

**Technical Consultant's Final Report
To the Delaware Public Service Commission**

**Delmarva Power & Light's 2026 Request for Proposals for
Full Requirements Wholesale Electric Supply for Standard Offer Service**

February 18, 2026



Dr. James Letzelter
The Liberty Consulting Group, Inc.
1451 Quentin Rd Suite 400, #343
Lebanon, PA 17042

(518)727-0144

Table of Contents

- I. Executive Summary 3
 - A. Introduction 3
 - B. Results 3
 - C. Findings & Conclusions..... 4
- II. RFP Overview..... 4
- III. Auction Results & Prices..... 7
 - A. Bid Activity..... 7
 - B. Prices 7
 - C. Rate Impacts..... 8
- IV. Market Analysis 9
 - A. Overview 9
 - B. Energy Market..... 9
 - C. Fuel Market Outlook 10
 - D. Capacity Market 12
 - E. Ancillary Services Market 13
- V. Process Analysis..... 13
 - A. Notification of the RFP to the Market..... 13
 - B. Information Dispersal..... 13
 - C. Determination of Applicant Eligibility 13
 - D. Bid Ranking..... 13
 - E. Awarding of Transactions 14
 - F. Full Requirements Service Agreement Signing..... 14
- VI. Conclusions..... 14
- Appendix 1: Final Bid Plan..... 15
- Appendix 2: RFP Press Release 17

I. Executive Summary

A. Introduction

The Delaware Public Service Commission (DE PSC) retained The Liberty Consulting Group, Inc. (Liberty) to monitor Delmarva Power & Light's (Delmarva) 2026 Request for Proposals (RFP) for Full Requirements Supply for its Standard Offer Service (SOS). The RFP provides the details for the SOS supply to be procured using a reverse auction process. Liberty presents this report to the DE PSC with its findings on the process and the auction results of the RFP.

Liberty is based in Lebanon, PA and has been providing regulatory consulting services to the energy industry since 1987. Its consultants are experts in electric utility operations and regulatory issues. Liberty has provided energy procurement monitoring services in multiple state jurisdictions with a broad range of procurement formats.

B. Results

Delmarva performed two auction sessions for the 2026 RFP. Tranche 1 was held on November 3, 2025, and Tranche 2 was held on January 26, 2026. This 2026 RFP procured supply for all four of Delmarva's retail customer classes as follows:

Table 1: SOS Supply Delivery Periods by Customer Class

Customer Type	Term (years)	Delivery Period
Residential and Small Commercial & Industrial (RSCI)	2	06/01/2026 – 05/31/2028
Medium General Service (MGS)	1	06/01/2026 – 05/31/2027
Large General Service (LGS)	1	06/01/2026 – 05/31/2027
General Service – Primary (GS-P)	1	06/01/2026 – 05/31/2027

Overall, Delmarva's RFP was a success and resulted in prices reflective of market conditions. Participation was satisfactory and fostered a competitive bidding process. The RFP process was run successfully from start to finish. The processes were conducted as expected and the Enel X auction platform performed as expected. The ultimate winning bids were consistent with regional market conditions.

Average winning bid prices for both the 2025 and 2026 RFPs are shown in Table 2 (average of all blocks in all tranches for each year), along with the actual and percentage change in winning bid prices. Year over year, the weighted average auction prices were substantially higher for the RSCI, MGS, and LGS customer classes, due to increases in both energy and capacity prices. The price for the GS-P block decreased slightly year over year in part due to less perceived risk of customers migrating to third party suppliers. The Table shows the winning bid prices in \$/MWh.

Table 2: Weighted Average Winning Bid Price by Delivery Year (\$/MWh)

Customer Type	2025	2026	Change	% Change
RSCI	\$87.79	\$104.12	+\$16.33	+18.6%
MGS	\$80.54	\$92.25	+\$11.71	+14.5%
LGS	\$94.98	\$102.25	+\$7.27	+7.7%
GS-P	\$102.77	\$101.79	-\$0.98	-1.0%

The customer bill impacts of the winning wholesale energy prices are estimated by Delmarva to be as follows in Table 3. More detail on these estimated impacts is provided in Section III: Auction Results & Prices.

Table 3: Estimated Average Monthly Customer Bill and Impact per Delmarva

Class	02/01/2026	06/01/2026 ¹	\$ Change	% Change
Res (811 kWh)	\$156.75	\$167.64	\$10.89	6.95%
SGS-ND	\$147 - \$629	\$155 - \$667	\$8 - \$38	5.36% - 6.00%
MGS	\$462 - \$8,553	\$502 - \$9,447	\$40 - \$894	9.87% - 10.45%
LGS	\$9,104 - \$99,790	\$9,561 - \$105,164	\$457 - \$5,375	4.76% - 5.39%
GS-P	\$1,006 - \$205,242	\$1,005 - \$203,716	(\$1) - (\$1,526)	(0.11%) - (0.74%)

C. Findings & Conclusions

Liberty monitored the auction process in its entirety. Pre-bid monitoring included reviews of announcements, bidder communication, bidder certification, bid system training, energy and capacity markets, and bid system performance. Bid day monitoring included remote monitoring of the auction, verification of bids, notification of winners, and contract signing.

Liberty has concluded that each element of the entire process, including both the Tranche 1 and Tranche 2 auctions, was run professionally and resulted in bids that were consistent with market conditions. The Enel X auction platform performed as expected, with no issues. Participation in all auctions was adequate and promoted strong competition among bidders.

II. RFP Overview

Since 2006, Delmarva has performed an RFP to procure wholesale electricity to serve its Standard Offer Service (SOS) customers. SOS customers receive comprehensive default electricity service from Delmarva vs. a non-utility, third party supplier for generation. Each year, blocks of power to meet the

¹These comparisons are estimates and are likely to change as the annual updates to transmission, procurement cost adjustment, renewable energy portfolio standards, Qualified Fuel Cell Provider Projects-Renewable Capable Power Production, and reasonable allowance for retail margin are not yet included for the supply year beginning 6/1/2026.

SOS load are purchased from the winning bidders in this multi-tranche auction. The process consists of two tranches, the first of which is in November and the second in late January or early February. If required, a third tranche is available—a rare occurrence—and in this year’s process a third tranche was not needed. The final bid plan defining blocks was provided by Delmarva and is shown in Appendix 1.

Blocks are bid for the four customer classes: Residential, Small Commercial, and Industrial (RSCI), Medium General Service (MGS), Large General Service (LGS) and General Service-Primary (GS-P). Auctions for each block are held electronically with a web-based platform provided by Enel X. Bidders apply for approval and approved bidders are granted access to and training on the Enel X platform. Tables 4 and 5 display the quantity and size of each block by customer class for Tranche 1 and 2, respectively, totaling approximately 571 MW for the year.

Table 4: Tranche 1 Block Summary

Service Type	Blocks	MW Per Block	Total MW
RSCI	4	54.9	219.6
MGS	2	36.3	72.7
LGS	1	9.8	9.8
GS-P	1	12.8	12.8
Total			314.9

Table 5: Tranche 2 Block Summary

Service Type	Blocks	MW Per Block	Total MW
RSCI	4	54.9	219.6
MGS	1	36.3	36.3
Total			255.9

One of the keys to a competitive RFP for power is active participation from power suppliers. To ensure adequate participation, Delmarva announces its RFP by issuing a press release to media channels and directly to known suppliers. As a result, fifteen companies submitted expressions of interest in this RFP, and twelve ultimately became eligible. Table 6 displays historical participation since 2021, up to and including this most recent auction.

Table 6: Bidder Participation

Participants	2021	2022	2023	2024	2025	2026
EOIs	13	12	10	17	14	15
Eligible Bidders	9	8	7	8	8	12
Actual Bidders	9	8	4	7	8	10

Table 7 lists the suppliers who won blocks in Tranche 1 or 2. Six companies won blocks in this year’s tranches as compared to seven in the 2025 procurement.

Table 7: Tranche 1 & 2 Winning Bidders

Company
Axpo
Constellation
DTE
Five Elements
Nextera
Vitol
Axpo

Table 8 displays the percentage of load served for the 2026 delivery period, which includes RSCI blocks won in 2025 and 2026.

Table 8: Suppliers for 2024 Delivery Period and Percentage of Load Served

Supplier	RSCI	MGS	LGS	GS-P	Total
Axpo	25.00%				21.74%
Constellation	6.25%		100.0%	100.0%	7.67%
DTE	6.25%				5.44%
Five Elements	12.5%	33.33%			14.47%
Hartree	12.5%				10.87%
Nextera		33.33%			3.60%
Vitol	37.50%	33.33%			36.21%
Total	100.00%	100.00%	100.00%	100.00%	100.00%

The results in Table 8 show substantial supplier diversity. Seven different companies serve load, six of them serving RSCI load. Vitol is the largest supplier, followed by Axpo.

III. Auction Results & Prices

A. Bid Activity

In both Tranche 1 and Tranche 2, participation was adequate and resulted in competitive auctions. The auction process itself promotes competition using Enel X's auction platform. It provides real-time bidder feedback to induce competitive bidding behavior. The bid activity for Tranche 1 and Tranche 2 is displayed in Tables 9 and 10, respectively.

Table 9: Tranche 1 Bid Activity

Class/Block	Bidders	Bids
RSCI – Block 1	9	23
RSCI – Block 2	9	23
RSCI – Block 3	9	28
RSCI – Block 4	9	19
MGS – Block 1	8	13
MGS – Block 2	9	16
LGS	5	6
GS-P	6	8

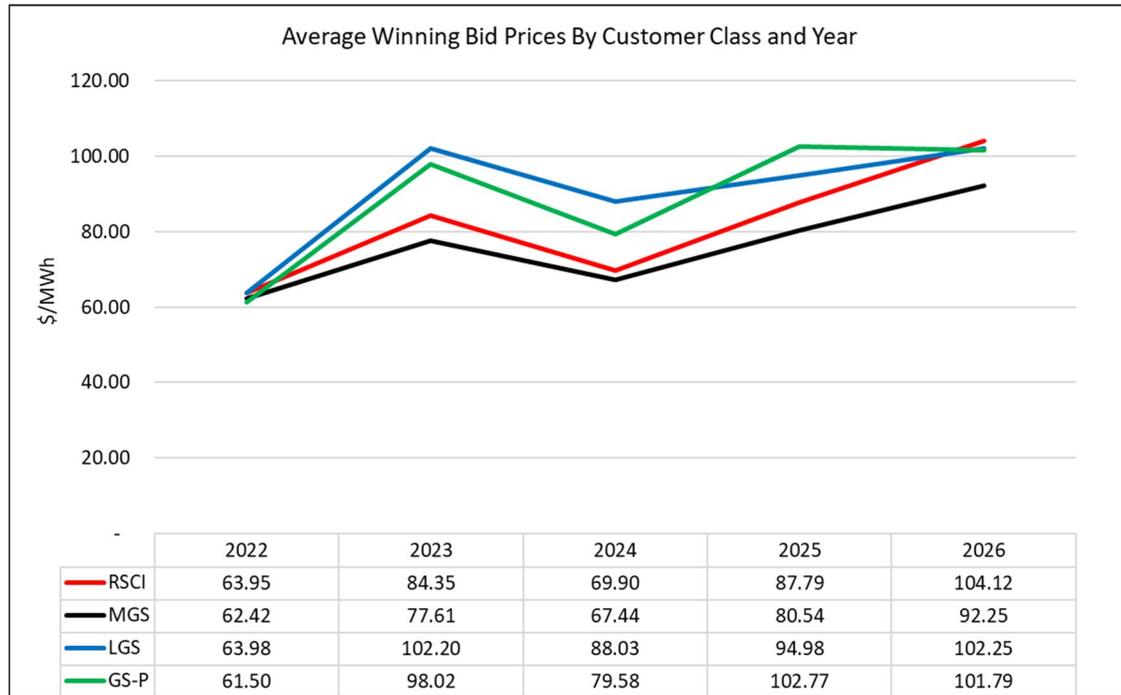
Table 10: Tranche 2 Bid Activity

Class/Block	Bidders	Bids
RSCI – Block 1	7	28
RSCI – Block 2	7	22
RSCI – Block 3	7	20
RSCI – Block 4	7	18
MGS	7	18

B. Prices

Average winning prices for all blocks in 2026 were substantially higher than those of 2025 for all but the GS-P block. Liberty has compiled a historical view of winning bids for the last five years to put perspective on current prices vs. historical results, displayed in Chart 1.

Chart 1: Weighted Average Winning Bid Prices (\$/MWh)



Historically, LGS and GS-P blocks had been lower priced than RSCI and MGS blocks due to the higher load factors of the former, but this switched in 2023, driven by substantially higher risk of LGS and GS-P customer migration from SOS to third party suppliers (TPS).

C. Rate Impacts

To gauge the impact of the most recent auction on its SOS customers, Delmarva has provided the estimated changes to average monthly customer bills by customer class. It is important to note that these are estimates and should not be construed as exact or guaranteed results as the impacts are based only on the wholesale prices of the winning bids. The results of this analysis, displayed in Table 11, are consistent with the bid price results displayed in Chart 1. Average bills in all customer classes are expected to increase as of June 1, 2026. All data and footnotes for Table 11 were provided by Delmarva.

Table 11: Estimated Average Monthly Customer Bill and Impact Per Delmarva

Class	02/01/2026	06/01/2026 ²	\$ Change	% Change
Res (811 kWh)	\$156.75	\$167.64	\$10.89	6.95%
SGS-ND	\$147 - \$629	\$155 - \$667	\$8 - \$38	5.36% - 6.00%
MGS	\$462 - \$8,553	\$502 - \$9,447	\$40 - \$894	9.87% - 10.45%
LGS	\$9,104 - \$99,790	\$9,561 - \$105,164	\$457 - \$5,375	4.76% - 5.39%
GS-P	\$1,006 - \$205,242	\$1,005 - \$203,716	(\$1) - (\$1,526)	(0.11%) - (0.74%)

² These Estimates are likely to change as the annual updates to transmission, procurement cost adjustment, renewable energy portfolio standards, Qualified Fuel Cell Provider Projects-Renewable Capable Power Production, and reasonable allowance for retail margin are not yet included for the supply year beginning 6/1/2026.

IV. Market Analysis

A. Overview

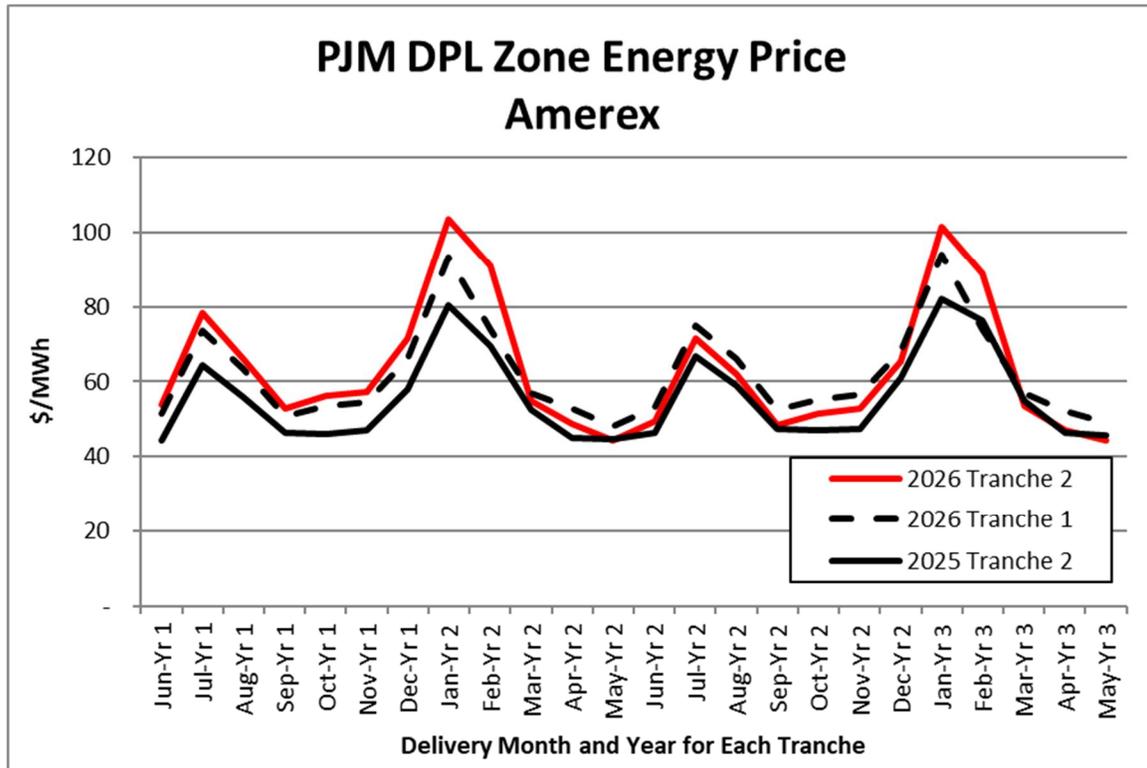
As stated earlier in this report, the winning bid prices reflected market conditions. Liberty has collected market information on energy, capacity, and fuel prices to assess the key drivers of bidder behavior.

B. Energy Market

The outlook for regional energy prices was higher during the 2026 auctions as compared to 2025. The market for energy in PJM is currently stable, although higher than in recent history, and futures prices reflect seasonal patterns and growth rates that are to be expected.

Chart 2 displays “around the clock” (“ATC”) prices for the two-year delivery period for the DPL Zone. It highlights the difference in energy price expectations between the last three tranches. The source for all energy prices is Amerex for forward prices, supplemented by calculated forwards from S&P Capital IQ for longer term prices. The 2025 Tranche 2 data reflects delivery beginning June 1, 2025. The 2026 Tranche 1 and 2 data reflect delivery beginning June 1, 2026. The first year of data applies to bids for all customer class blocks. The second year applies only to the RSCI blocks, which have a two-year delivery period.

Chart 2: Energy Forward Prices – ATC Avg – DPL Zone



C. Fuel Market Outlook

As an extension of Liberty’s review of energy forwards, we also reviewed the underlying fuel markets that drive energy prices by assessing fuel forward markets. Liberty has reviewed forward prices for natural gas, the primary fuel commodity for generating units that set market clearing prices in PJM. Chart 3 displays the outlook for gas prices at the Transco Zone 6 Non-NY delivery point. Forward prices increased from 2025 to 2026 and are displayed in Chart 3. The forward prices for both gas and power are plotted together in Chart 4, which shows the relationship between gas and energy market prices.

Chart 3: Dominion Hub Natural Gas Forward Prices

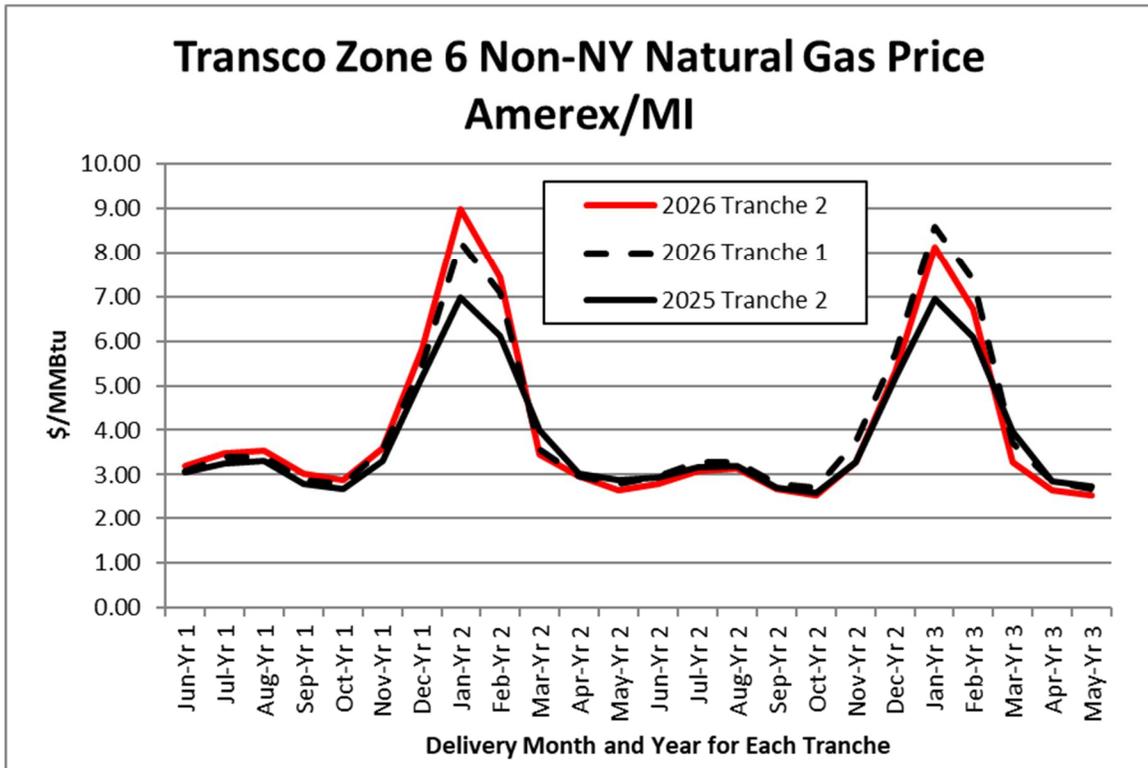
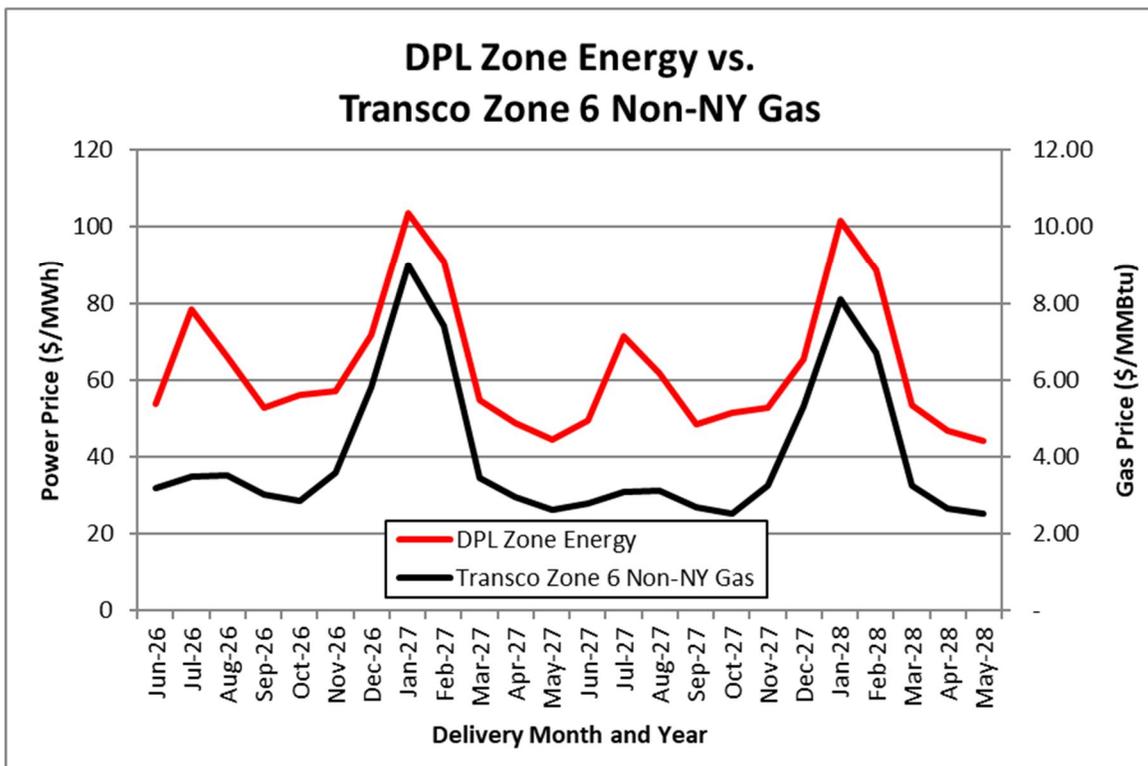


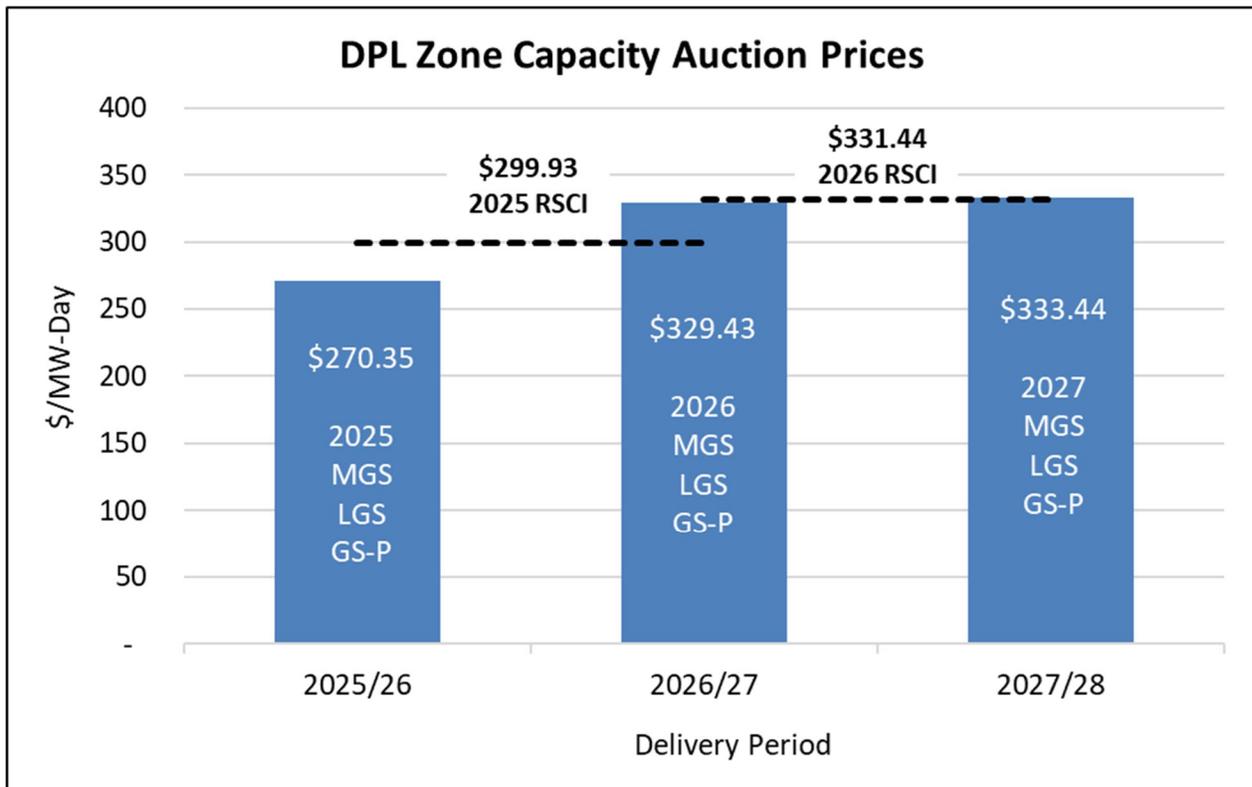
Chart 4: Power Forward Prices vs. Natural Gas Forward Prices



D. Capacity Market

PJM capacity prices are set through auctions and prices (in \$/MW-day) are set for annual delivery periods commencing June 1 of each year. Chart 5 shows capacity prices for the years relevant to this SOS auction’s delivery periods and how they affect each year and type of auction block. The 2026 auction’s RSCI blocks are affected by the capacity prices for both the 2026/27 and 2027/28 delivery periods. Last year’s RSCI bids were based on the 2025/26 and 2026/27 prices. Based on this, the average capacity prices applicable to the two-year RSCI blocks increased from \$299.93 in 2025 to \$331.44 in 2026. The single-year capacity prices applicable to MGS, LGS, and GS-P remained almost unchanged.

Chart 5: PJM Capacity Prices (\$/MW-day)



Bidders use \$/MW-day capacity auction prices to create a capacity component (in \$/MWh) of their SOS bid prices. The calculation is a function of the conversion factors between the MW-day and MWh and the load factor for each class (which changes from year to year). Lower load factor customer classes like RSCI feel a greater impact from capacity prices than high load factor GS-P customers since they have fewer MWh over which to spread their demand-based capacity charges. Based on historical load factors of the DPL customer classes, every \$1 change in capacity auction prices (\$/MW-day) translates to approximately \$0.07-\$0.10/MWh (a rough approximation).

E. Ancillary Services Market

Ancillary service-related costs are reflected by the bidders, but do not make up a substantial part of, or impact on, SOS prices. Ancillary services were essentially unchanged during this auction period and are relatively insignificant when compared to Capacity and Energy prices. This parameter did not have a material impact on the auction results.

V. Process Analysis

Liberty was assigned the task of monitoring Delmarva's RFP process through specific administrative requirements. The following is an assessment of each area:

A. Notification of the RFP to the Market

To ensure adequate participation, Delmarva announced its RFP by issuing a press release to media channels and directly to regional energy suppliers, displayed in Appendix 2. It included basic information to prospective bidders and instructions for acquiring more information and registering on Delmarva's RFP website. As a result, fourteen companies submitted expressions of interest in this RFP, eight ultimately became eligible, and all eight bid on blocks in the auction. Liberty finds that this task was performed to expectations.

B. Information Dispersal

Delmarva provided all materials for expressing interest and registering for the auction on its RFP website. Once approved, bidders were able to acquire all key administrative, technical, and schedule information. Liberty finds that information was disseminated appropriately and that the website, as a foundation for communication, worked according to plan. Delmarva also held a webinar on the entire RFP process. The webinar included a review of changes since the previous RFP and instructions for all aspects of RFP participation.

C. Determination of Applicant Eligibility

Interested bidders were required to submit to Delmarva their Credit Application, Confidentiality Agreement, PJM certification, and FERC certification by the deadline. It was ultimately determined that eight of the seventeen interested parties became eligible to bid. Liberty finds that this eligibility process was performed to standards.

D. Bid Ranking

On auction day, each block is made available to bid at 10 AM. The first RSCI block auction ends at 10:30 am, and subsequent block auctions end every ten minutes after that. Each of the RSCI blocks was offered first, followed in order by MGS, LGS, and finally the GS-P block (LGS and GS-P are only applicable to Tranche 1).

Liberty monitored the auctions remotely, along with Enel X representatives and DE PSC Staff. All viewed the auction through the Enel X platform with full access. After all the auctions ended, Liberty reviewed each bid with Delmarva and confirmed the winning bid, the organization, and the price.

E. Awarding of Transactions

After the completion of each tranche, and review between Delmarva and Liberty, Delmarva contacted each bidder. Winning bidders were notified and were provided with contracts reflecting their organization, block size and winning bid price.

F. Full Requirements Service Agreement Signing

Delmarva worked with each winning bidder to complete the Full Requirements Service Agreements and provided copies of each executed agreement to Liberty for review. On the Wednesday after each auction, Liberty presented the auction results to the DE PSC, and these were subsequently approved.

VI. Conclusions

Liberty has concluded that all processes, including both the Tranche 1 and Tranche 2 auctions, were run professionally and resulted in bids that were consistent with expectations based on market conditions.

Appendix 1: Final Bid Plan

Delmarva DE SOS RFP 2026

<u>Service Type</u>	as of:	1/16/2026
	SOS	Eligible
	PLC (MW)	PLC (MW)
Residential and Small Commercial & Industrial	878.4	962.0
Medium General Service -Secondary	109.0	229.1
Large General Service -Secondary	9.8	66.3
General Service - Primary	12.8	306.4
Total	1010.0	1563.8

<u>Service Type</u>	<u>Contract Term</u>	
	<u>12 Month</u>	<u>24 Month</u>
	6/1/26-5/31/27	6/1/26-5/31/28

Residential and Small Commercial & Industrial	50.0%
Service Classifications: R, R-TOU-ND, SGS-ND, SGS-SH, SGS-WH, OL, ORL, PIV, X.	
Approximate Total PLC	439.2
Block Size %	6.2500%
Approximate Block Size (MW)	54.9
Total Number of Blocks	8
Tranche 1 blocks	4
Tranche 2 blocks	4

Medium General Service - Secondary	100.0%
Service Classifications: MGS-S	
Approximate Total PLC	109.0
Block Size %	33.3333%
Approximate Block Size (MW)	36.3
Total Number of Blocks	3
Tranche 1 blocks	2
Tranche 2 blocks	1

Large General Service - Secondary	100.0%
Service Classifications: LGS-S	
Approximate Total PLC	9.8
Block Size %	100.0%
Approximate Block Size (MW)	9.8
Total Number of Blocks	1
Tranche 1 blocks	1

General Service - Primary	100.0%
Service Classifications: GS-P	
Approximate Total PLC	12.8
Block Size %	100.0%
Approximate Block Size (MW)	12.8
Total Number of Blocks	1
Tranche 1 blocks	1

Note:

26/27 BRA: \$329.43
 27/28 BRA: \$333.69

Appendix 2: RFP Press Release

September 15, 2025

**DELMARVA POWER
REQUEST FOR PROPOSALS FOR
STANDARD OFFER SERVICE WHOLESALE ELECTRIC POWER SUPPLY**

Delmarva Power (Delmarva) provided electric supply service to Delaware customers through fixed price power supply tariffs offered by Delmarva pursuant to orders issued by the Delaware Public Service Commission (“Commission”) in Docket No. 99-163 and Docket No. 01-194. These offers expired as of April 30, 2006. Since May 1, 2006, Delmarva has provided generation supply for specified periods, procured through a competitive wholesale bidding process and pursuant to procedures that are set forth in Order No. 9276 in Commission Docket No. 18-1065 (formerly Docket No. 04-391). Since June 1, 2009, Delmarva has conducted a multi-tranche (multi-round) bidding process to solicit proposals from suppliers interested in providing Fixed Price Standard Offer Service (“FP-SOS”) to Delmarva for its Delaware customer service classifications.

Delmarva is soliciting competitive bids for full requirements wholesale supply service, excluding the provision of Renewable Energy Credits (“RECs”). The supply will be procured using the Enel X reverse auction process as is more fully described in the Request for Proposals (“RFP”) documents. The solicitation is for supply agreements for one year and two-year terms. Auction dates and auction rounds for this multi-tranche solicitation can be found in the RFP documents which are provided on the RFP website as noted below.

The load to be bid upon in the RFP is divided into four service types. An approximation of that portion of the load (stated in megawatts) associated with customers currently receiving supply service for each service type and for whom wholesale supply will be solicited is indicated in the following table. The load figures will be updated prior to the auction dates.

<u>Service Type</u>	<u>Delmarva</u>
Residential and Small Commercial & Industrial FP-SOS	436 MW
Medium General Service-Secondary FP-SOS	108 MW
Large General Service-Secondary FP-SOS	7 MW
General Service-Primary FP-SOS	11 MW
TOTAL	562 MW

If you are interested in participating in the RFP, you must submit an Expression of Interest Form. The Expression of Interest Form is available for electronic submission on the RFP website. The RFP website, which became active on September 15, 2025, is [Delmarva.com/derfp](https://delmarva.com/derfp)

Prospective bidders who have submitted the Expression of Interest Form and are approved will be invited to the DPL DE RFP in Ariba.

Additionally, Delmarva will be holding a pre-bid conference on September 22, 2025, to review the general RFP structure and process, the bid plan and the Full Requirements Service Agreement (*i.e.*, the contract that will be used to purchase generation supply under the RFP). We encourage your review of such documents (as posted on Ariba) prior to the conference to enhance the question-and-answer session. Please visit the RFP website in the coming days for additional details on the pre-bid conference, including registration information.

All questions related to this RFP should be submitted through the RFP website.