Agent Name:
Street Address:
City, State, Zip Code:

For Limited Partnerships

Name of General Partner:
Address of General partner/Registered Agent:
City, State, Zip Code:

2. Application for Credit Basis

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

- The applicant listed under section 1.
- The parent company listed below.

Parent Guarantor Company
Legal Corporate Name:
Street Address:
City, State, Zip Code:
Dun & Bradstreet 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. Indicate below what statements are being submitted.

- Annual Report
- 10K
- 10Q
- 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

All 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. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed

that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

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.

Applicant's Credit Ratings

Standard & Poors

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Moody's

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Fitch

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Along with the above information, attach the latest review from each of the agencies.

4. 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 Delmarva necessary to perform a credit check in connection with Applicant's interest to bid on the Full Requirements Wholesale Electric Power Supply RFP.

Applicant's Company Name: _____

Signature of Authorized Official: _____

Name of Authorized Official (*print*): _____

Title of Authorized Official (*print*): _____

Date Signed: _____

Appendix 6

Enel X SUPPLIER AGREEMENT

WHOLESALE PARTICIPANT AGREEMENT

THIS WHOLESALE PARTICIPANT AGREEMENT (the "Agreement"), effective this ____ day of _____ 20__ (the "Effective Date"), is made and entered into, by and between [INSERT NAME], a Delaware corporation ("Enel X"), having offices at One Marina Park Drive, Suite 400, Boston, Massachusetts 02210, and _____, a _____ corporation ("Participant"), having offices at _____. Enel X and the Participant are collectively referred to herein as the "Parties" and each individually is referred to herein as a "Party." This Agreement constitutes Agreement No. _____ for the purposes of record-keeping by the Parties.

RECITALS

WHEREAS, Enel X operates an Exchange on which registered energy participants may participate in Non-Binding Auctions, through which such Participants provide Bids or Offers to meet Customers' requirements for natural gas, electric capacity, electric energy, environmental and other commodity supplies based on information regarding energy related requirements posted by the Customer;

WHEREAS, Participant desires to license access to the Exchange in order to become a Participant and to participate in such Non-Binding Auctions and Enel X wishes to grant such license subject to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual promises contained herein, and other valuable and sufficient consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Definitions.

1.1 "Affiliate" of a Party means (i) any other party controlling, controlled by, or under common control with such Party or (ii) any other person or entity in any way affiliated with such party, where "control" of an entity means ownership of fifty percent (50%) or more of the voting or ownership rights of an entity.

1.2 "Auction" means an RFP that is provided to prospective participants via the Exchange or, at Enel X's discretion, another communication medium. Such RFP sets forth a Customer's projected energy needs, the maximum or minimum bid permitted by such Customer (in the case of reverse or forward auctions, respectively), and other information which may be useful for participants to prepare their bids.

1.3 "Bid" means an offer to buy a specific quantity of a commodity at a stated price.

1.4 "Customer" means a third party that enters into an agreement with Enel X for the solicitation of offers/bids to meet that Customer's needs for energy.

1.5 “Exchange” means Enel X’s on-line procurement system on which Participant and Customers can post and/or bid on RFPs to engage in energy transactions.

1.6 “Fee Addendum” means a notice that is sent by email from Enel X to Participant upon a Transaction following a Non-Binding Auction to confirm the details of the Transaction, including the Transaction Fee for fixed fee Transactions or the rate for calculation of the Transaction Fee for volume based Transactions, as applicable.

1.7 “Intellectual Property Rights” means any trade secrets, patents, copyrights, trademarks, know-how, moral rights and similar rights of any type under the laws of any governmental authority, domestic or foreign, including all applications and registrations relating to any of the foregoing.

1.8 “Non-Binding Auction” means an Auction where Participants respond to the Customer’s requirements provided in the RFP with notional and/or executable Offers regarding pricing and terms of sale but enter into a final agreement with Customer confirming the arrangement off-line following Customer’s acceptance of the Offer.

1.9 “Offer” means an indication of willingness to sell at a given price; opposite of Bid, the price level of the offer may be referred to as the “ask”.

1.10 “RFP” means a request for proposal on the Exchange in the form of a Non-Binding Auction.

1.11 “Term” has the meaning set forth in Section 6 below.

1.12 “Transaction” means, for each RFP, an agreement between Participant or any of its Affiliates and the Customer or any of its Affiliates in which Participant or such Affiliate agree to provide to or receive from such Customer or such Affiliate energy to buy or sell supplies as specified in the RFP, which agreement is executed within eighteen (18) months of the date when the bidding on such RFP is closed. Enel X typically utilizes the Exchange for most Transactions; however, Enel X retains the right to utilize whatever communication medium is in the best interest of the Customer.

1.13 “Transaction Fee” means the fee payable from Participant to Enel X for each Transaction, in an amount equal to the product of the rate per unit set forth in the applicable Fee Addendum multiplied by the applicable number of units, as specified in the Fee Addendum, which Participant physically or financially supplies to or receives from the Customer.

2. License Grant.

2.1 Subject to the terms and conditions of this Agreement, Enel X hereby grants to Participant, for the term of this Agreement, a non-exclusive, non-transferable, non-sublicensable license to access and use the Exchange and any related documentation, solely for Participant’s own internal use. Specifically, but without limitation, under no circumstances shall internal use include the processing of information for any third party or for the purpose of competing with Enel X. The name “Enel X” and any other trade name, trademark or other designation of Enel X constitute intellectual property of Enel X, and nothing contained in this Agreement grants

Customer any right to use in any advertising, publicity or other promotional activities with the prior written approval of Enel X.

2.2 No licenses to any Intellectual Property Rights of Enel X are granted or shall be implied hereunder except to the extent necessary for exercise of Participant's rights under Section 2.1 hereof.

2.3 Participant may not modify, copy, distribute, transmit, display, perform, reproduce, publish, license, reverse engineer, decompile, create derivative works from, transfer, or sell any information, software, products or services obtained from the Exchange.

2.4 Participant agrees not in any way to tamper with the functionality of the Exchange or to copy pages from the Exchange or their content except where expressly permitted on the Exchange. Without limiting the foregoing, Participant agrees not to transmit any material to the Exchange that contains any viruses, Trojan horses, worms, or other computer programming routines that may damage, interfere with, intercept, copy or misappropriate any system, data or information relating to the Exchange.

2.5 Participant agrees to use the Exchange pursuant to applicable local, state, and federal laws. Participant agrees, therefore, not to use these services to conduct any business or activity or solicit the performance of any activity that is prohibited by law.

3. Ownership.

Participant agrees and acknowledges that Enel X or its third-party providers retains ownership of all right, title and interest to all portions of the Exchange and documentation and all intellectual property rights therein, and that, other than the license granted herein, Participant shall not obtain or claim any rights in or ownership interest to the Exchange, or any associated Intellectual Property Rights.

4. Use of the Exchange; User Name and Password.

4.1 In order to use the Exchange, Enel X shall provide Participant with a user name and password which Participant must use in order to gain access to the Exchange. Participant shall keep its user name and password in strictest confidence, limiting access and disclosure to those employees of Participant with a need to know. Participant hereby assumes all responsibility and liability associated with the use of such user name and password by its employees or any other persons to whom Participant or any of its employees disclose such information.

4.2 In consideration of the Participant's use of the Exchange, Participant shall: (a) provide true, accurate, current and complete information to Enel X, (b) maintain and promptly update the information to keep it accurate and complete, and (c) not make any speculative, false, or fraudulent posting of information, requests for proposals or Bids or Offers. Fraudulent posting of such information will be considered a breach and shall result in immediate termination of Participant's access to the Exchange.

4.3 Enel X may, in its sole reasonable discretion, with or without notice, suspend or terminate Participant's use of the Exchange. Enel X reserves the right to make any and all changes to the Exchange in its sole discretion.

4.4 Enel X may record telephone conversations where authorization is given, and Participant specifically consents to the making and use of any such recordings.

4.5 Participant hereby agrees to use the Exchange solely for its internal use and will not sell, lease, store or provide, directly or indirectly, the Exchange or any portion thereof to any third party. Participant agrees to protect Enel X's proprietary rights in the Exchange, to comply with reasonable requests made by Enel X to protect Enel X's contractual, statutory and common law rights in the Exchange.

4.6 Participant acknowledges that its use of the Exchange may be restricted or limited as a result of federal, state or other applicable laws, the regulations and rules of the local Public Utilities Commission, the Securities and Exchange Commission, or other regulatory organizations. Participant shall act in accordance with all restrictions and limitations so imposed, and it will be a material breach of this Agreement for Participant to evade any such restrictions and/or limitations.

4.7 PARTICIPANT ACKNOWLEDGES AND AGREES THAT ENEL X IS NOT IN ANY WAY RESPONSIBLE FOR COMPLETION OF A CONTRACT BETWEEN PARTICIPANT AND A CUSTOMER. ANY TRANSACTIONS MUST BE COMPLETED BY PARTICIPANT AND THE APPLICABLE CUSTOMER OUTSIDE THE SCOPE OF THIS AGREEMENT AND THE EXCHANGE. NO BINDING COMMITMENT BETWEEN PARTICIPANT AND A CUSTOMER IS CREATED THROUGH THIS AGREEMENT OR THE EXCHANGE.

5. Fees and Payment Terms.

5.1 Participant hereby agrees to pay to Enel X each Transaction Fee payable on energy supplies that were awarded to the Participant during the auction process and actually executed by the Customer and Participant.

For the RFPs designated as having known fixed quantities, payment is due 30 days after the Participant has been notified regarding the award of the RFP.

5.2 Upon a Transaction following a Non-Binding Auction, Enel X shall email a Fee Addendum to Participant to confirm the details of the Transaction, including the Transaction Fee for fixed fee Transactions or the rate for calculation of the Transaction Fee for volume based Transactions, as applicable. Upon receipt of this Fee Addendum, Participant shall have five (5) business days to reply via email with acceptance of the Fee Addendum or dispute any elements of the Fee Addendum. After this period, the Fee Addendum is considered accepted by the Participant. Unless otherwise stated in the RFP, Participant agrees that payment of the Transaction Fee stated in the Fee Addendum shall be due in accordance with the terms of the Agreement upon Participant's receipt of the Fee Addendum. No additional signed writing shall be required between Participant and Enel X obligating Participant to pay such fees.

5.3. All Transaction Fees payable hereunder shall be paid in United States Dollars and sent to the address set forth in Section 11.6 hereof. No Transaction Fees are refundable or cancelable, except as set forth in Section 5.7.

5.4. Participant agrees to make and keep full and accurate books and records in sufficient detail to enable Transaction Fees payable to Enel X hereunder to be determined. *An electronic record will accompany each payment to Enel X indicating the amount of units consumed, service period, and Transaction Fee owed Enel X.* Enel X shall have the right to make an audit of the books and records of Participant that pertain to the calculation of Transaction Fees. Enel X shall treat as confidential all information obtained in such audit and shall not disclose the same to others, except to the extent necessary to enforce Enel X's rights hereunder. On five (5) days' prior written notice to Participant, Enel X or its representative shall have full access to the books and records of Participant necessary to confirm whether Transaction Fees are due to Enel X under this Agreement, and Enel X shall have the right to make copies thereof at Participant's expense. Enel X shall have such access during normal business hours. Prompt adjustment shall be made to reflect the results of such audit. If it is determined following such audit that any Transaction Fee for the period covered by such audit was not paid by Participant, then Participant shall reimburse Enel X for the reasonable out-of-pocket costs of such audit incurred by Enel X within thirty (30) days after Enel X's demand therefor, along with the shortfall of payments of Transaction Fees, and with interest on the shortfall amount at the rate applicable to late payments hereunder as set forth below.

5.5. All overdue payments shall bear interest of the lesser of (i) the rate of one and one-half percent (1.5%) per month or (ii) the maximum rate allowed by law, in either case plus Enel X's cost of collection (including reasonable attorney's fees).

5.6. Participant shall be solely responsible for the payment of any and all taxes arising, out of Participant's use of the Exchange, including, but not limited to, any sales, use, access and/or business taxes, excluding taxes based on the income of Enel X.

5.7. If a Transaction is terminated for any reason, all Transaction Fees applicable to that Transaction will cease on the effective date of contract termination. If Participant is later paid for any portion of the energy purchased by Customer from Participant under an RFP, whether by voluntary payment or damages, Participant shall immediately pay to Enel X the portion of the applicable Transaction Fee allocable to the paid energy amount.

6. Term and Termination.

6.1. The Term of this Agreement shall commence on the Effective Date and continue until terminated pursuant to this Section 6.

6.2. Either Party may terminate this Agreement upon thirty (30) days prior written notice; provided that, upon any termination of this Agreement, the license granted in Section 2 and all other rights of the Parties under this Agreement shall terminate, except that, notwithstanding the foregoing, the rights and obligations under Sections 3, 5, 6, 7, 8, 9, 10, and 11 herein shall continue in full force and effect.

7. Indemnity.

7.1 Enel X agrees to indemnify, defend and hold harmless Participant and its officers, directors, employees, agents, successors and assigns from and against any and all losses, liabilities, damages, penalties and claims and all related costs and expenses (including reasonable attorneys' fees) related to claims made by third parties against Participant alleging that the use of the Exchange by Participant infringes the patents, copyrights, trademarks or service marks or other intellectual property rights of such third parties (a "Third Party Infringement Claim").

7.2 Participant agrees to indemnify, defend and hold harmless Enel X and its officers, directors, employees, agents, successors and assigns from and against any and all losses, liabilities, damages, penalties and claims and all related costs and expenses (including reasonable attorneys' fees) related to claims (i) that Participant or Participant's use of the Exchange are restricted or barred by any governmental rule, regulation or statute; (ii) based on dispute between Participant and a Customer other than a Third Party Infringement Claim; and/or based on a breach of this Agreement by Participant.

7.3 Each Party agrees to promptly notify the indemnifying party in writing of any indemnifiable claim. The indemnifying party shall control the defense and settlement of an indemnifiable claim. The indemnified party shall cooperate in all reasonable respects with the indemnifying party and its attorneys in the investigation, trial, defense and settlement of such claim and any appeal arising therefrom. The indemnified party may participate in such investigation, trial, defense and settlement of such claim and any appeal arising therefrom, through its attorneys or otherwise, at its own cost and expense. No settlement of a claim that involves a remedy other than the payment of money by the indemnifying party shall be entered into without the consent of the indemnified party, which consent shall not be unreasonably withheld.

7.4 Should the Exchange become, or in Enel X's sole discretion be likely to become, the subject of any claim or action for infringement, Enel X may (a) procure for Participant the right to continue using the Exchange as contemplated hereunder; (b) modify the Exchange to render the Exchange non-infringing; or (c) if the foregoing alternatives are not reasonably available to Enel X, terminate this Agreement without any further obligation or liability whatsoever to Participant.

8. Warranties and Disclaimer.

8.1 ENEL X MAKES NO WARRANTY WHATSOEVER AS TO THE EXCHANGE, THE ACCURACY OF CUSTOMER INFORMATION, OR ANY SERVICES PROVIDED BY ENEL X HEREUNDER, EXPRESS OR IMPLIED. PARTICIPANT EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE EXCHANGE IS PROVIDED BY ENEL X AND ANY THIRD PARTY PROVIDERS ON AN "AS IS", "AS AVAILABLE" BASIS AT PARTICIPANT'S SOLE RISK. ENEL X EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT.

8.2 ENEL X, AND ITS OFFICERS, AFFILIATES, EMPLOYEES AND AGENTS SHALL HAVE NO LIABILITY, CONTINGENT OR OTHERWISE, TO PARTICIPANT OR TO THIRD PARTIES, FOR THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE EXCHANGE OR FOR DELAYS OR OMISSIONS THEREIN, OR FOR INTERRUPTIONS IN THE DELIVERY OF THE EXCHANGE OR ANY SERVICES OFFERED BY ENEL X THEREUNDER. ENEL X SHALL NOT HAVE ANY RESPONSIBILITY TO INFORM PARTICIPANT OF ANY DIFFICULTIES EXPERIENCED BY ENEL X OR ANY THIRD PARTIES WITH RESPECT TO USE OF THE EXCHANGE OR TO TAKE ANY ACTION IN CONNECTION THEREWITH. FURTHER, ENEL X SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY, CORRECT, COMPLETE OR UPDATE ANY INFORMATION DISPLAYED ON THE EXCHANGE.

9. Disclaimer and Limitation of Liability.

9.1 IN NO EVENT SHALL EITHER PARTY OR THEIR RESPECTIVE OFFICERS, AFFILIATES, EMPLOYEES AND AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR FOR SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, MULTIPLE, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES OF ANY KIND, WHETHER BASED IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION, NEGLIGENCE), WARRANTY, GUARANTEE OR ANY OTHER LEGAL OR EQUITABLE GROUNDS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.2 TO THE EXTENT ALLOWED BY APPLICABLE LAW, IN NO EVENT SHALL ENEL X'S LIABILITY ARISING HEREUNDER EXCEED THE AMOUNT OF FEES DUE BY PARTICIPANT TO ENEL X UNDER THIS AGREEMENT.

9.3 NEITHER PARTY SHALL MAKE REPRESENTATIONS OR WARRANTIES TO ANY THIRD PARTY ON BEHALF OF THE OTHER PARTY AND IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY REPRESENTATION OR WARRANTY MADE TO ANY THIRD PARTY BY THE OTHER PARTY. THE LIMITATIONS CONTAINED IN THIS SECTION 9 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND APPLY NOTWITHSTANDING THE VALIDITY OF THE LIMITED REMEDIES PROVIDED FOR IN THIS AGREEMENT.

10. Use of Information; Confidentiality.

10.1 Participant's Information. The name and pricing information (if applicable) that Participant may provide to Enel X via the Exchange, together with information regarding the manner in which Participant uses the Exchange, will not be processed or disclosed by Enel X except as contemplated by this Agreement. Notwithstanding the foregoing, Enel X may share such information with affiliates to the extent permitted by applicable law and the Enel X energy procurement advisory process guidelines, as applicable, and as amended from time to time. Participant agrees that Enel X may share with other parties aggregate information, gathered by Enel X in the course of its operation of the Exchange. "Aggregate Information" is information

that describes the habits, pricing data, usage patterns and/or demographics of Participant and other users as a group but does not describe or reveal Participant's identity.

10.2 Enel X's Information. Participant shall not disclose the terms and conditions of this Agreement or any Fee Addendum hereto, including without limitation the fees charged to Participant by Enel X, to any third party without the express prior written consent of Enel X.

11. OFAC Compliance.

11.1 Each Party represents and warrants to the other Party that at the Effective Date neither it nor any of its officers, members of its governing body, shareholders owning at least a 5% interest in the party or any company that the Party owns on at least a 50% basis or otherwise controls, or is under common control by the ultimate parent company, are (i) subject to sanctions under U.S. law, including designation by the US Department of the Treasury's Office of Foreign Assets Control ("OFAC") as a Specially Designated National ("SDN"), Foreign Sanctions Evader ("FSE"), Sectoral Sanctions Identification List ("SSIL") entity, designation by the US Commerce Department's Bureau of Industry and Security ("BIS") on the Entity List or List of Denied Persons, or similar additional lists of restricted parties that OFAC and/or BIS may create from time to time; (ii) subject to EU sanctions adopted by any Council Decisions or Regulations under EU law; (iii) subject to sanctions pursuant to a decision by the UN Security Council; (iv) subject to any other similar sanction imposed by applicable laws or regulations which may have a material effect pursuant to the terms, conditions or provisions of this Agreement, or a reputational impact (hereinafter collectively "Sanctions"); (v) engaged in any activity or have previously been engaged in any activity that could create exposure under US sanctions applicable to non-US persons acting without any US nexus, including but not limited to statutes and other legal instruments pertaining to US sanctions against Iran, North Korea, and Russia. 11.2 Each Party shall promptly communicate in writing to the other any change to the above mentioned representations and warranties which may occur during the Term. 11.3 Each Party shall indemnify and hold harmless the other Party for any damage, loss, cost or expense arising from or connected to the violation of such representations and warranties.

11.4 Subject to the foregoing, each Party may also terminate this Agreement in the event, as from its execution until the expiration date, the other Party violates the terms of the representations and warranties set forth herein.

11.5 In such a case each Party may give a notice of termination to the other Party stating the ground thereof and the Parties may negotiate in good faith in order to mitigate as much as possible any loss or damage in connection with or arising from the Sanctions. Failing such agreement, within 30 days as from the notice of termination, this Agreement shall be automatically terminated and each Party shall waive to any claim, action or petition in connection with or arising from the Sanctions, subject to any other remedy it might have under the law or under the contract, arising from any other unfulfilled obligation under the Agreement.

12. General Provisions.

12.1 Independent Contractors. Neither Party is an agent or representative of the other Party and neither Party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability, or to otherwise bind, the other Party.

12.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any other written or oral agreement or understanding with respect to the subject matter hereof. The terms and conditions of this Agreement may not be modified or amended other than by a writing signed by both Parties.

12.3 Severability of Provisions. In the event that any provision of this Agreement is found to be invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms.

12.4 Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their successors and permitted assigns. None of the rights, duties and obligations of any Party hereunder may be assigned without the prior written consent of the other Party; provided, however, that each Party may assign this Agreement to an Affiliate or to the surviving entity in a merger or consolidation in which it participates, or to a purchaser of all, or substantially all, of its businesses related to this Agreement so long as such surviving entity or purchaser shall expressly assume, in writing, the performance of all of the applicable terms of this Agreement.

12.5 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts without giving effect to applicable conflict of laws provisions. Each Party hereby agrees to the exclusive jurisdiction of the courts in Suffolk County, Massachusetts.

12.6 Notices. Except as specifically provided in this Agreement, all notices required hereunder shall be in writing and shall be given by personal delivery, overnight courier service, registered mail, or via facsimile transmission, to the Parties at their respective addresses or facsimile number set forth set forth above, facsimile number for Enel X at (617) 224-9910 and for Participant at _____, or at such other address(es) or facsimile number as shall be specified in writing by such Party to the other Party in accordance with the terms and conditions of this Section 11.6. All notices shall be deemed to have been given on the day of actual receipt thereof.

12.7 Waiver. No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

12.8 Force Majeure. Either Party shall be excused from any delay or failure in performance hereunder (excluding payment obligations) caused by reason of any occurrence or contingency beyond its reasonable control, including but not limited to, acts of God, earthquake, labor disputes and strikes, riots, war, common carrier interruptions, breakdown in facilities and government requirements. The obligations and rights of the Party so excused shall be extended on a day-to-day basis for the period of time equal to that of the force majeure event.

12.9 Ethics and Anticorruption. Enel X declares that in managing its business activities and its relationships, it adheres to the principles contained in its Code of Ethics, the Zero Tolerance of Corruption Plan and the Organisation & Management Model adopted pursuant to Italian Legislative Decree 231/2001 (available at <https://www.enel.com/investors/a/2016/08/code-of-ethics>). Moreover, as a subsidiary of Enel S.p.A., Enel X declares its adherence to the United Nations Global Compact. Enel X wishes its counterparties to refer to the same principles in managing their business activities and relationships. Enel X prohibits any promises, offers, or requests of illegal payments, in cash or other benefits, with the objective of gaining an advantage in its relationships with stakeholders, and this prohibition is extended to all of its employees.

12.10 Privacy Laws. The parties shall comply at all times with the requirements of applicable data privacy laws, including Regulation (EU) 2016/679 known as the General Data Protection Regulation, as may be amended from time to time. The Privacy Notice Standard available at _____ shall form part of the Agreement and are hereby incorporated by reference.

12.11 Execution in Counterparts and by Facsimile. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile and the Parties agree that such facsimile execution and delivery shall have the same force and effect as delivery of an original document with original signatures.

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first set forth above.

[INSERT NAME]

[INSERT PARTICIPANT NAME]

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Appendix 7

Pre-Bid Creditworthiness Collateral Letter of Credit

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE 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 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 NO LESS THAN 60 DAYS FROM THE EFFECTIVE DATE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THE BENEFICIARY’S DELAWARE REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE DATED (DATE) 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.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT 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 _____ (BANK) LETTER OF

CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR BID ASSURANCE RELATED TO THE BENEFICIARY'S DELAWARE REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE AGREEMENT DATED _____ (RFP)."

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.

THIS LETTER OF CREDIT MAY BE TERMINATED 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 ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS.

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 [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO [BENEFICIARY] UP TO, BUT NOT BEYOND, THE STATED EXPIRY 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") OR SUCH LATER REVISION (S) OF THE ISP

AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. 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 AVAILABILTY 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

Appendix 8

Full Requirements Service Agreement

Exhibit 3

Revised Proposed 2021 Request for Proposals for
Full Requirements Wholesale Electric Power Supply in Delaware
(Clean Version)

**DELMARVA POWER & LIGHT COMPANY
2021
REQUEST FOR PROPOSALS
FOR
FULL REQUIREMENTS WHOLESALE ELECTRIC
POWER SUPPLY
IN
DELAWARE**

**Dated
October 7, 2020**

**Request for Proposals
For
Full Requirements Wholesale Electric Power Supply
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7. Pre-Bid Creditworthiness Collateral Letter of Credit
8. Full Requirements Service Agreement

Request for Proposals For Full Requirements Wholesale Electric Power Supply

1. Introduction

Delmarva Power & Light Company (Delmarva) provided electric supply service to Delaware customers through fixed price power supply tariffs offered by Delmarva pursuant to settlements filed with the Delaware Public Service Commission (“Commission”) as part of electric restructuring (Docket No. 99-163) and the merger involving Delmarva and Potomac Electric Power Company (Docket No. 01-194). These offers and Delmarva’s obligation to provide Standard Offer Service (“SOS”) expired as of April 30, 2006. In October 2004, the Commission established Docket No.04-391 to investigate and determine: (a) which entity will act as the SOS supplier in the Delmarva service territory as of May 2006; and (b) what prices will be charged for SOS in the Delmarva service territory as of May 2006. On March 22, 2005 the Commission issued Order No. 6598 addressing certain major policy issues including determining that the SOS shall be provided by Delmarva using a wholesale model (Phase 1). On July 18, 2005, a Phase 2 settlement was presented to the Commission proposing the terms and conditions for provision of electric service at the end of the current fixed price offers. Also included in the settlement was a brief description of the Bid Plan procedures and the Request For Proposal (RFP) process. On September 16, 2005 a detailed Bid Plan which consisted of the Full Requirements Service Agreement (“FSA”) and the RFP was filed with the Commission. On October 11, 2005 in Order No. 6746, the Delaware Public Service Commission approved the settlement agreement by which Delmarva will procure SOS to customers through the competitive selection of wholesale supply. The Bid Plan was approved on October 11, 2005 in Order No.6746 and the first wholesale competitive bid process was completed in February 2006.

On April 6, 2006, the Delaware Legislature enacted the “Electric Utility Retail Customer Supply Act of 2006”. On June 20, 2006 the Commission issued Order No. 6943 initiating a process to revisit the RFP procedures to explore and determine what changes, if any, should be made to the RFP procurement process previously accepted by the Commission in Order No. 6746. On October 17, 2006, the Commission issued Order No. 7053 approving consensus recommendations for improving the process and adopting certain additional recommendations related to contested issues. On September 18, 2007, the Commission issued Order No. 7284 approving consensus recommendations and the revised RFP and FSA for the 2008 process to be in place by October 1, 2007.

In mid-year 2008, Delmarva executed four long-term contracts for wind energy and Renewable Energy Credits (“RECs”) in amounts to meet its Delaware obligations under the Renewable Energy Portfolio Standards Act. On July 29, 2008, Delmarva filed an application with the Commission to modify the process by which it procures electricity for SOS customers by removing the requirement that wholesale electricity suppliers provide RECs to Delmarva. On August 19, 2008, the Commission approved the application in Order No. 7432. On October 7, 2008, the Commission issued Order No. 7461, which provides that SOS supply be procured using

the Enel X¹ (formerly World Energy Solutions, then EnerNOC) reverse auction process for contracts effective June 1, 2009 and beyond. On October 6, 2009, the Commission issued Order No. 7670 in Docket No 04-391 modifying the RFP and FSA for the 2010 process to be in place by October 7, 2009. On September 21, 2010, the Commission issued Order No. 7846 in Docket No. 04-391 modifying the RFP and FSA for the 2011 process to be in place by October 6, 2010. On September 20, 2011, the Commission issued Order No. 8038 in Docket No. 04-391 modifying the RFP and FSA for the 2012 process to be in place by October 5, 2011. On September 18, 2012, the Commission issued Order No. 8216 in Docket No. 04-391 modifying the RFP and FSA for the 2013 process to be in place by October 3, 2012. On September 26, 2013, the Commission issued Order No. 8460 in Docket No. 04-391 modifying the RFP and FSA for the 2014 process to be in place by October 2, 2013. On May 13, 2014, the Commission issued Order No. 8562, which closed Docket No. 04-391. On September 30, 2014 in Docket No. 14-144, the Commission issued Order No. 8642 modifying the RFP and FSA for the 2015 process to be in place by October 1, 2014. On April 1, 2015, Delmarva Power submitted its request for approval of the 2015 Standard Offer Service Rates, Procurement Cost Adjustment and RARM filing identified as Docket No. 15-0889. On May 5, 2015, pursuant to Order No. 8732 in Docket No. 15-0889, the Commission approved the revised tariff sheets and revised rates, on a temporary basis, with usage on and after June 1, 2015, subject to refund. On September 2, 2015, Delmarva filed proposed changes to the RFP and FSA for the 2016 process, which was amended by an amended filing on September 4, 2015. On September 22, 2015, the Commission issued Order No. 8795 in Docket No. 15-0889 modifying the RFP and FSA for the 2016 process to be in place by September 30, 2015. On October 6, 2016, Commission issued Order No. 8946 in Docket No. 16-0909 modifying the RFP and FSA for the 2017 process to be in place by October 7, 2016.

On May 23, 2017, the Commission issued Order No. 9064 in Docket No. 14-0283, in which the Commission directed Delmarva to transition from three-year to two-year laddered, fixed price contracts for its Residential and Small Commercial & Industrial FP-SOS Service Type. The move to two-year contracts requires two transition years – for the 2018 and 2019 delivery years – during which time some of the contracts will have a term of only one year. The terms of the other Service Types included in this RFP are not affected by the requirements of Order 9064. On September 14, 2017, the Commission issued Order No. 9113 in Docket No. 17-1016 approving modifications to the RFP and FSA for the 2018 process to be in place by October 4, 2017. On September 25, 2018, the Commission issued Order No. 9276 in Docket No. 18-1065 approving modifications to the RFP and FSA for the 2019 process to be in place by October 3, 2018. On September 12, 2019, the Commission issued Order No. 9463 in Docket No. 19-0520 approving modifications to the RFP and FSA for the 2020 process to be in place by October 9, 2019. On September 9, 2020, the Commission issued Order No. XXXX in Docket No. 20-0536 approving modifications to the RFP and FSA for the 2021 process to be in place by October 7, 2020.

This RFP reflects the improved wholesale bidding process set forth in Docket No.04-391 to solicit proposals from suppliers interested in providing Fixed Price SOS (“FP-SOS”) to Delmarva for the customer Service Types and terms indicated in Section 2.2 (Product Definition).

¹ Effective October 1, 2018, EnerNOC has rebranded to Enel X. All legacy EnerNOC agreements and auction platform functionality remain in-place.

The RFP is for full requirements wholesale supply service to meet the needs of Delmarva's SOS retail load obligations in Delaware as described in the settlement and further described in the RFP. Fixed Price SOS bids will only be accepted through the Enel X web-based auction platform.

2. Services Requested

2.1. Supply Requirement Overview

Delmarva is requesting full requirements wholesale supply service generally including energy, capacity, ancillary services and losses, but excluding renewable energy obligations and network integration transmission service. A supplier of full requirements service will have an obligation stated as a specific percentage of Delmarva retail load for specific Service Types, and as such, full requirements service encompasses any changes in customers' demand for any reason.

In order to mitigate wholesale suppliers' exposure to the volumetric risk associated with the Medium General Service-Secondary FP-SOS, Large General Service-Secondary FP-SOS and General Service-Primary FP-SOS Service Types an increment load pricing mechanism, as described in the FSA, has been included in this solicitation. Generally, upon a date certain associated with each awarded bid block, Delmarva will determine the specific amount of capacity peak load contribution (PLC) in megawatts (MW) represented by each awarded bid block (base load). As set forth in Section 2.3 (Multi-Tranche process), each bid block equates to a specific and fixed percentage of the load, and at the time of this RFP, such percentage equates to about 50 MW. However, over time as Delmarva load changes, the MW equivalency of such fixed percentage shall change accordingly. The supplier will be paid its awarded bid price for such base load plus any additional load up to 5 MW per awarded bid block. For load exceeding the base load plus 5 MW per awarded bid block, that "incremental" load will become the responsibility of Delmarva. If load declines below the base load in an amount that equals 3 MW per awarded bid block, a new base load is established at the former base load less 3 MW per awarded bid block.

PJM Base Residual Auction Delays due to FERC Order on PJM Extended Minimum Offer Price Rule (MOPR): For each month in the contract term that the Zonal Net Load Price for capacity resulting from the Base Residual Auction (BRA) is unknown at the time Suppliers provide their offers in a Standard Offer Service auction pursuant to this RFP, Suppliers shall incorporate a proxy Net Load Price of \$151.70/MW-day for capacity into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial & Industrial (RSCI) class. For each billing month in which the proxy price was used by the Suppliers, an additional line item on the SOS Invoice will show a supplemental capacity payment or charge. A supplemental capacity payment will be stated if the Final Zonal Net Load Price for capacity is higher than the proxy Zonal Net Load Price, and a supplemental capacity charge will be stated if the Final Net Load Price for capacity is lower than the proxy Zonal Net Load Price. The supplemental capacity payment or charge will equal the Final Zonal Net Load Price for the Utility's PJM zone less the proxy Zonal Net Load Price, multiplied by the Seller's unforced capacity obligation for each day of the billing month.

The specific definition of full requirements service and associated responsibilities are stated in the FSA, which is included as part of this RFP document as Appendix 7. The PLC

associated with the customer classes for which Delmarva is soliciting wholesale supply in this RFP is stated in the following table using data as of July 23, 2020. Two representations of PLC are provided. The first represents that portion of the PLC associated with customers, currently receiving SOS from Delmarva, for whom wholesale supply will be solicited in the RFP. The second represents an equivalent proportion of the PLC associated with customers currently eligible for a specific Service Type within Delmarva service territory. These PLCs will be updated to a date closer to when the RFP is issued.

<u>Service Type</u>	<u>Capacity PLC Megawatts as of July 23, 2020</u>	
	<u>SOS</u>	<u>Eligible</u>
Residential and Small Commercial & Industrial FP-SOS	398.6	449.2
Medium General Service-Secondary FP-SOS	109.7	246.0
Large General Service-Secondary FP-SOS	7.1	74.6
General Service-Primary FP-SOS	19.3	112.3
Total	534.7	882.4

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, the composition of Delmarva’s portfolio of contracts will target the following load percentages for each contract term for the various Service Types. The specific contracts for which Delmarva is soliciting in this RFP are indicated in Section 2.2 (Product Definition).

2.2. Product Definition

In this RFP, Delmarva is soliciting full requirements wholesale service for the terms indicated below.

<u>Term Description</u>	
Residential and Small Commercial & Industrial (RSCI) FP-SOS:	24-Month Term, June 1, 2021 - May 31, 2023
Medium General Service - Secondary (MGS) FP-SOS:	12-Month Term, June 1, 2021 - May 31, 2022
Large General Service - Secondary (LGS) FP-SOS:	12-Month Term, June 1, 2021 - May 31, 2022
General Service - Primary (GS-P)	

FP-SOS:

12-Month Term, June 1, 2021 - May 31, 2022

2.3. Multi-Tranche Process

The selection of proposals by Delmarva in this solicitation will be conducted through a multi-tranche process following the contract term portfolio criteria stated in Section 2.1 (Supply Requirement Overview). As specified in Section 6 (Schedule for RFP Process), this process will allow for up to three tranches to fulfill Delmarva's requests for its various Service Types. The process is designed, however, such that Delmarva requests are fully met in no more than two tranches, as set forth below. Any remaining tranche(s) will be reserved for use only if Delmarva requests go unfulfilled in the prior tranche(s). If multi-year contracts are applicable, the load associated with each tranche will be further divided among the contract terms. The load within each tranche and for each contract term is further divided into bid blocks. Each bid block represents a certain and specific percentage of the associated load, as of the date indicated in the header of the capacity PLC table in Section 2.1 (Supply Requirement Overview). The bid block design for this solicitation is as follows.

	<u>Contract Term</u>	
	<u>12-Month</u>	<u>24-Month</u>
Residential and Small Commercial & Industrial FP-SOS		
		50.0%
Approximate Total PLC, MW		398.6
Block Size, %		6.25%
Approximate Block Size, MW		49.8
Total # of Blocks		8
Tranche 1 Blocks		4
Tranche 2 Blocks		4
Medium General Service-Secondary FP-SOS		
	100.0%	
Approximate Total PLC, MW	109.7	
Block Size, %	33.3333%	
Approximate Block Size, MW	36.6	
Total # of Blocks	3	
Tranche 1 Blocks	2	
Tranche 2 Blocks	1	
Large General Service-Secondary FP-SOS		
	100.0%	
Approximate Total PLC, MW	7.1	

Block Size, %	100.0%
Approximate Block Size, MW	7.1
Total # of Blocks	1
Tranche 1 Blocks	1

General Service-Primary

FP-SOS	100.0%
Approximate Total PLC, MW	19.3
Block Size, %	100.0%
Approximate Block Size, MW	19.3
Total # of Blocks	1
Tranche 1 Blocks	1

Unfilled Tranche Targets:

The number of blocks in each tranche for each contract term is a Delmarva target. If the amount of conforming bids in any tranche is unable to meet that tranche's targets, then the unfilled portion of that tranche will be included in the next tranche, and the targets in the next tranche will be revised accordingly. If in the last tranche in which bids are being solicited, as set forth above for any Service Type, any multi-year contract targets are not met, then conforming surplus single-year bids will fill the deficiencies. If in the last tranche there are not sufficient conforming surplus single-year bids to fill a multi-year contract target deficiency, or if the single-year contract target has not been met, then the remaining reserve tranche(s) will be conducted to solicit for any deficiencies.

2.4. Reverse Auction

Within each tranche and for each FP-SOS bid block offered by Service Type and Term, there is a single auction conducted on the Enel X web-based auction platform. The energy price offers shall be in terms of \$/MWh. Each auction will open and close as shown below and will be conducted in accordance with the following schedule:

Tranche 1 – November 30, 2020

DELMARVA DELAWARE - SOS - TRANCHE 1 AUCTION DAY SCHEDULE				
Service Type/Offer	Auction No.	Open	Close	Input Price Offer
RSCI-24 Mth /1 block	1	10:00 AM	10:30 AM	\$/MWhr
RSCI-24 Mth /1 block	2	10:00 AM	10:40 AM	\$/MWhr
RSCI-24 Mth /1 block	3	10:00 AM	10:50 AM	\$/MWhr

RSCI-24 Mth /1 block	4	10:00 AM	11:00 AM	\$/MWhr
MGS /1 block	5	10:00 AM	11:10 AM	\$/MWhr
MGS /1 block	6	10:00 AM	11:20 AM	\$/MWhr
LGS /1 block	7	10:00 AM	11:30 AM	\$/MWhr
GS-P /1 block	8	10:00 AM	11:40 AM	\$/MWhr

Tranche 2 – January 25, 2021

DELMARVA DELAWARE - SOS - TRANCHE 2 AUCTION DAY SCHEDULE				
Service Type/Offer	Auction No.	Open	Close	Input Price Offer
RSCI-24 Mth /1 block	1	10:00 AM	10:30 AM	\$/MWhr
RSCI-24 Mth /1 block	2	10:00 AM	10:40 AM	\$/MWhr
RSCI-24 Mth /1 block	3	10:00 AM	10:50 AM	\$/MWhr
RSCI-24 Mth /1 block	4	10:00 AM	11:00 AM	\$/MWhr
MGS /1 block	5	10:00 AM	11:10 AM	\$/MWhr

Bids will only be accepted through the Enel X web-based auction platform events to be held on November 30, 2020 and January 25, 2021 in accordance with the schedule specified in Section 6 (Schedule for RFP Process) starting at 10:00 AM EPT. The bid block auctions will be held at <http://www.exchange.apps.enelx.com>, which is the auction website.

During each auction, bidders will be able to see all the bids they have posted and the current low

bid. All bids shall be anonymous.

In order to access and use the auction website, eligible bidders will be contacted by Enel X, the proprietor of the auction website, and will be required to sign a Supplier Agreement with Enel X before being issued a password to access the auction website. Please note that all legacy World Energy Solutions, Inc. and/or EnerNOC, Inc. Supplier Agreements are still valid under Enel X. Appendix 6 contains the Enel X Supplier Agreement. In addition, all eligible bidders must agree to pay a required fee to Enel X for any auction awards made by Delmarva to the bidders as a result of this RFP. All bids submitted must be inclusive of this fee. Bidders who fail to satisfy all the Pre-Bid requirements in Section 3 in a timely manner will be denied access to the auction website and such bidders will not be able to participate in the Auction.

All costs and expenses associated with developing and/or submitting a bid in response to this RFP and/or any related activity following the submission of any such bid shall be borne by the bidder.

Questions regarding the auction process should be directed to Sean Perry of Enel X by email to sean.perry@enel.com or telephone at 1-617-688-1322 no later than 5:00 pm EPT on Tuesday November 24, 2020. All questions and their answers shall be posted on the Delmarva DE RFP Website.

Interested bidders are invited to call into a pre-bid teleconference on the auction process to be held in mid-October 2020. A meeting invitation will be sent out to interested bidders. Participants will be able to ask questions only during the open floor portion of the call. For purposes of this teleconference, it is not required that individual or company names be identified when questions are asked. The teleconference will include a demonstration of the auction platform. Internet access will be required for this demonstration.

2.5. Supplier Step-Up Provision

As set forth in the FSA, in the event of an early termination of a FSA, all other wholesale suppliers serving Delmarva FP-SOS load, pursuant to the Delaware Public Service Commission Orders and approved settlement in Docket No. 04-391, will have the option to take a full or partial pro-rata share of the load for the balance of the terminated FSA term, under the same pricing, terms and conditions of the terminated FSA. Such option to take a pro-rata share of the load will include a transfer to the step-up supplier of any rights associated with congestion management. The supplier to which the option is offered shall meet any additional collateral requirements related to the step-up of its obligation. If any supplier does not exercise its option to increase its obligation, the other suppliers will have the option to take a pro-rata share of the amount of the increased obligation that such supplier declined to take. A supplier's pro-rata share will be the ratio of the supplier's load obligation, stated on a capacity PLC basis, to the total load being served under FSAs pursuant to the Delaware Public Service Commission Orders and approved settlement in Docket No. 04-391, excluding the terminated FSA and, if applicable, FSAs under which suppliers decline to exercise their step-up option in part or full.

2.6. Customer Restrictions

The FP-SOS procurement set forth in this RFP is to meet the supply needs for those customers that “choose not to choose” to take supply from a competitive retail supplier; are unable to obtain supply from competitive retail suppliers; or have been served by a competitive retail supplier, but, for any reason returns to FP-SOS. All customers other than General Service-Transmission are eligible for FP-SOS. Customers within the General Service-Transmission classification will be eligible for an hourly priced standard offer service (HPS) provided by Delmarva. HPS will also be available to the General Service-Primary classification subject to the restrictions described below.

Residential and Small Commercial & Industrial FP-SOS:

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, subject to Delmarva customer enrollment rules and tariffs, customers (with the exception of PIV customers) may leave and return to FP-SOS at any time without switching restrictions.

*Medium General Service-Secondary; Large General Service-Secondary;
General Service-Primary FP-SOS:*

Pursuant to the Docket No. 04-391 Phase 2 settlement agreement, subject to Delmarva customer enrollment rules and tariffs, customers may leave and return to FP-SOS at any time without switching restrictions. For the General Service-Primary customers an additional option is available to take HPS if an affirmative election is made and certain metering requirements are met prior to when bids for FP-SOS are due.

3. Eligibility of Applicants

3.1. Overview of Eligibility

The purpose of the eligibility process is to provide information to the applicants regarding their eligibility to bid. An applicant is eligible to bid if, in a timely and complete fashion, it submits an Expression of Interest Form, executes the Confidentiality Agreement, certifies that it meets the PJM membership and FERC authorization requirements stated in Section 3.4 (Submittal of Applicant's PJM and FERC Qualifications), if qualifying for unsecured credit, its, or its guarantor's, unsecured senior long-term debt is currently rated by at least two of the following three credit rating agencies, Standard & Poor's Ratings Group, Fitch Investor Services or Moody's Investor Services, and submits the Credit Application and associated financial information requested in Section 3.5 (Submittal of Credit Application and Financial Information).

An applicant must submit all available credit ratings from the aforementioned rating agencies. Except as otherwise provided hereunder, credit ratings are required to establish the pre bid creditworthiness of an applicant, its parent or its Guarantor, and to determine the maximum amount of unsecured credit to be extended in accordance with Article 14 of the FSA. The lowest credit rating will be used to determine creditworthiness and maximum Unsecured Credit amount. If such entity does not have a rating for its senior unsecured long-term debt, then the rating assigned to such entity as an Issuer Rating by the rating agencies is acceptable. In the case of an applicant that does not rely on its own financial standing to establish creditworthiness but instead relies on a parent or other entity as Guarantor, such Guarantor must be capable of executing a Guaranty on

behalf of the applicant. In the event that i) the applicant's Guarantor is not capable of executing a Guaranty on behalf of the applicant, ii) an applicant is unable to provide a Guaranty from a Guarantor with the credit requirements defined in Article 14 of the FSA, or iii) if an applicant does not meet the credit requirements defined in Article 14 of the FSA then such applicant may establish its pre-bid creditworthiness by posting creditworthiness collateral in the form of a Letter of Credit (LOC) or cash in the total amount of \$600,000 US per auction for each auction in which the applicant intends to participate. Collateral must be received by Delmarva Power by 5:00 p.m. EPT on the business day prior to the auction.

3.2. Submittal of Expression of Interest

Applicants interested in participating in this RFP are required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix 1). An electronic copy of the Expression of Interest Form will be made available to applicants for completion on the Delmarva DE RFP website. The applicant will not be eligible to submit proposals until such submission has been provided to Delmarva. Upon submission of the Expression of Interest Form, an applicant will be issued a password to access a website containing additional information related to this RFP.

3.3. Confidentiality Agreement

An applicant and Delmarva will be required to execute the Confidentiality Agreement (Appendix 2) electronically. An electronic copy of the Confidentiality Agreement can be found on the Delmarva DE RFP website. The applicant will not be eligible to submit proposals until such agreement has been executed.

Once the agreement is received from the applicant, Delmarva will complete the execution of the agreement and electronically return the fully executed agreement to the applicant.

3.4. Submittal of Applicant's PJM and FERC Qualifications

An applicant must certify that it is a member of the PJM Interconnection, LLC (PJM) and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill a full requirements obligation. In addition, an applicant must certify that it has been authorized by the Federal Energy Regulatory Commission (FERC) to make sales of energy, capacity and ancillary services at market-based rates. The PJM Qualification Certification Form (Appendix 3) and the FERC Authorization Certification Form (Appendix 4) can be found on the Delmarva DE RFP website. Such certifications must be signed by a signatory with the authority to act on behalf of the applicant. Applicants are required to submit such certifications no later than the due date noted in Section 6 (Schedule for RFP Process). The applicant will not be eligible to submit bids until such certifications have been provided to Delmarva. If, however, the applicant's good-standing membership with PJM or its FERC authorization has been adversely affected since submittal of the original documents, it is the responsibility of the applicant to immediately notify Delmarva of such events. Once notified, Delmarva will make any appropriate adjustments to the applicant's eligibility status.

3.5. Submittal of Credit Application and Financial Information

Applicants are required to submit the Credit Application (Appendix 5) and associated financial information to Delmarva no later than the Application and Financial Information due date noted in Section 6 (Schedule for RFP Process). An electronic copy of the Credit Application can be found on the Delmarva DE RFP website. The applicant should send the complete application and the associated financial information electronically. Additionally, if the applicant elects to post a LOC or cash as its creditworthiness collateral to meet the eligibility requirements as outlined in Section 3.1 hereof (Overview of Eligibility), such collateral must be posted by the due date for the Application and Financial Information. Delmarva will provide bank account wiring instructions upon request. Delmarva will hold the creditworthiness collateral until either the bidder's proposal is rejected in whole, or the bidder executes the FSA and/or Transaction Confirmations. Upon either the rejection of the bidder's proposal or the execution by the bidder of all necessary documents, the return of collateral in the form of cash will be initiated within one business day, and the return of collateral in the form of a LOC will be initiated within two business days. The bidder may request that the collateral remain with Delmarva through the entire multi-procurement period. A bidder that is awarded bid block(s) and does not execute the FSA and/or Transaction Confirmation(s) associated with such bid block(s) shall forfeit its creditworthiness collateral and be ineligible to participate in the remaining procurements of this RFP.

If, however, the applicant's credit rating has downgraded since submittal of the original documents, it is the responsibility of the applicant to immediately notify Delmarva of such event. Once notified, Delmarva will make any appropriate adjustments to the applicant's eligibility status and may require further collateral to establish creditworthiness.

All 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. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to Delmarva of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency and conform to generally accepted accounting principles (GAAP) in the United States.

Applicants are urged to provide the materials necessary to establish eligibility as soon as practicable. Delmarva will endeavor, on a best efforts basis, to notify applicants of any deficiencies in their submittals by the earlier of two weeks from the time the applicant submits its material to Delmarva or the date by which Delmarva must issue applicant's eligibility status as indicated in Section 6 (Schedule for RFP Process). However, Delmarva does not bear any responsibility for failure to notify applicants of deficiencies prior to the date indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to the deadline. Delmarva will notify applicants as soon as Delmarva has determined that they have met the eligibility requirements. In the event the applicant's information is not submitted by the due date or submitted in an incomplete fashion, the applicant will be eliminated from further consideration in the first tranche of this RFP. Therefore, it is in the applicant's best interest to submit its credit and financial information early in the process, allowing some time to cure incomplete information before the due date.

3.6. Cure Time for Deficiencies in Qualification Requirements

In the event that an applicant has not met all of the qualification requirements under Section 3 (Eligibility of Applicants) so as to not be eligible to submit proposals in the first tranche, such applicant will be allowed to cure any such deficiency and participate in subsequent tranches, if the deficiency is cured no later than two weeks prior to the due date of proposals for the next tranche.

3.7. Alternative Forms of Performance Assurance

Subsequent to the awarding of a contract to a supplier, an instrument of performance assurance to secure Delmarva's exposure during the term of the FSA may be required, as set forth in the FSA. Any performance assurance required of the supplier determined in accordance with the FSA may be in the form of cash, LOC, or other security acceptable to Delmarva. An acceptable Performance Assurance LOC form is provided as Exhibit C in the FSA. If an applicant prefers to use an alternative LOC form for the performance assurance, the applicant must provide such alternative form along with its Credit Application and financial information. If an applicant intends to use security other than cash or LOC, Delmarva requests that the applicant describe such other security at the time it submits its Credit Application and financial information. The acceptability of such alternative LOC form or such other form of security will be at the sole discretion of Delmarva, and such acceptability will be communicated to the applicant no later than the time indicated in Section 6 (Schedule for RFP Process) for the issuance of the applicants' eligibility status.

4. Proposals

4.1. Bid Format

Price Quotes for Bid Block Offered - Auctions will be held by tranche, service type, term, and bid block, for a total of thirteen separate full-requirements wholesale electric supply products. The price offers for each auction shall be for Summer Energy and Non-Summer Energy. The energy price offers shall be in terms of \$/MWh. All MWh energy shall be at the customer premise or retail meter-level. As set forth in the FSA, the MWh of energy shall be equivalent to the amount of energy reported as the supplier's obligation by Delmarva to PJM adjusted for losses in accordance with Delmarva initial and subsequent retail load settlement process. The Delmarva summer period begins on May 1 and ends on August 31, and its non-summer period begins on September 1 and ends on April 30. All price quotes are limited to two decimal places. A successful supplier will be paid its winning bid prices by season as entered and submitted into the Enel X auction platform. The prices will be paid by service type by season and will not change over the length of the contract term. The successful supplier and Delmarva will confirm the prices by executing a Transaction Confirmation Letter in accordance with the FSA.

Volume Weighting Factors - The preliminary Summer and Non-Summer factors, listed below, are provided by Delmarva. The energy factors represent Delmarva estimates of the portion of the specified Service Type load within the specified term and season based on historical distribution load data. As stated, these factors are derived from historical data, which may or may not be representative of future behavior of electricity consumption. These factors will be updated prior to the Tranche 1 auction date.

Volume Weighting Factors (%)		
Service Type	Summer	Non-Summer
GS-P	34.55	65.45
LGS	32.34	67.66
MGS	36.67	63.33
RSCI	36.37	63.63

Load Weighted Average Price - The Load Weighted Average Energy Price is determined by summing the load weighted price quotes derived by applying the corresponding seasonal volume weighting factors to the respective seasonal price quotes. The Load Weighted Average Energy Price is the single parameter that will be used to compare all offers within each auction.

4.2. Submittal of Proposals

Product Bids will only be accepted through the Enel X web-based auction platform events to be held on November 30, 2020 and January 25, 2021 in accordance with the schedule specified in Section 2.4 (Reverse Auction) and Section 6 (Schedule for RFP Process).

A bid submitted in response to this solicitation, shall a) constitute the Bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this Request For Proposals, and b) shall constitute a firm offer to supply service in accordance with the Full Requirements Service Agreement and applicable Delaware regulations. This offer is not subject to any contingencies or conditions precedent and, if accepted by Delmarva, the Bidder must agree to execute the Full Requirements Service Agreement in a timely manner as set forth in Section 6 (Schedule for RFP Process) of this Request For Proposals.

4.3. Confirmation of Proposal Receipt

Confirmation of receipt of a bidder's proposal will appear on the Enel X auction platform electronically.

4.4. Conforming Proposals

In order for a proposal(s) to be conforming, the proposal(s) must be:

- submitted using the Enel X web-based auction(s);
- submitted by the due date(s) and due time; and
- submitted by an eligible applicant.

Proposals deviating from the above criteria will be deemed non-conforming and eliminated from further consideration. Any such elimination of proposals will be communicated by Delmarva to the relevant bidder(s) as soon as practicable.

4.5. Expiration of Proposals

A bidder's proposal(s) shall expire at the earlier of the time Delmarva notifies the bidder that its proposal has been rejected or at 11:59 p.m. EPT on the scheduled day of awarding bids within each tranche, as indicated in Section 6 (Schedule for RFP Process).

4.6. Evaluation of Proposals

As described in Section 4.1, the Load Weighted Average Energy Price is the single parameter that will be used to compare all offers within each auction. A successful supplier will be paid its winning bid prices by season as entered and submitted into the Enel X auction platform.

In the event that comparable offers from different suppliers have equivalent Load Weighted Average Energy Prices (rounded-up to two decimal places, \$0.01/MWh, in the Enel X auction platform), and such Load Weighted Average Energy Term Price qualifies to be awarded a contract, the bid that is submitted first into the auction platform is the winning bid.

5. Full Requirements Service Agreement

The FSA to be executed as a result of this RFP is provided as Appendix 7. The FSA contains the parties' rights and obligations for providing and receiving full requirements wholesale electric supply, including those rights and obligations associated with performance assurance. No provision within the FSA is negotiable. There will be a master FSA executed with each supplier under which separate Transaction Confirmations will be executed for the specific Service Types and auctions.

6. Schedule for RFP Process

The solicitation and selection process will be carried out in accordance with the schedule below. However, pursuant to Docket No. 04-391, the Commission reserves the right to alter the Services Requested in Section 2 of this RFP five days prior to the auction dates. Such alteration will not occur unless there are exceptional market-altering events directly prior to the date on which bids are submitted.

<u>Activity</u>	<u>Date</u>
RFP Website goes active with due diligence information	Oct 7, 2020
Solicitation for Expressions of Interest	Oct 7
Pre-Bid Conference	Mid Oct
Confidentiality Agreement due	Oct 23
Credit Application and financial information due	Oct 23
Alternative Letter of Credit Form(s) due, if applicable	Oct 23
Alternative Form of Performance Assurance due, if applicable	Oct 23
PJM and FERC qualifications due	Oct 23
Issue applicants' eligibility status	Oct 30
Enel X Supplier Agreement due	Nov 11
Issue any revisions to 1 st tranche bid block targets	Nov 23
1 st tranche auctions begin (10:00 AM EPT)	Nov 30
1 st tranche auctions end (11:40 AM EPT)	Nov 30
Award 1 st tranche bids	Nov 30
Execute 1 st tranche FSAs and transactions	Dec 1
Execute Guaranty Agreement, if applicable	Dec 1
Approve 1 st tranche transactions	Dec 2
Issue any revisions to 2 nd tranche bid block targets	Jan 19, 2021
2 nd tranche auctions begin (10:00 AM EPT)	Jan 25
2 nd tranche auctions end (11:10 AM EPT)	Jan 25
Award 2 nd tranche bids	Jan 25
Execute 2 nd tranche FSAs and transactions	Jan 26
Execute Guaranty Agreement, if applicable	Jan 26
Approve 2 nd tranche transactions	Jan 27
If necessary, issue 3 rd tranche bid block targets	Jan 25
3 rd tranche auction(s)	Feb 1
Award 3 rd tranche bids	Feb 1
Execute 3 rd tranche FSAs and transactions	Feb 2
Execute Guaranty Agreement, if applicable	Feb 2
Approve 3 rd tranche transactions	Feb 3
Post Commission consultant's report	
3 rd tranche is not conducted by Delmarva	Feb 17
3 rd tranche is conducted by Delmarva	Mar 10
Post retail prices	early April
Contract delivery period begins	June 1

As set forth above and in the FSA, the process for fully executing and approving a FSA and/or transactions within all tranches will be as follows:

- Monday: auctions are held, bids are awarded and Delmarva will electronically submit a partially executed FSA and/or transactions to the awarded bidder;
- Tuesday: by close of business, the bidder will electronically return a fully executed FSA and/or transactions to Delmarva.
- Wednesday: by 10:00 a.m. EPT, Delmarva will submit a copy of the fully executed transactions to the Delaware Public Service Commission for review and determination of compliance with the Delmarva Bid Plan;
- Wednesday: transactions will be deemed to be in compliance with the Utility Bid Plan and approved by the Commission unless the Commission orders otherwise.

7. RFP Website

Information related to this RFP will be posted on the Delmarva RFP website at www.delmarva.com/derfp. This website will be accessible by those parties submitting an Expression of Interest Form or retail electricity suppliers that have been qualified by Delmarva to provide retail electric supply services in the Delmarva service territory pursuant to Delmarva Electricity Supplier Coordination Tariff. The information will include:

a. RFP with the following appended documents

- Expression of Interest Form
- Confidentiality Agreement
- PJM Qualification Certification Form
- FERC Authorization Certification Form
- Pre-bid Creditworthiness Collateral Letter of Credit
- Credit Application
- Enel X Supplier Agreement
- Full Requirements Service Agreement with the following appended documents
 - Transaction Confirmation Example
 - Performance Assurance Letter of Credit
 - Billing Line Item Transfers / Sample PJM Invoice
 - Methodology for Calculation of Mark to Market (MTM) Exposure
 - MTM Example Calculation for a Transaction
 - Form of Guaranty
 - Form of Notice
 - Increment Load Example

b. Docket No. 04-391 Phase 1 Order No.6598, Phase 2 Settlement Agreement, Phase 2 Order No. 6746 and Order No. 6943.

c. PJM Website Link

d. Historic, hourly, premise-level, unrestricted (excludes load reductions from demand-side services that qualify as resources in PJM), distribution load data for all eligible customers (in aggregate) within each Service Type and each customer class or partial

customer class within each Service Type. Data provided will be the latest available.

- e. Historic, hourly, premise-level, unrestricted (excludes load reductions from demand-side services that qualify as resources in PJM), SOS load data within each Service Type and each customer class or partial customer class within each Service Type. Data provided will be the latest available.
- f. Estimated loss factors associated with each Service Type and each customer class or partial customer class within each Service Type
- g. Current capacity PLCs and Network Service Peak Load contribution (NSPL) for all eligible customers (in aggregate) within each Service Type and each customer class or partial customer class within each Service Type
- h. Current capacity PLCs and NSPLs for all SOS customers (in aggregate) within each Service Type and each customer class or partial customer class within each Service Type
- i. Historic customer migration data (in aggregate) on a PLC basis, an NSPL basis, and number of customer accounts basis, for each service type, and each customer class or partial customer class within each Service Type.
- j. Seasonal (summer/non-summer) volume weighting factors by Service Type.
- k. Questions and answers

Delmarva Power will update the above data from time to time.

8. Reserved Rights

8.1. Bidder Elimination Right

If in the course of the solicitation process, any bidder is found to provide faulty information, misrepresent its financial or operational characteristics or omit any pertinent information, Delmarva reserves the right to eliminate such bidder from the solicitation process.

8.2. FSA Termination Right

If a bidder who engages in any conduct described in Section 8.1 is successful in being awarded a bid and executes the FSA and/or transactions, Delmarva reserves the right to terminate the FSA and pursue remedies as outlined in the FSA.

9. Miscellaneous

9.1. Warranty on Information

The information provided in the RFP, or on the Delmarva DE RFP website, has been prepared to assist bidders in evaluating the solicitation. It does not purport to contain all the information that may be relevant to a bidder in satisfying its due diligence efforts. Delmarva makes no representation or warranty, expressed or implied, as to the accuracy or completeness of the information, and shall not, individually or as a corporation, be liable for any representation

expressed or implied in the RFP or any omissions from the RFP, or any information provided to a bidder by any other source.

A bidder should check the Delmarva website frequently, to ensure that it has obtained the latest documentation and information. Neither Delmarva nor its representatives shall be liable to a bidder or any of its representatives for any consequences relating to or arising from the bidder's use of outdated information.

9.2. Hold Harmless

Bidder shall hold Delmarva harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise as a result of the RFP or the award of a bid pursuant to the RFP.

9.3. Proposals Become Delmarva Property

Subject to the Confidentiality Agreement, all proposals submitted by each bidder pursuant to this solicitation shall become the exclusive property of Delmarva.

9.4. Bidder's Acceptance

The submission of a proposal to Delmarva shall constitute a bidder's acknowledgment and acceptance of all the terms, conditions and requirements of this solicitation and the FSA and or transactions.

Bidder and its representatives irrevocably agree to submit to the personal jurisdiction of any Delaware State or Federal court and any appellate court thereof in respect of any action, dispute or proceeding arising out of this solicitation process, including but not limited to the execution, implementation and performance of a FSA.

9.5. Permits, Licenses and Compliance with the Law

Supplier shall obtain all licenses and permits that may be required by any governmental body or agency necessary to conduct supplier's business or to perform hereunder. Supplier's subcontractors, employees, agents and representatives of each in performance hereunder shall comply with all applicable governmental laws, ordinances, rules, regulations, orders and all other governmental requirements.

9.6. Proprietary Information

The treatment of proprietary and confidential information of a bidder's and of Delmarva is addressed in the Confidentiality Agreement (Appendix 2).

9.7. Disclosure of Awarded Bid Information

As set forth in the Phase 2 settlement agreement and further modified by the Commission in Docket No. 04-391, certain information related to the winning bidders and their awarded bids will be made public 21 calendar days from the date of the Commission's award of bids for the final tranche. Such information is as follows:

- Aggregate information about bids received and winning bids;

- Names of winning bidders for each customer class;
- Percentage of load won by each winning bidder (by name) for each customer class;

9.8. Regulatory Approvals

As indicated in Section 6 (Schedule for RFP Process), the executed transactions will be contingent upon the Delaware Public Service Commission and any necessary FERC approvals. The transactions will be deemed approved by the Delaware Commission unless the Commission orders otherwise within the two days following the execution of the transactions. Bidder agrees to cooperate, to the fullest extent necessary, to obtain any and all required State, Federal or other regulatory approvals of the FSA and/or transactions resulting from its proposal(s).

Appendix 1

Expression of Interest Form (on RFP Website)

This response is an indication of our interest in the Delmarva Power & Light Request for Proposals to provide wholesale full requirements service beginning [date of first day of delivery period].

pepco An Exelon Company		Expression of Interest		delmarva power An Exelon Company	
Expression of Interest					
Submission of this form indicates your interest in Pepco and/or Delmarva's Requests for Proposal to provide wholesale full requirements service.					
The applicant will be the authorized individual responsible for SOS wholesale full requirements electric service bid submittal.					
Note: All fields are required.					
Applicant Information		Contact Information		Company Information	
First Name Betsy		Email bjones@werockenergy.com		Legal Company Name We Rock Energy, Inc.	
Last Name Jones		Phone Number (555) 363-1461		Address 666 Toto Blvd	
Title VP Energy Sales				City Rockastan	
				State GA	
				Zip 66807-8814	
Request for Proposal					
Please select at least one (1) Request for Proposal interest from the list below:					
<input type="checkbox"/> 2020 Delmarva MD SOS RFP					
<input type="checkbox"/> 2020 Delmarva DE SOS RFP					
<input type="checkbox"/> 2020 Pepco MD SOS RFP					
<input type="checkbox"/> 2020 Pepco DC SOS RFP					
Email Filtering					
NOTICE: To ensure proper delivery of important messages, please confirm that your email application's filter does not prevent receiving emails from pepco.com or delmarva.com.					
Please click the button below to submit your request. We will send you an email confirming that your request was received. A second email will be sent within three (3) business days stating whether your request was approved or denied. If approved, access to the RFP platform shall be provided.					
Note: Not all RFPs will be open. Once an RFP is officially released per the Commission approved date, the status of the EOI will be provided.					
SUBMIT EXPRESSION of INTEREST REQUEST					

Appendix 2

Confidentiality Agreement

[Name and Address of Company]

[Date]

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between _____ (“Utility”) and _____ (“the Company”) in connection with the Company’s intent to participate in the Request for Proposals (“RFP”) to provide Full Requirements Wholesale Electric Power Supply to serve a portion of the Utility’s Residential and Small Commercial & Industrial FP-SOS, Medium General Service-Secondary FP-SOS, Large General Service-Secondary FP-SOS and General Service- Primary FP-SOS. This Confidentiality Agreement also pertains to the rights and obligations of the Utility and the Company in the event the Company ultimately is selected as a winner in the RFP and provides service pursuant to the Full Requirements Service Agreement (“FSA”). Utility and the Company 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. “Delaware PSC” has the meaning set forth in Section 3(b).
3. “Confidential Information” has the meaning set forth in Section 5.
4. “Party” means Utility or the Company.
5. “Parties” means Utility and the Company 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 and/or performing under the FSA. 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 Utility, the Company or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the Request for Proposals dated _____ and/or the FSA.

TERMS:

1. Condition Precedent. The Utility and the Company shall execute this Agreement as a condition precedent to Utility's furnishing to the Company or the Company furnishing to the Utility 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 FSA, and not for any other purpose. Neither Party shall disclose to Third Parties any information about the Utility's or Company's participation in the RFP or execution of an FSA, 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 the Utility or Company or their Representatives. Provided, however, as set forth in the Phase 2 settlement agreement and further modified by the Delaware Public Service Commission in Docket No. 04-391, the Utility shall publicly disclose aggregate information about bids received and winning bids, the names winning bidders for each customer class, and the percentage of load won by each winning bidder (by name) for each customer class, 21 calendar days from the date of the Commission's award of bids for the final tranche.

(b) Notwithstanding the foregoing or any other provision of this Agreement, the Utility may share any Confidential Information with the Delaware Public Service Commission, its Staff, or the Consultant working for the Delaware Public Service Commission pursuant to Section III of the Settlement Agreement approved by the Commission in Order No.6746 (collectively "Delaware PSC"). Any such information shared will be designated as confidential, and the Utility will ask the Delaware PSC to hold and use it on a confidential basis. To the extent that the Delaware Division of the Public Advocate and its representatives and/or consultants (collectively "DPA") enter into a confidentiality agreement to hold any shared information confidentially, Utility may also share Confidential Information with DPA for the purposes of DPA's review of the results of the RFP.

4. Disclosure upon Default. Notwithstanding the foregoing or any other provision of the Agreement, the Utility may disclose Confidential Information in the event of a Supplier Default, as provided for in the FSA. The Utility may disclose to any Company with whom it has executed

an FSA and who is not a Defaulting Supplier, the contract price of the Defaulting Supplier for the purpose of allowing the Company to make the election provided for in Section 4.11 of the FSA.

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 Utility to the Company shall include, without limitation, all data, reports, interpretations, forecasts or records relating to Utility and/or its customers, and any other document created by Utility or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the Company by Utility. Confidential Information in the case of information provided by the Company to the Utility 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 Company that includes directly or indirectly Confidential Information furnished by Utility.

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 Utility or the Company. Confidential Information belonging to Utility shall consist of Confidential Information supplied by Utility to the Company and shall also include the portion of Confidential Information furnished by the Company to Utility that incorporates Confidential Information furnished to the Company by Utility. Confidential Information belonging to the Company consists of all other Confidential Information supplied by the Company to Utility. Utility and the Company 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 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.

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 of this Agreement unless there have been substantive changes to the information required for FERC reporting purposes.

11. Termination of RFP Participation. If the Company determines that it does not wish to proceed with the RFP, or if the Utility excludes the Company 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 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 state of Delaware 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.

COMPANY

By _____

Title _____

UTILITY

By _____

Title _____

Appendix 3
PJM Qualification Certification Form

I, _____ (“Agent”) am an authorized signatory for
_____ (“Company”) and hereby certify that Company is a member
of the PJM Interconnection, LLC (“PJM”) and qualified as a market buyer and market seller in
good standing able to secure generation or otherwise obtain and delivery electricity in PJM
through compliance with all applicable requirements of PJM to fulfill a full requirements
obligation.

Signed:

Date:

Type or Print Name:

Title:

Company:

Appendix 4

FERC Authorization Certification Form

I, _____ (“Agent”) am an authorized signatory for
_____ (“Company”) and hereby certify that Company has been
authorized by the Federal Energy Regulatory Commission (“FERC”) to make sales of energy,
capacity and ancillary services at market based rates, pursuant to the Federal Power Act and the
provisions of FERC’s regulations promulgated thereunder. The Company’s authorization to
make such sales at market based rates was granted in Docket No(s). _____

Signed:

Date:

Type or Print Name:

Title:

Company:

Appendix 5

Credit Application

The following information will be used to assess the applicant's creditworthiness.

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:

Dun & Bradstreet Number:

Federal Tax ID Number:

Applicant Credit Contact Name

Name:

Title:

Phone Number:

Email Address:

For Corporation/Limited Liability Companies

Date and State of Incorporation/Registration:

Registered Agent Name:

Street Address:

City, State, Zip Code:

For Limited Partnerships

Name of General Partner:

Address of General partner/Registered Agent:

City, State, Zip Code:

2. Application for Credit Basis

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

- The applicant listed under section 1.
- The parent company listed below.

Parent Guarantor Company
Legal Corporate Name:
Street Address:
City, State, Zip Code:
Dun & Bradstreet 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. Indicate below what statements are being submitted.

- Annual Report
- 10K
- 10Q
- 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

All 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. If the applicant's, or its Guarantor's, financial data does not meet the above criteria, the following information is required in order to determine eligibility:

- a. Most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement).
- b. Most recent quarterly or mid-year audited financial information; if audited quarterly or mid-year financial information is not available, please provide most recent quarterly or mid-year financial information accompanied by an attestation by the applicant's, or its Guarantor's Chief Financial Officer (or other approved authority) that the information submitted is true, correct and a fair representation of the applicant's or Guarantor's financial condition.
- c. Credit Rating information (including rating, rating agency and date of rating).
- d. A legal opinion acceptable to the Utilities of counsel qualified to practice in the foreign jurisdiction in which the Guarantor, if applicable, is incorporated or otherwise formed that the Guaranty is, or upon the completion of execution formalities will become, the

binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

- e. Any additional information the applicant or its Guarantor wish to give that could provide comparable credit assurances to those that are provided by other applicants or Guarantors whose financial data is denominated in the United States currency, and conform to generally accepted accounting principles (GAAP) in the United States.

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.

Applicant's Credit Ratings

Standard & Poors

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Moody's

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Fitch

Last Rating Date:

Senior Unsecured Long Term Debt Rating:

Along with the above information, attach the latest review from each of the agencies.

4. 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 Delmarva necessary to perform a credit check in connection with Applicant's interest to bid on the Full Requirements Wholesale Electric Power Supply RFP.

Applicant's Company Name: _____

Signature of Authorized Official: _____

Name of Authorized Official (*print*): _____

Title of Authorized Official (*print*): _____

Date Signed: _____

Appendix 6

Enel X SUPPLIER AGREEMENT

WHOLESALE PARTICIPANT AGREEMENT

THIS WHOLESALE PARTICIPANT AGREEMENT (the "Agreement"), effective this ____ day of _____ 20__ (the "Effective Date"), is made and entered into, by and between [INSERT NAME], a Delaware corporation ("Enel X"), having offices at One Marina Park Drive, Suite 400, Boston, Massachusetts 02210, and _____, a _____ corporation ("Participant"), having offices at _____. Enel X and the Participant are collectively referred to herein as the "Parties" and each individually is referred to herein as a "Party." This Agreement constitutes Agreement No. _____ for the purposes of record-keeping by the Parties.

RECITALS

WHEREAS, Enel X operates an Exchange on which registered energy participants may participate in Non-Binding Auctions, through which such Participants provide Bids or Offers to meet Customers' requirements for natural gas, electric capacity, electric energy, environmental and other commodity supplies based on information regarding energy related requirements posted by the Customer;

WHEREAS, Participant desires to license access to the Exchange in order to become a Participant and to participate in such Non-Binding Auctions and Enel X wishes to grant such license subject to the terms and conditions set forth herein;

NOW THEREFORE, in consideration of the mutual promises contained herein, and other valuable and sufficient consideration, the receipt of which is hereby acknowledged, the Parties agree as follows:

1. Definitions.

1.1 "Affiliate" of a Party means (i) any other party controlling, controlled by, or under common control with such Party or (ii) any other person or entity in any way affiliated with such party, where "control" of an entity means ownership of fifty percent (50%) or more of the voting or ownership rights of an entity.

1.2 "Auction" means an RFP that is provided to prospective participants via the Exchange or, at Enel X's discretion, another communication medium. Such RFP sets forth a Customer's projected energy needs, the maximum or minimum bid permitted by such Customer (in the case of reverse or forward auctions, respectively), and other information which may be useful for participants to prepare their bids.

1.3 "Bid" means an offer to buy a specific quantity of a commodity at a stated price.

1.4 "Customer" means a third party that enters into an agreement with Enel X for the solicitation of offers/bids to meet that Customer's needs for energy.

1.5 “Exchange” means Enel X’s on-line procurement system on which Participant and Customers can post and/or bid on RFPs to engage in energy transactions.

1.6 “Fee Addendum” means a notice that is sent by email from Enel X to Participant upon a Transaction following a Non-Binding Auction to confirm the details of the Transaction, including the Transaction Fee for fixed fee Transactions or the rate for calculation of the Transaction Fee for volume based Transactions, as applicable.

1.7 “Intellectual Property Rights” means any trade secrets, patents, copyrights, trademarks, know-how, moral rights and similar rights of any type under the laws of any governmental authority, domestic or foreign, including all applications and registrations relating to any of the foregoing.

1.8 “Non-Binding Auction” means an Auction where Participants respond to the Customer’s requirements provided in the RFP with notional and/or executable Offers regarding pricing and terms of sale but enter into a final agreement with Customer confirming the arrangement off-line following Customer’s acceptance of the Offer.

1.9 “Offer” means an indication of willingness to sell at a given price; opposite of Bid, the price level of the offer may be referred to as the “ask”.

1.10 “RFP” means a request for proposal on the Exchange in the form of a Non-Binding Auction.

1.11 “Term” has the meaning set forth in Section 6 below.

1.12 “Transaction” means, for each RFP, an agreement between Participant or any of its Affiliates and the Customer or any of its Affiliates in which Participant or such Affiliate agree to provide to or receive from such Customer or such Affiliate energy to buy or sell supplies as specified in the RFP, which agreement is executed within eighteen (18) months of the date when the bidding on such RFP is closed. Enel X typically utilizes the Exchange for most Transactions; however, Enel X retains the right to utilize whatever communication medium is in the best interest of the Customer.

1.13 “Transaction Fee” means the fee payable from Participant to Enel X for each Transaction, in an amount equal to the product of the rate per unit set forth in the applicable Fee Addendum multiplied by the applicable number of units, as specified in the Fee Addendum, which Participant physically or financially supplies to or receives from the Customer.

2. License Grant.

2.1 Subject to the terms and conditions of this Agreement, Enel X hereby grants to Participant, for the term of this Agreement, a non-exclusive, non-transferable, non-sublicensable license to access and use the Exchange and any related documentation, solely for Participant’s own internal use. Specifically, but without limitation, under no circumstances shall internal use include the processing of information for any third party or for the purpose of competing with Enel X. The name “Enel X” and any other trade name, trademark or other designation of Enel X constitute intellectual property of Enel X, and nothing contained in this Agreement grants

Customer any right to use in any advertising, publicity or other promotional activities with the prior written approval of Enel X.

2.2 No licenses to any Intellectual Property Rights of Enel X are granted or shall be implied hereunder except to the extent necessary for exercise of Participant's rights under Section 2.1 hereof.

2.3 Participant may not modify, copy, distribute, transmit, display, perform, reproduce, publish, license, reverse engineer, decompile, create derivative works from, transfer, or sell any information, software, products or services obtained from the Exchange.

2.4 Participant agrees not in any way to tamper with the functionality of the Exchange or to copy pages from the Exchange or their content except where expressly permitted on the Exchange. Without limiting the foregoing, Participant agrees not to transmit any material to the Exchange that contains any viruses, Trojan horses, worms, or other computer programming routines that may damage, interfere with, intercept, copy or misappropriate any system, data or information relating to the Exchange.

2.5 Participant agrees to use the Exchange pursuant to applicable local, state, and federal laws. Participant agrees, therefore, not to use these services to conduct any business or activity or solicit the performance of any activity that is prohibited by law.

3. Ownership.

Participant agrees and acknowledges that Enel X or its third-party providers retains ownership of all right, title and interest to all portions of the Exchange and documentation and all intellectual property rights therein, and that, other than the license granted herein, Participant shall not obtain or claim any rights in or ownership interest to the Exchange, or any associated Intellectual Property Rights.

4. Use of the Exchange; User Name and Password.

4.1 In order to use the Exchange, Enel X shall provide Participant with a user name and password which Participant must use in order to gain access to the Exchange. Participant shall keep its user name and password in strictest confidence, limiting access and disclosure to those employees of Participant with a need to know. Participant hereby assumes all responsibility and liability associated with the use of such user name and password by its employees or any other persons to whom Participant or any of its employees disclose such information.

4.2 In consideration of the Participant's use of the Exchange, Participant shall: (a) provide true, accurate, current and complete information to Enel X, (b) maintain and promptly update the information to keep it accurate and complete, and (c) not make any speculative, false, or fraudulent posting of information, requests for proposals or Bids or Offers. Fraudulent posting of such information will be considered a breach and shall result in immediate termination of Participant's access to the Exchange.

4.3 Enel X may, in its sole reasonable discretion, with or without notice, suspend or terminate Participant's use of the Exchange. Enel X reserves the right to make any and all changes to the Exchange in its sole discretion.

4.4 Enel X may record telephone conversations where authorization is given, and Participant specifically consents to the making and use of any such recordings.

4.5 Participant hereby agrees to use the Exchange solely for its internal use and will not sell, lease, store or provide, directly or indirectly, the Exchange or any portion thereof to any third party. Participant agrees to protect Enel X's proprietary rights in the Exchange, to comply with reasonable requests made by Enel X to protect Enel X's contractual, statutory and common law rights in the Exchange.

4.6 Participant acknowledges that its use of the Exchange may be restricted or limited as a result of federal, state or other applicable laws, the regulations and rules of the local Public Utilities Commission, the Securities and Exchange Commission, or other regulatory organizations. Participant shall act in accordance with all restrictions and limitations so imposed, and it will be a material breach of this Agreement for Participant to evade any such restrictions and/or limitations.

4.7 PARTICIPANT ACKNOWLEDGES AND AGREES THAT ENEL X IS NOT IN ANY WAY RESPONSIBLE FOR COMPLETION OF A CONTRACT BETWEEN PARTICIPANT AND A CUSTOMER. ANY TRANSACTIONS MUST BE COMPLETED BY PARTICIPANT AND THE APPLICABLE CUSTOMER OUTSIDE THE SCOPE OF THIS AGREEMENT AND THE EXCHANGE. NO BINDING COMMITMENT BETWEEN PARTICIPANT AND A CUSTOMER IS CREATED THROUGH THIS AGREEMENT OR THE EXCHANGE.

5. Fees and Payment Terms.

5.1 Participant hereby agrees to pay to Enel X each Transaction Fee payable on energy supplies that were awarded to the Participant during the auction process and actually executed by the Customer and Participant.

For the RFPs designated as having known fixed quantities, payment is due 30 days after the Participant has been notified regarding the award of the RFP.

5.2 Upon a Transaction following a Non-Binding Auction, Enel X shall email a Fee Addendum to Participant to confirm the details of the Transaction, including the Transaction Fee for fixed fee Transactions or the rate for calculation of the Transaction Fee for volume based Transactions, as applicable. Upon receipt of this Fee Addendum, Participant shall have five (5) business days to reply via email with acceptance of the Fee Addendum or dispute any elements of the Fee Addendum. After this period, the Fee Addendum is considered accepted by the Participant. Unless otherwise stated in the RFP, Participant agrees that payment of the Transaction Fee stated in the Fee Addendum shall be due in accordance with the terms of the Agreement upon Participant's receipt of the Fee Addendum. No additional signed writing shall be required between Participant and Enel X obligating Participant to pay such fees.

5.3. All Transaction Fees payable hereunder shall be paid in United States Dollars and sent to the address set forth in Section 11.6 hereof. No Transaction Fees are refundable or cancelable, except as set forth in Section 5.7.

5.4. Participant agrees to make and keep full and accurate books and records in sufficient detail to enable Transaction Fees payable to Enel X hereunder to be determined. *An electronic record will accompany each payment to Enel X indicating the amount of units consumed, service period, and Transaction Fee owed Enel X.* Enel X shall have the right to make an audit of the books and records of Participant that pertain to the calculation of Transaction Fees. Enel X shall treat as confidential all information obtained in such audit and shall not disclose the same to others, except to the extent necessary to enforce Enel X's rights hereunder. On five (5) days' prior written notice to Participant, Enel X or its representative shall have full access to the books and records of Participant necessary to confirm whether Transaction Fees are due to Enel X under this Agreement, and Enel X shall have the right to make copies thereof at Participant's expense. Enel X shall have such access during normal business hours. Prompt adjustment shall be made to reflect the results of such audit. If it is determined following such audit that any Transaction Fee for the period covered by such audit was not paid by Participant, then Participant shall reimburse Enel X for the reasonable out-of-pocket costs of such audit incurred by Enel X within thirty (30) days after Enel X's demand therefor, along with the shortfall of payments of Transaction Fees, and with interest on the shortfall amount at the rate applicable to late payments hereunder as set forth below.

5.5. All overdue payments shall bear interest of the lesser of (i) the rate of one and one-half percent (1.5%) per month or (ii) the maximum rate allowed by law, in either case plus Enel X's cost of collection (including reasonable attorney's fees).

5.6. Participant shall be solely responsible for the payment of any and all taxes arising, out of Participant's use of the Exchange, including, but not limited to, any sales, use, access and/or business taxes, excluding taxes based on the income of Enel X.

5.7. If a Transaction is terminated for any reason, all Transaction Fees applicable to that Transaction will cease on the effective date of contract termination. If Participant is later paid for any portion of the energy purchased by Customer from Participant under an RFP, whether by voluntary payment or damages, Participant shall immediately pay to Enel X the portion of the applicable Transaction Fee allocable to the paid energy amount.

6. Term and Termination.

6.1. The Term of this Agreement shall commence on the Effective Date and continue until terminated pursuant to this Section 6.

6.2. Either Party may terminate this Agreement upon thirty (30) days prior written notice; provided that, upon any termination of this Agreement, the license granted in Section 2 and all other rights of the Parties under this Agreement shall terminate, except that, notwithstanding the foregoing, the rights and obligations under Sections 3, 5, 6, 7, 8, 9, 10, and 11 herein shall continue in full force and effect.

7. Indemnity.

7.1 Enel X agrees to indemnify, defend and hold harmless Participant and its officers, directors, employees, agents, successors and assigns from and against any and all losses, liabilities, damages, penalties and claims and all related costs and expenses (including reasonable attorneys' fees) related to claims made by third parties against Participant alleging that the use of the Exchange by Participant infringes the patents, copyrights, trademarks or service marks or other intellectual property rights of such third parties (a "Third Party Infringement Claim").

7.2 Participant agrees to indemnify, defend and hold harmless Enel X and its officers, directors, employees, agents, successors and assigns from and against any and all losses, liabilities, damages, penalties and claims and all related costs and expenses (including reasonable attorneys' fees) related to claims (i) that Participant or Participant's use of the Exchange are restricted or barred by any governmental rule, regulation or statute; (ii) based on dispute between Participant and a Customer other than a Third Party Infringement Claim; and/or based on a breach of this Agreement by Participant.

7.3 Each Party agrees to promptly notify the indemnifying party in writing of any indemnifiable claim. The indemnifying party shall control the defense and settlement of an indemnifiable claim. The indemnified party shall cooperate in all reasonable respects with the indemnifying party and its attorneys in the investigation, trial, defense and settlement of such claim and any appeal arising therefrom. The indemnified party may participate in such investigation, trial, defense and settlement of such claim and any appeal arising therefrom, through its attorneys or otherwise, at its own cost and expense. No settlement of a claim that involves a remedy other than the payment of money by the indemnifying party shall be entered into without the consent of the indemnified party, which consent shall not be unreasonably withheld.

7.4 Should the Exchange become, or in Enel X's sole discretion be likely to become, the subject of any claim or action for infringement, Enel X may (a) procure for Participant the right to continue using the Exchange as contemplated hereunder; (b) modify the Exchange to render the Exchange non-infringing; or (c) if the foregoing alternatives are not reasonably available to Enel X, terminate this Agreement without any further obligation or liability whatsoever to Participant.

8. Warranties and Disclaimer.

8.1 ENEL X MAKES NO WARRANTY WHATSOEVER AS TO THE EXCHANGE, THE ACCURACY OF CUSTOMER INFORMATION, OR ANY SERVICES PROVIDED BY ENEL X HEREUNDER, EXPRESS OR IMPLIED. PARTICIPANT EXPRESSLY ACKNOWLEDGES AND AGREES THAT THE EXCHANGE IS PROVIDED BY ENEL X AND ANY THIRD PARTY PROVIDERS ON AN "AS IS", "AS AVAILABLE" BASIS AT PARTICIPANT'S SOLE RISK. ENEL X EXPRESSLY DISCLAIMS ALL REPRESENTATIONS AND WARRANTIES OF ANY KIND, EITHER EXPRESS OR IMPLIED, INCLUDING, WITHOUT LIMITATION, ANY WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, OR NONINFRINGEMENT.

8.2 ENEL X, AND ITS OFFICERS, AFFILIATES, EMPLOYEES AND AGENTS SHALL HAVE NO LIABILITY, CONTINGENT OR OTHERWISE, TO PARTICIPANT OR TO THIRD PARTIES, FOR THE ACCURACY, TIMELINESS, COMPLETENESS, RELIABILITY, PERFORMANCE OR CONTINUED AVAILABILITY OF THE EXCHANGE OR FOR DELAYS OR OMISSIONS THEREIN, OR FOR INTERRUPTIONS IN THE DELIVERY OF THE EXCHANGE OR ANY SERVICES OFFERED BY ENEL X THEREUNDER. ENEL X SHALL NOT HAVE ANY RESPONSIBILITY TO INFORM PARTICIPANT OF ANY DIFFICULTIES EXPERIENCED BY ENEL X OR ANY THIRD PARTIES WITH RESPECT TO USE OF THE EXCHANGE OR TO TAKE ANY ACTION IN CONNECTION THEREWITH. FURTHER, ENEL X SHALL HAVE NO DUTY OR OBLIGATION TO VERIFY, CORRECT, COMPLETE OR UPDATE ANY INFORMATION DISPLAYED ON THE EXCHANGE.

9. Disclaimer and Limitation of Liability.

9.1 IN NO EVENT SHALL EITHER PARTY OR THEIR RESPECTIVE OFFICERS, AFFILIATES, EMPLOYEES AND AGENTS BE LIABLE TO THE OTHER PARTY FOR ANY LOSS OF PROFITS, LOSS OF BUSINESS, LOSS OF DATA, INTERRUPTION OF BUSINESS, OR FOR SPECIAL, INCIDENTAL, EXEMPLARY, PUNITIVE, MULTIPLE, CONSEQUENTIAL OR OTHER INDIRECT DAMAGES OF ANY KIND, WHETHER BASED IN CONTRACT, TORT (INCLUDING WITHOUT LIMITATION, NEGLIGENCE), WARRANTY, GUARANTEE OR ANY OTHER LEGAL OR EQUITABLE GROUNDS, EVEN IF SUCH PARTY HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

9.2 TO THE EXTENT ALLOWED BY APPLICABLE LAW, IN NO EVENT SHALL ENEL X'S LIABILITY ARISING HEREUNDER EXCEED THE AMOUNT OF FEES DUE BY PARTICIPANT TO ENEL X UNDER THIS AGREEMENT.

9.3 NEITHER PARTY SHALL MAKE REPRESENTATIONS OR WARRANTIES TO ANY THIRD PARTY ON BEHALF OF THE OTHER PARTY AND IN NO EVENT WILL EITHER PARTY BE LIABLE TO THE OTHER PARTY FOR ANY REPRESENTATION OR WARRANTY MADE TO ANY THIRD PARTY BY THE OTHER PARTY. THE LIMITATIONS CONTAINED IN THIS SECTION 9 SHALL SURVIVE THE TERMINATION OF THIS AGREEMENT AND APPLY NOTWITHSTANDING THE VALIDITY OF THE LIMITED REMEDIES PROVIDED FOR IN THIS AGREEMENT.

10. Use of Information; Confidentiality.

10.1 Participant's Information. The name and pricing information (if applicable) that Participant may provide to Enel X via the Exchange, together with information regarding the manner in which Participant uses the Exchange, will not be processed or disclosed by Enel X except as contemplated by this Agreement. Notwithstanding the foregoing, Enel X may share such information with affiliates to the extent permitted by applicable law and the Enel X energy procurement advisory process guidelines, as applicable, and as amended from time to time. Participant agrees that Enel X may share with other parties aggregate information, gathered by Enel X in the course of its operation of the Exchange. "Aggregate Information" is information

that describes the habits, pricing data, usage patterns and/or demographics of Participant and other users as a group but does not describe or reveal Participant's identity.

10.2 Enel X's Information. Participant shall not disclose the terms and conditions of this Agreement or any Fee Addendum hereto, including without limitation the fees charged to Participant by Enel X, to any third party without the express prior written consent of Enel X.

11. OFAC Compliance.

11.1 Each Party represents and warrants to the other Party that at the Effective Date neither it nor any of its officers, members of its governing body, shareholders owning at least a 5% interest in the party or any company that the Party owns on at least a 50% basis or otherwise controls, or is under common control by the ultimate parent company, are (i) subject to sanctions under U.S. law, including designation by the US Department of the Treasury's Office of Foreign Assets Control ("OFAC") as a Specially Designated National ("SDN"), Foreign Sanctions Evader ("FSE"), Sectoral Sanctions Identification List ("SSIL") entity, designation by the US Commerce Department's Bureau of Industry and Security ("BIS") on the Entity List or List of Denied Persons, or similar additional lists of restricted parties that OFAC and/or BIS may create from time to time; (ii) subject to EU sanctions adopted by any Council Decisions or Regulations under EU law; (iii) subject to sanctions pursuant to a decision by the UN Security Council; (iv) subject to any other similar sanction imposed by applicable laws or regulations which may have a material effect pursuant to the terms, conditions or provisions of this Agreement, or a reputational impact (hereinafter collectively "Sanctions"); (v) engaged in any activity or have previously been engaged in any activity that could create exposure under US sanctions applicable to non-US persons acting without any US nexus, including but not limited to statutes and other legal instruments pertaining to US sanctions against Iran, North Korea, and Russia. 11.2 Each Party shall promptly communicate in writing to the other any change to the above mentioned representations and warranties which may occur during the Term. 11.3 Each Party shall indemnify and hold harmless the other Party for any damage, loss, cost or expense arising from or connected to the violation of such representations and warranties.

11.4 Subject to the foregoing, each Party may also terminate this Agreement in the event, as from its execution until the expiration date, the other Party violates the terms of the representations and warranties set forth herein.

11.5 In such a case each Party may give a notice of termination to the other Party stating the ground thereof and the Parties may negotiate in good faith in order to mitigate as much as possible any loss or damage in connection with or arising from the Sanctions. Failing such agreement, within 30 days as from the notice of termination, this Agreement shall be automatically terminated and each Party shall waive to any claim, action or petition in connection with or arising from the Sanctions, subject to any other remedy it might have under the law or under the contract, arising from any other unfulfilled obligation under the Agreement.

12. General Provisions.

12.1 Independent Contractors. Neither Party is an agent or representative of the other Party and neither Party shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability, or to otherwise bind, the other Party.

12.2 Entire Agreement. This Agreement constitutes the entire agreement between the parties and supersedes any other written or oral agreement or understanding with respect to the subject matter hereof. The terms and conditions of this Agreement may not be modified or amended other than by a writing signed by both Parties.

12.3 Severability of Provisions. In the event that any provision of this Agreement is found to be invalid or unenforceable pursuant to judicial decree or decision, the remainder of this Agreement shall remain valid and enforceable according to its terms.

12.4 Assignment. This Agreement shall inure to the benefit of and be binding upon the Parties hereto, their successors and permitted assigns. None of the rights, duties and obligations of any Party hereunder may be assigned without the prior written consent of the other Party; provided, however, that each Party may assign this Agreement to an Affiliate or to the surviving entity in a merger or consolidation in which it participates, or to a purchaser of all, or substantially all, of its businesses related to this Agreement so long as such surviving entity or purchaser shall expressly assume, in writing, the performance of all of the applicable terms of this Agreement.

12.5 Governing Law. This Agreement shall be governed by the laws of the Commonwealth of Massachusetts without giving effect to applicable conflict of laws provisions. Each Party hereby agrees to the exclusive jurisdiction of the courts in Suffolk County, Massachusetts.

12.6 Notices. Except as specifically provided in this Agreement, all notices required hereunder shall be in writing and shall be given by personal delivery, overnight courier service, registered mail, or via facsimile transmission, to the Parties at their respective addresses or facsimile number set forth set forth above, facsimile number for Enel X at (617) 224-9910 and for Participant at _____, or at such other address(es) or facsimile number as shall be specified in writing by such Party to the other Party in accordance with the terms and conditions of this Section 11.6. All notices shall be deemed to have been given on the day of actual receipt thereof.

12.7 Waiver. No waiver of any provision of this Agreement, or any rights or obligations of either Party under this Agreement, shall be effective, except pursuant to a written instrument signed by the Party or Parties waiving compliance, and any such waiver shall be effective only in the specific instance and for the specific purpose stated in such writing. The failure of either Party to require the performance of any term of this Agreement or the waiver of either Party of any breach under this Agreement shall not operate or be construed as a waiver of any other provision hereof, nor shall it be construed as a waiver of any subsequent breach by the other Party hereto.

12.8 Force Majeure. Either Party shall be excused from any delay or failure in performance hereunder (excluding payment obligations) caused by reason of any occurrence or contingency beyond its reasonable control, including but not limited to, acts of God, earthquake, labor disputes and strikes, riots, war, common carrier interruptions, breakdown in facilities and government requirements. The obligations and rights of the Party so excused shall be extended on a day-to-day basis for the period of time equal to that of the force majeure event.

12.9 Ethics and Anticorruption. Enel X declares that in managing its business activities and its relationships, it adheres to the principles contained in its Code of Ethics, the Zero Tolerance of Corruption Plan and the Organisation & Management Model adopted pursuant to Italian Legislative Decree 231/2001 (available at <https://www.enel.com/investors/a/2016/08/code-of-ethics>). Moreover, as a subsidiary of Enel S.p.A., Enel X declares its adherence to the United Nations Global Compact. Enel X wishes its counterparties to refer to the same principles in managing their business activities and relationships. Enel X prohibits any promises, offers, or requests of illegal payments, in cash or other benefits, with the objective of gaining an advantage in its relationships with stakeholders, and this prohibition is extended to all of its employees.

12.10 Privacy Laws. The parties shall comply at all times with the requirements of applicable data privacy laws, including Regulation (EU) 2016/679 known as the General Data Protection Regulation, as may be amended from time to time. The Privacy Notice Standard available at _____ shall form part of the Agreement and are hereby incorporated by reference.

12.11 Execution in Counterparts and by Facsimile. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument. This Agreement may be executed and delivered by facsimile and the Parties agree that such facsimile execution and delivery shall have the same force and effect as delivery of an original document with original signatures.

IN WITNESS WHEREOF, the Parties have duly executed and delivered this Agreement as of the date first set forth above.

[INSERT NAME]

[INSERT PARTICIPANT NAME]

By: _____ By: _____

Print Name: _____ Print Name: _____

Title: _____ Title: _____

Date: _____ Date: _____

Appendix 7

Pre-Bid Creditworthiness Collateral Letter of Credit

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE 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 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 NO LESS THAN 60 DAYS FROM THE EFFECTIVE DATE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THE BENEFICIARY’S DELAWARE REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE DATED (DATE) 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.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT 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 _____ (BANK) LETTER OF

CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR BID ASSURANCE RELATED TO THE BENEFICIARY'S DELAWARE REQUEST FOR PROPOSALS FOR FULL REQUIREMENTS SERVICE AGREEMENT DATED _____ (RFP)."

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.

THIS LETTER OF CREDIT MAY BE TERMINATED 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 ACCOMPANIED BY THE ORIGINAL LETTER OF CREDIT AND ALL AMENDMENTS.

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 [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO [BENEFICIARY] UP TO, BUT NOT BEYOND, THE STATED EXPIRY 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") OR SUCH LATER REVISION (S) OF THE ISP

AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. 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 AVAILABILTY 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

Appendix 8

Full Requirements Service Agreement

Exhibit 4

Proposed 2021 Full Requirements Service Agreement

(Red Lined Version)

2021 FULL REQUIREMENTS SERVICE AGREEMENT
Articles and Provisions

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FULL REQUIREMENTS SERVICE AGREEMENT

THIS FULL REQUIREMENTS SERVICE AGREEMENT (“Agreement” or “FSA”), is made and entered into as of _____ (“Effective Date”), by and between _____, hereinafter referred to as “Seller” and Delmarva Power & Light Company, hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

WITNESSETH:

WHEREAS, the Delaware PSC Orders direct Buyer to supply electric service to Standard Offer Service Load (“SOS Load”) within Buyer's Delaware franchise service territory; and

WHEREAS, the Delaware legislature has enacted a law establishing a Renewable Energy Portfolio Standard applicable to retail electricity suppliers serving customers in the State of Delaware; and

WHEREAS, Buyer has solicited offers for serving all or a portion of its SOS Load pursuant to a Request for Proposal (“RFP”) and the Seller is a winning bidder in that solicitation; and

WHEREAS, Seller desires to sell Full Requirements Service and Buyer desires to purchase such Full Requirements Service to supply a Specified Percentage in Buyer’s Delaware franchised service territory on a firm and continuous basis; and

NOW, THEREFORE, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

ARTICLE 1 DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:

“Affiliate” means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Aggregate Buyer’s Exposure” means all Buyer’s Exposure for Aggregate Transactions.

“Aggregate Transactions” means all Transactions under this Agreement and all other transactions under full requirements service agreements executed between the Parties pursuant to the Delaware PSC Orders.

“Ancillary Services” shall have the meaning ascribed thereto in the PJM Agreements.

“Bankrupt” means, with respect to any entity, such entity: (i) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within sixty (60) calendar days of the filing or commencement; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes insolvent, however evidenced; (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they fall due.

“Base Load Percentage” means the percentage of the Monthly Settlement Load that the Monthly Settlement Base Price is applicable to, as set forth in Section 6.2 (Base Load Percentages).

“Bid Block” means a block(s) of load awarded to Seller in accordance with Buyer's RFP as set forth in a Transaction Confirmation.

“Bid Plan” shall have the meaning ascribed to it in the PSC Settlement.

“Billing Line Item Transfer Tool” shall have the meaning ascribed to it in Section 4.9 (Billing Line Item Transfers)

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time (“EPT”).

“Buyer's Exposure” during the term of a Transaction shall be deemed equal to the positive difference between: (i) the MtM Exposure pursuant to a Transaction under this Agreement; less (ii) the sum of any unpaid or unbilled amounts owed by Buyer to Seller pursuant to a Transaction under this Agreement. With respect to the preceding sentence, “unbilled amounts owed by Buyer” shall consist of a good faith estimate by Buyer as to any amounts which will be owed by Buyer for service already rendered by Seller under a Transaction.

“Capacity” means “Unforced Capacity” as set forth in the PJM Agreements, or any successor measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

“Capacity Peak Load Contribution” or “Capacity PLC” means the aggregation of retail customer peak load contributions, as determined by the Buyer in accordance with the PJM Agreements and reported by Buyer to PJM pursuant to Buyer's retail load settlement

process, and used by PJM in determining the Seller's capacity obligation for each Transaction.

"Commercial and Industrial" or "C&I" as used herein shall include all customers that are not classified under Buyer's Delaware Electric retail tariff as residential, street lighting, separately metered water heating, or separately metered space heating customers.

"Congestion Revenue Rights" or "CRR" means the current or any successor congestion management mechanism or mechanisms as may be employed by PJM (whether set forth in the PJM Tariff or elsewhere) for the purpose of allocating financial congestion hedges.

"Costs" means, with respect to the Non-Defaulting Party, brokerage fees, commissions, PJM charges, and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its SOS Load obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody's or Fitch.

"Current Capacity PLC Per Bid Block" means, on any given Business Day, for each Transaction, the product of: (i) the aggregate Capacity PLC for an entire Service Type; and (ii) the quotient of (x) the Specified Percentage and (y) the number of Bid Blocks.

"Default Damages" means, for the period of time specified in Section 12.2(b)(ii) (Remedies) any direct damages and Costs, calculated in a commercially reasonable manner, that the Non-Defaulting Party incurs with respect to the Specified Percentage as a result of an Event of Default. Direct damages may include, but are not limited to: (i) the positive difference (if any) between the price of Full Requirements Service hereunder and the price at which the Buyer or Seller is able to purchase or sell (as applicable) Full Requirements Service (or any components of Full Requirements Service it is able to purchase or sell) from or to third parties, including PJM; (ii) Emergency Energy charges; and (iii) additional transmission or congestion costs incurred to purchase or sell Full Requirements Service.

"Delaware PSC" or "Commission" means the Delaware Public Service Commission and any successor thereto.

"Delaware PSC Orders" means: (i) Order No. 6598 issued on March 22, 2005; and (ii) Order No. 6746 issued on October 11, 2005.

"Delivery Period" means the period of delivery for a Transaction as specified in a Transaction Confirmation.

“Delivery Point” means points on the PJM Control Area, as elected by Seller, and is the location at which Seller will deliver and Buyer will accept the Specified Percentage during the Delivery Period.

“DPA” means the Delaware Division of the Public Advocate.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect on any particular date.

“Emergency Energy” shall have the meaning ascribed to it in the PJM Agreements.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

“Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

“FERC” means the Federal Energy Regulatory Commission or its successor.

“Fitch” means Fitch Investor Service, Inc. or its successor.

“Fixed Price SOS” or “FP-SOS” shall have the meaning ascribed to it in the PSC Settlement.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not foreseen as of the date a Transaction is entered into, which is not within the reasonable control of, or the result of the negligence of the affected party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of Seller’s supply; (ii) Seller’s ability to sell the Full Requirements Service at a price greater than that received under any Transaction; (iii) curtailment by a Transmitting Utility; or (iv) Buyer’s ability to purchase the Full Requirements Service at a price lower than paid under any Transaction.

“Full Requirements Service” means all necessary Energy, Capacity, Transmission other than Network Integration Transmission Service, Ancillary Services, transmission and distribution losses, congestion management costs, and such other services or products that are required to supply the Specified Percentage except for Network Integration Transmission Service, distribution service, and Renewable Energy Resource requirement.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

“Generator Attribute Tracking System” or “GATS” means the system owned and operated by PJM Environmental Services, Inc. to provide environmental and emissions attributes reporting and tracking services to its subscribers in support of Delaware’s Renewable Energy Portfolio Standard and any environmental disclosure requirements that may arise, along with requirements in other state jurisdictions.

“Governmental Authority” means any federal, state, local, municipal or other governmental entity, authority or agency, department, board, court, tribunal, regulatory commission, or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or this Agreement.

“GS-P FP-SOS” is the FP-SOS available to Buyer’s customers in service classification GS-P.

“Guarantor” means any party having the authority and agreeing to guaranty Seller’s financial obligations under this Agreement pursuant to the guaranty agreement, attached hereto as Exhibit F, recognizing that such a party will be obligated to meet Buyer’s credit requirements for Seller.

“Hourly Priced Service” or “HPS” means that form of SOS provided to GS-T customers and those GS-P customers that elect such service.

“HPS Electing GS-P Customers” means GS-P customers that have interval meters and make a timely affirmative election to take HPS.

“Increment Load Percentage” means the percentage of the Monthly Settlement Load that is in excess of the Base Load Percentage.

“Interest Rate” means, for any date, the lesser of: (i) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%); and (ii) the maximum rate permitted by applicable law.

“kWh” means one kilowatt of electric power over a period of one hour.

“Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the letter of credit is issued (for clarification, the form of Letter of Credit attached as Exhibit C hereto shall be considered an acceptable form). Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. The Party to whom the Letter of Credit is in favor reserves the right to monitor the financial position of the issuing bank and, if the issuing bank’s Credit Rating is downgraded by any increment; or if the issuing bank’s Current, Quick, Return on Assets, or Price/Earnings ratios diminish (reflecting the financial stability

of the bank); or if the Party determines, for any reason, that the issuing bank's position has deteriorated, then the Party has the right to demand and receive, from the applicant for the Letter of Credit, that the Letter of Credit be reissued from a bank that meets or exceeds the credit ratings and asset valuation listed above.

"LGS-S FP-SOS" is the FP-SOS available for Buyer's customers in service classification LGS-S.

"Load Serving Entity" or "LSE" shall have the meaning ascribed to it in the PJM Agreements.

"Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

"Mark to Market Exposure or "MtM Exposure" means, with respect to each month remaining in each Transaction Delivery Period, the sum of: (i) the relevant month On-Peak Forward Price minus the relevant month On-Peak Initial Mark Price, multiplied by the relevant month On-Peak Estimated Energy Quantity; and (ii) the relevant month Off-Peak Forward Price minus the relevant month Off-Peak Initial Mark Price, multiplied by the relevant month Off-Peak Estimated Energy Quantity. The method and an example for calculating the MtM Exposure are included in Exhibit E.

"MGS-S FP-SOS" is the FP-SOS available to Buyer's customers in service classification MGS-S.

"Monthly Settlement Amount" means with respect to any calendar month during the Delivery Period, the sum of: (i) the product of the applicable Monthly Settlement Base Price and Monthly Settlement Base Load; and (ii) any other adjustments as set forth in this Agreement.

"Monthly Settlement Base Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Monthly Settlement Load and Base Load Percentage.

"Monthly Settlement Base Price" means the price for Monthly Settlement Base Load for the applicable month of the Delivery Period as set forth in a Transaction Confirmation.

"Monthly Settlement Date" means, with respect to any calendar month of a Delivery Period, the date determined to be the PJM Settlement Date pursuant to the PJM Agreements.

"Monthly Settlement Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Specified Percentage and SOS Load.

"Moody's" means Moody's Investor Services, Inc. or its successor.

“MWh” means one megawatt of electric power used over a period of one hour which shall be rounded in a manner consistent with standards in the PJM Agreements. The current rounding standards are to the nearest one-thousandth of a megawatt hour.

“NERC” means the North American Electric Reliability Corporation or any successor organization thereto.

“Network Integration Transmission Service” shall have the meaning ascribed to it in the PJM Agreements.

“Nodal Pricing” shall have the meaning ascribed to it in the PJM Agreements.

“Off-Peak Estimated Energy Quantity” means, for each month in each Transaction, the product of: (i) the relevant month Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC; (ii) the quotient of the Current Capacity PLC Per Bid Block and 50; (iii) the number of Bid Blocks awarded to the Supplier per the Transaction Confirmation; (iv) the percentage of Off-Peak Hours remaining (excluding current day) in each month; and (v) the Base Load Percentage.

“Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC” means the estimation of Energy, inclusive of electrical line losses, in the Off-Peak Hours for each of the twelve (12) calendar months, as set forth in the Transaction Confirmation.

“Off-Peak Forward Price” means the price, as provided by the Pricing Agent, for Off-Peak Hours, stated in terms of \$/MWh, associated with each month remaining in a Transaction Delivery Period, and shall equal the product of: (i) the relevant month On-Peak Forward Price; and (ii) the relevant month Off-Peak/On Peak Price Ratio.

“Off-Peak Hours” means those hours which are not On-Peak Hours.

“Off-Peak Initial Mark Price” means the Off-Peak Forward Price as of the Transaction Date.

“On-Peak Estimated Energy Quantity” means, for each month in each Transaction, the product of: (i) the relevant month On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC; (ii) the quotient of the Current Capacity PLC Per Bid Block divided by 50; (iii) the number of Bid Blocks awarded to the Supplier per the Transaction Confirmation; (iv) the percentage of On-Peak Hours remaining (excluding current day) in each month; and (v) the Base Load Percentage.

“On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC” means the estimation of Energy, inclusive of electrical line losses, in the On-Peak Hours for each of the twelve (12) calendar months, as set forth in the Transaction Confirmation.

“On-Peak Forward Price” means the price, as provided by the Pricing Agent, for On-Peak Hours, stated in terms of \$/MWh, associated with each month remaining in a Transaction Delivery Period, and based on the most recent publicly available information and/or quotes

from Reference Market-Makers on forward Energy transactions occurring at the PJM Western Hub.

“On-Peak Hours” means Hour Ending (“HE”) 0800 through HE 2300 EPT, Monday through Friday, excluding Saturday, Sunday and NERC holidays.

“On-Peak Initial Mark Price” means the On-Peak Forward Price as of the Transaction Date.

“Off-Peak/On-Peak Price Ratio” means the relevant monthly ratio of off-peak pricing to on-peak pricing of the PJM Western Hub day ahead prices as set forth by Buyer each October based on the previous 36-month period ending in September. The historical on-peak prices used for the ratio will be the PJM Western Hub day ahead price for the On-Peak Hours. The historical off-peak prices used for the ratio will be the PJM Western Hub day ahead prices for the Off-Peak Hours. For each month of the 36-month period, the monthly on-peak and off-peak prices will be summed and respectively divided by the amount of on-peak and off-peak hours in that month. The then calculated off-peak average price will be divided by the on-peak average price to determine the individual monthly ratios. Such monthly ratios for the same months within the 36-month period will then be summed and divided by three (3) to come up with the rolling three year monthly ratio average.

“Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

“PJM” means the PJM Interconnection, LLC or any successor organization thereto.

“PJM Agreements” means the PJM OATT, PJM Operating Agreement, PJM RAA, PJM Manuals and any other applicable PJM bylaws, procedures, manuals or documents, or any successor, superseding or amended versions that may take effect from time to time.

“PJM Control Area” shall have the meaning ascribed to it in the PJM Agreements.

“PJM Load Response Programs” shall have the meaning ascribed to it in the PJM Agreements.

“PJM OATT” or “PJM Tariff” means the Open Access Transmission Tariff of PJM or the successor, superseding or amended versions of the Open Access Transmission Tariff that may take effect from time to time.

“PJM Operating Agreement” means the Operating Agreement of PJM or the successor, superseding or amended versions of the Operating Agreement that may take effect from time to time.

“PJM Planning Period” shall have the meaning ascribed to it in the PJM Agreements. Currently, the PJM Planning Period is the twelve months beginning June 1 and extending through May 31 of the following year.

"PJM RAA" means the PJM Reliability Assurance Agreement or any successor, superseding or amended versions of the PJM Reliability Assurance Agreement that may take effect from time to time.

"PJM Settlement Date" means the date on which payments are due to PJM for services provided by PJM in accordance with the PJM Agreements. Such date currently occurs on the first Business Day after the nineteenth (19th) calendar day of the month following service.

"Pricing Agent" shall be the person or entity described in Article 14.6, and Exhibit E.

"PSC Settlement" means the settlement(s) in Delaware PSC Docket No. 04-391, approved by the Delaware Public Service Commission prior to the Effective Date.

"Reference Market-Maker" means any broker in energy products who is not an Affiliate of Buyer or Seller.

"Renewable Energy Portfolio Standard" shall have the meaning ascribed to it in the Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351-363).

"Renewable Energy Resource" shall have the meaning ascribed to it for a resource that qualifies under the Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351-363) towards meeting a requirement that a percentage or otherwise defined amount of power be generated from such resources.

"Request for Proposal" or "RFP" means the request for proposals issued from time to time by Buyer pursuant to the PSC Settlement.

"Residential and Small Commercial and Industrial FP-SOS" (R and Small C&I FP-SOS) is the FP-SOS available to Buyer's customers in service classifications R, ~~R-TOU~~, R-TOU-ND, ~~R-TOU-SOP~~, SGS-S-ND, OL, ORL, PIV, X and that portion of a customer's load served as separately metered space heating load or as separately metered water heating load, irrespective of whether the remainder of the customer's load is served under a service classification other than those listed above.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. and any successor thereto.

"Service Type" means the customer class, partial customer class and/or group of customer classes, as set forth in a Transaction Confirmation.

"Settlement Amount" means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 12 (Events of Default – Remedies). The calculation of a Settlement Amount for a Terminated Transaction shall exclude any Default Damages calculated pursuant to Section 12.2(b)(ii) for the same Terminated Transaction. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting

Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

“Specified Percentage” means the percentage of SOS Load as set forth in a Transaction Confirmation.

“Standard Offer Service Load” or “SOS Load” means the total sales at the retail meter, plus Unaccounted For Energy, expressed in MWh or MW, as appropriate, for a particular class(es) of retail customers being served by Buyer pursuant to the PSC Settlement, as such sales vary from hour to hour, in Buyer’s Delaware franchise service territory, as such territory exists on the Effective Date or may increase or decrease due to de minimis geographic border changes to the service territory that exists on the Effective Date. For purposes of clarification, SOS Load shall not include changes in the Buyer’s Delaware service territory which occur as a result of a merger, consolidation, or acquisition of another entity which has a franchised service territory in Delaware or a result of a significant franchise territory swap with another entity which has a franchised service territory in Delaware.

“Tangible Net Worth” or “TNW” means an entity’s total assets (exclusive of intangible assets), minus that entity’s total liabilities, each as would be reflected on a balance sheet prepared in accordance with generally accepted accounting principles, and as of the relevant date of determination most recently filed with the United States Securities and Exchange Commission.

“TNW Amount” shall equal the product of the applicable TNW Percentage and an entity’s Tangible Net Worth.

“TNW Percentage” means the percentage determined pursuant to Section 14.3 (Unsecured Credit) that is multiplied by an entity’s Tangible Net Worth to determine that entity’s TNW Amount.

“Transaction” means a particular agreement by which Buyer purchases and Seller sells Full Requirements Service pursuant to this Agreement, the details of which are more fully set forth in a Transaction Confirmation.

“Transaction Confirmation” shall have the meaning ascribed to it in Section 2.8.

“Transaction Date” means the date that a Transaction is executed as set forth in the Transaction Confirmation.

“Transmitting Utility” means the utility or utilities and their respective control area operators and their successors, transmitting Full Requirements Service.

“Unaccounted For Energy” means the difference between the Buyer’s hourly system load and the sum of: (i) the estimated hourly customer loads (interval metered and profiled);

and (ii) electrical losses, as such Unaccounted For Energy is determined in the Buyer's retail load settlement process.

“Unsecured Credit” means an amount that is the lower of: (i) the relevant Unsecured Credit Cap; (ii) the relevant TNW Amount, as determined pursuant to Section 14.3 (Unsecured Credit); or (iii) the Guaranty Amount from Seller's Guarantor as set forth in the Guaranty Agreement.

“Unsecured Credit Cap” shall have the meaning ascribed to it in Section 14.3.

“Weekly Settlement Date” means, with respect to any week of the month of a Delivery Period, the date(s) determined to be the PJM Settlement Dates pursuant to the PJM Agreements and schedules.

“Weekly Settlement Amount” means with respect to any Weekly Settlement Date during the Delivery Period, the product of the Weekly Settlement Price and Weekly Settlement Load.

“Weekly Settlement Base Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Weekly Settlement Load and Base Load Percentage.

“Weekly Settlement Base Price” means price for Weekly Settlement Base Load for the applicable week of the Delivery Period and has the same value as the Monthly Settlement Base Price.

“Weekly Settlement Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Specified Percentage and SOS load.

ARTICLE 2

TERMS AND CONDITIONS OF FULL REQUIREMENTS SERVICE

- 2.1 Seller's Obligation To Provide Service. With respect to a Transaction, Seller shall provide Full Requirements Service on a firm and continuous basis such that the Specified Percentage is supplied during the Delivery Period.
- 2.2 Buyer's Obligation to Take Service. With respect to a Transaction, Buyer shall accept Full Requirements Service as provided by Seller pursuant to Section 2.1 (Seller's Obligation to Provide Service), and shall pay Seller the Weekly Settlement Amounts and the Monthly Settlement Amount for such Full Requirements Service on the applicable Weekly Settlement Date and Monthly Settlement Date in accordance with Section 7.3 (Payments of the Invoice).
- 2.3 Network Integration Transmission Service, Distribution Service, and Renewable Energy Resource Requirement. With respect to a Transaction, Buyer shall be

- responsible, at its sole cost and expense, for the provision of Network Integration Transmission Service, distribution service and the Renewable Energy Resource Requirement necessary to serve the Specified Percentage. Buyer is responsible, at its sole cost and expense, for future PJM charges assessed to network transmission customers for PJM-required transmission system enhancements pursuant to the PJM Regional Transmission Expansion Plan and for future PJM charges assessed to network transmission customers for transition costs related to the elimination of through-and-out transmission rates.
- 2.4 Other Changes in PJM Charges. Except as provided in Section 2.3 (Network Integration Transmission Service and Distribution Service), Seller bears the risk of any other changes in PJM products and pricing during the term of this Agreement. However if there are any other new FERC-approved PJM transmission charges other than those referred to in Section 2.3 or other new PJM charges and costs, charged to network transmission customers, that Seller believes the Buyer should recover through retail rates because they are directly related to the Buyer's obligations under the PSC Settlement, then Buyer will file with the Delaware PSC, and provide notice to all Parties (as that term is used in the PSC Settlement), a request for approval to recover such new costs. Seller is required to intervene in any such proceeding before the Delaware PSC. Such new costs can only be charged by Seller to Buyer to the extent that the Delaware PSC approves Buyer's recovery of those costs. Seller agrees to be bound by the decision of the Delaware PSC (subject to the normal rules for appeal of the decision of the Delaware PSC) and waives all claims concerning this issue before FERC. Notwithstanding the foregoing, nothing in this Agreement shall preclude Seller from taking any position before FERC regarding the creation and allocation of any such PJM charges.
- 2.5 Status of Seller. Seller, for purposes of this Agreement and any Transaction, is not a Load Serving Entity and nothing contained herein shall be deemed to cause Seller to be a Load Serving Entity.
- 2.6 Sales for Resale. All Full Requirements Service provided by Seller to Buyer shall be sales for resale, with Buyer reselling such Full Requirements Service to SOS Load customers. At Seller's request, Buyer shall provide Seller with mutually agreeable resale certificates related to the Full Requirements Service provided pursuant to this Agreement.
- 2.7 Governing Terms. Each Transaction shall be governed by this Agreement. This Agreement, including all exhibits hereto, any designated collateral, credit support, margin agreement or similar arrangements and all Transaction Confirmations shall form a single integrated agreement between Buyer and Seller. Any inconsistency between terms in this Agreement and terms in a Transaction Confirmation shall be resolved in favor of the terms of this Agreement.
- 2.8 Transaction Confirmation. A Transaction shall be documented in a Transaction Confirmation in the form attached hereto as Exhibit A. On the Business Day on which Seller is selected as a provider of Full Requirement Service, Buyer will

electronically forward to Seller a .pdf file of a partially executed Transaction Confirmation(s). Separate Transaction Confirmations will be executed for each winning bid. Should such Transaction(s) be the initial Transaction(s) with the Seller under the current RFP solicitation, then Buyer will electronically forward to Seller a .pdf file of the partially executed Agreement. Except as otherwise provided in the RFP, by close of business on the first Business Day following Seller's receipt of partially executed Transaction Confirmation(s) and Agreement, as applicable, Seller shall electronically return to Buyer a fully executed Transaction Confirmation(s), and Agreement, as applicable, in .pdf format. By 10:00 a.m. EPT on the first Business Day following Buyer's receipt of the fully executed Transaction Confirmation(s) and Agreement, as applicable, Buyer shall submit a copy of the Transaction Confirmation(s) to the Delaware PSC for review and determination of compliance with the Buyer's Bid Plan. The Transaction Confirmation(s) and Agreement will be deemed to be in compliance with the Bid Plan and approved by the Commission unless the Commission orders otherwise within one (1) Business Day following the submission.

ARTICLE 3 SCHEDULING, FORECASTING, AND INFORMATION SHARING

- 3.1 Scheduling. Seller shall schedule Full Requirements Service pursuant to the PJM Agreements. Buyer will provide to PJM all information required by PJM, for the purpose of calculating Seller's Full Requirements Service obligations.
- 3.2 Load Forecasting. Buyer shall not be required to provide to the Seller any load forecasting services for any Transaction.
- 3.3 Information Sharing.
- (a) On each Business Day after execution of this Agreement and to the end of the Delivery Period, Buyer shall provide to the Seller, on a reasonable efforts basis, Buyer's estimation of the Capacity PLC for the seventh following day, representing the Seller's Specified Percentage of each Service Type. Buyer does not warrant the accuracy of such information.
 - (b) On each Business Day of the Delivery Period, Buyer shall provide to the Seller, on a reasonable efforts basis, the energy and capacity information related to Seller's obligations under this Agreement that Buyer provides to PJM daily. Such information provided to the Seller shall be disaggregated by Service Type, Transaction, voltage level, and customer class or partial customer class, where applicable. Buyer does not warrant the accuracy of such information.
 - (c) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated Capacity PLC for each Service Type on a reasonable efforts basis. Buyer does not warrant the accuracy of such information.

~~(d) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated SOS Load for each of the Buyer's Service Types on a reasonable efforts basis. Buyer does not warrant the accuracy of such information.~~

ARTICLE 4 SPECIAL TERMS AND CONDITIONS

- 4.1 Congestion and Congestion Management. Seller is responsible for any congestion costs incurred to supply the Specified Percentage. Notwithstanding Section 2.5 (Status of Seller), Buyer shall transfer or assign to Seller, Buyer's rights to Congestion Revenue Rights (CRRs) to which Buyer is entitled as an LSE pursuant to the PJM Agreements, provided that such rights are related to the service being provided to the Specified Percentage. All rights and obligations associated with such CRRs will accrue to the Seller through the transfer or assignment from Buyer to Seller including the ability of Seller to request or nominate such CRRs when applicable. Seller shall have the right to request and nominate CRRs if: (i) all Transactions for SOS Load have been executed and are in full force and effect; and (ii) the Delivery Period under each Transaction Confirmation is inclusive of the PJM Planning Period for which the CRRs are being requested or nominated. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations at that time will nominate such CRRs for the upcoming PJM Planning Period and such CRRs will be allocated to Seller based upon its Specified Percentage. The allocation of CRRs associated with the Specified Percentage will be in accordance with the PJM Agreements.
- 4.2 Load Response Programs. Buyer will manage its load response programs in accordance with PJM Agreements as amended from time to time and with the provisions of its applicable riders and retail electric service tariffs, as amended and approved by the Delaware PSC from time to time or distribution utility customer contracts, as amended by the distribution utility from time to time.
- (a) Buyer shall be responsible for complying with all PJM Load Response program operating rules (including resource nominations, compliance reports, load drop estimates, and special studies) and any penalties assessed in accordance with the PJM Agreements for failure to implement its load response programs when so requested by PJM. Buyer shall be responsible for maintaining and operating any equipment currently relied upon to operate existing load response programs.
- (b) Buyer shall retain all of the benefits associated with its load response programs and shall be responsible for all customer incentive payments.
- (c) No claim shall be recognized that Buyer's operation of load response programs affects any Operating Reserve costs incurred by Seller.
- 4.3 PJM E-Accounts. Buyer and Seller shall work with PJM to establish any PJM E-Accounts necessary for Seller to provide Full Requirements Service. Buyer shall

establish PJM E-Account contract(s) for the entire duration of the Transaction(s) and Seller shall confirm the PJM E-Account contract(s) for the entire duration of the Transaction(s).

- 4.4 Delaware Environmental Disclosure Requirements. To the extent that any environmental disclosure requirements are imposed on sellers of electricity within Delaware and subject to any applicable confidentiality requirements, Seller shall provide to Buyer, to the best of its knowledge, the generation resources used to supply Full Requirements Service, including fuel mix and environmental disclosure data. Seller and Buyer recognize that, due to difficulties in identifying specific generation resources used to meet Seller's obligations, the fuel mix and environmental data provided pursuant to this Section 4.4 may, in many instances, be based on aggregated data published by PJM. All information provided pursuant to this Section 4.4 (Delaware Environmental Disclosure Requirements) shall be provided in a timely manner and in an appropriate form (including to the extent applicable, information provided within the GATS) to enable Buyer to comply with the requirements of the Delaware PSC or any other Governmental Authority that relate to reporting such information.
- 4.5 Title Transfer. Seller shall cease to have title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Seller warrants that it has good title to the Full Requirements Service sold and delivered hereunder and that it has the right to sell such Full Requirements Service. The word "loss" in this Section 4.6 (Title Transfer) does not encompass electrical transmission and distribution losses. As between Buyer and Seller only, Buyer shall take title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Notwithstanding the foregoing, nothing contained in this Agreement is intended to create or increase liability of Buyer to any third party beyond such liability, if any, that would otherwise exist under the PJM Agreements or under applicable law if Buyer had not taken title.
- 4.6 PJM Settlement. For PJM settlement purposes only, except as set forth in section 4.6(a), the Seller's PJM obligations hereunder will settle at the Delmarva Power & Light Residual Aggregate (PJM Pnode ID 116472941).
(a) If any portion of the Buyer's SOS load is subject to Nodal Pricing, settlement shall occur in accordance with PJM agreements.
- 4.7 Reliability Guidelines. Each Party agrees to adhere to the applicable operating policies, criteria and/or guidelines of the NERC, PJM, their successors, and any regional or sub regional requirements.

- 4.8 PJM Membership. For the period of time that this Agreement is in effect, Seller shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM “Market Buyer” and “Market Seller” pursuant to the PJM Agreements. For the period of time that this Agreement is in effect, Buyer shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM “Load Serving Entity” pursuant to the PJM Agreements.
- 4.9 Billing Line Item Transfers. For the period of time that this Agreement is in effect, both Buyer and Seller agree the PJM Settlement, Inc., (“PJM Settlement”) shall transfer the applicable Billing Line Item charges and/or credits listed in Exhibit D under Billing Line Item Responsibilities. Buyer will be responsible for initiating and/or maintaining Billing Line Item Transfers utilizing the PJM Billing Line Item Transfer Tool. Seller agrees to confirm/approve Billing Line Item Transfers by the last business day of the month prior to the Delivery Period of the first Transaction under the FSA.
- 4.10 FERC Authorization. For the period of time that this Agreement is in effect, Seller shall have FERC authorization to make sales of energy, capacity and ancillary services at market based rates within PJM.
- 4.11 Disclosure in the Event of Seller Default. If Seller defaults and this Agreement is terminated pursuant to Article 12 (Events of Default; Remedies), Buyer may disclose the terms of this Agreement and any Transaction Confirmation to all other non-defaulting wholesale suppliers providing service to Buyer pursuant to the Delaware PSC Order and the PSC Settlement. Such disclosure by Buyer shall be made for the purpose of allowing each non-defaulting wholesale supplier to make its Step-Up elections described in Section 4.12 (Seller Step-Up Rights) below.
- 4.12 Seller Step-Up Rights. In the event of an early termination of a full requirements service agreement and associated transactions pursuant to Delaware PSC Orders and the PSC Settlement between Buyer and an entity other than Seller, Buyer shall send a written notification to Seller which: (i) describes the individual supply obligations associated with the terminated transaction(s) for the remaining term(s) of such transaction(s), including all available information regarding the associated CRRs; and (ii) notifies Seller of its option to supply its full or partial pro-rata share of the supply obligation associated with each terminated transaction for the remaining term(s) of the terminated transaction(s), without change to the pricing, terms and conditions of the terminated full requirements service agreement and transaction(s). Such an agreement to make additional supply available shall be termed a “Step-Up”.

In the event that Seller wishes to exercise its option to Step-Up, Seller shall notify Buyer of such within five (5) Business Days of its receipt of Buyer’s notification. In Seller’s notification, Seller shall indicate: (i) the amount of the increased obligation that Seller wishes to take on in respect of certain specified transaction(s) (which need not be all); and (ii) that it is willing to meet any additional collateral

requirements related to the Step-Up. If other sellers do not exercise their option to Step-Up, Buyer shall again notify Seller as to the amount available for Step-Up and Seller will again have an option to take a full or partial pro-rata share of the amount that such other sellers declined to take. Seller's notification shall take place no later than two (2) Business Days of its receipt of Buyer's follow-up notification. Seller's pro-rata share, as described in this paragraph, shall be the ratio of Seller's total load obligation across all service types and customer classes at the time the Step-Up option is offered, stated on a Capacity PLC basis, to the total load being supplied under this Agreement and other full requirements service agreements pursuant to the Delaware PSC Orders and the PSC Settlement on a Capacity PLC basis, excluding the terminated transactions(s) and, if applicable, excluding the full requirement service agreements under which other sellers declined to exercise their Step-Up option in part or full.

For the avoidance of doubt, in the event that Seller does not respond to Buyer's Step-Up request within the relevant timeframe, Seller shall be deemed to have rejected the Buyer's request in full.

ARTICLE 5 TERM AND SURVIVAL

- 5.1 Term. Unless otherwise agreed upon by Buyer and Seller, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless this Agreement is terminated early pursuant to Article 12 of this Agreement.
- 5.2 Survival. All provisions of this Agreement which must, in order to give full force and effect to the rights and obligations of the Parties hereto, survive termination or expiration of this Agreement, shall so survive, including, without limitation, Articles 9, 10 and 12.

ARTICLE 6 DETERMINATION OF DELIVERED QUANTITIES

- 6.1 Monthly Settlement Load. The amount of Monthly Settlement Load with respect to any calendar month during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy. The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial and subsequent retail load settlement processes.
- 6.2. Weekly Settlement Load. The amount of Weekly Settlement Load with respect to any Weekly Settlement Dates during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy. The MWh of Energy shall be

equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial retail load settlement processes.

- 6.3. Base Load and Increment Load Percentages. For R and Small C&I FP-SOS, the Base Load Percentage shall equal 100% and the Increment Load Percentage shall equal 0% for the entire term of this Agreement. For FP-SOS provided to MGS-S, LGS-S and GS-P customers, the Base Load Percentage and Increment Load Percentage shall be determined as set forth below.

(a) Base Load Percentage.

- i. Upon the date of execution of each Transaction for MGS-S, LGS-S and GS-P FP-SOS, Buyer shall determine the Capacity PLC, stated in megawatts, associated with each Bid Block in each Transaction ("Base PLC Per Bid Block"). Subsequent to the determination of the Base PLC Per Bid Block, and on each Business Day thereafter, Buyer shall determine the Capacity PLC, stated in megawatts, associated with each Bid Block in each Transaction ("PLC Per Bid Block"). The Base Load Percentage shall equal 100% if the PLC Per Bid Block is less than or equal to the Base PLC Per Bid Block plus five (5) megawatts. The Base Load Percentage shall equal the product of: (i) the quotient of the Base PLC Per Bid Block plus five (5) megawatts and the PLC Per Bid Block; and (ii) 100 if the PLC Per Bid Block is greater than the Base PLC Per Bid Block plus five (5) megawatts. On any Business Day when the PLC Per Bid Block is equal to or less than the Base PLC Per Bid Block minus three (3) megawatts, a new Base PLC Per Bid Block shall be established and shall equal the Base PLC Per Bid Block in effect the day prior to such event, minus three (3) megawatts for each whole multiple of three (3) megawatts that the PLC Per Bid Block is below the prior day Base PLC Per Bid Block. Such new Base PLC Per Bid Block shall replace the prior Base PLC Per Bid Block in all aspects of determining the Base Load Percentage subsequent to such new Base PLC Per Bid Block becoming effective.
- ii. At any time the Capacity PLCs are re-determined by the Buyer in accordance with the PJM Agreements, Buyer shall negate the effect of such re-determination on the PLC Per Bid Block. Accordingly, the daily determination of PLC Per Bid Block subsequent to each such PLC re-determination, shall equal the PLC per bid block computed by Buyer each day using the re-determined PLCs ("Unadjusted PLC Per Bid Block") minus the difference of: (i) Unadjusted PLC Per Bid Block computed by Buyer on the day such re-determined PLCs become effective; and (ii) the PLC Per Bid Block determined on the day prior to the re-determined PLCs becoming effective. For further clarity, Exhibit H contains an example of the calculation described in this Section 6.2(a)

- (ii). On any Business Day, an increment is triggered when customers eligible to return to SOS have the effect that the PLC per Bid Block is greater than the Base PLC per Bid Block plus five (5) megawatts. Customers migrating from SOS to alternate suppliers or migrating from the service territory or whose electric service is terminated such that the PLC per Bid Block is equal to or less than the Base PLC per Bid Block minus (3) megawatts would trigger a decrement.
- (b) Increment Load Percentage. Seller shall not be responsible for supplying the Increment Load Percentage, which shall be equal to 100% minus the Base Load Percentage.

ARTICLE 7 BILLING AND SETTLEMENT

7.1 Billing. Consistent with PJM settlement dates, Buyer shall deliver to Seller, via electronic transmission or other means agreed to by the Parties, an invoice (“Invoice”) that sets forth the total amount due for the previous calendar month for all Transactions. The Invoice shall detail for each Transaction the following:

- (a) Monthly Settlement Base Load
- (b) Monthly Settlement Base Price
- (c) Monthly Settlement Amount
- (d) Weekly Settlement Base Load
- (e) Weekly Settlement Base Price
- (f) Weekly Settlement Amount
- (g) PJM billing adjustments

~~(g)~~(h) For each month in the contract term that the Zonal Net Load Price for capacity resulting from the Base Residual Auction (BRA) is unknown at the time Suppliers provide their offers in a Standard Offer Service auction pursuant to the RFP, Suppliers shall incorporate a proxy Net Load Price of \$151.70/MW-day for capacity into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial & Industrial (RSCI) class. For each billing month in which the proxy price was used by the Suppliers, an additional line item on the SOS Invoice will show a supplemental capacity payment or charge. A supplemental capacity payment will be stated if the Final Zonal Net Load Price for capacity is higher than the proxy Zonal Net Load Price, and a supplemental capacity charge will be stated if the Final Net Load Price for capacity is lower than the proxy Zonal Net Load Price. The supplemental capacity payment or charge will equal the Final Zonal Net Load Price for the Utility’s PJM zone less the proxy Zonal Net Load Price, multiplied by the Seller’s unforced capacity obligation for each day of the billing month.

~~(h)~~(i) _____ Any other adjustments set forth in this Agreement

7.2 PJM Billing.

- (a) Buyer and Seller shall direct PJM to invoice Seller and Buyer for charges and credits relating to Seller's and Buyer's rights and obligations under this Agreement as set forth in Exhibit D attached hereto and made a part hereof. If PJM is unable to invoice charges or credits in accordance with Exhibit D, Buyer shall rectify such PJM invoice discrepancy in the Invoice sent pursuant to Section 7.1 (Billing).
- (b) The Parties agree that the PJM bill may change from time to time. Allocation of any charges that are reflected in a PJM bill that are not included on or are inconsistent with Exhibit D will be determined pursuant to Sections 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Other Changes in PJM Charges), and 16.11 (PJM Agreement Modifications) of this Agreement.

7.3 Payment of the Invoice. On the PJM Settlement Dates, Buyer will pay to Seller, or Seller will pay to the Buyer, as the case may be, the total amount due in the applicable Invoice. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by such Party, by 12:00 p.m. EPT on the Weekly Settlement Date and the Monthly Settlement Date. Payment of Invoices shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement (other than the obligation to make such payment), nor shall such payment constitute a waiver of any claims arising hereunder.

7.4 Netting of Payments. Buyer and Seller shall discharge mutual debts and payment obligations due and owing to each other under this Agreement, as of the Weekly Settlement Date and the Monthly Settlement Date, such that all amounts owed by each Party to the other Party shall be reflected in a single amount due to be paid by the Party who owes it and received by the other Party, provided that the calculation of the net amount shall not include any disputed amounts being withheld pursuant to Section 7.5 (Billing Disputes and Adjustment of Invoices).

7.5 Billing Disputes and Adjustments of Invoices.

- (a) Consistent with the PJM rules as they may be revised in accordance with Settlement C, Buyer may, in good faith, adjust the Invoice to include revised load data or correct any errors. In the event Settlement C is not adopted by PJM, any adjustment to include revised load data or to correct any errors must occur within 12 months from the date on which an Invoice is issued. The adjustment shall include interest calculated at the Interest Rate from the original

due date to the date of payment. Buyer shall provide Seller a written explanation of the basis for the adjustment.

- (b) Within twelve (12) months of the date on which an Invoice is issued or an Invoice is adjusted pursuant to Section 7.5(a) (Billing Disputes and Adjustment of Invoices), or within the period established in Settlement C, whichever is shorter, Seller may, in good faith, dispute the correctness of such Invoice or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that Seller has paid by the Monthly Settlement Date any portion of an Invoice that is not disputed.
- (c) Within twelve (12) months of the date on which a PJM bill is issued, or within the period established in Settlement C, whichever is shorter, Buyer or Seller may, in good faith, dispute the correctness of any such PJM bill, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that the disputing Party has paid by the Monthly Settlement Date any portion of an Invoice that is not disputed.
- (d) A failure to raise a dispute applicable under subsections 7.5(a)-(c) within such 12 month period, or within the period established in Settlement C, whichever is shorter, shall be deemed to bar Buyer or Seller from raising such dispute as it applies between Buyer and Seller.

7.6 Interest on Unpaid Balances. Interest on delinquent amounts, other than amounts in dispute as described in Section 7.5 (Billing Disputes and Adjustment of Invoices), shall be calculated at the Interest Rate from the original due date to the date of payment.

ARTICLE 8 TAXES

8.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Taxes.

- (a) As between the Parties: (i) Seller is responsible for the payment of all taxes imposed by any Governmental Authority on the wholesale sales of Full Requirements Service under this Agreement; and (ii) Buyer is responsible for the payment of all taxes imposed by any Governmental Authority on retail sales of Full Requirements Service under this Agreement.

(b) Any Party paying taxes that should have been paid by the other Party pursuant to Section 8.2(a) (Taxes), shall be reimbursed by such other Party in the next invoice issued pursuant to Section 7.1 (Billing).

8.3 Disclosure of Tax Treatment. Notwithstanding anything to the contrary in this Agreement or in the RFP and appendices thereto, Seller and Buyer agree that (i) any obligation of confidentiality with respect to the Parties' Transactions hereunder does not apply, and has not applied from the commencement of discussions between the Parties, to the tax treatment and tax structure of the Agreement and all Transactions thereunder, and (ii) Seller and Buyer (and each of their respective employees, representatives, or agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Agreement and the Transactions thereunder, as well as any materials of any kind (including opinions or other tax analyses) that have been provided to the disclosing Party relating to such tax treatment and tax structure, all within the meaning of Treasury Regulations Section 1.6011-4; provided, however, that the foregoing is not intended to affect any privileges that each Party is entitled, in its sole discretion, to maintain, including with respect to any confidential communications with its attorney or any confidential communications with a federally authorized tax practitioner under Section 7525 of the Internal Revenue Code.

ARTICLE 9 INDEMNIFICATION

9.1 Seller's Indemnification for Third-Party Claims. Seller shall indemnify, hold harmless, and defend Buyer and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Buyer's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities in any action or proceeding between Buyer and a third party for damage to property of unaffiliated third parties, injury to or death of any person, to the extent directly caused by the gross negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Seller's performance under this Agreement, Seller's exercise of rights under this Agreement, or Seller's breach of this Agreement.

9.2 Buyer's Indemnification for Third-Party Claims. Buyer shall indemnify, hold harmless, and defend Seller and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Seller's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities in any action or

proceeding between Seller and a third party for damage to property of unaffiliated third parties, injury to or death of any person, to the extent directly caused by the gross negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement, or Buyer's breach of this Agreement.

- 9.3 Indemnification Procedures. If either Party intends to seek indemnification under Sections 9.1 (Seller's Indemnification for Third-Party Claims) or 9.2 (Buyers Indemnification for Third-Party Claims), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.

ARTICLE 10 LIMITATIONS ON LIABILITY

- 10.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT

DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE, JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 10.2 Limitation on Buyer Liability for Conduct of Consultant. As set forth in the PSC Settlement and Delaware PSC Orders, Buyer is obligated to share certain information with a consultant (“PSC Consultant”) chosen and supervised by the Delaware PSC and its Staff. Notwithstanding anything set forth in this Agreement, in no event will Buyer have any liability of any kind with respect to Sellers for any conduct of the PSC Consultant, except to the extent of any remedy that Buyer actually recovers from the PSC Consultant.

ARTICLE 11 FORCE MAJEURE

- 11.1 Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfill the requirements set forth in Section 11.2 (Notification).
- 11.2 Notification. A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party’s inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 12

EVENTS OF DEFAULT; REMEDIES

- 12.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (“Defaulting Party”), the occurrence of any of the following:
- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;
 - (b) any representation or warranty made by such Party herein or in response to the RFP is false or misleading in any material respect when made or when deemed made or repeated;
 - (c) the failure of a Party to comply with the requirements of Section 4.8 (PJM Membership) and 4.10 (FERC Authorization) if such failure is not remedied within three (3) Business Days after written notice, provided, however, that if such failure can be rectified and the Seller is in the process of rectifying the failure, then the Event of Default shall be tolled for up to thirty (30) days;
 - (d) PJM has declared a Party to be in default of any provision of any PJM Agreement, which default prevents a Party’s performance hereunder if such failure is not remedied within three (3) Business Days after written notice;
 - (e) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
 - (f) such Party becomes Bankrupt;
 - (g) such Party consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, or assigns the Agreement or any rights, interests, or obligations hereunder without the prior written consent of the other Party when such consent is required, and, at the time of such consolidation, merger, transfer or assign, the resulting, surviving, transferee, or assigned entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
 - (h) the occurrence and continuation of: (i) a default, event of default or other similar condition or event in respect of such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than five percent (5%) of such Party’s TNW, which results in such indebtedness becoming immediately due and payable or; (ii) a default by such Party in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than five percent (5%) of such Party’s TNW.
 - (i) the failure of a Party to comply with its obligations pursuant to Article 14 (Performance Assurance/Accelerated Payments) if such failure is not remedied within three (3) Business Days after written notice.
 - (j) with respect to Seller’s Guarantor if any:

- i. if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
- ii. the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;
- iii. the failure of the Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party;
- iv. the Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty; or
- v. conditions described with respect to a Party in subparagraph (f) of this Section 12.1 (Events of Default) occurs with respect to its Guarantor.

12.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party"), shall provide written notice to the Defaulting Party and shall have the right to temporarily suspend performance pursuant to Section 12.2(a) or implement all remedies pursuant to Section 12.2(b):

- (a) If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Section 12.2(b). If, by the end of the ten (10) Business Day period of suspension, the Non-Defaulting Party has not commenced the implementation of the remedies pursuant to Section 12.2(b), then the Non-Defaulting Party must resume performance of its obligations under this Agreement.
- (b) In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all, but not less than all, the following remedies:
 - i. Suspend performance and designate a day, in such notice, no earlier than the day such notice is effective and no later than twenty (20) (calendar) days after such notice is effective, as an early termination date ("Early Termination Date") for the purposes of determining the Settlement Amount;
 - ii. calculate and receive from the Defaulting Party, payment for any Default Damages the Non-Defaulting Party incurs as of the date of the event giving rise to the Event of Default, until the earlier of: (i) the Early Termination Date (if applicable); or (ii) the Event of Default has been

- cured by the Defaulting Party; or (iii) the Non-Defaulting Party waives such Event of Default; and
- iii. withhold any payments due to the Defaulting Party under this Agreement as an offset to any Default Damages or Termination Payment, as defined in Section 12.3 (Calculation and Net Out of Settlement Amounts).
- (c) If an Event of Default has occurred and the Non-Defaulting Party is the Buyer, then:
- i. unless the Event of Default was a failure by Seller to meet any or all of its Full Requirements Service obligations, Buyer may offer to waive the default on such terms and conditions as Buyer, at its sole discretion, may deem appropriate to propose (“Special Remedy”); provided however that;
 - ii. any such Special Remedy can only be offered to Seller if it first is specifically approved by the Delaware PSC in accordance with PSC Settlement.

12.3 Calculation and Net Out of Settlement Amounts.

- (a) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable. For purposes of calculating the Settlement Amount, the Non-Defaulting Party shall reflect the net impact of the exercise of the option on the part of other wholesale suppliers as described in Section 4.12 (Seller Step-Up Rights) of this Agreement. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single liquidated amount (the “Termination Payment”) by netting out: (i) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 14 (Performance Assurance/Accelerated Payments), plus any or all other amounts due to the Defaulting Party under this Agreement; against (ii) all Settlement Amounts that are due to the Non-Defaulting Party plus any or all other amounts due to the Non-Defaulting Party, including but not limited to Default Damages, under this Agreement. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. When the Buyer is the Non-Defaulting Party and replaces Seller’s full requirements obligation under this Agreement through mechanisms specified in the PSC Settlement, the result of that procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount.

- Seller may, in its sole discretion, add subsection 12.3(b) included in Exhibit J by checking this box. If Seller does not check this box, subsection 12.3(b) will not be included as part of the Parties' Agreement.

- 12.4 Notice of Termination Payment. As soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide written notice to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The owing Party shall make the Termination Payment within five (5) Business Days after such notice is effective.
- 12.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a notice that it intends to dispute the calculation of the Termination Payment ("Termination Payment Dispute Notice"), pursuant to the provisions of Article 13 (Dispute Resolution), and provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party by the Termination Payment Date.
- 12.6 Closeout Setoffs. After calculation of a Termination Payment in accordance with Section 12.3, (Calculation and Net Out of Settlement Amounts) if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to: (i) set off against such Termination Payment any amounts payable by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party; and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 12.2 (a), withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Article shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise). If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained.
- 12.7 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

ARTICLE 13
DISPUTE RESOLUTION

- 13.1 Informal Dispute Resolution. Before pursuing resolution of any dispute arising out of this Agreement, the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Section 13.1 (Informal Dispute Resolution), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Rate from the original due date through the date of payment.
- 13.2 Formal Dispute Resolution. After the requirements of Section 13.1 (Informal Dispute Resolution) have been satisfied, all disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Notwithstanding anything set forth in this Article 13 (Dispute Resolution), any dispute concerning an increase in the Renewable Energy Resource requirement described in Section 4.4 (Renewable Energy Resource Requirement) will be resolved in accordance with the procedures set forth in Section 4.4 (Renewable Energy Resource Requirement), and any dispute concerning new PJM charges will be resolved in accordance with the procedures set forth in Section 2.4 (Other Changes in PJM Charges).

ARTICLE 14
PERFORMANCE ASSURANCE/ACCELERATED PAYMENTS

- 14.1 Requirement for Performance Assurance. With respect to Aggregate Transactions, if at any time and from time to time during the term of this Agreement, Aggregate Buyer's Exposure exceeds the Unsecured Credit on any Business Day, then Buyer shall request that Seller post Performance Assurance in an amount equal to the amount by which Aggregate Buyer's Exposure exceeds the Unsecured Credit (rounding upwards to the nearest \$250,000), less any Performance Assurance already posted with Buyer. Subsequent and incremental requests for Performance Assurance shall be in \$250,000 increments. Buyer's request for Performance Assurance shall not be disputed by Seller.
- 14.2 Performance Assurance Transfers>Returns. If the request for Performance Assurance is made by Buyer before 1:00 p.m. EPT on a Business Day, then if Seller

is posting cash as the form of Performance Assurance Collateral, Seller shall be required to deliver the Performance Assurance cash to Buyer on the Business Day following the date of such request; and if Seller is posting a Letter of Credit or other security as acceptable to Buyer as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance Letter of Credit or other security on the second Business Day following the date of such request. If a request for Performance Assurance is made by Buyer at or after 1:00 p.m. EPT, then if Seller is posting cash as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance cash to Buyer on the second Business Day following the date of such request; and if Seller is posting a Letter of Credit or other security as acceptable to Buyer as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance Letter of Credit or other security on the third Business Day following the date of such request. Telephone, facsimile, or other communication means mutually acceptable by the Parties, are suitable means for the Buyer to make requests for Performance Assurance. If Seller provides its Performance Assurance collateral in cash, in whole or in part, Seller will also simultaneously grant Buyer a first-priority security interest in that cash, in a form mutually acceptable to Buyer and Seller. Buyer shall not be entitled to hold Performance Assurance in the form of cash; rather, Performance Assurance in the form of cash shall be held in any major U.S. commercial bank, or a foreign bank with a U. S. branch office, (which is not the Buyer or an affiliate of the Buyer), and has assets of at least \$10 billion and a credit rating of at least "A" by Standard and Poor's, or "A2" by Moody's Investor Services ("Qualified Institution"). The Buyer will pay to Seller on the first Business Day of each calendar quarter the amount of interest it receives based upon the applicable overnight repurchase interest rate from the Qualified Institution on any Performance Assurance in the form of cash posted by Seller. The interest amount or portion thereof not returned to Seller pursuant to this Section 14.2 will constitute Performance Assurance and will be subject to the provisions of Article 14 of this Agreement.

On any Business Day (but no more frequently than weekly with respect to Letters of Credit or other security acceptable to Buyer, and daily with respect to cash), Seller, at its sole cost, may request that the Performance Assurance be reduced correspondingly to reflect the decrease in Buyer's Exposure or an increase in Seller's Unsecured Credit, if any (rounding upwards for any fractional amount to the nearest \$100,000). Buyer shall be required to return the amount of Performance Assurance due in accordance with the timeframes set forth in the preceding paragraph. Telephone, facsimile, or other communication means mutually acceptable by the Parties, are suitable means for the Seller to make requests for return of Performance Assurance.

In the event that Seller fails to provide Performance Assurance or Buyer fails to return Performance Assurance pursuant to the terms of this Article 14 (Performance Assurance/Accelerated Payments) within the applicable timeframes, then an Event of Default pursuant to Section 12.1(i) shall be deemed to have occurred with respect

to the non-performing Party and the other Party will be entitled to the remedies set forth therein.

In instances caused by the timing of the requests for both the return of Performance Assurance and placement of Performance Assurance, a situation may arise where the Parties are both sending and receiving transactions on the same day. In these instances, the Parties may net the requested amounts and proceed with only one transaction. Netting is only permitted for Performance Assurance purposes if it is mutually agreed to by both Parties in advance and confirmed in advance.

- 14.3 Unsecured Credit. During the term of this Agreement, Buyer shall extend, solely with respect to the Performance Assurance set forth in Section 14.1 (Requirement for Performance Assurance), Unsecured Credit to Seller in an amount initially determined on the Effective Date and redetermined each Business Day thereafter pursuant to this Section 14.3.

The relevant Unsecured Credit Cap shall be the Unsecured Credit Cap listed in the following table that corresponds to Seller's (or Seller's Guarantor's) lowest Credit Rating most recently published by S&P, Fitch and/or Moody's. The relevant TNW Amount shall be calculated using the TNW Percentage listed in the following table that corresponds to Seller's (or Seller's Guarantor's) lowest Credit Rating most recently published by S&P, Fitch and/or Moody's.

Credit Rating			<u>TNW Percentage</u>	<u>Unsecured Credit Cap</u>
<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>		
A or above	A or above	A2 or above	15%	\$125,000,000
A-	A-	A3	10%	\$100,000,000
BBB+	BBB+	Baa1	8%	\$75,000,000
BBB	BBB	Baa2	6%	\$50,000,000
BBB-	BBB-	Baa3	4%	\$25,000,000
BB+	BB+	Ba1	2%	\$15,000,000
BB	BB	Ba2	1%	\$10,000,000
BB-	BB-	Ba3	0.5%	\$5,000,000
Below BB- /Unrated	Below BB- /Unrated	Below Ba3 /Unrated	0%	\$0.00

- 14.4 Credit Rating. If during the term of the Agreement, Seller's or Seller's Guarantor's Credit Rating changes, by either being upgraded or downgraded by any of the rating agencies referenced in Section 14.3 (Unsecured Credit) of the Agreement, the Seller shall be required to provide written notice to Buyer of such Credit Rating change

no later than two (2) Business Days after the date of such change. However, if Seller's, or Seller's Guarantor's, equity is publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, the Buyer will waive the requirement to provide written notice.

14.5 Tangible Net Worth. During the term of the Agreement, Seller, or Seller's Guarantor, shall be required to provide Buyer written financial information to determine the Seller's, or Seller's Guarantor's Tangible Net Worth. Financial information shall include an audited Annual Report, containing, but not limited to, a balance sheet prepared in accordance with generally accepted accounting principles, a schedule of long term debt including maturity dates, and all notes to the financial statement that apply to long term debt, short term borrowing, and liquidity and capital resources. The Seller, or Seller's Guarantor, shall also provide the Buyer written financial information on a quarterly basis containing a balance sheet prepared in accordance with generally accepted accounting principles. However, if Seller's, or Seller's Guarantor's, equity is publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, the Buyer will waive the requirement to provide written financial information.

14.6 Foreign Entities. The following standards shall apply to Seller, or Seller's Guarantor, that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States. For Sellers who cannot meet the following requirements, the posting of cash or letter of credit in an acceptable form (see standard format in Exhibit C) for the Aggregate Buyer's Exposure shall be required.

(a) The Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. The Buyer shall have full discretion, without liability or recourse to the Seller, to evaluate the evidence of creditworthiness submitted by such Seller; or

(b) The Guarantor of a Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Guarantors of Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. Buyer shall have full discretion, without liability or recourse to the Guarantor or the Seller, to evaluate the evidence of creditworthiness submitted by such Guarantor.

All Sellers or Guarantors of Sellers that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not

conform to generally accepted accounting principles (GAAP) in the United States shall, in addition to all documentation required elsewhere in this Section 14.6 (Foreign Entities), supply the following as a condition of being granted Unsecured Credit, up to a maximum level, for the purpose of covering the Aggregate Buyer's Exposure:

(i) For Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Seller is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Seller in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the person executing this Agreement on behalf of the Seller has the authority to execute the Agreement and that the governing board of such Seller has approved the execution of this Agreement; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the Seller has been authorized by its governing board to enter into agreements of the same type as this Agreement.

Buyer shall have full discretion, without liability or obligation to the Seller, to evaluate the sufficiency of the documents submitted by the Seller.

(ii) For Guarantor of a Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that this Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as the Guaranty.

Buyer shall have full discretion, without liability or obligation to the Guarantor or the Seller, to evaluate the sufficiency of the documents submitted by such Guarantor.

- 14.7 Aggregate Buyer's Exposure. In order to determine the amount of Performance Assurance during the term of this Agreement, Buyer shall calculate the Aggregate Buyer's Exposure under Aggregate Transactions once per Business Day, pursuant to the process and methodology described in Exhibit E for calculating the mark-to-mark exposure. On a Transaction Date, the Buyer's Exposure for that Transaction shall be deemed equal to zero.

To the extent that the calculations of the Aggregate Buyer's Exposure for a given date results in a negative number, the Aggregate Buyer's Exposure for such date shall be deemed equal to zero.

- (a) Pricing Agent. Buyer shall contract with and pay for the services of a single independent consultant to provide pricing services with respect to the Transactions under this Agreement. The Pricing Agent shall provide to the Buyer the On-Peak Initial Mark Price and the Off-Peak Initial Mark Price. In addition, on each Business Day, the Pricing Agent shall provide to the Buyer the On-Peak Forward Price and the Off-Peak Forward Price. To the extent that information and/or quotes are not available to determine an On-Peak Forward Price or Off-Peak Forward Price for a given month the Pricing Agent shall be permitted to use information and/or quotes relevant to such month for which information and/or quotes are available in order to provide the Buyer the required On-Peak Forward Price and Off-Peak Forward Price for such month. Exhibit E presents in more detail the methodology to be used by the Pricing Agent in determining the Off-Peak Initial Mark Price, On-Peak Initial Mark Price, the On-Peak Forward Price and the Off-Peak Forward Price.
- (b) Buyer shall use reasonable efforts to provide Seller with Aggregate Buyer's Exposure on each Business Day subject to the Confidentiality provisions of this Agreement.
- (c) Pursuant to Section 14.1 above, Seller shall not dispute any request by Buyer for Performance Assurance. Notwithstanding such provision, Seller may dispute the Pricing Agent's determinations of the On-Peak Initial Mark Price, Off-Peak Initial Mark Price, On-peak Forward Price and Off-Peak Forward Price if Seller can demonstrate that the Pricing Agent has been grossly negligent or has exhibited willful misconduct in such determinations, or that the Pricing Agent is making such determinations in a manner that is arbitrary, capricious or erroneous on its face. Such dispute of the Pricing Agent's determinations by the Seller shall not be cause for any delay by the Seller in posting any Performance Assurance requested by the Buyer.

ARTICLE 15

REPRESENTATIONS AND WARRANTIES

15.1 Representations and Warranties. On the Effective Date and throughout the term of this Agreement, each Party represents and warrants to the other Party that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and each Transaction;
- (c) the execution, delivery and performance of this Agreement and each Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) this Agreement and each Transaction constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
- (e) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (f) there are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates any legal proceedings before any court or Governmental Authority that could materially adversely affect its ability to perform its obligations under this Agreement and each Transaction;
- (g) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement and each Transaction;
- (h) with respect to Buyer, it is acting to fulfill its obligations under and in accordance with Delaware PSC Orders issued pursuant to Docket No. 04-391 to enter into this Agreement;
- (i) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and each Transaction, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement;
- (j) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (k) it has entered into this Agreement and each Transaction in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of the Full Requirements Service; and it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act.

15.2 Additional Understandings. This Agreement is for the purchase and sale of Full Requirements Service that will be delivered in quantities expected to be used or sold over a defined period(s) in the normal course of business, and it is the intention at the inception and throughout the term of this Agreement and each Transaction hereunder that the Agreement will result in physical delivery and not financial

settlement, and the quantity of Full Requirements Service that Seller must deliver and Buyer must receive will be determined by the requirements of the SOS Load served by Buyer, and, as such, the Agreement does not provide for an option by either Party with respect to the quantity of Full Requirements Service to be delivered or received during performance of the Agreement. This Agreement has been drafted to effectuate Buyer's and Seller's specific intent so that in accordance with Financial Accounting Standards Board Statement No. 133 ("FAS 133"), as amended, Buyer would be able to elect to use accrual accounting for its purchases under this Agreement, while Seller would be able to elect to use either accrual or mark-to-market accounting for its sales under the Agreement. If either Buyer or Seller determines, in good faith, that the intended accounting treatment has become jeopardized, due to a change in interpretations of FAS 133, as amended, or otherwise, then Buyer and Seller agree to meet and use their best efforts to reform the Agreement so that, with the minimum changes possible, the Agreement again qualifies for the intended accounting treatments.

ARTICLE 16 MISCELLANEOUS

- 16.1 Notices. Unless otherwise specified herein, all notices shall be in writing and delivered by hand, overnight or facsimile (provided a copy is also sent by overnight mail). Notice shall be effective on the next Business Day after it is sent. A Party may change its address by providing notice of the same in accordance with this Section 16.1. Notice information for Buyer and Seller is shown on Exhibit G.
- 16.2 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement or any Transaction. Any provision declared or rendered unlawful will not otherwise affect the remaining lawful obligations that arise under this Agreement or any Transaction; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.
- 16.3 Rules of Interpretation. The following principles shall be observed in the interpretation and construction of this Agreement:
- (a) unless otherwise stated, the terms "include" and "including" when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;

- (b) all titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;
- (c) references to the singular include the plural and vice versa;
- (d) references to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;
- (e) in carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing.

16.4 Audit. Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Sections 7.1 (Billing) and 7.6 (Interest on Unpaid Balances).

16.5 Confidentiality.

- (a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the receiving Party on a non-confidential basis; or (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation.
- (b) Notwithstanding any other provision of this Section 16.5, a Party may disclose whatever information is required by the FERC to disclose in connection with the filing of quarterly or annual reports and may make such disclosure without notification to any other Party.
- (c) Notwithstanding any other provision of this Section 16.5, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality provisions of this Section 16.5, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.
- (d) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is

permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.

- (e) Any independent auditor performing an audit on behalf of a Party pursuant to Section 16.4 shall be required to execute a confidentiality agreement with the Party being audited. Such audit information shall be treated as confidential pursuant to this Section 16.5.
- (f) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the Party breaches or threatens to breach its obligations under this Section 16.5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.

16.6 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.

16.7 Assignment/Change in Corporate Identity. Neither Party shall assign this Agreement, its rights or obligations hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder),

- (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements,
- (b) transfer or assign this Agreement to an affiliate of such Party if: (i) such affiliate's creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such affiliate's creditworthiness is not equal to or higher than that of such Party, such affiliate provides the Performance Assurance required pursuant to this Agreement,
- (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose: (i) creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such entity's creditworthiness is not equal to or higher than that of such Party, such entity provides the Performance Assurance required pursuant to this Agreement;
- (d) provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.

- 16.8 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTITUTED IN ACCORDANCE WITH THE LAWS OF THE STATE OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.
- 16.9 Jurisdiction and Venue. Except as provided in Sections 2.4 (Other Changes in PJM Charges) and 4.4 (Renewable Energy Resource Requirement), and except for matters jurisdictional to FERC, the Delaware PSC or the appellate courts having jurisdiction over the Delaware PSC or FERC matters, all disputes hereunder shall be resolved in the Federal or State courts of Delaware and each Party hereby irrevocably submits to the in personam jurisdiction of such courts. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.
- 16.10 Amendments. Except as provided in Section 16.11 (PJM Agreement Modifications), this Agreement or any Transaction shall not be amended, modified, terminated, discharged or supplemented, nor any provision hereof waived, unless mutually agreed, in writing, by the Parties. Except as provided in Section 16.11 (PJM Agreement Modifications), the rates, terms and conditions contained in this Agreement or any Transaction are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U. S. 348 (1956) (the “*Mobile-Sierra*” doctrine).
- 16.11 PJM Agreement Modifications.
- (a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.
 - (b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement; provided that no such changes shall alter the economic benefits of this Agreement between the Parties.

16.12 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to the respective Parties hereto upon any breach or default of any other Party under this Agreement shall impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

16.13 Regulatory Approvals. The commencement of the Delivery Period is subject to: (i) the receipt or waiver by Seller of all Seller required regulatory approvals; and (ii) the receipt or waiver by Buyer of all Buyer required regulatory approvals. In the event such required regulatory approvals are not received or waived, the Step-Up provisions of Section 4.12 (Seller Step-Up Rights) shall apply.

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date first set forth in the Transaction Confirmation.

Seller

Buyer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

Tag No. _____

Transaction Confirmation
(Sample Data)

This Transaction Confirmation letter is being provided pursuant to and in accordance with the "Full Requirements Service Agreement" dated December 3, 2019 (the "Agreement") between Buyer and Seller. Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the transaction ("Transaction") agreed to on December 3, 2019 ("Transaction Date").

Seller: Seller Company Name
 Buyer: Delmarva Power
 Product: Full Requirements Service
 Customer Group: Residential and Small Commercial & Industrial
 Delivery Point: PJM Control Area
 Delivery Period: June 1, 2020 through May 31, 2022 (24-month)
 Bid Blocks: 1
 Specified Percentage: XX.XXXX%
 Base PLC Per Bid Block (Used for determining when an Increment Load is triggered):

Residential and Small Commercial & Industrial	n/a
Medium General Service -Secondary	n/a
Large General Service -Secondary	n/a
General Service - Primary	n/a

Customer Group: Residential and Small Commercial & Industrial
 Service Classifications: R, ~~R-TOU~~, R-TOU-ND, ~~R-TOU-SOP~~, SGS-ND, GS-SH, GS-WH, OL, ORL, PIV, X.

Delivery Period: June 1, 2020 through May 31, 2022

Monthly Settlement Base Price:
 Summer Energy, \$/MWh \$XX.XX
 Winter Energy, \$/MWh \$XX.XX

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC, MWh	9438	7541	7496	6114	5093	7380	11901	8968	7450	6092	6234	8669
Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC, MWh	11002	7885	7712	5716	6806	6343	10163	8692	7540	5410	8012	8831

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between Seller and Buyer by returning an executed copy of this Transaction Confirmation in accordance with Section 2.8 - Transaction Confirmation of the Agreement. The signatories to this Transaction must have the authority to enter into this Transaction.

EXHIBIT B

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EXHIBIT C

PERFORMANCE ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE 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 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 _____ OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE, AS PROVIDED HEREIN. THIS LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS UP TO THE AGGREGATE AMOUNT SET FORTH HEREIN.

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.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT 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 _____(BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR PERFORMANCE ASSURANCE RELATED TO THE DP&L DE FULL REQUIREMENTS SERVICE AGREEMENT(S) DATED BETWEEN _____ AND _____.”

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.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU AT THE ABOVE ADDRESS BY REGISTERED MAIL OR HAND DELIVERED COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH PERIOD.

THIS LETTER OF CREDIT MAY BE TERMINATED 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.

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 [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO [BENEFICIARY] 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”) OR SUCH LATER REVISION(S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. 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 AVAILABILTY 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

EXHIBIT D

BILLING LINE ITEM TRANSFERS \ SAMPLE PJM INVOICE
(APPLICABLE TO WEEKLY AND MONTHLY SETTLEMENT BILLING)

PJM BILLING LINE ITEM TRANSFERS

Seller and Buyer agree that PJM Settlement, Inc. (“PJM Settlement”) shall transfer all of the following charges and credits related to the Seller’s retail load obligations from the Seller’s account(s) to the Buyer’s account by the business last day of the month prior to the Delivery Period of the first Transaction under the FSA.

<u>Billing Line Item Number</u>	<u>Billing Line Item</u>
1100	Network Integration Transmission Service Charge
1108	Transmission Enhancement Charge
1115	Transmission Enhancement Settlement Charge
1730	Expansion Cost Recovery Charge
1930	Generation Deactivation Charge
1932	Generation Deactivation Refund Charge
2108	Transmission Enhancement Credit
2140	Non-Firm Point-to-Point Transmission Service
2730	Expansion Cost Recovery Credit

SAMPLE PJM INVOICE

ID #	CHARGES	Responsible Party
1000	Amount Due for Interest on Past Due Charges	Seller
1100	Network Integration Transmission Service	Buyer
1101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
1104	Network Integration Transmission Service Offset	Seller
1108	Transmission Enhancement	Buyer
1109	MTEP Project Cost Recovery	Seller
1110	Direct Assignment Facilities	Seller
1115	Transmission Enhancement Settlement (EL05-121-009) Charge	Buyer
1120	Other Supporting Facilities	Seller
1130	Firm Point-to-Point Transmission Service	Seller
1133	Firm Point-to-Point Transmission Service Resale	Seller
1135	Neptune Voluntary Released Transmission Service (Firm)	Seller

1138	Linden Voluntary Released Transmission Service (Firm)	Seller
1140	Non-Firm Point-to-Point Transmission Service	Seller
1143	Non-Firm Point-to-Point Transmission Service Resale	Seller
1145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
1146	Neptune Default Released Transmission Service (Non-Firm)	Seller
1147	Neptune Unscheduled Usage Billing Allocation	Seller
1155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
1156	Linden Default Released Transmission Service (Non-Firm)	Seller
1157	Linden Unscheduled Usage Billing Allocation	Seller
1200	Day-ahead Spot Market Energy	Seller
1205	Balancing Spot Market Energy	Seller
1210	Day-ahead Transmission Congestion	Seller
1215	Balancing Transmission Congestion	Seller
1218	Planning Period Congestion Uplift	Seller
1220	Day-ahead Transmission Losses	Seller
1225	Balancing Transmission Losses	Seller
1230	Inadvertent Interchange	Seller
1240	Day-ahead Economic Load Response	Seller
1241	Real-time Economic Load Response	Seller
1242	Day-Ahead Load Response Charge Allocation	Seller
1243	Real-Time Load Response Charge Allocation	Seller
1245	Emergency Load Response	Seller
1250	Meter Error Correction	Seller
1260	Emergency Energy	Seller
1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration	Seller
1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration	Seller
1303	PJM Scheduling, System Control and Dispatch Service - Market Support	Seller
1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration	Seller
1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	Seller
1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center	Seller
1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset	Seller
1308	PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration	Seller
1309	PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration	Seller
1310	PJM Scheduling, System Control and Dispatch Service Refund - Market Support	Seller
1311	PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration	Seller
1312	PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	Seller

1313	PJM Settlement, Inc.	Seller
1314	Market Monitoring Unit (MMU) Funding	Seller
1315	FERC Annual Charge Recovery	Seller
1316	Organization of PJM States, Inc. (OPSI) Funding	Seller
1317	North American Electric Reliability Corporation (NERC)	Seller
1318	Reliability First Corporation (RFC)	Seller
1320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
1340	Regulation and Frequency Response Service	Seller
1350	Energy Imbalance Service	Seller
1360	Synchronized Reserve	Seller
1365	Day-ahead Scheduling Reserve	Seller
1370	Day-ahead Operating Reserve	Seller
1371	Day-ahead Operating Reserve for Load Response	Seller
1375	Balancing Operating Reserve	Seller
1376	Balancing Operating Reserve for Load Response	Seller
1377	Synchronous Condensing	Seller
1378	Reactive Services	Seller
1380	Black Start Service	Seller
1400	Load Reconciliation for Spot Market Energy	Seller
1410	Load Reconciliation for Transmission Congestion	Seller
1420	Load Reconciliation for Transmission Losses	Seller
1430	Load Reconciliation for Inadvertent Interchange	Seller
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service	Seller
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund	Seller
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	Seller
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	Seller
1445	Load Reconciliation for FERC Annual Charge Recovery	Seller
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	Seller
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	Seller
1448	Load Reconciliation for Reliability First Corporation (RFC)	Seller
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1460	Load Reconciliation for Regulation and Frequency Response Service	Seller
1470	Load Reconciliation for Synchronized Reserve	Seller
1475	Load Reconciliation for Day-ahead Scheduling Reserve	Seller
1478	Load Reconciliation for Balancing Operating Reserve	Seller
1480	Load Reconciliation for Synchronous Condensing	Seller
1490	Load Reconciliation for Reactive Services	Seller
1500	Financial Transmission Rights Auction	Seller

1600	RPM Auction	Seller
1610	Locational Reliability	Seller
1650	Auction Specific MW Capacity Transaction	Seller
1660	Demand Resource and ILR Compliance Penalty	Seller
1661	Capacity Resource Deficiency	Seller
1662	Generation Resource Rating Test Failure	Seller
1663	Qualifying Transmission Upgrade Compliance Penalty	Seller
1664	Peak Season Maintenance Compliance Penalty	Seller
1665	Peak-Hour Period Availability	Seller
1666	Load Management Test Failure	Seller
1670	FRR LSE Reliability	Seller
1680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
1681	FRR LSE Capacity Resource Deficiency	Seller
1682	FRR LSE Generation Resource Rating Test Failure	Seller
1683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
1684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
1685	FRR LSE Peak-Hour Period Availability	Seller
1686	FRR LSE Load Management Test Failure	Seller
1687	FRR LSE Schedule 9-5	Seller
1688	FRR LSE Schedule 9-6	Seller
1710	PJM/MISO Seams Elimination Cost Assignment	Seller
1712	Intra-PJM Seams Elimination Cost Assignment	Seller
1720	RTO Start-up Cost Recovery	Seller
1730	Expansion Cost Recovery	Buyer
1900	Unscheduled Transmission Service	Seller
1910	Ramapo Phase Angle Regulators	Seller
1911	Michigan - Ontario Interface Phase Angle Regulators	Seller
1920	Station Power	Seller
1930	Generation Deactivation	Buyer
1932	Generation Deactivation Refund	Buyer
1950	Virginia Retail Administrative Fee	Seller
1952	PPL Deferred Tax Adjustment	Seller
1955	Deferral Recovery	Seller
1980	Miscellaneous Bilateral	Seller
1995	PJM Annual Membership Fee	Seller
1999	PJM Customer Payment Default	Seller

ID #	CREDITS	
2100	Network Integration Transmission Service	Seller
2101	Network Integration Transmission Service (ATSI Low Voltage)	Seller

2104	Network Integration Transmission Service Offset	Seller
2106	Non-Zone Network Integration Transmission Service	Seller
2108	Transmission Enhancement	Buyer
2109	MTEP Project Cost Recovery	Seller
2110	Direct Assignment Facilities	Seller
2120	Other Supporting Facilities	Seller
2130	Firm Point-to-Point Transmission Service	Seller
2132	Internal Firm Point-to-Point Transmission Service	Seller
2133	Firm Point-to-Point Transmission Service Resale	Seller
2135	Neptune Voluntary Released Transmission Service (Firm)	Seller
2138	Linden Voluntary Released Transmission Service (Firm)	Seller
2140	Non-Firm Point-to-Point Transmission Service	Buyer
2142	Internal Non-Firm Point-to-Point Transmission Service	Seller
2143	Non-Firm Point-to-Point Transmission Service Resale	Seller
2145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
2146	Neptune Default Released Transmission Service (Non-Firm)	Seller
2155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
2156	Linden Default Released Transmission Service (Non-Firm)	Seller
2210	Transmission Congestion	Seller
2217	Planning Period Excess Congestion	Seller
2218	Planning Period Congestion Uplift	Seller
2220	Transmission Losses	Seller
2240	Day-ahead Economic Load Response	Seller
2241	Real-time Economic Load Response	Seller
2245	Emergency Load Response	Seller
2260	Emergency Energy	Seller
2320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
2340	Regulation and Frequency Response Service	Seller
2350	Energy Imbalance Service	Seller
2360	Synchronized Reserve	Seller
2365	Day-ahead Scheduling Reserve	Seller
2370	Day-ahead Operating Reserve	Seller
2371	Day-ahead Operating Reserve for Load Response	Seller
2375	Balancing Operating Reserve	Seller
2376	Balancing Operating Reserve for Load Response	Seller
2377	Synchronous Condensing	Seller
2378	Reactive Services	Seller
2380	Black Start Service	Seller
2420	Load Reconciliation for Transmission Losses	Seller

2500	Financial Transmission Rights Auction	Seller
2510	Auction Revenue Rights	Seller
2600	RPM Auction	Seller
2620	Interruptible Load for Reliability	Seller
2630	Capacity Transfer Rights	Seller
2640	Incremental Capacity Transfer Rights	Seller
2650	Auction Specific MW Capacity Transaction	Seller
2660	Demand Resource and ILR Compliance Penalty	Seller
2661	Capacity Resource Deficiency	Seller
2662	Generation Resource Rating Test Failure	Seller
2663	Qualifying Transmission Upgrade Compliance Penalty	Seller
2664	Peak Season Maintenance Compliance Penalty	Seller
2665	Peak-Hour Period Availability	Seller
2666	Load Management Test Failure	Seller
2670	FRR LSE Reliability	Seller
2680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
2681	FRR LSE Capacity Resource Deficiency	Seller
2682	FRR LSE Generation Resource Rating Test Failure	Seller
2683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
2684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
2685	FRR LSE Peak-Hour Period Availability	Seller
2686	FRR LSE Load Management Test Failure	Seller
2687	FRR LSE Schedule 9-5	Seller
2688	FRR LSE Schedule 9-6	Seller
2710	PJM/MISO Seams Elimination Cost Assignment	Seller
2712	Intra-PJM Seams Elimination Cost Assignment	Seller
2720	RTO Start-up Cost Recovery	Seller
2730	Expansion Cost Recovery	Seller
2910	Ramapo Phase Angle Regulators	Seller
2930	Generation Deactivation	Seller
2932	Generation Deactivation Refund	Seller
2950	Virginia Retail Administrative Fee	Seller
2952	PPL Deferred Tax Adjustment	Seller
2955	Deferral Recovery	Seller
2980	Miscellaneous Bilateral	Seller
2996	Annual PJM Cell Tower	Seller
2997	Annual PJM Building Rent	Seller

EXHIBIT E
METHODOLOGY FOR CALCULATION OF MARK TO MARKET (MTM)
EXPOSURE

Parameters

In calculating the MtM Exposure for each Transaction, the following parameters are set on the Transaction Date:

1. On-Peak Initial Mark Price
2. Off-Peak/On-Peak Price Ratio
3. Off-Peak Initial Mark Price
4. On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC for each of the twelve calendar months
5. Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC for each of the twelve calendar months
6. Number of awarded Bid Blocks

In calculating the MtM Exposure for each Transaction, the following parameters are set each Business Day subsequent to the Transaction Date:

- 1) On-Peak Forward Price
- 2) Off-Peak Forward Price
- 3) Current Capacity PLC Per Bid Block
- 4) On-Peak Estimated Energy Quantity
- 5) Off-Peak Estimated Energy Quantity

Determination of On-Peak Forward Prices

On each Business Day subsequent to the Transaction date, the Pricing Agent will contact four Reference Market-Makers to obtain bid and ask Energy price quotes for PJM Western Hub On-Peak Hours for each month of the Delivery Period. If a minimum of two quotes in a particular month is not available, then it is treated the same as if no quotes were available. For the Pricing Agent to include a monthly On-Peak Forward Price quote from a Reference Market-Maker, both bid and ask prices must be available. For any month for which there are no single month quotes, but for which there are two month, quarterly, or 12 month quotes available (“Aggregate Quotes”), the Price Agent shall disaggregate the Aggregate Quote into monthly components in the following manner. The most recently available single month quotes for the same calendar months contained in the Aggregate Quote shall be averaged. The percentage by which each single month price differs from average of the single month prices for the same time period of the Aggregate Quote will be applied to the Aggregate Quote to establish monthly prices for the like month of the Aggregate Quote, such that the average will be Aggregate Quote. In the event that quotes for one or more months of a multi-month block and for the entire multi-month block in aggregate are both available, but are inconsistent with each other, the Pricing Agent will use the one that is

most consistent with other available quotes. The following is an example of the process to be used for disaggregating Aggregate Quotes:

- a. Aggregate Quote only available for Jan-March = \$60/MWh
- b. Immediate Prior Calendar year quotes for Jan-Mar as follows:
 - January: \$42/MWh
 - February: \$45/MWh
 - March: \$40/MWh
- c. Calculations as follows:
 1. Calculate Average price in (b) = \$42.33/MWh
 2. Calculation monthly deviation from Average:
 - January: 99.2% ($\$42/\42.33)
 - February: 106.3%: ($\$45/\42.33)
 - March: 94.5%: ($\$40/\42.33)
 3. Disaggregate the Aggregate Quote by applying percentages from c.(2) to the available aggregate quote:
 - January: \$59.53 ($\$60 \times 99.2\%$)
 - February: \$63.78 ($\$60 \times 106.3\%$)
 - March: \$56.69 ($\$60 \times 94.5\%$)

To the extent that On-Peak Forward Price quotes are not available for a given month, either as single month price quotes or as an Aggregate Quote, the Pricing Agent shall establish price quotes as follows:

- a. If the day on which the Pricing Agent is attempting to secure price quotes for a given month follows at least five (5) days in which the Pricing Agent has secured price quotes for that month, then the price quote that the Pricing Agent shall report shall be the average of the most recent five (5) days' quotes for that month. For example:
 - On January 2, 3, 4, 5, and 6, the Pricing Agent secures quotes of \$40, \$42, \$44, \$42, and \$40/MWh for March 2007.
 - On January 7, no quotes for March 2007 are available.
 - For January 7, the Pricing Agent reports \$41.60/MWh as the applicable quote, since that is the average of the most recent five (5) days.
- b. If the Pricing Agent has been unable to secure at least five days of price quotes for a given month, then the Pricing Agent shall use the quote for that same month from the immediately prior calendar year.

- c. To the extent that On-Peak forward price quotes are not available for any forward month at the time the Pricing Agent is establishing the On-Peak Initial Mark Price, the Pricing Agent shall follow the steps outlined in this Exhibit.

Exhibit E
Mark-to-Market Example Calculation for a Transaction

Necessary Information from a Transaction Confirmation:		
Delivery Period:	June 1, 2008 - May 31, 2009	
Bid Blocks:	1 (n)	
Estimated Quantity Per 50 MW Capacity PLC:		
	On-Peak MWh (k)	Off-Peak MWh (l)
Jan	11800	8300
Feb	13000	9100
Mar	9100	6400
Apr	7200	5000
May	8800	6200
Jun	12900	9000
Jul	15200	10800
Aug	16000	11200
Sep	9500	6700
Oct	8300	5800
Nov	9800	6900
Dec	10900	7600

Business Day on which MTM is Calculated:	June 24, 2008
Current Capacity PLC Per Bid Block :	51.3 MW (m)
Percent of On-Peak Hours Remaining in Current Month:	19% (o)
Percent of Off-Peak Hours Remaining in Current Month:	21% (p)
Base Load Percentage:	100% (q)

MTM Exposure Calculation										
	a	b	c=a*b	d	e=d*b	f=d-a	g=e-c	h=k*(m/50)*n*o*q	i=l*(m/50)*p*q	j=(f*h)+(g*i)
	On-Peak Initial Mark Price \$/MWh	Off-Peak/On-Peak Price Ratio	Off-Peak Initial Mark Price \$/MWh	On-Peak Forward Price \$/MWh	Off-Peak Forward Price \$/MWh	Change In On-Peak Price \$/MWh	Change In Off-Peak Price \$/MWh	On-Peak Estimated Energy Quantity MWh	Off-Peak Estimated Energy Quantity MWh	MM Exposure
Jun-08	45.63	0.49	22.36	46.78	22.92	1.15	0.56	2,521	1,924	\$ 3,983
Jul-08	58.25	0.43	25.05	60.21	25.89	1.96	0.84	15,595	10,876	\$ 39,733
Aug-08	58.25	0.47	27.38	59.42	27.93	1.17	0.55	16,416	11,491	\$ 25,526
Sep-08	36.45	0.53	19.32	37.85	20.06	1.40	0.74	9,747	6,874	\$ 18,746
Oct-08	34.58	0.54	18.67	36.87	19.91	2.29	1.24	8,516	5,951	\$ 26,880
Nov-08	34.58	0.59	20.40	37.12	21.90	2.54	1.50	10,055	7,079	\$ 36,148
Dec-08	34.58	0.61	21.09	35.89	21.89	1.31	0.80	11,183	7,798	\$ 20,881
Jan-09	40.58	0.76	30.84	43.56	33.11	2.98	2.26	12,107	8,516	\$ 55,365
Feb-09	40.58	0.77	31.25	42.89	33.03	2.31	1.78	13,338	9,337	\$ 47,418
Mar-09	36.18	0.68	24.60	38.11	25.91	1.93	1.31	9,337	6,566	\$ 26,637
Apr-09	36.18	0.57	20.62	38.41	21.89	2.23	1.27	7,387	5,130	\$ 22,994
May-09	37.65	0.53	19.95	39.25	20.80	1.60	0.85	9,029	6,361	\$ 19,840
										\$ 344,132

EXHIBIT F

FORM OF GUARANTY

THIS GUARANTY AGREEMENT (this “Guaranty”) is made and entered into as of this ____ day of _____, by _____ (the “Guarantor”), with an address at _____, in favor of Delmarva Power & Light Company (“DP&L”) (the “Creditor”), with an address at 701 Ninth Street NW, Washington DC 20068 in consideration of the DP&L Delaware Full Requirements Service Agreement(s) (the “FSA(s)”) between DP&L and _____ (the “Supplier”) dated _____, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Guarantor is the _____ of Supplier.

Whereas, Supplier _____ is an affiliate of _____, _____ will therefore benefit by Supplier entering into the FSA with Creditor and _____ desires Creditor to enter into the FSA with Supplier and to extend credit to Supplier thereunder. (May be revised if guarantor is not a parent or affiliate of supplier.)

1. Guaranty of Obligations.

- (a) The Guarantor hereby irrevocably and unconditionally guarantees, with effect from date hereof, the prompt and complete payment when due of all of Supplier’s payment obligations under the FSA (to the extent such payment obligations exceed the amount of any Performance Assurance provided to the Creditor by Supplier as defined in and in accordance with the FSA), whether on scheduled payment dates, when due upon demand, upon declaration of termination or otherwise, in accordance with the terms of the FSA and giving effect to any applicable grace period, and, provided only that the Creditor is the prevailing party in any judicial suit, action or proceeding arising out of, resulting from, or in any way relating to this Guaranty, or if by mutual agreement by Guarantor and Creditor, all reasonable out-of-pocket costs and expenses incurred by Creditor in the enforcement of the Guarantor’s obligations or collection under this Guaranty, including reasonable attorney’s fees and expenses (collectively, the “Obligations”). [Optional provision: Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Guaranty and Creditor’s right of recovery hereunder for all Obligations is limited to a total aggregate amount of \$____ (“Guaranty Amount”), where Guaranty Amount shall be no less than Five Hundred Thousand US Dollars (\$500,000).]
- (b) The limitations on liabilities of the Supplier set forth in Article 10 of the FSA shall also apply to the liabilities of the Guarantor hereunder.

2. Nature of Guaranty; Waivers.

- (a) This is a guaranty of payment and not of collection and the Creditor shall not be required, as a condition of the Guarantor’s liability, to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations. This is not a performance guaranty and the Guarantor is not obligated to provide power under the FSA or this Guaranty.

- (b) This Guaranty is an absolute, unconditional, irrevocable (subject to the provisions of Section 12 of this Guaranty) and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the FSA has been terminated, whichever comes later. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Creditor of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Creditor to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations (other than any irregularity, unenforceability or invalidity of any of the obligations under the FSA resulting from the conduct of the Creditor) or any part thereof.
- (c) Except as to any claims, defenses, rights of set-off or to reductions of Supplier in respect of its obligations under the FSA, (all of which are expressly reserved under this Guaranty), the Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against Supplier or the Creditor, including: (i) any change in the corporate existence (including its charter or other governing agreement, laws, rules, regulations or powers), structure or ownership of Supplier or the Guarantor; or (ii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Supplier or its assets; or (iii) the invalidity or unenforceability in whole or in part of the FSA; or (iv) any provision of applicable law or regulations purporting to prohibit payment by Supplier of amounts to be paid by it under the FSA (other than any law or regulation that eliminates or nullifies the obligations under the FSA).
- (d) Guarantor waives notice of acceptance of this Guaranty, diligence, presentment, notice of dishonor and protest and any requirement that at any time any person exhaust any right to take any action against Supplier or their assets or any other guarantor or person, provided, however, that any failure of Creditor to give notice will not discharge, alter or diminish in any way Guarantor's obligations under this Guaranty. The Guarantor waives all defenses based on suretyship or impairment of collateral or any other defenses that would constitute a legal or equitable discharge of Guarantor's obligations, except any claims or defenses of Supplier in respect of its obligations under the FSA.
- (e) The Creditor at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (i) to the extent permitted by the FSA, change the manner, place, time or terms of payment or performance of, or other terms relating to, any of the Obligations; (ii) to the extent permitted by the FSA, renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, or any other guaranties for any Obligations; (iii) settle, compromise or deal with any other person, including Supplier, with respect to any Obligations in such manner as the Creditor deems appropriate in its sole discretion; (iv) substitute, exchange or release any guaranty; or (v) take such actions and exercise such remedies hereunder as Creditor deems appropriate.

3. Representations and Warranties. The Guarantor hereby represents and warrants that:
- (a) it is a [limited liability company, corporation, limited partnership, general partnership] duly organized, validly existing and in good standing under the laws of the jurisdiction of its [formation, organization, incorporation] and has the [corporate power] [power] and authority to conduct the business in which it is currently engaged and enter into and perform its obligations under this Guaranty;
 - (b) it has the [corporate power] [power] and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary [corporate action] [action] to authorize its execution, delivery and performance of this Guaranty;
 - (c) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of Creditors' rights generally, general equitable principles and an implied covenant of good faith and fair dealing;
 - (d) the execution, delivery and performance of this Guaranty will not violate any provision of any requirement of law or contractual obligation of the Guarantor (except to the extent that any such violation would not reasonably be expected to have a material adverse effect on the Guarantor or this Guaranty);
 - (e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person (including, without limitation, any stockholder or creditor of the Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty, other than any which have been obtained or made prior to the date hereof and remain in full force and effect; and
 - (f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Guarantor, threatened by or against the Guarantor that would have a material adverse effect on this Guaranty.
4. Repayments or Recovery from the Creditor. If any demand is made at any time upon the Creditor for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations, including but not limited to upon the bankruptcy, insolvency, dissolution or reorganization of the Supplier and if the Creditor repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor (subject to Sections 2 (c) and (d) of this Guaranty) will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Creditor. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Creditor's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

5. Enforceability of Obligations. No modification, limitation or discharge of the Obligations of Supplier arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of Supplier that may result from any such proceeding.
6. Postponement of Subrogation. Only to the extent that, at the relevant time, there are Obligations, or other amounts hereunder, that are then due and payable but unpaid, the Guarantor postpones and subordinates in favor of the Creditor any and all rights which the Guarantor may have to (a) assert any claim against the Supplier based on subrogation rights with respect to payments made by Guarantor hereunder and (b) any realization on any property of the Supplier, including participation in any marshalling of the Supplier's assets. Upon payment of such due and unpaid Obligations, Creditor agrees that Guarantor shall be subrogated to the rights of Creditor against Supplier to the extent of Guarantor's payment to Creditor.
7. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Creditor and the Guarantor set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Creditor shall be directed to:

Attn:

Phone:

Fax:

With a copy to:

Phone

Fax

or such other address as the Creditor shall from time to time specify to Guarantor.

All communications to Guarantor shall be directed to:

Attn:

Phone:

Fax:

or such other address as the Guarantor shall from time to time specify to Creditor.

8. Preservation of Rights. Except as provided by any applicable statute of limitations, no delay or omission on the Creditor's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Creditor's action or inaction impair any such right or power. The Creditor's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Creditor may have under other agreements with the Guarantor, at law or in equity.
9. Illegality. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
10. Amendments. No modification, amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom, will be effective unless made in a writing signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.
11. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Creditor with respect to the subject matter hereof.
12. Successors and Assigns. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Creditor and their respective successors and permitted assigns. Neither party may assign this Guaranty in whole or in part without the other's prior written consent, which consent will not be unreasonably withheld or delayed, except that Creditor may at any time assign this Guaranty without Guarantor's consent, in the same manner, on the same terms and to the same persons as Creditor assigns the FSA in accordance with Section 16.7(b) of the FSA, and except that this Section 12 shall not limit the Guarantor's right to assign this Guaranty, along with substantially all of the Guarantor's assets and business to a successor entity or Affiliate that assumes all obligations thereunder and (i) where the successor Guarantor's Lowest Credit Rating is equal to or greater than the Guarantor's Lowest Credit Rating or where the successor Guarantor's Lowest Credit Rating is equal to or greater than BBB, as rated by S&P or Fitch, or Baa2, as rated by Moody's, and (ii) the Supplier is in compliance with Article 14 of the FSA. The "Lowest Credit Rating" shall mean the lowest of the senior unsecured long-term debt ratings determined by Moody's Investor Services, Inc. (or its successor) ("Moody's"), the Standard & Poor's Rating Group, a division of McGraw-Hill, Inc., (or its successor) ("S&P"), or Fitch Investor Service, Inc. (or its successor) ("Fitch") immediately before such transfer and assumption. Upon any such delegation and assumption of obligations by a successor Guarantor, the Guarantor shall be relieved of and fully discharged from all of its obligations hereunder, whether such obligations arose before or after the date of such delegation and assumption.
13. Interpretation. In this Guaranty, unless the Creditor and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes

are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word “or” shall be deemed to include “and/or”, the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; and references to sections or exhibits are to those of this Guaranty unless otherwise indicated. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

14. Governing Law.

- (a) This Guaranty has been delivered to and accepted by the Creditor. THIS GUARANTY WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE CREDITOR AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES.
- (b) The Guarantor hereby irrevocably consents to the non-exclusive jurisdiction of any federal court in the State of Delaware, but in the event that the Guarantor and the Creditor determine in good faith that jurisdiction does not lay with such court or that such court refuses to exercise jurisdiction or venue over the Guarantor and the Creditor or any claims made pursuant to this Guaranty, then the Guarantor and the Creditor agree to submit to the non-exclusive jurisdiction of the Delaware state courts; provided that nothing contained in this Guaranty will prevent the Creditor from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Creditor and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

15. WAIVER OF JURY TRIAL. THE GUARANTOR AND CREDITOR IRREVOCABLY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR AND CREDITOR ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

16. Term. This Guaranty shall survive termination of the FSA and remain in full force and effect until all amounts due hereunder, including all of the Obligations, have been paid or performed in full.

17. Stay of Acceleration Ineffective with Respect to Guarantor. If acceleration of the time for payment of any amount payable by Supplier under the FSA is stayed upon the insolvency, bankruptcy or reorganization of Supplier, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the FSA shall nonetheless be payable by the Guarantor hereunder on written demand by Creditor.

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, and has been advised by counsel as necessary or appropriate.

[Guarantor]

By: _____

Name:

Title:

EXHIBIT G
FORM OF NOTICE

Please provide specific personnel contact information and notify Buyer in advance should such contact or banking information change.

Any notices required under this Agreement shall be made as follows:

Buyer:

Seller:

All Notices:

All Notices:

Attn:

Attn:

Street:

Street:

City/State/Zip:

City/State/Zip

Attn:

Attn:

Email:

Email:

~~Faexsimile:~~

~~Faexsimile:~~

Duns:

Duns:

Federal Tax ID Number:

Federal Tax ID Number:

Invoices:

Invoices:

Attn:

Attn:

Phone:

Phone:

~~Faexsimile:~~

~~Faexsimile:~~

E-mail:

E-mail:

Scheduling:

Scheduling:

Attn:

Attn:

Phone:

Phone:

~~Faexsimile:~~

~~Faexsimile:~~

E-mail:

E-mail:

Payments:

Payments:

Attn:

Attn:

Phone:

Phone:

~~Faexsimile:~~

~~Faexsimile:~~

E-mail:

E-mail

Electronic Funds Transfer⁽¹⁾:

Electronic Funds Transfer⁽¹⁾

BNK:

BNK:

Fed-ABA:

Fed-ABA:

ACH-ABA

ACH-ABA

ACCT Name:

ACCT Name:

ACCT No:

ACCT No:

Credit and Collections:

Attn:
Phone:
~~Faeximile:~~
E-mail:

E-scheduling:

Attn;
Phone:
~~Faeximile:~~
E-mail:

**With additional Notices of an
Event of Default to:**

Attn:
Phone:
~~Faeximile:~~
E-mail:

Credit and Collections:

Attn:
Phone:
~~Faeximile:~~
E-mail:

E-scheduling:

Attn:
Phone:
~~Faeximile:~~
E-mail:

**With Additional Notices of an
Event of Default to:**

Attn:
Phone:
~~Faeximile:~~
E-mail:

(1) If the bank's ABA number for ACH transfers differs from the Fed wire ABA number please provide both.

EXHIBIT H
INCREMENT/DECREMENT LOAD EXAMPLE

Date	Event	PLC & Load	Notes
01-May	<i>Delivery Period Begins</i>		
	Base PLC per Bid Block, MW	51.0	A
	Base Load Percentage	100%	
31-August	<i>PLC Increase, No Increment Triggered</i>		
	PLC per Bid Block, MW	53.0	B
	Base Load Percentage	100%	$b \leq a+5$
15-Sept.	<i>Increment Triggered</i>		
	PLC per Bid Block, MW	57.0	C
	Base Load Percentage	98.25%	$c > a+5$, so % = $(a+5)/c$
10-Oct.	<i>Increment Turned Off</i>		
	PLC per Bid Block, MW	55.0	D
	Base Load Percentage	100%	$d \leq a+5$
15-Nov.	<i>Decrement Triggered, New Base PLC</i>		
	PLC per Bid Block, MW	47.0	E
	New Base PLC per Bid Block, MW	48.0	$e \leq a-3$ so $f = a-(1*3)$
	Base Load Percentage	100%	
31-Dec.	<i>End of Calendar Year</i>		
	PLC per Bid Block, MW	50.0	G
	Base Load Percentage	100%	$g < f+5$
1-Jan.	<i>New PLCs Effective</i>		
	Unadjusted PLC per Bid Block, MW	52.0	H
	PLC per Bid Block, MW	50.0	$i = h-(h-g)$
	Base Load Percentage	100%	$i \leq f+5$
15-Feb.	<i>Increment Triggered</i>		
	Unadjusted PLC per Bid Block, MW	57.5	K
	PLC per Bid Block, MW	55.5	$l = k-(h-g)$
	Base Load Percentage	95.50%	$l > f+5$ so % = $(f+5)/l$

EXHIBIT I

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EXHIBIT J

- 12.3(b) In order to avoid doubt regarding a commercially reasonable calculation for the purposes of calculating the Settlement Amount by the Non-Defaulting Party, the quantity of amounts of Energy, Capacity and other services to have been provided under the FSA for the period following the Early Termination Date (the "Termination Quantity") shall be deemed those quantity amounts that would have been delivered on an hourly basis had the FSA been in effect during the previous calendar year, adjusted for such SOS load changes as have occurred since the previous calendar year. Nothing in this section shall limit the right of the Buyer when Seller is the Defaulting Party to replace Seller's full requirements obligation and the result of any Commission-approved procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount and will be deemed to have been determined by reference to the Termination Quantity.

Exhibit 5

Proposed 2021 Full Requirements Service Agreement

(Clean Version)

2021 FULL REQUIREMENTS SERVICE AGREEMENT
Articles and Provisions

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FULL REQUIREMENTS SERVICE AGREEMENT

THIS FULL REQUIREMENTS SERVICE AGREEMENT (“Agreement” or “FSA”), is made and entered into as of _____ (“Effective Date”), by and between _____, hereinafter referred to as “Seller” and Delmarva Power & Light Company, hereinafter referred to as “Buyer” (each hereinafter referred to individually as “Party” and collectively as “Parties”).

WITNESSETH:

WHEREAS, the Delaware PSC Orders direct Buyer to supply electric service to Standard Offer Service Load (“SOS Load”) within Buyer's Delaware franchise service territory; and

WHEREAS, the Delaware legislature has enacted a law establishing a Renewable Energy Portfolio Standard applicable to retail electricity suppliers serving customers in the State of Delaware; and

WHEREAS, Buyer has solicited offers for serving all or a portion of its SOS Load pursuant to a Request for Proposal (“RFP”) and the Seller is a winning bidder in that solicitation; and

WHEREAS, Seller desires to sell Full Requirements Service and Buyer desires to purchase such Full Requirements Service to supply a Specified Percentage in Buyer’s Delaware franchised service territory on a firm and continuous basis; and

NOW, THEREFORE, and in consideration of the foregoing, and of the mutual promises, covenants, and conditions set forth herein, and other good and valuable consideration, the Parties hereto, intending to be legally bound by the terms and conditions set forth in this Agreement, hereby agree as follows:

ARTICLE 1 DEFINITIONS

In addition to terms defined elsewhere in this Agreement, the following definitions shall apply hereunder:

“Affiliate” means, with respect to any entity, any other entity that, directly or indirectly, through one or more intermediaries, controls, or is controlled by, or is under common control with, such entity. For this purpose, “control” means the direct or indirect ownership of fifty percent (50%) or more of the outstanding capital stock or other equity interests having ordinary voting power.

“Aggregate Buyer’s Exposure” means all Buyer’s Exposure for Aggregate Transactions.

“Aggregate Transactions” means all Transactions under this Agreement and all other transactions under full requirements service agreements executed between the Parties pursuant to the Delaware PSC Orders.

“Ancillary Services” shall have the meaning ascribed thereto in the PJM Agreements.

“Bankrupt” means, with respect to any entity, such entity: (i) voluntarily files a petition or otherwise commences, authorizes or acquiesces in the commencement of a proceeding or cause of action under any bankruptcy, insolvency, reorganization or similar law, or has any such petition filed or commenced against it by its creditors and such petition is not dismissed within sixty (60) calendar days of the filing or commencement; (ii) makes an assignment or any general arrangement for the benefit of creditors; (iii) otherwise becomes insolvent, however evidenced; (iv) has a liquidator, administrator, receiver, trustee, conservator or similar official appointed with respect to it or any substantial portion of its property or assets; or (v) is generally unable to pay its debts as they fall due.

“Base Load Percentage” means the percentage of the Monthly Settlement Load that the Monthly Settlement Base Price is applicable to, as set forth in Section 6.2 (Base Load Percentages).

“Bid Block” means a block(s) of load awarded to Seller in accordance with Buyer's RFP as set forth in a Transaction Confirmation.

“Bid Plan” shall have the meaning ascribed to it in the PSC Settlement.

“Billing Line Item Transfer Tool” shall have the meaning ascribed to it in Section 4.9 (Billing Line Item Transfers)

“Business Day” means any day except a Saturday, Sunday or a day that PJM declares to be a holiday, as posted on the PJM website. A Business Day shall open at 8:00 a.m. and close at 5:00 p.m. Eastern Prevailing Time (“EPT”).

“Buyer's Exposure” during the term of a Transaction shall be deemed equal to the positive difference between: (i) the MtM Exposure pursuant to a Transaction under this Agreement; less (ii) the sum of any unpaid or unbilled amounts owed by Buyer to Seller pursuant to a Transaction under this Agreement. With respect to the preceding sentence, “unbilled amounts owed by Buyer” shall consist of a good faith estimate by Buyer as to any amounts which will be owed by Buyer for service already rendered by Seller under a Transaction.

“Capacity” means “Unforced Capacity” as set forth in the PJM Agreements, or any successor measurement of the capacity obligation of a Load Serving Entity as may be employed in PJM (whether set forth in the PJM Agreements or elsewhere).

“Capacity Peak Load Contribution” or “Capacity PLC” means the aggregation of retail customer peak load contributions, as determined by the Buyer in accordance with the PJM Agreements and reported by Buyer to PJM pursuant to Buyer's retail load settlement

process, and used by PJM in determining the Seller's capacity obligation for each Transaction.

"Commercial and Industrial" or "C&I" as used herein shall include all customers that are not classified under Buyer's Delaware Electric retail tariff as residential, street lighting, separately metered water heating, or separately metered space heating customers.

"Congestion Revenue Rights" or "CRR" means the current or any successor congestion management mechanism or mechanisms as may be employed by PJM (whether set forth in the PJM Tariff or elsewhere) for the purpose of allocating financial congestion hedges.

"Costs" means, with respect to the Non-Defaulting Party, brokerage fees, commissions, PJM charges, and other similar third party transaction costs and expenses reasonably incurred by such Party either in terminating any arrangement pursuant to which it has hedged its SOS Load obligations or entering into new arrangements which replace a Terminated Transaction; and all reasonable attorneys' fees and expenses incurred by the Non-Defaulting Party in connection with the termination of a Transaction.

"Credit Rating" means, with respect to any entity, the rating then assigned to such entity's unsecured, senior long-term debt obligations (not supported by third party credit enhancements) or if such entity does not have a rating for its senior unsecured long-term debt, then the rating then assigned to such entity as an issuer rating by S&P, Moody's or Fitch.

"Current Capacity PLC Per Bid Block" means, on any given Business Day, for each Transaction, the product of: (i) the aggregate Capacity PLC for an entire Service Type; and (ii) the quotient of (x) the Specified Percentage and (y) the number of Bid Blocks.

"Default Damages" means, for the period of time specified in Section 12.2(b)(ii) (Remedies) any direct damages and Costs, calculated in a commercially reasonable manner, that the Non-Defaulting Party incurs with respect to the Specified Percentage as a result of an Event of Default. Direct damages may include, but are not limited to: (i) the positive difference (if any) between the price of Full Requirements Service hereunder and the price at which the Buyer or Seller is able to purchase or sell (as applicable) Full Requirements Service (or any components of Full Requirements Service it is able to purchase or sell) from or to third parties, including PJM; (ii) Emergency Energy charges; and (iii) additional transmission or congestion costs incurred to purchase or sell Full Requirements Service.

"Delaware PSC" or "Commission" means the Delaware Public Service Commission and any successor thereto.

"Delaware PSC Orders" means: (i) Order No. 6598 issued on March 22, 2005; and (ii) Order No. 6746 issued on October 11, 2005.

"Delivery Period" means the period of delivery for a Transaction as specified in a Transaction Confirmation.

“Delivery Point” means points on the PJM Control Area, as elected by Seller, and is the location at which Seller will deliver and Buyer will accept the Specified Percentage during the Delivery Period.

“DPA” means the Delaware Division of the Public Advocate.

“Eastern Prevailing Time” or “EPT” means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect on any particular date.

“Emergency Energy” shall have the meaning ascribed to it in the PJM Agreements.

“Energy” means three-phase, 60-cycle alternating current electric energy, expressed in units of kilowatt-hours or megawatt-hours.

“Equitable Defenses” means any bankruptcy, insolvency, reorganization and other laws affecting creditors’ rights generally, and with regard to equitable remedies, the discretion of the court before which proceedings to obtain same may be pending.

“FERC” means the Federal Energy Regulatory Commission or its successor.

“Fitch” means Fitch Investor Service, Inc. or its successor.

“Fixed Price SOS” or “FP-SOS” shall have the meaning ascribed to it in the PSC Settlement.

“Force Majeure” means an event or circumstance which prevents one Party from performing its obligations under one or more Transactions, which event or circumstance was not foreseen as of the date a Transaction is entered into, which is not within the reasonable control of, or the result of the negligence of the affected party and which, by the exercise of due diligence, the Party is unable to mitigate or avoid or cause to be avoided. Notwithstanding the foregoing, under no circumstance shall an event of Force Majeure be based on: (i) the loss or failure of Seller’s supply; (ii) Seller’s ability to sell the Full Requirements Service at a price greater than that received under any Transaction; (iii) curtailment by a Transmitting Utility; or (iv) Buyer’s ability to purchase the Full Requirements Service at a price lower than paid under any Transaction.

“Full Requirements Service” means all necessary Energy, Capacity, Transmission other than Network Integration Transmission Service, Ancillary Services, transmission and distribution losses, congestion management costs, and such other services or products that are required to supply the Specified Percentage except for Network Integration Transmission Service, distribution service, and Renewable Energy Resource requirement.

“Gains” means, with respect to any Party, an amount equal to the present value of the economic benefit to it, if any (exclusive of Costs), resulting from a Terminated Transaction, determined in a commercially reasonable manner.

“Generator Attribute Tracking System” or “GATS” means the system owned and operated by PJM Environmental Services, Inc. to provide environmental and emissions attributes reporting and tracking services to its subscribers in support of Delaware’s Renewable Energy Portfolio Standard and any environmental disclosure requirements that may arise, along with requirements in other state jurisdictions.

“Governmental Authority” means any federal, state, local, municipal or other governmental entity, authority or agency, department, board, court, tribunal, regulatory commission, or other body, whether legislative, judicial or executive, together or individually, exercising or entitled to exercise any administrative, executive, judicial, legislative, policy, regulatory or taxing authority or power over a Party or this Agreement.

“GS-P FP-SOS” is the FP-SOS available to Buyer’s customers in service classification GS-P.

“Guarantor” means any party having the authority and agreeing to guaranty Seller’s financial obligations under this Agreement pursuant to the guaranty agreement, attached hereto as Exhibit F, recognizing that such a party will be obligated to meet Buyer’s credit requirements for Seller.

“Hourly Priced Service” or “HPS” means that form of SOS provided to GS-T customers and those GS-P customers that elect such service.

“HPS Electing GS-P Customers” means GS-P customers that have interval meters and make a timely affirmative election to take HPS.

“Increment Load Percentage” means the percentage of the Monthly Settlement Load that is in excess of the Base Load Percentage.

“Interest Rate” means, for any date, the lesser of: (i) the per annum rate of interest equal to the prime lending rate as may from time to time be published in *The Wall Street Journal* under “Money Rates” on such day (or if not published on such day on the most recent preceding day on which published), plus two percent (2%); and (ii) the maximum rate permitted by applicable law.

“kWh” means one kilowatt of electric power over a period of one hour.

“Letter(s) of Credit” means one or more irrevocable, non-transferable standby letters of credit issued by a U.S. commercial bank or a foreign bank with a U.S. branch, with such bank having a credit rating of at least A- from S&P or A3 from Moody’s and a minimum of \$10 billion in assets, in a form acceptable to the Party in whose favor the letter of credit is issued (for clarification, the form of Letter of Credit attached as Exhibit C hereto shall be considered an acceptable form). Costs of a Letter of Credit shall be borne by the applicant for such Letter of Credit. The Party to whom the Letter of Credit is in favor reserves the right to monitor the financial position of the issuing bank and, if the issuing bank’s Credit Rating is downgraded by any increment; or if the issuing bank’s Current, Quick, Return on Assets, or Price/Earnings ratios diminish (reflecting the financial stability

of the bank); or if the Party determines, for any reason, that the issuing bank's position has deteriorated, then the Party has the right to demand and receive, from the applicant for the Letter of Credit, that the Letter of Credit be reissued from a bank that meets or exceeds the credit ratings and asset valuation listed above.

"LGS-S FP-SOS" is the FP-SOS available for Buyer's customers in service classification LGS-S.

"Load Serving Entity" or "LSE" shall have the meaning ascribed to it in the PJM Agreements.

"Losses" means, with respect to any Party, an amount equal to the present value of the economic loss to it, if any (exclusive of Costs), resulting from the termination of a Terminated Transaction, determined in a commercially reasonable manner.

"Mark to Market Exposure or "MtM Exposure" means, with respect to each month remaining in each Transaction Delivery Period, the sum of: (i) the relevant month On-Peak Forward Price minus the relevant month On-Peak Initial Mark Price, multiplied by the relevant month On-Peak Estimated Energy Quantity; and (ii) the relevant month Off-Peak Forward Price minus the relevant month Off-Peak Initial Mark Price, multiplied by the relevant month Off-Peak Estimated Energy Quantity. The method and an example for calculating the MtM Exposure are included in Exhibit E.

"MGS-S FP-SOS" is the FP-SOS available to Buyer's customers in service classification MGS-S.

"Monthly Settlement Amount" means with respect to any calendar month during the Delivery Period, the sum of: (i) the product of the applicable Monthly Settlement Base Price and Monthly Settlement Base Load; and (ii) any other adjustments as set forth in this Agreement.

"Monthly Settlement Base Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Monthly Settlement Load and Base Load Percentage.

"Monthly Settlement Base Price" means the price for Monthly Settlement Base Load for the applicable month of the Delivery Period as set forth in a Transaction Confirmation.

"Monthly Settlement Date" means, with respect to any calendar month of a Delivery Period, the date determined to be the PJM Settlement Date pursuant to the PJM Agreements.

"Monthly Settlement Load" means, with respect to any calendar month during an applicable Delivery Period, the product of Specified Percentage and SOS Load.

"Moody's" means Moody's Investor Services, Inc. or its successor.

“MWh” means one megawatt of electric power used over a period of one hour which shall be rounded in a manner consistent with standards in the PJM Agreements. The current rounding standards are to the nearest one-thousandth of a megawatt hour.

“NERC” means the North American Electric Reliability Corporation or any successor organization thereto.

“Network Integration Transmission Service” shall have the meaning ascribed to it in the PJM Agreements.

“Nodal Pricing” shall have the meaning ascribed to it in the PJM Agreements.

“Off-Peak Estimated Energy Quantity” means, for each month in each Transaction, the product of: (i) the relevant month Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC; (ii) the quotient of the Current Capacity PLC Per Bid Block and 50; (iii) the number of Bid Blocks awarded to the Supplier per the Transaction Confirmation; (iv) the percentage of Off-Peak Hours remaining (excluding current day) in each month; and (v) the Base Load Percentage.

“Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC” means the estimation of Energy, inclusive of electrical line losses, in the Off-Peak Hours for each of the twelve (12) calendar months, as set forth in the Transaction Confirmation.

“Off-Peak Forward Price” means the price, as provided by the Pricing Agent, for Off-Peak Hours, stated in terms of \$/MWh, associated with each month remaining in a Transaction Delivery Period, and shall equal the product of: (i) the relevant month On-Peak Forward Price; and (ii) the relevant month Off-Peak/On Peak Price Ratio.

“Off-Peak Hours” means those hours which are not On-Peak Hours.

“Off-Peak Initial Mark Price” means the Off-Peak Forward Price as of the Transaction Date.

“On-Peak Estimated Energy Quantity” means, for each month in each Transaction, the product of: (i) the relevant month On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC; (ii) the quotient of the Current Capacity PLC Per Bid Block divided by 50; (iii) the number of Bid Blocks awarded to the Supplier per the Transaction Confirmation; (iv) the percentage of On-Peak Hours remaining (excluding current day) in each month; and (v) the Base Load Percentage.

“On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC” means the estimation of Energy, inclusive of electrical line losses, in the On-Peak Hours for each of the twelve (12) calendar months, as set forth in the Transaction Confirmation.

“On-Peak Forward Price” means the price, as provided by the Pricing Agent, for On-Peak Hours, stated in terms of \$/MWh, associated with each month remaining in a Transaction Delivery Period, and based on the most recent publicly available information and/or quotes

from Reference Market-Makers on forward Energy transactions occurring at the PJM Western Hub.

“On-Peak Hours” means Hour Ending (“HE”) 0800 through HE 2300 EPT, Monday through Friday, excluding Saturday, Sunday and NERC holidays.

“On-Peak Initial Mark Price” means the On-Peak Forward Price as of the Transaction Date.

“Off-Peak/On-Peak Price Ratio” means the relevant monthly ratio of off-peak pricing to on-peak pricing of the PJM Western Hub day ahead prices as set forth by Buyer each October based on the previous 36-month period ending in September. The historical on-peak prices used for the ratio will be the PJM Western Hub day ahead price for the On-Peak Hours. The historical off-peak prices used for the ratio will be the PJM Western Hub day ahead prices for the Off-Peak Hours. For each month of the 36-month period, the monthly on-peak and off-peak prices will be summed and respectively divided by the amount of on-peak and off-peak hours in that month. The then calculated off-peak average price will be divided by the on-peak average price to determine the individual monthly ratios. Such monthly ratios for the same months within the 36-month period will then be summed and divided by three (3) to come up with the rolling three year monthly ratio average.

“Performance Assurance” means collateral in the form of cash, Letter(s) of Credit, or other security acceptable to the Requesting Party.

“PJM” means the PJM Interconnection, LLC or any successor organization thereto.

“PJM Agreements” means the PJM OATT, PJM Operating Agreement, PJM RAA, PJM Manuals and any other applicable PJM bylaws, procedures, manuals or documents, or any successor, superseding or amended versions that may take effect from time to time.

“PJM Control Area” shall have the meaning ascribed to it in the PJM Agreements.

“PJM Load Response Programs” shall have the meaning ascribed to it in the PJM Agreements.

“PJM OATT” or “PJM Tariff” means the Open Access Transmission Tariff of PJM or the successor, superseding or amended versions of the Open Access Transmission Tariff that may take effect from time to time.

“PJM Operating Agreement” means the Operating Agreement of PJM or the successor, superseding or amended versions of the Operating Agreement that may take effect from time to time.

“PJM Planning Period” shall have the meaning ascribed to it in the PJM Agreements. Currently, the PJM Planning Period is the twelve months beginning June 1 and extending through May 31 of the following year.

"PJM RAA" means the PJM Reliability Assurance Agreement or any successor, superseding or amended versions of the PJM Reliability Assurance Agreement that may take effect from time to time.

"PJM Settlement Date" means the date on which payments are due to PJM for services provided by PJM in accordance with the PJM Agreements. Such date currently occurs on the first Business Day after the nineteenth (19th) calendar day of the month following service.

"Pricing Agent" shall be the person or entity described in Article 14.6, and Exhibit E.

"PSC Settlement" means the settlement(s) in Delaware PSC Docket No. 04-391, approved by the Delaware Public Service Commission prior to the Effective Date.

"Reference Market-Maker" means any broker in energy products who is not an Affiliate of Buyer or Seller.

"Renewable Energy Portfolio Standard" shall have the meaning ascribed to it in the Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351-363).

"Renewable Energy Resource" shall have the meaning ascribed to it for a resource that qualifies under the Renewable Energy Portfolio Standards Act (26 Del. C. §§ 351-363) towards meeting a requirement that a percentage or otherwise defined amount of power be generated from such resources.

"Request for Proposal" or "RFP" means the request for proposals issued from time to time by Buyer pursuant to the PSC Settlement.

"Residential and Small Commercial and Industrial FP-SOS" (R and Small C&I FP-SOS) is the FP-SOS available to Buyer's customers in service classifications R, R-TOU-ND, SGS-S-ND, OL, ORL, PIV, X and that portion of a customer's load served as separately metered space heating load or as separately metered water heating load, irrespective of whether the remainder of the customer's load is served under a service classification other than those listed above.

"S&P" means Standard & Poor's Ratings Group, a division of McGraw Hill, Inc. and any successor thereto.

"Service Type" means the customer class, partial customer class and/or group of customer classes, as set forth in a Transaction Confirmation.

"Settlement Amount" means, with respect to a Transaction and the Non-Defaulting Party, the Losses or Gains, and Costs, expressed in U.S. Dollars, which such Party incurs as a result of the liquidation of a Terminated Transaction pursuant to Article 12 (Events of Default – Remedies). The calculation of a Settlement Amount for a Terminated Transaction shall exclude any Default Damages calculated pursuant to Section 12.2(b)(ii) for the same Terminated Transaction. For the purposes of calculating the Termination Payment, the Settlement Amount shall be considered an amount due to the Non-Defaulting

Party under this Agreement if the total of the Losses and Costs exceeds the Gains and shall be considered an amount due to the Defaulting Party under this Agreement if the Gains exceed the total of the Losses and Costs.

“Specified Percentage” means the percentage of SOS Load as set forth in a Transaction Confirmation.

“Standard Offer Service Load” or “SOS Load” means the total sales at the retail meter, plus Unaccounted For Energy, expressed in MWh or MW, as appropriate, for a particular class(es) of retail customers being served by Buyer pursuant to the PSC Settlement, as such sales vary from hour to hour, in Buyer’s Delaware franchise service territory, as such territory exists on the Effective Date or may increase or decrease due to de minimis geographic border changes to the service territory that exists on the Effective Date. For purposes of clarification, SOS Load shall not include changes in the Buyer’s Delaware service territory which occur as a result of a merger, consolidation, or acquisition of another entity which has a franchised service territory in Delaware or a result of a significant franchise territory swap with another entity which has a franchised service territory in Delaware.

“Tangible Net Worth” or “TNW” means an entity’s total assets (exclusive of intangible assets), minus that entity’s total liabilities, each as would be reflected on a balance sheet prepared in accordance with generally accepted accounting principles, and as of the relevant date of determination most recently filed with the United States Securities and Exchange Commission.

“TNW Amount” shall equal the product of the applicable TNW Percentage and an entity’s Tangible Net Worth.

“TNW Percentage” means the percentage determined pursuant to Section 14.3 (Unsecured Credit) that is multiplied by an entity’s Tangible Net Worth to determine that entity’s TNW Amount.

“Transaction” means a particular agreement by which Buyer purchases and Seller sells Full Requirements Service pursuant to this Agreement, the details of which are more fully set forth in a Transaction Confirmation.

“Transaction Confirmation” shall have the meaning ascribed to it in Section 2.8.

“Transaction Date” means the date that a Transaction is executed as set forth in the Transaction Confirmation.

“Transmitting Utility” means the utility or utilities and their respective control area operators and their successors, transmitting Full Requirements Service.

“Unaccounted For Energy” means the difference between the Buyer’s hourly system load and the sum of: (i) the estimated hourly customer loads (interval metered and profiled);

and (ii) electrical losses, as such Unaccounted For Energy is determined in the Buyer's retail load settlement process.

“Unsecured Credit” means an amount that is the lower of: (i) the relevant Unsecured Credit Cap; (ii) the relevant TNW Amount, as determined pursuant to Section 14.3 (Unsecured Credit); or (iii) the Guaranty Amount from Seller's Guarantor as set forth in the Guaranty Agreement.

“Unsecured Credit Cap” shall have the meaning ascribed to it in Section 14.3.

“Weekly Settlement Date” means, with respect to any week of the month of a Delivery Period, the date(s) determined to be the PJM Settlement Dates pursuant to the PJM Agreements and schedules.

“Weekly Settlement Amount” means with respect to any Weekly Settlement Date during the Delivery Period, the product of the Weekly Settlement Price and Weekly Settlement Load.

“Weekly Settlement Base Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Weekly Settlement Load and Base Load Percentage.

“Weekly Settlement Base Price” means price for Weekly Settlement Base Load for the applicable week of the Delivery Period and has the same value as the Monthly Settlement Base Price.

“Weekly Settlement Load” means, with respect to any Weekly Settlement Date during an applicable Delivery Period, the product of Specified Percentage and SOS load.

ARTICLE 2

TERMS AND CONDITIONS OF FULL REQUIREMENTS SERVICE

- 2.1 Seller's Obligation To Provide Service. With respect to a Transaction, Seller shall provide Full Requirements Service on a firm and continuous basis such that the Specified Percentage is supplied during the Delivery Period.
- 2.2 Buyer's Obligation to Take Service. With respect to a Transaction, Buyer shall accept Full Requirements Service as provided by Seller pursuant to Section 2.1 (Seller's Obligation to Provide Service), and shall pay Seller the Weekly Settlement Amounts and the Monthly Settlement Amount for such Full Requirements Service on the applicable Weekly Settlement Date and Monthly Settlement Date in accordance with Section 7.3 (Payments of the Invoice).
- 2.3 Network Integration Transmission Service, Distribution Service, and Renewable Energy Resource Requirement. With respect to a Transaction, Buyer shall be

- responsible, at its sole cost and expense, for the provision of Network Integration Transmission Service, distribution service and the Renewable Energy Resource Requirement necessary to serve the Specified Percentage. Buyer is responsible, at its sole cost and expense, for future PJM charges assessed to network transmission customers for PJM-required transmission system enhancements pursuant to the PJM Regional Transmission Expansion Plan and for future PJM charges assessed to network transmission customers for transition costs related to the elimination of through-and-out transmission rates.
- 2.4 Other Changes in PJM Charges. Except as provided in Section 2.3 (Network Integration Transmission Service and Distribution Service), Seller bears the risk of any other changes in PJM products and pricing during the term of this Agreement. However if there are any other new FERC-approved PJM transmission charges other than those referred to in Section 2.3 or other new PJM charges and costs, charged to network transmission customers, that Seller believes the Buyer should recover through retail rates because they are directly related to the Buyer's obligations under the PSC Settlement, then Buyer will file with the Delaware PSC, and provide notice to all Parties (as that term is used in the PSC Settlement), a request for approval to recover such new costs. Seller is required to intervene in any such proceeding before the Delaware PSC. Such new costs can only be charged by Seller to Buyer to the extent that the Delaware PSC approves Buyer's recovery of those costs. Seller agrees to be bound by the decision of the Delaware PSC (subject to the normal rules for appeal of the decision of the Delaware PSC) and waives all claims concerning this issue before FERC. Notwithstanding the foregoing, nothing in this Agreement shall preclude Seller from taking any position before FERC regarding the creation and allocation of any such PJM charges.
- 2.5 Status of Seller. Seller, for purposes of this Agreement and any Transaction, is not a Load Serving Entity and nothing contained herein shall be deemed to cause Seller to be a Load Serving Entity.
- 2.6 Sales for Resale. All Full Requirements Service provided by Seller to Buyer shall be sales for resale, with Buyer reselling such Full Requirements Service to SOS Load customers. At Seller's request, Buyer shall provide Seller with mutually agreeable resale certificates related to the Full Requirements Service provided pursuant to this Agreement.
- 2.7 Governing Terms. Each Transaction shall be governed by this Agreement. This Agreement, including all exhibits hereto, any designated collateral, credit support, margin agreement or similar arrangements and all Transaction Confirmations shall form a single integrated agreement between Buyer and Seller. Any inconsistency between terms in this Agreement and terms in a Transaction Confirmation shall be resolved in favor of the terms of this Agreement.
- 2.8 Transaction Confirmation. A Transaction shall be documented in a Transaction Confirmation in the form attached hereto as Exhibit A. On the Business Day on which Seller is selected as a provider of Full Requirement Service, Buyer will

electronically forward to Seller a .pdf file of a partially executed Transaction Confirmation(s). Separate Transaction Confirmations will be executed for each winning bid. Should such Transaction(s) be the initial Transaction(s) with the Seller under the current RFP solicitation, then Buyer will electronically forward to Seller a .pdf file of the partially executed Agreement. Except as otherwise provided in the RFP, by close of business on the first Business Day following Seller's receipt of partially executed Transaction Confirmation(s) and Agreement, as applicable, Seller shall electronically return to Buyer a fully executed Transaction Confirmation(s), and Agreement, as applicable, in .pdf format. By 10:00 a.m. EPT on the first Business Day following Buyer's receipt of the fully executed Transaction Confirmation(s) and Agreement, as applicable, Buyer shall submit a copy of the Transaction Confirmation(s) to the Delaware PSC for review and determination of compliance with the Buyer's Bid Plan. The Transaction Confirmation(s) and Agreement will be deemed to be in compliance with the Bid Plan and approved by the Commission unless the Commission orders otherwise within one (1) Business Day following the submission.

ARTICLE 3 SCHEDULING, FORECASTING, AND INFORMATION SHARING

- 3.1 Scheduling. Seller shall schedule Full Requirements Service pursuant to the PJM Agreements. Buyer will provide to PJM all information required by PJM, for the purpose of calculating Seller's Full Requirements Service obligations.
- 3.2 Load Forecasting. Buyer shall not be required to provide to the Seller any load forecasting services for any Transaction.
- 3.3 Information Sharing.
- (a) On each Business Day after execution of this Agreement and to the end of the Delivery Period, Buyer shall provide to the Seller, on a reasonable efforts basis, Buyer's estimation of the Capacity PLC for the seventh following day, representing the Seller's Specified Percentage of each Service Type. Buyer does not warrant the accuracy of such information.
 - (b) On each Business Day of the Delivery Period, Buyer shall provide to the Seller, on a reasonable efforts basis, the energy and capacity information related to Seller's obligations under this Agreement that Buyer provides to PJM daily. Such information provided to the Seller shall be disaggregated by Service Type, Transaction, voltage level, and customer class or partial customer class, where applicable. Buyer does not warrant the accuracy of such information.
 - (c) Beginning two (2) weeks prior to the beginning of the Delivery Period, on each Business Day until the Delivery Period, Buyer shall post on its website the estimated Capacity PLC for each Service Type on a reasonable efforts basis. Buyer does not warrant the accuracy of such information.

ARTICLE 4

SPECIAL TERMS AND CONDITIONS

- 4.1 Congestion and Congestion Management. Seller is responsible for any congestion costs incurred to supply the Specified Percentage. Notwithstanding Section 2.5 (Status of Seller), Buyer shall transfer or assign to Seller, Buyer's rights to Congestion Revenue Rights (CRRs) to which Buyer is entitled as an LSE pursuant to the PJM Agreements, provided that such rights are related to the service being provided to the Specified Percentage. All rights and obligations associated with such CRRs will accrue to the Seller through the transfer or assignment from Buyer to Seller including the ability of Seller to request or nominate such CRRs when applicable. Seller shall have the right to request and nominate CRRs if: (i) all Transactions for SOS Load have been executed and are in full force and effect; and (ii) the Delivery Period under each Transaction Confirmation is inclusive of the PJM Planning Period for which the CRRs are being requested or nominated. Should the conditions above not be met, the entity recognized by PJM as having the right to make the nominations at that time will nominate such CRRs for the upcoming PJM Planning Period and such CRRs will be allocated to Seller based upon its Specified Percentage. The allocation of CRRs associated with the Specified Percentage will be in accordance with the PJM Agreements.
- 4.2 Load Response Programs. Buyer will manage its load response programs in accordance with PJM Agreements as amended from time to time and with the provisions of its applicable riders and retail electric service tariffs, as amended and approved by the Delaware PSC from time to time or distribution utility customer contracts, as amended by the distribution utility from time to time.
- (a) Buyer shall be responsible for complying with all PJM Load Response program operating rules (including resource nominations, compliance reports, load drop estimates, and special studies) and any penalties assessed in accordance with the PJM Agreements for failure to implement its load response programs when so requested by PJM. Buyer shall be responsible for maintaining and operating any equipment currently relied upon to operate existing load response programs.
 - (b) Buyer shall retain all of the benefits associated with its load response programs and shall be responsible for all customer incentive payments.
 - (c) No claim shall be recognized that Buyer's operation of load response programs affects any Operating Reserve costs incurred by Seller.
- 4.3 PJM E-Accounts. Buyer and Seller shall work with PJM to establish any PJM E-Accounts necessary for Seller to provide Full Requirements Service. Buyer shall establish PJM E-Account contract(s) for the entire duration of the Transaction(s) and Seller shall confirm the PJM E-Account contract(s) for the entire duration of the Transaction(s).

- 4.4 Delaware Environmental Disclosure Requirements. To the extent that any environmental disclosure requirements are imposed on sellers of electricity within Delaware and subject to any applicable confidentiality requirements, Seller shall provide to Buyer, to the best of its knowledge, the generation resources used to supply Full Requirements Service, including fuel mix and environmental disclosure data. Seller and Buyer recognize that, due to difficulties in identifying specific generation resources used to meet Seller's obligations, the fuel mix and environmental data provided pursuant to this Section 4.4 may, in many instances, be based on aggregated data published by PJM. All information provided pursuant to this Section 4.4 (Delaware Environmental Disclosure Requirements) shall be provided in a timely manner and in an appropriate form (including to the extent applicable, information provided within the GATS) to enable Buyer to comply with the requirements of the Delaware PSC or any other Governmental Authority that relate to reporting such information.
- 4.5 Title Transfer. Seller shall cease to have title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyers Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Seller warrants that it has good title to the Full Requirements Service sold and delivered hereunder and that it has the right to sell such Full Requirements Service. The word "loss" in this Section 4.6 (Title Transfer) does not encompass electrical transmission and distribution losses. As between Buyer and Seller only, Buyer shall take title to, possession of, and risk of loss with respect to liability pursuant to Sections 9.1 (Seller's Indemnification for Third-Party Claim) and 9.2 (Buyer's Indemnification for Third-Party Claim) of Full Requirements Service scheduled and received or delivered hereunder at the Delivery Point(s). Notwithstanding the foregoing, nothing contained in this Agreement is intended to create or increase liability of Buyer to any third party beyond such liability, if any, that would otherwise exist under the PJM Agreements or under applicable law if Buyer had not taken title.
- 4.6 PJM Settlement. For PJM settlement purposes only, except as set forth in section 4.6(a), the Seller's PJM obligations hereunder will settle at the Delmarva Power & Light Residual Aggregate (PJM Pnode ID 116472941).
(a) If any portion of the Buyer's SOS load is subject to Nodal Pricing, settlement shall occur in accordance with PJM agreements.
- 4.7 Reliability Guidelines. Each Party agrees to adhere to the applicable operating policies, criteria and/or guidelines of the NERC, PJM, their successors, and any regional or sub regional requirements.
- 4.8 PJM Membership. For the period of time that this Agreement is in effect, Seller shall be: (i) a member in good standing of PJM; and (ii) qualified as a PJM "Market Buyer" and "Market Seller" pursuant to the PJM Agreements. For the period of time that this Agreement is in effect, Buyer shall be: (i) a member in good standing

of PJM; and (ii) qualified as a PJM “Load Serving Entity” pursuant to the PJM Agreements.

- 4.9 Billing Line Item Transfers. For the period of time that this Agreement is in effect, both Buyer and Seller agree the PJM Settlement, Inc., (“PJM Settlement”) shall transfer the applicable Billing Line Item charges and/or credits listed in Exhibit D under Billing Line Item Responsibilities. Buyer will be responsible for initiating and/or maintaining Billing Line Item Transfers utilizing the PJM Billing Line Item Transfer Tool. Seller agrees to confirm/approve Billing Line Item Transfers by the last business day of the month prior to the Delivery Period of the first Transaction under the FSA.
- 4.10 FERC Authorization. For the period of time that this Agreement is in effect, Seller shall have FERC authorization to make sales of energy, capacity and ancillary services at market based rates within PJM.
- 4.11 Disclosure in the Event of Seller Default. If Seller defaults and this Agreement is terminated pursuant to Article 12 (Events of Default; Remedies), Buyer may disclose the terms of this Agreement and any Transaction Confirmation to all other non-defaulting wholesale suppliers providing service to Buyer pursuant to the Delaware PSC Order and the PSC Settlement. Such disclosure by Buyer shall be made for the purpose of allowing each non-defaulting wholesale supplier to make its Step-Up elections described in Section 4.12 (Seller Step-Up Rights) below.
- 4.12 Seller Step-Up Rights. In the event of an early termination of a full requirements service agreement and associated transactions pursuant to Delaware PSC Orders and the PSC Settlement between Buyer and an entity other than Seller, Buyer shall send a written notification to Seller which: (i) describes the individual supply obligations associated with the terminated transaction(s) for the remaining term(s) of such transaction(s), including all available information regarding the associated CRRs; and (ii) notifies Seller of its option to supply its full or partial pro-rata share of the supply obligation associated with each terminated transaction for the remaining term(s) of the terminated transaction(s), without change to the pricing, terms and conditions of the terminated full requirements service agreement and transaction(s). Such an agreement to make additional supply available shall be termed a “Step-Up”.

In the event that Seller wishes to exercise its option to Step-Up, Seller shall notify Buyer of such within five (5) Business Days of its receipt of Buyer’s notification. In Seller’s notification, Seller shall indicate: (i) the amount of the increased obligation that Seller wishes to take on in respect of certain specified transaction(s) (which need not be all); and (ii) that it is willing to meet any additional collateral requirements related to the Step-Up. If other sellers do not exercise their option to Step-Up, Buyer shall again notify Seller as to the amount available for Step-Up and Seller will again have an option to take a full or partial pro-rata share of the amount that such other sellers declined to take. Seller’s notification shall take place no later

than two (2) Business Days of its receipt of Buyer's follow-up notification. Seller's pro-rata share, as described in this paragraph, shall be the ratio of Seller's total load obligation across all service types and customer classes at the time the Step-Up option is offered, stated on a Capacity PLC basis, to the total load being supplied under this Agreement and other full requirements service agreements pursuant to the Delaware PSC Orders and the PSC Settlement on a Capacity PLC basis, excluding the terminated transactions(s) and, if applicable, excluding the full requirement service agreements under which other sellers declined to exercise their Step-Up option in part or full.

For the avoidance of doubt, in the event that Seller does not respond to Buyer's Step-Up request within the relevant timeframe, Seller shall be deemed to have rejected the Buyer's request in full.

ARTICLE 5 TERM AND SURVIVAL

- 5.1 Term. Unless otherwise agreed upon by Buyer and Seller, this Agreement shall continue in full force and effect from the Effective Date until the end of all Transaction(s) executed under this Agreement, unless this Agreement is terminated early pursuant to Article 12 of this Agreement.
- 5.2 Survival. All provisions of this Agreement which must, in order to give full force and effect to the rights and obligations of the Parties hereto, survive termination or expiration of this Agreement, shall so survive, including, without limitation, Articles 9, 10 and 12.

ARTICLE 6 DETERMINATION OF DELIVERED QUANTITIES

- 6.1 Monthly Settlement Load. The amount of Monthly Settlement Load with respect to any calendar month during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy. The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial and subsequent retail load settlement processes.
- 6.2. Weekly Settlement Load. The amount of Weekly Settlement Load with respect to any Weekly Settlement Dates during the Delivery Period shall be determined in terms of megawatt-hours (MWh) of Energy. The MWh of Energy shall be equivalent to the amount of Energy reported as the Seller's Specified Percentage obligation by Buyer to PJM, adjusted for losses to reflect retail meter load in accordance with Buyer's initial retail load settlement processes.

6.3. Base Load and Increment Load Percentages. For R and Small C&I FP-SOS, the Base Load Percentage shall equal 100% and the Increment Load Percentage shall equal 0% for the entire term of this Agreement. For FP-SOS provided to MGS-S, LGS-S and GS-P customers, the Base Load Percentage and Increment Load Percentage shall be determined as set forth below.

(a) Base Load Percentage.

- i. Upon the date of execution of each Transaction for MGS-S, LGS-S and GS-P FP-SOS, Buyer shall determine the Capacity PLC, stated in megawatts, associated with each Bid Block in each Transaction (“Base PLC Per Bid Block”). Subsequent to the determination of the Base PLC Per Bid Block, and on each Business Day thereafter, Buyer shall determine the Capacity PLC, stated in megawatts, associated with each Bid Block in each Transaction (“PLC Per Bid Block”). The Base Load Percentage shall equal 100% if the PLC Per Bid Block is less than or equal to the Base PLC Per Bid Block plus five (5) megawatts. The Base Load Percentage shall equal the product of: (i) the quotient of the Base PLC Per Bid Block plus five (5) megawatts and the PLC Per Bid Block; and (ii) 100 if the PLC Per Bid Block is greater than the Base PLC Per Bid Block plus five (5) megawatts. On any Business Day when the PLC Per Bid Block is equal to or less than the Base PLC Per Bid Block minus three (3) megawatts, a new Base PLC Per Bid Block shall be established and shall equal the Base PLC Per Bid Block in effect the day prior to such event, minus three (3) megawatts for each whole multiple of three (3) megawatts that the PLC Per Bid Block is below the prior day Base PLC Per Bid Block. Such new Base PLC Per Bid Block shall replace the prior Base PLC Per Bid Block in all aspects of determining the Base Load Percentage subsequent to such new Base PLC Per Bid Block becoming effective.
- ii. At any time the Capacity PLCs are re-determined by the Buyer in accordance with the PJM Agreements, Buyer shall negate the effect of such re-determination on the PLC Per Bid Block. Accordingly, the daily determination of PLC Per Bid Block subsequent to each such PLC re-determination, shall equal the PLC per bid block computed by Buyer each day using the re-determined PLCs (“Unadjusted PLC Per Bid Block”) minus the difference of: (i) Unadjusted PLC Per Bid Block computed by Buyer on the day such re-determined PLCs become effective; and (ii) the PLC Per Bid Block determined on the day prior to the re-determined PLCs becoming effective. For further clarity, Exhibit H contains an example of the calculation described in this Section 6.2(a) (ii). On any Business Day, an increment is triggered when customers eligible to return to SOS have the effect that the PLC per Bid Block is greater than the Base PLC per Bid Block plus five (5) megawatts. Customers migrating from SOS to alternate suppliers or migrating from

the service territory or whose electric service is terminated such that the PLC per Bid Block is equal to or less than the Base PLC per Bid Block minus (3) megawatts would trigger a decrement.

- (b) Increment Load Percentage. Seller shall not be responsible for supplying the Increment Load Percentage, which shall be equal to 100% minus the Base Load Percentage.

ARTICLE 7 BILLING AND SETTLEMENT

7.1 Billing. Consistent with PJM settlement dates, Buyer shall deliver to Seller, via electronic transmission or other means agreed to by the Parties, an invoice (“Invoice”) that sets forth the total amount due for the previous calendar month for all Transactions. The Invoice shall detail for each Transaction the following:

- (a) Monthly Settlement Base Load
- (b) Monthly Settlement Base Price
- (c) Monthly Settlement Amount
- (d) Weekly Settlement Base Load
- (e) Weekly Settlement Base Price
- (f) Weekly Settlement Amount
- (g) PJM billing adjustments
- (h) For each month in the contract term that the Zonal Net Load Price for capacity resulting from the Base Residual Auction (BRA) is unknown at the time Suppliers provide their offers in a Standard Offer Service auction pursuant to the RFP, Suppliers shall incorporate a proxy Net Load Price of \$151.70/MW-day for capacity into their offers for providing full-requirements wholesale supply service for the Residential and Small Commercial & Industrial (RSCI) class. For each billing month in which the proxy price was used by the Suppliers, an additional line item on the SOS Invoice will show a supplemental capacity payment or charge. A supplemental capacity payment will be stated if the Final Zonal Net Load Price for capacity is higher than the proxy Zonal Net Load Price, and a supplemental capacity charge will be stated if the Final Net Load Price for capacity is lower than the proxy Zonal Net Load Price. The supplemental capacity payment or charge will equal the Final Zonal Net Load Price for the Utility’s PJM zone less the proxy Zonal Net Load Price, multiplied by the Seller’s unforced capacity obligation for each day of the billing month.
- (i) Any other adjustments set forth in this Agreement

7.2 PJM Billing.

- (a) Buyer and Seller shall direct PJM to invoice Seller and Buyer for charges and credits relating to Seller's and Buyer's rights and obligations under this Agreement as set forth in Exhibit D attached hereto and made a part hereof. If PJM is unable to invoice charges or credits in accordance with Exhibit D, Buyer shall rectify such PJM invoice discrepancy in the Invoice sent pursuant to Section 7.1 (Billing).
 - (b) The Parties agree that the PJM bill may change from time to time. Allocation of any charges that are reflected in a PJM bill that are not included on or are inconsistent with Exhibit D will be determined pursuant to Sections 2.3 (Network Integration Transmission Service and Distribution Service), 2.4 (Other Changes in PJM Charges), and 16.11 (PJM Agreement Modifications) of this Agreement.
- 7.3 Payment of the Invoice. On the PJM Settlement Dates, Buyer will pay to Seller, or Seller will pay to the Buyer, as the case may be, the total amount due in the applicable Invoice. All payments shall be made by "Electronic Funds Transfer" (EFT) via "Automated Clearing House" (ACH), to a bank designated in writing by such Party, by 12:00 p.m. EPT on the Weekly Settlement Date and the Monthly Settlement Date. Payment of Invoices shall not relieve the paying Party from any other responsibilities or obligations it has under this Agreement (other than the obligation to make such payment), nor shall such payment constitute a waiver of any claims arising hereunder.
- 7.4 Netting of Payments. Buyer and Seller shall discharge mutual debts and payment obligations due and owing to each other under this Agreement, as of the Weekly Settlement Date and the Monthly Settlement Date, such that all amounts owed by each Party to the other Party shall be reflected in a single amount due to be paid by the Party who owes it and received by the other Party, provided that the calculation of the net amount shall not include any disputed amounts being withheld pursuant to Section 7.5 (Billing Disputes and Adjustment of Invoices).
- 7.5 Billing Disputes and Adjustments of Invoices.
 - (a) Consistent with the PJM rules as they may be revised in accordance with Settlement C, Buyer may, in good faith, adjust the Invoice to include revised load data or correct any errors. In the event Settlement C is not adopted by PJM, any adjustment to include revised load data or to correct any errors must occur within 12 months from the date on which an Invoice is issued. The adjustment shall include interest calculated at the Interest Rate from the original due date to the date of payment. Buyer shall provide Seller a written explanation of the basis for the adjustment.
 - (b) Within twelve (12) months of the date on which an Invoice is issued or an Invoice is adjusted pursuant to Section 7.5(a) (Billing Disputes and Adjustment of Invoices), or within the period established in Settlement C, whichever is

shorter, Seller may, in good faith, dispute the correctness of such Invoice or adjustment, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that Seller has paid by the Monthly Settlement Date any portion of an Invoice that is not disputed.

(c) Within twelve (12) months of the date on which a PJM bill is issued, or within the period established in Settlement C, whichever is shorter, Buyer or Seller may, in good faith, dispute the correctness of any such PJM bill, pursuant to the provisions of Article 13 (Dispute Resolution), and provided that the disputing Party has paid by the Monthly Settlement Date any portion of an Invoice that is not disputed.

(d) A failure to raise a dispute applicable under subsections 7.5(a)-(c) within such 12 month period, or within the period established in Settlement C, whichever is shorter, shall be deemed to bar Buyer or Seller from raising such dispute as it applies between Buyer and Seller.

7.6 Interest on Unpaid Balances. Interest on delinquent amounts, other than amounts in dispute as described in Section 7.5 (Billing Disputes and Adjustment of Invoices), shall be calculated at the Interest Rate from the original due date to the date of payment.

ARTICLE 8 TAXES

8.1 Cooperation. Each Party shall use reasonable efforts to implement the provisions of and administer this Agreement in accordance with the intent of the Parties to minimize taxes, so long as neither Party is materially adversely affected by such efforts.

8.2 Taxes.

(a) As between the Parties: (i) Seller is responsible for the payment of all taxes imposed by any Governmental Authority on the wholesale sales of Full Requirements Service under this Agreement; and (ii) Buyer is responsible for the payment of all taxes imposed by any Governmental Authority on retail sales of Full Requirements Service under this Agreement.

(b) Any Party paying taxes that should have been paid by the other Party pursuant to Section 8.2(a) (Taxes), shall be reimbursed by such other Party in the next invoice issued pursuant to Section 7.1 (Billing).

8.3 Disclosure of Tax Treatment. Notwithstanding anything to the contrary in this Agreement or in the RFP and appendices thereto, Seller and Buyer agree that (i) any obligation of confidentiality with respect to the Parties' Transactions hereunder

does not apply, and has not applied from the commencement of discussions between the Parties, to the tax treatment and tax structure of the Agreement and all Transactions thereunder, and (ii) Seller and Buyer (and each of their respective employees, representatives, or agents) may disclose to any and all persons, without limitation of any kind, the tax treatment and tax structure of the Agreement and the Transactions thereunder, as well as any materials of any kind (including opinions or other tax analyses) that have been provided to the disclosing Party relating to such tax treatment and tax structure, all within the meaning of Treasury Regulations Section 1.6011-4; provided, however, that the foregoing is not intended to affect any privileges that each Party is entitled, in its sole discretion, to maintain, including with respect to any confidential communications with its attorney or any confidential communications with a federally authorized tax practitioner under Section 7525 of the Internal Revenue Code.

ARTICLE 9 INDEMNIFICATION

- 9.1 Seller's Indemnification for Third-Party Claims. Seller shall indemnify, hold harmless, and defend Buyer and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Buyer's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities in any action or proceeding between Buyer and a third party for damage to property of unaffiliated third parties, injury to or death of any person, to the extent directly caused by the gross negligence or willful misconduct of Seller and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Seller's performance under this Agreement, Seller's exercise of rights under this Agreement, or Seller's breach of this Agreement.
- 9.2 Buyer's Indemnification for Third-Party Claims. Buyer shall indemnify, hold harmless, and defend Seller and its Affiliates, and their respective officers, directors, employees, agents, contractors, subcontractors, invitees, successors, representatives and permitted assigns (collectively, "Seller's Indemnitees") from and against any and all claims, liabilities, costs, losses, damages, and expenses including reasonable attorney and expert fees, disbursements actually incurred, and any penalties or fines imposed by Government Authorities in any action or proceeding between Seller and a third party for damage to property of unaffiliated third parties, injury to or death of any person, to the extent directly caused by the gross negligence or willful misconduct of Buyer and/or its officers, directors, employees, agents, contractors, subcontractors or invitees arising out of or connected with Buyer's performance under this Agreement, Buyer's exercise of rights under this Agreement, or Buyer's breach of this Agreement.

- 9.3 Indemnification Procedures. If either Party intends to seek indemnification under Sections 9.1 (Seller's Indemnification for Third-Party Claims) or 9.2 (Buyers Indemnification for Third-Party Claims), as applicable, from the other Party, the Party seeking indemnification shall give the other Party notice of such claim within ninety (90) days of the later of the commencement of, or the Party's actual knowledge of, such claim or action. Such notice shall describe the claim in reasonable detail, and shall indicate the amount, estimated if necessary, of the claim that has been, or may be, sustained by said Party. To the extent that the other Party will have been actually and materially prejudiced as a result of the failure to provide such notice, such notice will be a condition precedent to any liability of the other Party under the provisions for indemnification contained in this Agreement. Neither Party may settle or compromise any claim without the prior consent of the other Party; provided, however, said consent shall not be unreasonably withheld or delayed.

ARTICLE 10 LIMITATIONS ON LIABILITY

- 10.1 Limitation of Remedies, Liability and Damages. EXCEPT AS SET FORTH IN THIS AGREEMENT, THERE IS NO WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, AND ANY AND ALL IMPLIED WARRANTIES ARE DISCLAIMED. THE PARTIES CONFIRM THAT THE EXPRESS REMEDIES AND MEASURES OF DAMAGES PROVIDED IN THIS AGREEMENT SATISFY THE ESSENTIAL PURPOSES HEREOF. FOR BREACH OF ANY PROVISION FOR WHICH AN EXPRESS REMEDY OR MEASURE OF DAMAGES IS PROVIDED, SUCH EXPRESS REMEDY OR MEASURE OF DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY, THE OBLIGOR'S LIABILITY SHALL BE LIMITED AS SET FORTH IN SUCH PROVISION AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. IF NO REMEDY OR MEASURE OF DAMAGES IS EXPRESSLY PROVIDED HEREIN, THE OBLIGOR'S LIABILITY SHALL BE LIMITED TO DIRECT ACTUAL DAMAGES ONLY, SUCH DIRECT ACTUAL DAMAGES SHALL BE THE SOLE AND EXCLUSIVE REMEDY AND ALL OTHER REMEDIES OR DAMAGES AT LAW OR IN EQUITY ARE WAIVED. UNLESS EXPRESSLY HEREIN PROVIDED, NEITHER PARTY SHALL BE LIABLE FOR CONSEQUENTIAL, INCIDENTAL, PUNITIVE, EXEMPLARY OR INDIRECT DAMAGES, LOST PROFITS OR OTHER BUSINESS INTERRUPTION DAMAGES, BY STATUTE, IN TORT OR CONTRACT, UNDER ANY INDEMNITY PROVISION OR OTHERWISE. IT IS THE INTENT OF THE PARTIES THAT THE LIMITATIONS HEREIN IMPOSED ON REMEDIES AND THE MEASURE OF DAMAGES BE WITHOUT REGARD TO THE CAUSE OR CAUSES RELATED THERETO, INCLUDING THE NEGLIGENCE OF ANY PARTY, WHETHER SUCH NEGLIGENCE BE SOLE,

JOINT OR CONCURRENT, OR ACTIVE OR PASSIVE. TO THE EXTENT ANY DAMAGES REQUIRED TO BE PAID HEREUNDER ARE LIQUIDATED, THE PARTIES ACKNOWLEDGE THAT THE DAMAGES ARE DIFFICULT OR IMPOSSIBLE TO DETERMINE, OR OTHERWISE OBTAINING AN ADEQUATE REMEDY IS INCONVENIENT AND THE DAMAGES CALCULATED HEREUNDER CONSTITUTE A REASONABLE APPROXIMATION OF THE HARM OR LOSS.

- 10.2 Limitation on Buyer Liability for Conduct of Consultant. As set forth in the PSC Settlement and Delaware PSC Orders, Buyer is obligated to share certain information with a consultant (“PSC Consultant”) chosen and supervised by the Delaware PSC and its Staff. Notwithstanding anything set forth in this Agreement, in no event will Buyer have any liability of any kind with respect to Sellers for any conduct of the PSC Consultant, except to the extent of any remedy that Buyer actually recovers from the PSC Consultant.

ARTICLE 11 FORCE MAJEURE

- 11.1 Force Majeure. Notwithstanding anything in this Agreement to the contrary, the Parties shall be excused from performing their respective obligations under this Agreement (other than the obligation to make payments with respect to performance prior to the event of Force Majeure) and shall not be liable for damages or otherwise due to their failure to perform, during any period that one Party is unable to perform due to an event of Force Majeure, provided that the Party declaring an event of Force Majeure shall: (i) act expeditiously to resume performance; (ii) exercise all commercially reasonable efforts to mitigate or limit damages to the other Party; and (iii) fulfill the requirements set forth in Section 11.2 (Notification).
- 11.2 Notification. A Party unable to perform under this Agreement due to an event of Force Majeure shall: (i) provide prompt written notice of such event of Force Majeure to the other Party, which shall include an estimate of the expected duration of the Party’s inability to perform due to the event of Force Majeure; and (ii) provide prompt notice to the other Party when performance resumes.

ARTICLE 12 EVENTS OF DEFAULT; REMEDIES

- 12.1 Events of Default. An “Event of Default” shall mean, with respect to a Party (“Defaulting Party”), the occurrence of any of the following:

- (a) the failure to make, when due, any payment required pursuant to this Agreement if such failure is not remedied within two (2) Business Days after written notice;
- (b) any representation or warranty made by such Party herein or in response to the RFP is false or misleading in any material respect when made or when deemed made or repeated;
- (c) the failure of a Party to comply with the requirements of Section 4.8 (PJM Membership) and 4.10 (FERC Authorization) if such failure is not remedied within three (3) Business Days after written notice, provided, however, that if such failure can be rectified and the Seller is in the process of rectifying the failure, then the Event of Default shall be tolled for up to thirty (30) days;
- (d) PJM has declared a Party to be in default of any provision of any PJM Agreement, which default prevents a Party's performance hereunder if such failure is not remedied within three (3) Business Days after written notice;
- (e) the failure to perform any material covenant or obligation set forth in this Agreement (except to the extent constituting a separate Event of Default) if such failure is not remedied within three (3) Business Days after written notice;
- (f) such Party becomes Bankrupt;
- (g) such Party consolidates with, or merges with or into, or transfers all or substantially all of its assets to, another entity, or assigns the Agreement or any rights, interests, or obligations hereunder without the prior written consent of the other Party when such consent is required, and, at the time of such consolidation, merger, transfer or assign, the resulting, surviving, transferee, or assigned entity fails to assume all the obligations of such Party under this Agreement to which it or its predecessor was a party by operation of law or pursuant to an agreement reasonably satisfactory to the other Party;
- (h) the occurrence and continuation of: (i) a default, event of default or other similar condition or event in respect of such Party under one or more agreements or instruments, individually or collectively, relating to indebtedness for borrowed money in an aggregate amount of not less than five percent (5%) of such Party's TNW, which results in such indebtedness becoming immediately due and payable or; (ii) a default by such Party in making on the due date therefore one or more payments, individually or collectively, in an aggregate amount of not less than five percent (5%) of such Party's TNW.
- (i) the failure of a Party to comply with its obligations pursuant to Article 14 (Performance Assurance/Accelerated Payments) if such failure is not remedied within three (3) Business Days after written notice.
- (j) with respect to Seller's Guarantor if any:
 - i. if any representation or warranty made by the Guarantor in connection with this Agreement is false or misleading in any material respect when made or when deemed made or repeated;
 - ii. the failure of the Guarantor to make any payment required or to perform any other material covenant or obligation in any guaranty made in connection with this Agreement and such failure shall not be remedied within three (3) Business Days after written notice;

- iii. the failure of the Guarantor's guaranty to be in full force and effect for purposes of this Agreement (other than in accordance with its terms) prior to the satisfaction of all obligations of such Party under this Agreement without the written consent of the other Party;
- iv. the Guarantor repudiates, disaffirms, disclaims, or rejects, in whole or in part, or challenges the validity of any guaranty; or
- v. conditions described with respect to a Party in subparagraph (f) of this Section 12.1 (Events of Default) occurs with respect to its Guarantor.

12.2 Remedies. If an Event of Default with respect to a Defaulting Party shall have occurred and be continuing, the other Party (the "Non-Defaulting Party"), shall provide written notice to the Defaulting Party and shall have the right to temporarily suspend performance pursuant to Section 12.2(a) or implement all remedies pursuant to Section 12.2(b):

- (a) If an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to suspend performance, provided that such suspension shall not continue for longer than ten (10) Business Days. At any time during or subsequent to the temporary suspension of performance, the Non-Defaulting Party may proceed with the steps outlined in Section 12.2(b). If, by the end of the ten (10) Business Day period of suspension, the Non-Defaulting Party has not commenced the implementation of the remedies pursuant to Section 12.2(b), then the Non-Defaulting Party must resume performance of its obligations under this Agreement.
- (b) In addition to any other remedies available at law or in equity to the Non-Defaulting Party, if an Event of Default has occurred and is continuing, the Non-Defaulting Party shall have the right to implement all, but not less than all, the following remedies:
 - i. Suspend performance and designate a day, in such notice, no earlier than the day such notice is effective and no later than twenty (20) (calendar) days after such notice is effective, as an early termination date ("Early Termination Date") for the purposes of determining the Settlement Amount;
 - ii. calculate and receive from the Defaulting Party, payment for any Default Damages the Non-Defaulting Party incurs as of the date of the event giving rise to the Event of Default, until the earlier of: (i) the Early Termination Date (if applicable); or (ii) the Event of Default has been cured by the Defaulting Party; or (iii) the Non-Defaulting Party waives such Event of Default; and
 - iii. withhold any payments due to the Defaulting Party under this Agreement as an offset to any Default Damages or Termination Payment, as defined in Section 12.3 (Calculation and Net Out of Settlement Amounts).

- (c) If an Event of Default has occurred and the Non-Defaulting Party is the Buyer, then:
- i. unless the Event of Default was a failure by Seller to meet any or all of its Full Requirements Service obligations, Buyer may offer to waive the default on such terms and conditions as Buyer, at its sole discretion, may deem appropriate to propose (“Special Remedy”); provided however that;
 - ii. any such Special Remedy can only be offered to Seller if it first is specifically approved by the Delaware PSC in accordance with PSC Settlement.

12.3 Calculation and Net Out of Settlement Amounts.

- (a) The Non-Defaulting Party shall calculate, in a commercially reasonable manner, a Settlement Amount for each such Terminated Transaction as of the Early Termination Date or, to the extent that in the reasonable opinion of the Non-Defaulting Party certain of such Terminated Transactions are commercially impracticable to liquidate and terminate or may not be liquidated and terminated under applicable law on the Early Termination Date, as soon thereafter as is reasonably practicable. For purposes of calculating the Settlement Amount, the Non-Defaulting Party shall reflect the net impact of the exercise of the option on the part of other wholesale suppliers as described in Section 4.12 (Seller Step-Up Rights) of this Agreement. The Non-Defaulting Party shall aggregate all Settlement Amounts into a single liquidated amount (the “Termination Payment”) by netting out: (i) all Settlement Amounts that are due to the Defaulting Party, plus, at the option of the Non-Defaulting Party, any cash or other form of security then available to the Non-Defaulting Party pursuant to Article 14 (Performance Assurance/Accelerated Payments), plus any or all other amounts due to the Defaulting Party under this Agreement; against (ii) all Settlement Amounts that are due to the Non-Defaulting Party plus any or all other amounts due to the Non-Defaulting Party, including but not limited to Default Damages, under this Agreement. The Termination Payment shall be due to or due from the Non-Defaulting Party as appropriate. When the Buyer is the Non-Defaulting Party and replaces Seller’s full requirements obligation under this Agreement through mechanisms specified in the PSC Settlement, the result of that procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount.

- Seller may, in its sole discretion, add subsection 12.3(b) included in Exhibit J by checking this box. If Seller does not check this box, subsection 12.3(b) will not be included as part of the Parties’ Agreement.

- 12.4 Notice of Termination Payment. As soon as practicable after an Early Termination Date is declared, the Non-Defaulting Party shall provide written notice to the Defaulting Party of the amount of the Termination Payment and whether the Termination Payment is due to or due from the Non-Defaulting Party. The notice shall include a written statement explaining in reasonable detail the calculation of such amount. The owing Party shall make the Termination Payment within five (5) Business Days after such notice is effective.
- 12.5 Disputes With Respect to Termination Payment. If the Defaulting Party disputes the Non-Defaulting Party's calculation of the Termination Payment, in whole or in part, the Defaulting Party shall, within five (5) Business Days of receipt of Non-Defaulting Party's calculation of the Termination Payment, provide to the Non-Defaulting Party a notice that it intends to dispute the calculation of the Termination Payment ("Termination Payment Dispute Notice"), pursuant to the provisions of Article 13 (Dispute Resolution), and provided, however, that if the Termination Payment is due from the Defaulting Party, the Defaulting Party shall first transfer collateral to the Non-Defaulting Party in an amount equal to the Termination Payment, such collateral to be in a form acceptable to the Non-Defaulting Party by the Termination Payment Date.
- 12.6 Closeout Setoffs. After calculation of a Termination Payment in accordance with Section 12.3, (Calculation and Net Out of Settlement Amounts) if the Defaulting Party would be owed the Termination Payment, the Non-Defaulting Party shall be entitled, at its option and in its discretion, to: (i) set off against such Termination Payment any amounts payable by the Defaulting Party to the Non-Defaulting Party under any other agreements, instruments or undertakings between the Defaulting Party and the Non-Defaulting Party; and/or (ii) to the extent the Transactions are not yet liquidated in accordance with Section 12.2 (a), withhold payment of the Termination Payment to the Defaulting Party. The remedy provided for in this Article shall be without prejudice and in addition to any right of setoff, combination of accounts, lien or other right to which any Party is at any time otherwise entitled (whether by operation of law, contract or otherwise). If any obligation is unascertained, the Non-Defaulting Party may in good faith estimate that obligation and set-off in respect of the estimate, subject to the Non-Defaulting Party accounting to the Defaulting Party when the obligation is ascertained.
- 12.7 Duty to Mitigate. Each Party agrees that it has a duty to mitigate damages and covenants that it will use commercially reasonable efforts to minimize any damages it may incur as a result of the other Party's failure to perform pursuant to this Agreement.

ARTICLE 13
DISPUTE RESOLUTION

- 13.1 Informal Dispute Resolution. Before pursuing resolution of any dispute arising out of this Agreement, the disputing Party shall provide written notice to the other Party setting forth the nature of the dispute, the amount involved, if any, and the remedies sought. The Parties shall use good faith and reasonable commercial efforts to informally resolve such dispute. Such efforts shall last for a period of at least thirty (30) calendar days from the date that the notice of the dispute is first delivered from one Party to the other Party. Any amounts that are owed by one Party to the other Party as a result of resolution of a dispute pursuant to this Section 13.1 (Informal Dispute Resolution), shall be paid within two (2) Business Days of such resolution and the payment shall include interest calculated at the Interest Rate from the original due date through the date of payment.
- 13.2 Formal Dispute Resolution. After the requirements of Section 13.1 (Informal Dispute Resolution) have been satisfied, all disputes, except as noted below, between the Parties shall be submitted to the appropriate authority. Notwithstanding anything set forth in this Article 13 (Dispute Resolution), any dispute concerning an increase in the Renewable Energy Resource requirement described in Section 4.4 (Renewable Energy Resource Requirement) will be resolved in accordance with the procedures set forth in Section 4.4 (Renewable Energy Resource Requirement), and any dispute concerning new PJM charges will be resolved in accordance with the procedures set forth in Section 2.4 (Other Changes in PJM Charges).

ARTICLE 14

PERFORMANCE ASSURANCE/ACCELERATED PAYMENTS

- 14.1 Requirement for Performance Assurance. With respect to Aggregate Transactions, if at any time and from time to time during the term of this Agreement, Aggregate Buyer's Exposure exceeds the Unsecured Credit on any Business Day, then Buyer shall request that Seller post Performance Assurance in an amount equal to the amount by which Aggregate Buyer's Exposure exceeds the Unsecured Credit (rounding upwards to the nearest \$250,000), less any Performance Assurance already posted with Buyer. Subsequent and incremental requests for Performance Assurance shall be in \$250,000 increments. Buyer's request for Performance Assurance shall not be disputed by Seller.
- 14.2 Performance Assurance Transfers>Returns. If the request for Performance Assurance is made by Buyer before 1:00 p.m. EPT on a Business Day, then if Seller is posting cash as the form of Performance Assurance Collateral, Seller shall be required to deliver the Performance Assurance cash to Buyer on the Business Day following the date of such request; and if Seller is posting a Letter of Credit or other security as acceptable to Buyer as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance Letter of Credit or other security on the second Business Day following the date of such request. If a

request for Performance Assurance is made by Buyer at or after 1:00 p.m. EPT, then if Seller is posting cash as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance cash to Buyer on the second Business Day following the date of such request; and if Seller is posting a Letter of Credit or other security as acceptable to Buyer as the form of Performance Assurance collateral, Seller shall be required to deliver the Performance Assurance Letter of Credit or other security on the third Business Day following the date of such request. Telephone, facsimile, or other communication means mutually acceptable by the Parties, are suitable means for the Buyer to make requests for Performance Assurance. If Seller provides its Performance Assurance collateral in cash, in whole or in part, Seller will also simultaneously grant Buyer a first-priority security interest in that cash, in a form mutually acceptable to Buyer and Seller. Buyer shall not be entitled to hold Performance Assurance in the form of cash; rather, Performance Assurance in the form of cash shall be held in any major U.S. commercial bank, or a foreign bank with a U. S. branch office, (which is not the Buyer or an affiliate of the Buyer), and has assets of at least \$10 billion and a credit rating of at least “A” by Standard and Poor’s, or “A2” by Moody’s Investor Services (“Qualified Institution”). The Buyer will pay to Seller on the first Business Day of each calendar quarter the amount of interest it receives based upon the applicable overnight repurchase interest rate from the Qualified Institution on any Performance Assurance in the form of cash posted by Seller. The interest amount or portion thereof not returned to Seller pursuant to this Section 14.2 will constitute Performance Assurance and will be subject to the provisions of Article 14 of this Agreement.

On any Business Day (but no more frequently than weekly with respect to Letters of Credit or other security acceptable to Buyer, and daily with respect to cash), Seller, at its sole cost, may request that the Performance Assurance be reduced correspondingly to reflect the decrease in Buyer’s Exposure or an increase in Seller’s Unsecured Credit, if any (rounding upwards for any fractional amount to the nearest \$100,000). Buyer shall be required to return the amount of Performance Assurance due in accordance with the timeframes set forth in the preceding paragraph. Telephone, facsimile, or other communication means mutually acceptable by the Parties, are suitable means for the Seller to make requests for return of Performance Assurance.

In the event that Seller fails to provide Performance Assurance or Buyer fails to return Performance Assurance pursuant to the terms of this Article 14 (Performance Assurance/Accelerated Payments) within the applicable timeframes, then an Event of Default pursuant to Section 12.1(i) shall be deemed to have occurred with respect to the non-performing Party and the other Party will be entitled to the remedies set forth therein.

In instances caused by the timing of the requests for both the return of Performance Assurance and placement of Performance Assurance, a situation may arise where the Parties are both sending and receiving transactions on the same day. In these

instances, the Parties may net the requested amounts and proceed with only one transaction. Netting is only permitted for Performance Assurance purposes if it is mutually agreed to by both Parties in advance and confirmed in advance.

- 14.3 Unsecured Credit. During the term of this Agreement, Buyer shall extend, solely with respect to the Performance Assurance set forth in Section 14.1 (Requirement for Performance Assurance), Unsecured Credit to Seller in an amount initially determined on the Effective Date and redetermined each Business Day thereafter pursuant to this Section 14.3.

The relevant Unsecured Credit Cap shall be the Unsecured Credit Cap listed in the following table that corresponds to Seller's (or Seller's Guarantor's) lowest Credit Rating most recently published by S&P, Fitch and/or Moody's. The relevant TNW Amount shall be calculated using the TNW Percentage listed in the following table that corresponds to Seller's (or Seller's Guarantor's) lowest Credit Rating most recently published by S&P, Fitch and/or Moody's.

Credit Rating			<u>TNW Percentage</u>	<u>Unsecured Credit Cap</u>
<u>S&P</u>	<u>Fitch</u>	<u>Moody's</u>		
A or above	A or above	A2 or above	15%	\$125,000,000
A-	A-	A3	10%	\$100,000,000
BBB+	BBB+	Baa1	8%	\$75,000,000
BBB	BBB	Baa2	6%	\$50,000,000
BBB-	BBB-	Baa3	4%	\$25,000,000
BB+	BB+	Ba1	2%	\$15,000,000
BB	BB	Ba2	1%	\$10,000,000
BB-	BB-	Ba3	0.5%	\$5,000,000
Below BB- /Unrated	Below BB- /Unrated	Below Ba3 /Unrated	0%	\$0.00

- 14.4 Credit Rating. If during the term of the Agreement, Seller's or Seller's Guarantor's Credit Rating changes, by either being upgraded or downgraded by any of the rating agencies referenced in Section 14.3 (Unsecured Credit) of the Agreement, the Seller shall be required to provide written notice to Buyer of such Credit Rating change no later than two (2) Business Days after the date of such change. However, if Seller's, or Seller's Guarantor's, equity is publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, the Buyer will waive the requirement to provide written notice.

14.5 Tangible Net Worth. During the term of the Agreement, Seller, or Seller's Guarantor, shall be required to provide Buyer written financial information to determine the Seller's, or Seller's Guarantor's Tangible Net Worth. Financial information shall include an audited Annual Report, containing, but not limited to, a balance sheet prepared in accordance with generally accepted accounting principles, a schedule of long term debt including maturity dates, and all notes to the financial statement that apply to long term debt, short term borrowing, and liquidity and capital resources. The Seller, or Seller's Guarantor, shall also provide the Buyer written financial information on a quarterly basis containing a balance sheet prepared in accordance with generally accepted accounting principles. However, if Seller's, or Seller's Guarantor's, equity is publicly traded on the New York Stock Exchange, NASDAQ National Market, or American Stock Exchange, the Buyer will waive the requirement to provide written financial information.

14.6 Foreign Entities. The following standards shall apply to Seller, or Seller's Guarantor, that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States. For Sellers who cannot meet the following requirements, the posting of cash or letter of credit in an acceptable form (see standard format in Exhibit C) for the Aggregate Buyer's Exposure shall be required.

- (a) The Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. The Buyer shall have full discretion, without liability or recourse to the Seller, to evaluate the evidence of creditworthiness submitted by such Seller; or
- (b) The Guarantor of a Seller shall supply such evidence of creditworthiness so as to provide Buyer with comparable assurances of creditworthiness as is applicable above for Guarantors of Sellers that have been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. Buyer shall have full discretion, without liability or recourse to the Guarantor or the Seller, to evaluate the evidence of creditworthiness submitted by such Guarantor.

All Sellers or Guarantors of Sellers that have not been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia and whose financial data is not denominated in United States currency and does not conform to generally accepted accounting principles (GAAP) in the United States shall, in addition to all documentation required elsewhere in this Section 14.6 (Foreign Entities), supply the following as a condition of being granted Unsecured Credit, up to a maximum level, for the purpose of covering the Aggregate Buyer's Exposure:

(i) For Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Seller is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Seller in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the person executing this Agreement on behalf of the Seller has the authority to execute the Agreement and that the governing board of such Seller has approved the execution of this Agreement; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Seller that the Seller has been authorized by its governing board to enter into agreements of the same type as this Agreement.

Buyer shall have full discretion, without liability or obligation to the Seller, to evaluate the sufficiency of the documents submitted by the Seller.

(ii) For Guarantor of a Seller:

- (a) A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that this Guaranty is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and
- (b) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- (c) The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as the Guaranty.

Buyer shall have full discretion, without liability or obligation to the Guarantor or the Seller, to evaluate the sufficiency of the documents submitted by such Guarantor.

14.7 Aggregate Buyer's Exposure. In order to determine the amount of Performance Assurance during the term of this Agreement, Buyer shall calculate the Aggregate Buyer's Exposure under Aggregate Transactions once per Business Day, pursuant to the process and methodology described in Exhibit E for calculating the mark-to-

mark exposure. On a Transaction Date, the Buyer's Exposure for that Transaction shall be deemed equal to zero.

To the extent that the calculations of the Aggregate Buyer's Exposure for a given date results in a negative number, the Aggregate Buyer's Exposure for such date shall be deemed equal to zero.

- (a) Pricing Agent. Buyer shall contract with and pay for the services of a single independent consultant to provide pricing services with respect to the Transactions under this Agreement. The Pricing Agent shall provide to the Buyer the On-Peak Initial Mark Price and the Off-Peak Initial Mark Price. In addition, on each Business Day, the Pricing Agent shall provide to the Buyer the On-Peak Forward Price and the Off-Peak Forward Price. To the extent that information and/or quotes are not available to determine an On-Peak Forward Price or Off-Peak Forward Price for a given month the Pricing Agent shall be permitted to use information and/or quotes relevant to such month for which information and/or quotes are available in order to provide the Buyer the required On-Peak Forward Price and Off-Peak Forward Price for such month. Exhibit E presents in more detail the methodology to be used by the Pricing Agent in determining the Off-Peak Initial Mark Price, On-Peak Initial Mark Price, the On-Peak Forward Price and the Off-Peak Forward Price.
- (b) Buyer shall use reasonable efforts to provide Seller with Aggregate Buyer's Exposure on each Business Day subject to the Confidentiality provisions of this Agreement.
- (c) Pursuant to Section 14.1 above, Seller shall not dispute any request by Buyer for Performance Assurance. Notwithstanding such provision, Seller may dispute the Pricing Agent's determinations of the On-Peak Initial Mark Price, Off-Peak Initial Mark Price, On-peak Forward Price and Off-Peak Forward Price if Seller can demonstrate that the Pricing Agent has been grossly negligent or has exhibited willful misconduct in such determinations, or that the Pricing Agent is making such determinations in a manner that is arbitrary, capricious or erroneous on its face. Such dispute of the Pricing Agent's determinations by the Seller shall not be cause for any delay by the Seller in posting any Performance Assurance requested by the Buyer.

ARTICLE 15

REPRESENTATIONS AND WARRANTIES

- 15.1 Representations and Warranties. On the Effective Date and throughout the term of this Agreement, each Party represents and warrants to the other Party that:

- (a) it is duly organized, validly existing and in good standing under the laws of the jurisdiction of its formation;
- (b) it has all regulatory authorizations necessary for it to legally perform its obligations under this Agreement and each Transaction;
- (c) the execution, delivery and performance of this Agreement and each Transaction are within its powers, have been duly authorized by all necessary action and do not violate any of the terms and conditions in its governing documents, any contracts to which it is a party or any law, rule, regulation, order or the like applicable to it;
- (d) this Agreement and each Transaction constitutes its legally valid and binding obligation enforceable against it in accordance with its terms; subject to any Equitable Defenses;
- (e) it is not Bankrupt and there are no proceedings pending or being contemplated by it or, to its knowledge, threatened against it which would result in it being or becoming Bankrupt;
- (f) there are no pending, or to its knowledge threatened, actions, suits or proceedings against it or any of its Affiliates any legal proceedings before any court or Governmental Authority that could materially adversely affect its ability to perform its obligations under this Agreement and each Transaction;
- (g) no Event of Default with respect to it has occurred and is continuing and no such event or circumstance would occur as a result of its entering into or performing its obligations under this Agreement and each Transaction;
- (h) with respect to Buyer, it is acting to fulfill its obligations under and in accordance with Delaware PSC Orders issued pursuant to Docket No. 04-391 to enter into this Agreement;
- (i) it is not relying upon the advice or recommendations of the other Party in entering into this Agreement, it is capable of understanding, understands and accepts the terms, conditions and risks of this Agreement and each Transaction, and the other Party is not acting as a fiduciary for or advisor to it in respect of this Agreement;
- (j) it is a “forward contract merchant” within the meaning of the United States Bankruptcy Code;
- (k) it has entered into this Agreement and each Transaction in connection with the conduct of its business and it has the capacity or ability to provide or take delivery of the Full Requirements Service; and it is an “eligible contract participant” as defined in Section 1a(12) of the Commodity Exchange Act.

15.2 Additional Understandings. This Agreement is for the purchase and sale of Full Requirements Service that will be delivered in quantities expected to be used or sold over a defined period(s) in the normal course of business, and it is the intention at the inception and throughout the term of this Agreement and each Transaction hereunder that the Agreement will result in physical delivery and not financial settlement, and the quantity of Full Requirements Service that Seller must deliver and Buyer must receive will be determined by the requirements of the SOS Load served by Buyer, and, as such, the Agreement does not provide for an option by either Party with respect to the quantity of Full Requirements Service to be

delivered or received during performance of the Agreement. This Agreement has been drafted to effectuate Buyer's and Seller's specific intent so that in accordance with Financial Accounting Standards Board Statement No. 133 ("FAS 133"), as amended, Buyer would be able to elect to use accrual accounting for its purchases under this Agreement, while Seller would be able to elect to use either accrual or mark-to-market accounting for its sales under the Agreement. If either Buyer or Seller determines, in good faith, that the intended accounting treatment has become jeopardized, due to a change in interpretations of FAS 133, as amended, or otherwise, then Buyer and Seller agree to meet and use their best efforts to reform the Agreement so that, with the minimum changes possible, the Agreement again qualifies for the intended accounting treatments.

ARTICLE 16 MISCELLANEOUS

- 16.1 Notices. Unless otherwise specified herein, all notices shall be in writing and delivered by hand, overnight or facsimile (provided a copy is also sent by overnight mail). Notice shall be effective on the next Business Day after it is sent. A Party may change its address by providing notice of the same in accordance with this Section 16.1. Notice information for Buyer and Seller is shown on Exhibit G.
- 16.2 General. This Agreement shall be considered for all purposes as prepared through the joint efforts of the Parties and shall not be construed against one Party or the other as a result of the preparation, substitution, submission or other event of negotiation, drafting or execution hereof. Each Party further agrees that it will not assert, or defend itself, on the basis that any applicable tariff is inconsistent with this Agreement. This Agreement shall not impart any rights enforceable by any third party other than a permitted successor or assignee bound to this Agreement or any Transaction. Any provision declared or rendered unlawful will not otherwise affect the remaining lawful obligations that arise under this Agreement or any Transaction; provided that in such event the Parties shall use commercially reasonable efforts to amend this Agreement or any Transaction in order to give effect to the original intention of the Parties.
- 16.3 Rules of Interpretation. The following principles shall be observed in the interpretation and construction of this Agreement:
- (a) unless otherwise stated, the terms "include" and "including" when used in this Agreement shall be interpreted to mean by way of example only and shall not be considered limiting in any way;
 - (b) all titles and headings used herein are for convenience and reference purposes only, do not constitute a part of this Agreement and shall be ignored in construing or interpreting the obligations of the parties under this Agreement;
 - (c) references to the singular include the plural and vice versa;

- (d) references to Articles, Sections, Clauses and the Preamble are, unless the context indicates otherwise, references to Articles, Sections, Clauses and the Preamble of this Agreement;
- (e) in carrying out its rights, obligations and duties under this Agreement, each Party shall have an obligation of good faith and fair dealing.

16.4 Audit. Each Party has the right on at least three (3) Business Days prior written notice, at its sole expense and during normal working hours, to examine the records of the other Party to the extent reasonably necessary to verify the accuracy of any statement, charge or computation made pursuant to this Agreement. If any such examination reveals any inaccuracy in any statement, the necessary adjustments in such statement and the payments thereof will be made in accordance with Sections 7.1 (Billing) and 7.6 (Interest on Unpaid Balances).

16.5 Confidentiality.

- (a) Each Party shall hold in confidence and not release or disclose any document or information furnished by the other Party in connection with this Agreement, unless: (i) compelled to disclose such document or information by judicial, regulatory or administrative process or other provisions of law; (ii) such document or information is generally available to the public; (iii) such document or information was available to the receiving Party on a non-confidential basis; or (iv) such document or information was available to the receiving Party on a non-confidential basis from a third-party, provided that the receiving Party does not know, and, by reasonable effort, could not know that such third-party is prohibited from transmitting the document or information to the receiving Party by a contractual, legal or fiduciary obligation.
- (b) Notwithstanding any other provision of this Section 16.5, a Party may disclose whatever information is required by the FERC to disclose in connection with the filing of quarterly or annual reports and may make such disclosure without notification to any other Party.
- (c) Notwithstanding any other provision of this Section 16.5, a Party may disclose to its employees, representatives and agents all documents and information furnished by the other Party in connection with this Agreement, provided that such employees, representatives and agents have been advised of the confidentiality provisions of this Section 16.5, and further provided that in no event shall a document or information be disclosed in violation of the standard of conduct requirements established by FERC.
- (d) A Party receiving notice or otherwise concluding that any confidential document or information furnished by the other Party in connection with this Agreement is being sought under any provision of law, to the extent it is permitted to do so under any applicable law, shall: (i) promptly notify the other Party; and (ii) use reasonable efforts in cooperation with the other Party to seek confidential treatment of such confidential information.

- (e) Any independent auditor performing an audit on behalf of a Party pursuant to Section 16.4 shall be required to execute a confidentiality agreement with the Party being audited. Such audit information shall be treated as confidential pursuant to this Section 16.5.
 - (f) The Parties agree that monetary damages may be inadequate to compensate a Party for the other Party's breach of its obligations under this Section 16.5. Each Party accordingly agrees that the other Party shall be entitled to equitable relief, by way of injunction or otherwise, if the Party breaches or threatens to breach its obligations under this Section 16.5, which equitable relief shall be granted without bond or proof of damages, and the receiving Party shall not plead in defense that there would be an adequate remedy at law.
- 16.6 Successors. This Agreement and all of the provisions hereof are binding upon, and inure to the benefit of, the Parties and their respective successors and permitted assigns.
- 16.7 Assignment/Change in Corporate Identity. Neither Party shall assign this Agreement, its rights or obligations hereunder without the prior written consent of the other Party, which consent may not be unreasonably withheld; provided, however, either Party may, without the consent of the other Party (and without relieving itself from liability hereunder),
- (a) transfer, sell, pledge, encumber or assign this Agreement or the accounts, revenues or proceeds hereof in connection with any financing or other financial arrangements,
 - (b) transfer or assign this Agreement to an affiliate of such Party if: (i) such affiliate's creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such affiliate's creditworthiness is not equal to or higher than that of such Party, such affiliate provides the Performance Assurance required pursuant to this Agreement,
 - (c) transfer or assign this Agreement to any person or entity succeeding to all or substantially all of the assets whose: (i) creditworthiness is equal to or higher than that of such Party; or (ii) in the case of the Seller, where such entity's creditworthiness is not equal to or higher than that of such Party, such entity provides the Performance Assurance required pursuant to this Agreement;
 - (d) provided, however, that in each such case, any such assignee shall agree in writing to be bound by the terms and conditions hereof and so long as the transferring Party delivers such tax and enforceability assurance as the non-transferring Party may reasonably request.
- 16.8 Governing Law. THIS AGREEMENT AND THE RIGHTS AND OBLIGATIONS OF THE PARTIES HEREUNDER SHALL BE GOVERNED BY AND CONSTITUTED IN ACCORDANCE WITH THE LAWS OF THE STATE

OF DELAWARE, WITHOUT REGARD TO PRINCIPLES OF CONFLICTS OF LAW.

- 16.9 Jurisdiction and Venue. Except as provided in Sections 2.4 (Other Changes in PJM Charges) and 4.4 (Renewable Energy Resource Requirement), and except for matters jurisdictional to FERC, the Delaware PSC or the appellate courts having jurisdiction over the Delaware PSC or FERC matters, all disputes hereunder shall be resolved in the Federal or State courts of Delaware and each Party hereby irrevocably submits to the in personam jurisdiction of such courts. Each Party hereby waives its respective rights to any jury trial with respect to any litigation arising under or in connection with this Agreement.
- 16.10 Amendments. Except as provided in Section 16.11 (PJM Agreement Modifications), this Agreement or any Transaction shall not be amended, modified, terminated, discharged or supplemented, nor any provision hereof waived, unless mutually agreed, in writing, by the Parties. Except as provided in Section 16.11 (PJM Agreement Modifications), the rates, terms and conditions contained in this Agreement or any Transaction are not subject to change under Sections 205 or 206 of the Federal Power Act absent the mutual written agreement of the Parties. Absent the agreement of all parties to the proposed change, the standard of review for changes to this Agreement proposed by a Party, a non-Party or the FERC acting *sua sponte* shall be the “public interest” standard of review set forth in *United Gas Pipe Line Co. v. Mobile Gas Service Corp.*, 350 U.S. 332 (1956), and *Federal Power Commission v. Sierra Pacific Power Co.*, 350 U. S. 348 (1956) (the “*Mobile-Sierra*” doctrine).
- 16.11 PJM Agreement Modifications.
- (a) If the PJM Agreements are amended or modified so that any schedule or section references herein to such agreements is changed, such schedule or section references herein shall be deemed to automatically (and without any further action by the Parties) refer to the new or successive schedule or section in the PJM Agreements which replaces that originally referred to in this Agreement.
 - (b) If the applicable provisions of the PJM Agreements referenced herein, or any other PJM rules relating to the implementation of this Agreement, are changed materially from those in effect on the Effective Date, both Parties shall cooperate to make conforming changes to this Agreement to fulfill the purposes of this Agreement; provided that no such changes shall alter the economic benefits of this Agreement between the Parties.
- 16.12 Delay and Waiver. Except as otherwise provided in this Agreement, no delay or omission to exercise any right, power or remedy accruing to the respective Parties hereto upon any breach or default of any other Party under this Agreement shall

impair any such right, power or remedy, nor shall it be construed to be a waiver of any such similar breach or default thereafter occurring; nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. Any waiver, permit, consent or approval of any kind or character of any breach or default under this Agreement, or any waiver of any provision or condition of this Agreement, must be in writing and shall be effective only to the extent specifically set forth in such writing.

16.13 Regulatory Approvals. The commencement of the Delivery Period is subject to: (i) the receipt or waiver by Seller of all Seller required regulatory approvals; and (ii) the receipt or waiver by Buyer of all Buyer required regulatory approvals. In the event such required regulatory approvals are not received or waived, the Step-Up provisions of Section 4.12 (Seller Step-Up Rights) shall apply.

IN WITNESS WHEREOF, this Agreement is executed by the respective Parties on the dates set forth below and shall be effective as of the date first set forth in the Transaction Confirmation.

Seller

Buyer

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

EXHIBIT A

Tag No. _____

Transaction Confirmation
(Sample Data)

This Transaction Confirmation letter is being provided pursuant to and in accordance with the "Full Requirements Service Agreement" dated December 3, 2019 (the "Agreement") between Buyer and Seller. Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the transaction ("Transaction") agreed to on December 3, 2019 ("Transaction Date").

Seller: Seller Company Name
 Buyer: Delmarva Power
 Product: Full Requirements Service
 Customer Group: Residential and Small Commercial & Industrial
 Delivery Point: PJM Control Area
 Delivery Period: June 1, 2020 through May 31, 2022 (24-month)
 Bid Blocks: 1
 Specified Percentage: XX.XXXX%
 Base PLC Per Bid Block (Used for determining when an Increment Load is triggered):

Residential and Small Commercial & Industrial	n/a
Medium General Service -Secondary	n/a
Large General Service -Secondary	n/a
General Service - Primary	n/a

Customer Group: Residential and Small Commercial & Industrial
 Service Classifications: R, R-TOU-ND, SGS-ND, GS-SH, GS-WH, OL, ORL, PIV, X.
 Delivery Period: June 1, 2020 through May 31, 2022

Monthly Settlement Base Price:
 Summer Energy, \$/MWh \$XX.XX
 Winter Energy, \$/MWh \$XX.XX

	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC, MWh	9438	7541	7496	6114	5093	7380	11901	8968	7450	6092	6234	8669
Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC, MWh	11002	7885	7712	5716	6806	6343	10163	8692	7540	5410	8012	8831

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between Seller and Buyer by returning an executed copy of this Transaction Confirmation in accordance with Section 2.8 - Transaction Confirmation of the Agreement. The signatories to this Transaction must have the authority to enter into this Transaction.

EXHIBIT B

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EXHIBIT C

PERFORMANCE ASSURANCE LETTER OF CREDIT

{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}

IRREVOCABLE 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 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 _____ OR ANY AUTOMATICALLY EXTENDED EXPIRY DATE, AS PROVIDED HEREIN. THIS LETTER OF CREDIT IS AVAILABLE IN ONE OR MORE DRAFTS UP TO THE AGGREGATE AMOUNT SET FORTH HEREIN.

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.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS INSTRUMENT 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 _____(BANK) LETTER OF CREDIT NUMBER (INSERT LETTER OF CREDIT REFERENCE NUMBER), REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY FROM APPLICANT FOR PERFORMANCE ASSURANCE RELATED TO THE DP&L DE FULL REQUIREMENTS SERVICE AGREEMENT(S) DATED BETWEEN _____ AND _____.”

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.

IT IS A CONDITION OF THIS LETTER OF CREDIT THAT IT WILL BE AUTOMATICALLY EXTENDED WITHOUT AMENDMENT FOR ONE YEAR FROM THE EXPIRATION DATE HEREOF, OR ANY FUTURE EXPIRATION DATE, UNLESS AT LEAST 90 DAYS PRIOR TO ANY EXPIRATION DATE WE NOTIFY YOU AT THE ABOVE ADDRESS BY REGISTERED MAIL OR HAND DELIVERED COURIER THAT WE ELECT NOT TO CONSIDER THIS LETTER OF CREDIT RENEWED FOR ANY SUCH PERIOD.

THIS LETTER OF CREDIT MAY BE TERMINATED 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.

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 [BANK] UNDER THIS LETTER OF CREDIT AND [BANK] SHALL ALWAYS REMAIN LIABLE TO [BENEFICIARY] 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”) OR SUCH LATER REVISION(S) OF THE ISP AS MAY BE HEREAFTER ADOPTED. AS TO MATTERS NOT GOVERNED BY ISP98, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH ISP98, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE STATE OF NEW YORK. 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 AVAILABILTY 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

EXHIBIT D

BILLING LINE ITEM TRANSFERS \ SAMPLE PJM INVOICE
(APPLICABLE TO WEEKLY AND MONTHLY SETTLEMENT BILLING)

PJM BILLING LINE ITEM TRANSFERS

Seller and Buyer agree that PJM Settlement, Inc. (“PJM Settlement”) shall transfer all of the following charges and credits related to the Seller’s retail load obligations from the Seller’s account(s) to the Buyer’s account by the business last day of the month prior to the Delivery Period of the first Transaction under the FSA.

<u>Billing Line Item Number</u>	<u>Billing Line Item</u>
1100	Network Integration Transmission Service Charge
1108	Transmission Enhancement Charge
1115	Transmission Enhancement Settlement Charge
1930	Generation Deactivation Charge
1932	Generation Deactivation Refund Charge
2108	Transmission Enhancement Credit
2140	Non-Firm Point-to-Point Transmission Service

SAMPLE PJM INVOICE

ID #	CHARGES	Responsible Party
1000	Amount Due for Interest on Past Due Charges	Seller
1100	Network Integration Transmission Service	Buyer
1101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
1104	Network Integration Transmission Service Offset	Seller
1108	Transmission Enhancement	Buyer
1109	MTEP Project Cost Recovery	Seller
1110	Direct Assignment Facilities	Seller
1115	Transmission Enhancement Settlement (EL05-121-009) Charge	Buyer
1120	Other Supporting Facilities	Seller
1130	Firm Point-to-Point Transmission Service	Seller
1133	Firm Point-to-Point Transmission Service Resale	Seller
1135	Neptune Voluntary Released Transmission Service (Firm)	Seller
1138	Linden Voluntary Released Transmission Service (Firm)	Seller

1140	Non-Firm Point-to-Point Transmission Service	Seller
1143	Non-Firm Point-to-Point Transmission Service Resale	Seller
1145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
1146	Neptune Default Released Transmission Service (Non-Firm)	Seller
1147	Neptune Unscheduled Usage Billing Allocation	Seller
1155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
1156	Linden Default Released Transmission Service (Non-Firm)	Seller
1157	Linden Unscheduled Usage Billing Allocation	Seller
1200	Day-ahead Spot Market Energy	Seller
1205	Balancing Spot Market Energy	Seller
1210	Day-ahead Transmission Congestion	Seller
1215	Balancing Transmission Congestion	Seller
1218	Planning Period Congestion Uplift	Seller
1220	Day-ahead Transmission Losses	Seller
1225	Balancing Transmission Losses	Seller
1230	Inadvertent Interchange	Seller
1240	Day-ahead Economic Load Response	Seller
1241	Real-time Economic Load Response	Seller
1242	Day-Ahead Load Response Charge Allocation	Seller
1243	Real-Time Load Response Charge Allocation	Seller
1245	Emergency Load Response	Seller
1250	Meter Error Correction	Seller
1260	Emergency Energy	Seller
1301	PJM Scheduling, System Control and Dispatch Service - Control Area Administration	Seller
1302	PJM Scheduling, System Control and Dispatch Service - FTR Administration	Seller
1303	PJM Scheduling, System Control and Dispatch Service - Market Support	Seller
1304	PJM Scheduling, System Control and Dispatch Service - Regulation Market Administration	Seller
1305	PJM Scheduling, System Control and Dispatch Service - Capacity Resource/Obligation Mgmt.	Seller
1306	PJM Scheduling, System Control and Dispatch Service - Advanced Second Control Center	Seller
1307	PJM Scheduling, System Control and Dispatch Service - Market Support Offset	Seller
1308	PJM Scheduling, System Control and Dispatch Service Refund - Control Area Administration	Seller
1309	PJM Scheduling, System Control and Dispatch Service Refund - FTR Administration	Seller
1310	PJM Scheduling, System Control and Dispatch Service Refund - Market Support	Seller
1311	PJM Scheduling, System Control and Dispatch Service Refund - Regulation Market Administration	Seller
1312	PJM Scheduling, System Control and Dispatch Service Refund - Capacity Resource/Obligation Mgmt.	Seller
1313	PJM Settlement, Inc.	Seller

1314	Market Monitoring Unit (MMU) Funding	Seller
1315	FERC Annual Charge Recovery	Seller
1316	Organization of PJM States, Inc. (OPSI) Funding	Seller
1317	North American Electric Reliability Corporation (NERC)	Seller
1318	Reliability First Corporation (RFC)	Seller
1320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
1340	Regulation and Frequency Response Service	Seller
1350	Energy Imbalance Service	Seller
1360	Synchronized Reserve	Seller
1365	Day-ahead Scheduling Reserve	Seller
1370	Day-ahead Operating Reserve	Seller
1371	Day-ahead Operating Reserve for Load Response	Seller
1375	Balancing Operating Reserve	Seller
1376	Balancing Operating Reserve for Load Response	Seller
1377	Synchronous Condensing	Seller
1378	Reactive Services	Seller
1380	Black Start Service	Seller
1400	Load Reconciliation for Spot Market Energy	Seller
1410	Load Reconciliation for Transmission Congestion	Seller
1420	Load Reconciliation for Transmission Losses	Seller
1430	Load Reconciliation for Inadvertent Interchange	Seller
1440	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service	Seller
1441	Load Reconciliation for PJM Scheduling, System Control and Dispatch Service Refund	Seller
1442	Load Reconciliation for Schedule 9-6 - Advanced Second Control Center	Seller
1444	Load Reconciliation for Market Monitoring Unit (MMU) Funding	Seller
1445	Load Reconciliation for FERC Annual Charge Recovery	Seller
1446	Load Reconciliation for Organization of PJM States, Inc. (OPSI) Funding	Seller
1447	Load Reconciliation for North American Electric Reliability Corporation (NERC)	Seller
1448	Load Reconciliation for Reliability First Corporation (RFC)	Seller
1450	Load Reconciliation for Transmission Owner Scheduling, System Control and Dispatch Service	Seller
1460	Load Reconciliation for Regulation and Frequency Response Service	Seller
1470	Load Reconciliation for Synchronized Reserve	Seller
1475	Load Reconciliation for Day-ahead Scheduling Reserve	Seller
1478	Load Reconciliation for Balancing Operating Reserve	Seller
1480	Load Reconciliation for Synchronous Condensing	Seller
1490	Load Reconciliation for Reactive Services	Seller
1500	Financial Transmission Rights Auction	Seller
1600	RPM Auction	Seller

1610	Locational Reliability	Seller
1650	Auction Specific MW Capacity Transaction	Seller
1660	Demand Resource and ILR Compliance Penalty	Seller
1661	Capacity Resource Deficiency	Seller
1662	Generation Resource Rating Test Failure	Seller
1663	Qualifying Transmission Upgrade Compliance Penalty	Seller
1664	Peak Season Maintenance Compliance Penalty	Seller
1665	Peak-Hour Period Availability	Seller
1666	Load Management Test Failure	Seller
1670	FRR LSE Reliability	Seller
1680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
1681	FRR LSE Capacity Resource Deficiency	Seller
1682	FRR LSE Generation Resource Rating Test Failure	Seller
1683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
1684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
1685	FRR LSE Peak-Hour Period Availability	Seller
1686	FRR LSE Load Management Test Failure	Seller
1687	FRR LSE Schedule 9-5	Seller
1688	FRR LSE Schedule 9-6	Seller
1710	PJM/MISO Seams Elimination Cost Assignment	Seller
1712	Intra-PJM Seams Elimination Cost Assignment	Seller
1720	RTO Start-up Cost Recovery	Seller
1900	Unscheduled Transmission Service	Seller
1910	Ramapo Phase Angle Regulators	Seller
1911	Michigan - Ontario Interface Phase Angle Regulators	Seller
1920	Station Power	Seller
1930	Generation Deactivation	Buyer
1932	Generation Deactivation Refund	Buyer
1950	Virginia Retail Administrative Fee	Seller
1952	PPL Deferred Tax Adjustment	Seller
1955	Deferral Recovery	Seller
1980	Miscellaneous Bilateral	Seller
1995	PJM Annual Membership Fee	Seller
1999	PJM Customer Payment Default	Seller

ID #	CREDITS	
2100	Network Integration Transmission Service	Seller
2101	Network Integration Transmission Service (ATSI Low Voltage)	Seller
2104	Network Integration Transmission Service Offset	Seller

2106	Non-Zone Network Integration Transmission Service	Seller
2108	Transmission Enhancement	Buyer
2109	MTEP Project Cost Recovery	Seller
2110	Direct Assignment Facilities	Seller
2120	Other Supporting Facilities	Seller
2130	Firm Point-to-Point Transmission Service	Seller
2132	Internal Firm Point-to-Point Transmission Service	Seller
2133	Firm Point-to-Point Transmission Service Resale	Seller
2135	Neptune Voluntary Released Transmission Service (Firm)	Seller
2138	Linden Voluntary Released Transmission Service (Firm)	Seller
2140	Non-Firm Point-to-Point Transmission Service	Buyer
2142	Internal Non-Firm Point-to-Point Transmission Service	Seller
2143	Non-Firm Point-to-Point Transmission Service Resale	Seller
2145	Neptune Voluntary Released Transmission Service (Non-Firm)	Seller
2146	Neptune Default Released Transmission Service (Non-Firm)	Seller
2155	Linden Voluntary Released Transmission Service (Non-Firm)	Seller
2156	Linden Default Released Transmission Service (Non-Firm)	Seller
2210	Transmission Congestion	Seller
2217	Planning Period Excess Congestion	Seller
2218	Planning Period Congestion Uplift	Seller
2220	Transmission Losses	Seller
2240	Day-ahead Economic Load Response	Seller
2241	Real-time Economic Load Response	Seller
2245	Emergency Load Response	Seller
2260	Emergency Energy	Seller
2320	Transmission Owner Scheduling, System Control and Dispatch Service	Seller
2330	Reactive Supply and Voltage Control from Generation and Other Sources Service	Seller
2340	Regulation and Frequency Response Service	Seller
2350	Energy Imbalance Service	Seller
2360	Synchronized Reserve	Seller
2365	Day-ahead Scheduling Reserve	Seller
2370	Day-ahead Operating Reserve	Seller
2371	Day-ahead Operating Reserve for Load Response	Seller
2375	Balancing Operating Reserve	Seller
2376	Balancing Operating Reserve for Load Response	Seller
2377	Synchronous Condensing	Seller
2378	Reactive Services	Seller
2380	Black Start Service	Seller
2420	Load Reconciliation for Transmission Losses	Seller
2500	Financial Transmission Rights Auction	Seller

2510	Auction Revenue Rights	Seller
2600	RPM Auction	Seller
2620	Interruptible Load for Reliability	Seller
2630	Capacity Transfer Rights	Seller
2640	Incremental Capacity Transfer Rights	Seller
2650	Auction Specific MW Capacity Transaction	Seller
2660	Demand Resource and ILR Compliance Penalty	Seller
2661	Capacity Resource Deficiency	Seller
2662	Generation Resource Rating Test Failure	Seller
2663	Qualifying Transmission Upgrade Compliance Penalty	Seller
2664	Peak Season Maintenance Compliance Penalty	Seller
2665	Peak-Hour Period Availability	Seller
2666	Load Management Test Failure	Seller
2670	FRR LSE Reliability	Seller
2680	FRR LSE Demand Resource and ILR Compliance Penalty	Seller
2681	FRR LSE Capacity Resource Deficiency	Seller
2682	FRR LSE Generation Resource Rating Test Failure	Seller
2683	FRR LSE Qualifying Transmission Upgrade Compliance Penalty	Seller
2684	FRR LSE Peak Season Maintenance Compliance Penalty	Seller
2685	FRR LSE Peak-Hour Period Availability	Seller
2686	FRR LSE Load Management Test Failure	Seller
2687	FRR LSE Schedule 9-5	Seller
2688	FRR LSE Schedule 9-6	Seller
2710	PJM/MISO Seams Elimination Cost Assignment	Seller
2712	Intra-PJM Seams Elimination Cost Assignment	Seller
2720	RTO Start-up Cost Recovery	Seller
2910	Ramapo Phase Angle Regulators	Seller
2930	Generation Deactivation	Seller
2932	Generation Deactivation Refund	Seller
2950	Virginia Retail Administrative Fee	Seller
2952	PPL Deferred Tax Adjustment	Seller
2955	Deferral Recovery	Seller
2980	Miscellaneous Bilateral	Seller
2996	Annual PJM Cell Tower	Seller
2997	Annual PJM Building Rent	Seller

EXHIBIT E
METHODOLOGY FOR CALCULATION OF MARK TO MARKET (MTM)
EXPOSURE

Parameters

In calculating the MtM Exposure for each Transaction, the following parameters are set on the Transaction Date:

1. On-Peak Initial Mark Price
2. Off-Peak/On-Peak Price Ratio
3. Off-Peak Initial Mark Price
4. On-Peak Estimated Energy Quantity Per 50 MW Capacity PLC for each of the twelve calendar months
5. Off-Peak Estimated Energy Quantity Per 50 MW Capacity PLC for each of the twelve calendar months
6. Number of awarded Bid Blocks

In calculating the MtM Exposure for each Transaction, the following parameters are set each Business Day subsequent to the Transaction Date:

- 1) On-Peak Forward Price
- 2) Off-Peak Forward Price
- 3) Current Capacity PLC Per Bid Block
- 4) On-Peak Estimated Energy Quantity
- 5) Off-Peak Estimated Energy Quantity

Determination of On-Peak Forward Prices

On each Business Day subsequent to the Transaction date, the Pricing Agent will contact four Reference Market-Makers to obtain bid and ask Energy price quotes for PJM Western Hub On-Peak Hours for each month of the Delivery Period. If a minimum of two quotes in a particular month is not available, then it is treated the same as if no quotes were available. For the Pricing Agent to include a monthly On-Peak Forward Price quote from a Reference Market-Maker, both bid and ask prices must be available. For any month for which there are no single month quotes, but for which there are two month, quarterly, or 12 month quotes available (“Aggregate Quotes”), the Price Agent shall disaggregate the Aggregate Quote into monthly components in the following manner. The most recently available single month quotes for the same calendar months contained in the Aggregate Quote shall be averaged. The percentage by which each single month price differs from average of the single month prices for the same time period of the Aggregate Quote will be applied to the Aggregate Quote to establish monthly prices for the like month of the Aggregate Quote, such that the average will be Aggregate Quote. In the event that quotes for one or more months of a multi-month block and for the entire multi-month block in aggregate are both available, but are inconsistent with each other, the Pricing Agent will use the one that is

most consistent with other available quotes. The following is an example of the process to be used for disaggregating Aggregate Quotes:

- a. Aggregate Quote only available for Jan-March = \$60/MWh
- b. Immediate Prior Calendar year quotes for Jan-Mar as follows:
 - January: \$42/MWh
 - February: \$45/MWh
 - March: \$40/MWh
- c. Calculations as follows:
 1. Calculate Average price in (b) = \$42.33/MWh
 2. Calculation monthly deviation from Average:
 - January: 99.2% ($\$42/\42.33)
 - February: 106.3%: ($\$45/\42.33)
 - March: 94.5%: ($\$40/\42.33)
 3. Disaggregate the Aggregate Quote by applying percentages from c.(2) to the available aggregate quote:
 - January: \$59.53 ($\$60 \times 99.2\%$)
 - February: \$63.78 ($\$60 \times 106.3\%$)
 - March: \$56.69 ($\$60 \times 94.5\%$)

To the extent that On-Peak Forward Price quotes are not available for a given month, either as single month price quotes or as an Aggregate Quote, the Pricing Agent shall establish price quotes as follows:

- a. If the day on which the Pricing Agent is attempting to secure price quotes for a given month follows at least five (5) days in which the Pricing Agent has secured price quotes for that month, then the price quote that the Pricing Agent shall report shall be the average of the most recent five (5) days' quotes for that month. For example:
 - On January 2, 3, 4, 5, and 6, the Pricing Agent secures quotes of \$40, \$42, \$44, \$42, and \$40/MWh for March 2007.
 - On January 7, no quotes for March 2007 are available.
 - For January 7, the Pricing Agent reports \$41.60/MWh as the applicable quote, since that is the average of the most recent five (5) days.
- b. If the Pricing Agent has been unable to secure at least five days of price quotes for a given month, then the Pricing Agent shall use the quote for that same month from the immediately prior calendar year.

- c. To the extent that On-Peak forward price quotes are not available for any forward month at the time the Pricing Agent is establishing the On-Peak Initial Mark Price, the Pricing Agent shall follow the steps outlined in this Exhibit.

Exhibit E
Mark-to-Market Example Calculation for a Transaction

Necessary Information from a Transaction Confirmation:		
Delivery Period:	June 1, 2008 - May 31, 2009	
Bid Blocks:	1 (n)	
Estimated Quantity Per 50 MW Capacity PLC:		
	On-Peak MWh (k)	Off-Peak MWh (l)
Jan	11800	8300
Feb	13000	9100
Mar	9100	6400
Apr	7200	5000
May	8800	6200
Jun	12900	9000
Jul	15200	10800
Aug	16000	11200
Sep	9500	6700
Oct	8300	5800
Nov	9800	6900
Dec	10900	7600

Business Day on which MTM is Calculated:	June 24, 2008
Current Capacity PLC Per Bid Block :	51.3 MW (m)
Percent of On-Peak Hours Remaining in Current Month:	19% (o)
Percent of Off-Peak Hours Remaining in Current Month:	21% (p)
Base Load Percentage:	100% (q)

MTM Exposure Calculation										
	a	b	c=a*b	d	e=d*b	f=d-a	g=e-c	h=k*(m/50)*n*o*q	i=l*(m/50)*p*q	j=(f*h)+(g*i)
	On-Peak Initial Mark Price \$/MWh	Off-Peak/On-Peak Price Ratio	Off-Peak Initial Mark Price \$/MWh	On-Peak Forward Price \$/MWh	Off-Peak Forward Price \$/MWh	Change In On-Peak Price \$/MWh	Change In Off-Peak Price \$/MWh	On-Peak Estimated Energy Quantity MWh	Off-Peak Estimated Energy Quantity MWh	MM Exposure
Jun-08	45.63	0.49	22.36	46.78	22.92	1.15	0.56	2,521	1,924	\$ 3,983
Jul-08	58.25	0.43	25.05	60.21	25.89	1.96	0.84	15,595	10,876	\$ 39,733
Aug-08	58.25	0.47	27.38	59.42	27.93	1.17	0.55	16,416	11,491	\$ 25,526
Sep-08	36.45	0.53	19.32	37.85	20.06	1.40	0.74	9,747	6,874	\$ 18,746
Oct-08	34.58	0.54	18.67	36.87	19.91	2.29	1.24	8,516	5,951	\$ 26,880
Nov-08	34.58	0.59	20.40	37.12	21.90	2.54	1.50	10,055	7,079	\$ 36,148
Dec-08	34.58	0.61	21.09	35.89	21.89	1.31	0.80	11,183	7,798	\$ 20,881
Jan-09	40.58	0.76	30.84	43.56	33.11	2.98	2.26	12,107	8,516	\$ 55,365
Feb-09	40.58	0.77	31.25	42.89	33.03	2.31	1.78	13,338	9,337	\$ 47,418
Mar-09	36.18	0.68	24.60	38.11	25.91	1.93	1.31	9,337	6,566	\$ 26,637
Apr-09	36.18	0.57	20.62	38.41	21.89	2.23	1.27	7,387	5,130	\$ 22,994
May-09	37.65	0.53	19.95	39.25	20.80	1.60	0.85	9,029	6,361	\$ 19,840
										\$ 344,132

EXHIBIT F

FORM OF GUARANTY

THIS GUARANTY AGREEMENT (this "Guaranty") is made and entered into as of this ____ day of _____, by _____ (the "Guarantor"), with an address at _____, in favor of Delmarva Power & Light Company ("DP&L") (the "Creditor"), with an address at 701 Ninth Street NW, Washington DC 20068 in consideration of the DP&L Delaware Full Requirements Service Agreement(s) (the "FSA(s)") between DP&L and _____ (the "Supplier") dated _____, and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged. Guarantor is the _____ of Supplier.

Whereas, Supplier _____ is an affiliate of _____, _____ will therefore benefit by Supplier entering into the FSA with Creditor and _____ desires Creditor to enter into the FSA with Supplier and to extend credit to Supplier thereunder. (May be revised if guarantor is not a parent or affiliate of supplier.)

1. Guaranty of Obligations.

- (a) The Guarantor hereby irrevocably and unconditionally guarantees, with effect from date hereof, the prompt and complete payment when due of all of Supplier's payment obligations under the FSA (to the extent such payment obligations exceed the amount of any Performance Assurance provided to the Creditor by Supplier as defined in and in accordance with the FSA), whether on scheduled payment dates, when due upon demand, upon declaration of termination or otherwise, in accordance with the terms of the FSA and giving effect to any applicable grace period, and, provided only that the Creditor is the prevailing party in any judicial suit, action or proceeding arising out of, resulting from, or in any way relating to this Guaranty, or if by mutual agreement by Guarantor and Creditor, all reasonable out-of-pocket costs and expenses incurred by Creditor in the enforcement of the Guarantor's obligations or collection under this Guaranty, including reasonable attorney's fees and expenses (collectively, the "Obligations"). [Optional provision: Notwithstanding anything to the contrary herein, the liability of the Guarantor under this Guaranty and Creditor's right of recovery hereunder for all Obligations is limited to a total aggregate amount of \$____ ("Guaranty Amount"), where Guaranty Amount shall be no less than Five Hundred Thousand US Dollars (\$500,000).]
- (b) The limitations on liabilities of the Supplier set forth in Article 10 of the FSA shall also apply to the liabilities of the Guarantor hereunder.

2. Nature of Guaranty; Waivers.

- (a) This is a guaranty of payment and not of collection and the Creditor shall not be required, as a condition of the Guarantor's liability, to pursue any rights which may be available to it with respect to any other person who may be liable for the payment of the Obligations. This is not a performance guaranty and the Guarantor is not obligated to provide power under the FSA or this Guaranty.

- (b) This Guaranty is an absolute, unconditional, irrevocable (subject to the provisions of Section 12 of this Guaranty) and continuing guaranty and will remain in full force and effect until all of the Obligations have been indefeasibly paid in full, or until the FSA has been terminated, whichever comes later. This Guaranty will not be affected by any surrender, exchange, acceptance, compromise or release by the Creditor of any other party, or any other guaranty or any security held by it for any of the Obligations, by any failure of the Creditor to take any steps to perfect or maintain its lien or security interest in or to preserve its rights to any security or other collateral for any of the Obligations or any guaranty, or by any irregularity, unenforceability or invalidity of any of the Obligations (other than any irregularity, unenforceability or invalidity of any of the obligations under the FSA resulting from the conduct of the Creditor) or any part thereof.
- (c) Except as to any claims, defenses, rights of set-off or to reductions of Supplier in respect of its obligations under the FSA, (all of which are expressly reserved under this Guaranty), the Guarantor's obligations hereunder shall not be affected, modified or impaired by any counterclaim, set-off, deduction or defense based upon any claim the Guarantor may have against Supplier or the Creditor, including: (i) any change in the corporate existence (including its charter or other governing agreement, laws, rules, regulations or powers), structure or ownership of Supplier or the Guarantor; or (ii) any insolvency, bankruptcy, reorganization or other similar proceeding affecting Supplier or its assets; or (iii) the invalidity or unenforceability in whole or in part of the FSA; or (iv) any provision of applicable law or regulations purporting to prohibit payment by Supplier of amounts to be paid by it under the FSA (other than any law or regulation that eliminates or nullifies the obligations under the FSA).
- (d) Guarantor waives notice of acceptance of this Guaranty, diligence, presentment, notice of dishonor and protest and any requirement that at any time any person exhaust any right to take any action against Supplier or their assets or any other guarantor or person, provided, however, that any failure of Creditor to give notice will not discharge, alter or diminish in any way Guarantor's obligations under this Guaranty. The Guarantor waives all defenses based on suretyship or impairment of collateral or any other defenses that would constitute a legal or equitable discharge of Guarantor's obligations, except any claims or defenses of Supplier in respect of its obligations under the FSA.
- (e) The Creditor at any time and from time to time, without notice to or the consent of the Guarantor, and without impairing or releasing, discharging or modifying the Guarantor's liabilities hereunder, may (i) to the extent permitted by the FSA, change the manner, place, time or terms of payment or performance of, or other terms relating to, any of the Obligations; (ii) to the extent permitted by the FSA, renew, substitute, modify, amend or alter, or grant consents or waivers relating to any of the Obligations, or any other guaranties for any Obligations; (iii) settle, compromise or deal with any other person, including Supplier, with respect to any Obligations in such manner as the Creditor deems appropriate in its sole discretion; (iv) substitute, exchange or release any guaranty; or (v) take such actions and exercise such remedies hereunder as Creditor deems appropriate.

3. Representations and Warranties. The Guarantor hereby represents and warrants that:
- (a) it is a [limited liability company, corporation, limited partnership, general partnership] duly organized, validly existing and in good standing under the laws of the jurisdiction of its [formation, organization, incorporation] and has the [corporate power] [power] and authority to conduct the business in which it is currently engaged and enter into and perform its obligations under this Guaranty;
 - (b) it has the [corporate power] [power] and authority and the legal right to execute and deliver, and to perform its obligations under, this Guaranty, and has taken all necessary [corporate action] [action] to authorize its execution, delivery and performance of this Guaranty;
 - (c) this Guaranty constitutes a legal, valid and binding obligation of the Guarantor enforceable in accordance with its terms, except as affected by bankruptcy, insolvency, fraudulent conveyance, reorganization, moratorium and other similar laws relating to or affecting the enforcement of Creditors' rights generally, general equitable principles and an implied covenant of good faith and fair dealing;
 - (d) the execution, delivery and performance of this Guaranty will not violate any provision of any requirement of law or contractual obligation of the Guarantor (except to the extent that any such violation would not reasonably be expected to have a material adverse effect on the Guarantor or this Guaranty);
 - (e) no consent or authorization of, filing with, or other act by or in respect of, any arbitrator or governmental authority and no consent of any other person (including, without limitation, any stockholder or creditor of the Guarantor) is required in connection with the execution, delivery, performance, validity or enforceability of this Guaranty, other than any which have been obtained or made prior to the date hereof and remain in full force and effect; and
 - (f) no litigation, investigation or proceeding of or before any arbitrator or governmental authority is pending or, to the knowledge of the Guarantor, threatened by or against the Guarantor that would have a material adverse effect on this Guaranty.
4. Repayments or Recovery from the Creditor. If any demand is made at any time upon the Creditor for the repayment or recovery of any amount received by it in payment or on account of any of the Obligations, including but not limited to upon the bankruptcy, insolvency, dissolution or reorganization of the Supplier and if the Creditor repays all or any part of such amount by reason of any judgment, decree or order of any court or administrative body or by reason of any settlement or compromise of any such demand, the Guarantor (subject to Sections 2 (c) and (d) of this Guaranty) will be and remain liable hereunder for the amount so repaid or recovered to the same extent as if such amount had never been received originally by the Creditor. The provisions of this section will be and remain effective notwithstanding any contrary action which may have been taken by the Guarantor in reliance upon such payment, and any such contrary action so taken will be without prejudice to the Creditor's rights hereunder and will be deemed to have been conditioned upon such payment having become final and irrevocable.

5. Enforceability of Obligations. No modification, limitation or discharge of the Obligations of Supplier arising out of or by virtue of any bankruptcy, reorganization or similar proceeding for relief of debtors under federal or state law will affect, modify, limit or discharge the Guarantor's liability in any manner whatsoever and this Guaranty will remain and continue in full force and effect and will be enforceable against the Guarantor to the same extent and with the same force and effect as if any such proceeding had not been instituted. The Guarantor waives all rights and benefits which might accrue to it by reason of any such proceeding and will be liable to the full extent hereunder, irrespective of any modification, limitation or discharge of the liability of Supplier that may result from any such proceeding.
6. Postponement of Subrogation. Only to the extent that, at the relevant time, there are Obligations, or other amounts hereunder, that are then due and payable but unpaid, the Guarantor postpones and subordinates in favor of the Creditor any and all rights which the Guarantor may have to (a) assert any claim against the Supplier based on subrogation rights with respect to payments made by Guarantor hereunder and (b) any realization on any property of the Supplier, including participation in any marshalling of the Supplier's assets. Upon payment of such due and unpaid Obligations, Creditor agrees that Guarantor shall be subrogated to the rights of Creditor against Supplier to the extent of Guarantor's payment to Creditor.
7. Notices. All notices, demands, requests, consents, approvals and other communications required or permitted hereunder must be in writing and will be effective upon receipt. Such notices and other communications may be hand-delivered, sent by facsimile transmission with confirmation of delivery and a copy sent by first-class mail, or sent by nationally recognized overnight courier service, to the addresses for the Creditor and the Guarantor set forth below or to such other address as one may give to the other in writing for such purpose:

All communications to Creditor shall be directed to:

Attn:

Phone:

Fax:

With a copy to:

Phone

Fax

or such other address as the Creditor shall from time to time specify to Guarantor.

All communications to Guarantor shall be directed to:

Attn:

Phone:

Fax:

or such other address as the Guarantor shall from time to time specify to Creditor.

8. Preservation of Rights. Except as provided by any applicable statute of limitations, no delay or omission on the Creditor's part to exercise any right or power arising hereunder will impair any such right or power or be considered a waiver of any such right or power, nor will the Creditor's action or inaction impair any such right or power. The Creditor's rights and remedies hereunder are cumulative and not exclusive of any other rights or remedies which the Creditor may have under other agreements with the Guarantor, at law or in equity.
9. Illegality. In case any one or more of the provisions contained in this Guaranty should be invalid, illegal or unenforceable in any respect, the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.
10. Amendments. No modification, amendment or waiver of any provision of this Guaranty nor consent to any departure by the Guarantor therefrom, will be effective unless made in a writing signed by the Creditor, and then such waiver or consent shall be effective only in the specific instance and for the purpose for which given. No notice to or demand on the Guarantor in any case will entitle the Guarantor to any other or further notice or demand in the same, similar or other circumstance.
11. Entire Agreement. This Guaranty (including the documents and instruments referred to herein) constitutes the entire agreement and supersedes all other prior agreements and understandings, both written and oral, between the Guarantor and the Creditor with respect to the subject matter hereof.
12. Successors and Assigns. This Guaranty will be binding upon and inure to the benefit of the Guarantor and the Creditor and their respective successors and permitted assigns. Neither party may assign this Guaranty in whole or in part without the other's prior written consent, which consent will not be unreasonably withheld or delayed, except that Creditor may at any time assign this Guaranty without Guarantor's consent, in the same manner, on the same terms and to the same persons as Creditor assigns the FSA in accordance with Section 16.7(b) of the FSA, and except that this Section 12 shall not limit the Guarantor's right to assign this Guaranty, along with substantially all of the Guarantor's assets and business to a successor entity or Affiliate that assumes all obligations thereunder and (i) where the successor Guarantor's Lowest Credit Rating is equal to or greater than the Guarantor's Lowest Credit Rating or where the successor Guarantor's Lowest Credit Rating is equal to or greater than BBB, as rated by S&P or Fitch, or Baa2, as rated by Moody's, and (ii) the Supplier is in compliance with Article 14 of the FSA. The "Lowest Credit Rating" shall mean the lowest of the senior unsecured long-term debt ratings determined by Moody's Investor Services, Inc. (or its successor) ("Moody's"), the Standard & Poor's Rating Group, a division of McGraw-Hill, Inc., (or its successor) ("S&P"), or Fitch Investor Service, Inc. (or its successor) ("Fitch") immediately before such transfer and assumption. Upon any such delegation and assumption of obligations by a successor Guarantor, the Guarantor shall be relieved of and fully discharged from all of its obligations hereunder, whether such obligations arose before or after the date of such delegation and assumption.
13. Interpretation. In this Guaranty, unless the Creditor and the Guarantor otherwise agree in writing, the singular includes the plural and the plural the singular; references to statutes

are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word “or” shall be deemed to include “and/or”, the words “including”, “includes” and “include” shall be deemed to be followed by the words “without limitation”; and references to sections or exhibits are to those of this Guaranty unless otherwise indicated. Section headings in this Guaranty are included for convenience of reference only and shall not constitute a part of this Guaranty for any other purpose.

14. Governing Law.

- (a) This Guaranty has been delivered to and accepted by the Creditor. THIS GUARANTY WILL BE INTERPRETED AND THE RIGHTS AND LIABILITIES OF THE CREDITOR AND THE GUARANTOR DETERMINED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK, EXCLUDING ITS CONFLICT OF LAWS RULES.
- (b) The Guarantor hereby irrevocably consents to the non-exclusive jurisdiction of any federal court in the State of Delaware, but in the event that the Guarantor and the Creditor determine in good faith that jurisdiction does not lay with such court or that such court refuses to exercise jurisdiction or venue over the Guarantor and the Creditor or any claims made pursuant to this Guaranty, then the Guarantor and the Creditor agree to submit to the non-exclusive jurisdiction of the Delaware state courts; provided that nothing contained in this Guaranty will prevent the Creditor from bringing any action, enforcing any award or judgment or exercising any rights against the Guarantor individually, against any security or against any property of the Guarantor within any other county, state or other foreign or domestic jurisdiction. The Guarantor acknowledges and agrees that the venue provided above is the most convenient forum for both the Creditor and the Guarantor. The Guarantor waives any objection to venue and any objection based on a more convenient forum in any action instituted under this Guaranty.

15. WAIVER OF JURY TRIAL. THE GUARANTOR AND CREDITOR IRREVOCABLY WAIVE ANY AND ALL RIGHT TO A TRIAL BY JURY IN ANY ACTION, PROCEEDING OR CLAIM OF ANY NATURE RELATING TO THIS GUARANTY, ANY DOCUMENTS EXECUTED IN CONNECTION WITH THIS GUARANTY OR ANY TRANSACTION CONTEMPLATED IN ANY OF SUCH DOCUMENTS. THE GUARANTOR AND CREDITOR ACKNOWLEDGE THAT THE FOREGOING WAIVER IS KNOWING AND VOLUNTARY.

16. Term. This Guaranty shall survive termination of the FSA and remain in full force and effect until all amounts due hereunder, including all of the Obligations, have been paid or performed in full.

17. Stay of Acceleration Ineffective with Respect to Guarantor. If acceleration of the time for payment of any amount payable by Supplier under the FSA is stayed upon the insolvency, bankruptcy or reorganization of Supplier, all such amounts otherwise subject to acceleration or required to be paid upon an early termination pursuant to the terms of the FSA shall nonetheless be payable by the Guarantor hereunder on written demand by Creditor.

The Guarantor acknowledges that it has read and understood all the provisions of this Guaranty, and has been advised by counsel as necessary or appropriate.

[Guarantor]

By: _____

Name:

Title:

EXHIBIT G
FORM OF NOTICE

Please provide specific personnel contact information and notify Buyer in advance should such contact or banking information change.

Any notices required under this Agreement shall be made as follows:

Buyer:

Seller:

All Notices:

All Notices:

Attn:

Attn:

Street:

Street:

City/State/Zip:

City/State/Zip

Attn:

Attn:

Email:

Email:

Duns:

Duns:

Federal Tax ID Number:

Federal Tax ID Number:

Invoices:

Invoices:

Attn:

Attn:

Phone:

Phone:

Email:

Email:

Scheduling:

Scheduling:

Attn:

Attn:

Phone:

Phone:

Email:

Email:

Payments:

Payments:

Attn:

Attn:

Phone:

Phone:

Email:

Email:

Electronic Funds Transfer⁽¹⁾:

Electronic Funds Transfer⁽¹⁾:

BNK:

BNK:

Fed-ABA:

Fed-ABA:

ACH-ABA

ACH-ABA

ACCT Name:

ACCT Name:

ACCT No:

ACCT No:

Credit and Collections:

Attn:
Phone:
Email:

Credit and Collections:

Attn:
Phone:
Email:

E-scheduling:

Attn;
Phone:
Email:

E-scheduling:

Attn:
Phone:
Email:

**With additional Notices of an
Event of Default to:**

Attn:
Phone:

**With Additional Notices of an
Event of Default to:**

Attn:
Phone:

(1) If the bank's ABA number for ACH transfers differs from the Fed wire ABA number please provide both.

EXHIBIT H
INCREMENT/DECREMENT LOAD EXAMPLE

Date	Event	PLC & Load	Notes
01-May	<i>Delivery Period Begins</i>		
	Base PLC per Bid Block, MW	51.0	A
	Base Load Percentage	100%	
31-August	<i>PLC Increase, No Increment Triggered</i>		
	PLC per Bid Block, MW	53.0	B
	Base Load Percentage	100%	$b \leq a+5$
15-Sept.	<i>Increment Triggered</i>		
	PLC per Bid Block, MW	57.0	C
	Base Load Percentage	98.25%	$c > a+5$, so % = $(a+5)/c$
10-Oct.	<i>Increment Turned Off</i>		
	PLC per Bid Block, MW	55.0	D
	Base Load Percentage	100%	$d \leq a+5$
15-Nov.	<i>Decrement Triggered, New Base PLC</i>		
	PLC per Bid Block, MW	47.0	E
	New Base PLC per Bid Block, MW	48.0	$e \leq a-3$ so $f = a-(1*3)$
	Base Load Percentage	100%	
31-Dec.	<i>End of Calendar Year</i>		
	PLC per Bid Block, MW	50.0	G
	Base Load Percentage	100%	$g < f+5$
1-Jan.	<i>New PLCs Effective</i>		
	Unadjusted PLC per Bid Block, MW	52.0	H
	PLC per Bid Block, MW	50.0	$i = h-(h-g)$
	Base Load Percentage	100%	$i \leq f+5$
15-Feb.	<i>Increment Triggered</i>		
	Unadjusted PLC per Bid Block, MW	57.5	K
	PLC per Bid Block, MW	55.5	$l = k-(h-g)$
	Base Load Percentage	95.50%	$l > f+5$ so % = $(f+5)/l$

EXHIBIT I

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EXHIBIT J

- 12.3(b) In order to avoid doubt regarding a commercially reasonable calculation for the purposes of calculating the Settlement Amount by the Non-Defaulting Party, the quantity of amounts of Energy, Capacity and other services to have been provided under the FSA for the period following the Early Termination Date (the "Termination Quantity") shall be deemed those quantity amounts that would have been delivered on an hourly basis had the FSA been in effect during the previous calendar year, adjusted for such SOS load changes as have occurred since the previous calendar year. Nothing in this section shall limit the right of the Buyer when Seller is the Defaulting Party to replace Seller's full requirements obligation and the result of any Commission-approved procedure will be deemed to be commercially reasonable for purposes of calculating the Settlement Amount and will be deemed to have been determined by reference to the Termination Quantity.

Exhibit 6
Stakeholder list

DPL DE SOS Stakeholder List

ahowells@apexcovantage.com
amy.willey@delaware.gov
Anne.lindner@constellation.com
anthony.wisely@dteenergy.com
apekny@duqlight.com
apizzut@firstenergycorp.com
bgessner@energypluscompany.com
BGreene@GreeneHurlocker.com
bulkeley@dc-energy.com
cblume@gasmark.com
Chris.Kallaher@directenergy.com
cj.lee@ectp.com
clare.lembo@nexteraenergy.com
clishona.marshall@delaware.gov
clmcgarvey@aepes.com
Collins.Kyle@Hydro.Qc.Ca
connie.cheng@macquarie.com
crpribisko@aepes.com
Ctcolumbia@aol.com
d.jackson@endureenergy.com
dale.surbey@calpine.com
Damon.Krieger@constellation.com
datudor@pepco.com
datwood@cpv.com
Dawn.Crompton@exeloncorp.com
dholde3@firstenergycorp.com
diane.goff@pepcoholdings.com
divesh.gupta@constellation.com
DL-PJM-RFP@fpl.com
dmhubschman@aepes.com
dnnovak@pepco.com
dpearsall@peoplespower.com
ewise@wges.com
ExGenAuction@exeloncorp.com
Fei.Tang@macquarie.com
geoffrey.gregory@edftrading.com
gerald.fleming@nrgenergy.com
Greg.Lennon@nrgenergy.com

janice.sutphen@pseg.com
jason.page@edftrading.com
jay_alexander@transalta.com
jcurry@vicintltd.com
jeffrey.staton@directenergy.com
jenniferp@acespower.com
jenny.board@delaware.gov
jgarges@croworld.com
jmcgee@alexander-cleaver.com
john.r.foreman@conocophillips.com
Joseph.Roenbeck@pseg.com
jpjones@pepco.com
JPSwope@pplweb.com
Jtfuess@comcast.net
Justin.Brenner@nee.com
Justin.Brenner@nexteraenergy.com
jxw@vitol.com
kboltz@energypluscompany.com
kbutler@iccenergy.com
kcusick@sunedison.com
kelley.gabbard@rbccm.com
kgfroerer@reliant.com
Kimberly.A.Curry@constellation.com
ljclymer@pplweb.com
ljmartinsen@pplweb.com
louis.martinsen@betm.com
lswan@energyacuity.com
MacChryssikos@wges.com
Mario.Giovannini@Pepcoholdings.com
Mary.Lynch@constellation.com
Matthew.picardi@shell.com
Matthew.Pillmeier@pseg.com
mike.curry@citi.com
Mporay@hartreepartners.com
mike@sunppm.com
mflocastro@aepes.com
mksegers@pepcoholdings.com
mmancus@firstenergycorp.com
murray.howard@dom.com
mwinter@gdfsuezna.com
nrushing@cpv.com
pamela.knotts@delaware.gov
paul.m.rahm@constellation.com
pgallini@odec.com

philegalmd@pepcoholdings.com
pisimmons@aep.com
pmartin@enernoc.com
ppaftinos@lcmcommodities.com
Raj.Chintapalli@bp.com
rearle@analysisgroup.com
regina.iorii@delaware.gov
renee.marko@duke-energy.com
ress.young@conocophillips.com
robin.battersby@shell.com
rohit.marwaha@constellation.com
ron.armstrong@dom.com
rreepi3@firstenergycorp.com
rshave1@firstenergycorp.com
saiad@gtlaw.com
Samantha.misner@delaware.gov
scott.berge@dplinc.com
Sean.glynn@nrgenergy.com
sean_boyle@fpl.com
seth.berend@calpine.com
Sean.perry@enel.com
sss@vitol.com
Steven.Arabia@nrgenergy.com
Steven.Ernst@exeloncorp.com
steven.kraemer@glacialenergy.com
swati.sahai@nrgenergy.com
Thomas.greer@horizonwind.com
tsering_wangdi@transalta.com
Wang.Yu@axpo.us
wemples@conedcss.com
Zachary.Mclaurin@nexteraenergy.com

STATE OF NEW JERSEY)

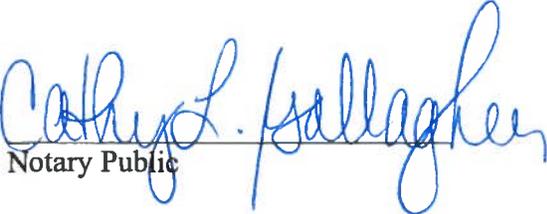
COUNTY OF Atlantic) SS.

On this 4th day of August, 2020, personally came before me, the subscriber a Notary Public in and for the State and County aforesaid Gary R. Stockbridge, Vice President of Delmarva Power & Light Company, a corporation existing under the laws of the State of New Jersey, party to this Application, known to me personally to be such, and acknowledged this Application to be his act and deed and the act and deed of said corporation, that the signature of such Vice President is in his own proper handwriting, and that the facts set forth in this Application are true and correct to the best of his knowledge and belief.



Gary R. Stockbridge
Vice President

SWORN TO AND SUBSCRIBED before me this 4th day of August, 2020.



Notary Public

My Commission Expires:

Cathy L. Gallagher
NOTARY PUBLIC
State of New Jersey
My Commission Expires February 28, 2022