

# **APPENDIX A**

***PECO Energy Company***

***Electric Generation Supplier***  
***Opt-In Competitive Offer Program***  
***Request for Proposals and Program Rules***

***\_\_\_\_\_ , 2013***

**ARTICLE 1**  
**INTRODUCTION**

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail offers to one hundred percent (100%) of its non-shopping default service residential customers, exclusive of Customer Assistance Program (“CAP”) customers (“Eligible Customers”). Participating EGSs in this program (the “Opt-In Competitive Offer Program” or “Program”) will submit bids to provide fixed-price electric generation service offers to residential customers for a six-month period beginning on or after June 1, 2013. This document describes the process by which bidders may qualify and submit bids and the rules with which winning bidders (the “Opt-In Suppliers”) must comply, the process for allocation of default service residential customer accounts to Opt-In Suppliers for offer mailings, and the standard terms and conditions for Opt-In Supplier offers to customers under this Program. In addition, although marketing, notifications, and consumer education efforts for this Program will be targeted to non-shopping residential default service customers, Opt-In Suppliers must extend offers to residential shopping customers, upon a customer’s request, under the same terms and conditions.
- 1.2 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [ ] residential customers.
- 1.3 PECO is implementing this RFP in two stages. Bidders must first qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications, as described in detail in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission (“the Commission”) and the ability to comply with provisions of PECO’s Electric Generation Supplier Tariff (“Supplier Tariff”). As part of the qualifying process, a bidder will be required execute a Bidder Agreement in which the bidder agrees to various requirements, including payment of a pro rata portion of the costs of this RFP in the event the bidder becomes an Opt-In Supplier.
- 1.4 Following qualification, bidders may submit a bid proposal (“Bid Proposal”) which consists of two components: (1) a fixed price, in cents per kilowatt-hour, which the bidder is prepared to offer residential customers for six monthly billing cycle periods (the “Opt-In Service Period”); and (2) the number of tranches of residential customers to which the bidder is prepared to offer its fixed price, with a minimum quantity of one tranche, where one tranche is equal to 5% of Eligible Customers and a maximum quantity of ten tranches, or fifty percent (50%) of the number of Eligible Customers. The fixed price offered by a bidder must be at least five percent (5%) lower than PECO’s applicable price-to-compare for the quarterly period beginning on June 1, 2013 (the “June 2013

PECO PTC”). In order to determine which EGSs are successful bidders, the bids will be tabulated in ascending order, with the price associated with the bid that results in the cumulative number of potential customers equaling or exceeding the number of Eligible Customers establishing a final price for Eligible Customers (the “Clearing Price”). Upon approval of the results by the Commission, each winning bidder who offered the Clearing Price (or a lower price) will be an Opt-In Supplier and allocated a portion of the Eligible Customers corresponding to its winning bid.

- 1.5 PECO will mail, at the Opt-In Supplier’s expense, a standardized offer letter to the allocated customers for each Opt-In Supplier. If a customer wishes to accept the offer, the customer will be required to contact the Opt-In Supplier and the Opt-In Supplier will then submit a switching request in accordance with the Supplier Tariff.
- 1.6 The Pennsylvania Public Utility Commission (“PA PUC”) has approved the procedures and rules described in this RFP by order dated \_\_\_\_\_, 2012, in Pa. PUC Docket No. P-2012-\_\_\_\_\_. The RFP process will be managed by PECO, with the qualification of bidders and opening and ranking of bids monitored by [company name] (the “RFP Monitor”). **Potential bidders are strongly urged to review this RFP and to consult with counsel with respect to requirements and obligations under this RFP and the Bidder Agreement.**
- 1.7 This RFP includes the following attached documents:
  - Exhibit 1: Bidder Application (including Bidder Agreement)
  - Exhibit 2: Bid Proposal Form

## ARTICLE 2 SCHEDULE AND BIDDER INFORMATION

- 2.1 RFP Schedule. The following table sets forth significant dates (the “Program Schedule”) for the Competitive Offer Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Pre-Bid Technical Conference	January 18, 2013
Bidder Applications Due Date	February 6, 2013
Notification of Bidder Qualification	February 11, 2013
Notification to Qualified Bidders of Number of Eligible Customers	February 19, 2013
Publication of Price-to-Compare beginning June 1, 2013	March 14, 2013
Bid Proposal Due Date	March 18, 2013
Notification of Winning Bidders	March 22, 2013
PECO Sends Offer Letters to Customers	April 1-15, 2013
Customer Opt-In Period	30 days
Deadline for Opt-In Supplier Submission of Customer Enrollments to PECO	May 15, 2013
Commencement of Supply by Opt-In Suppliers	Beginning June 1, 2013
Report by Opt-In Suppliers and PECO on Results of the Program	July 1, 2013

- 2.2 RFP Overview and Technical Conference. On January 18, 2013, at \_\_\_ p.m. EPT, PECO will conduct a web conference to outline the Competitive Offer Program, including the RFP process. Potential bidders are urged to review this RFP, including exhibits, prior to the teleconference. PECO will answer questions raised at this teleconference to the extent possible. Any party wishing to participate in this web conference must send an e-mail to \_\_\_\_\_@peco-energy.com with the subject line "Opt-In Competitive Offer Program" PECO will provide participation information for the web conference by return e-mail.

PECO should notify all registered EGSs in its service territory about the Opt-In Auction program technical conference.

Bidder Inquiries. On or before the Bidder Inquiries Deadline, bidders may submit questions to PECO via electronic mail (\_\_\_\_@peco-energy.com). To the extent possible, questions submitted prior to the RFP Overview Conference will be addressed by PECO at the web conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith, PECO reserves the right not to answer any question. The RFP Overview Conference and this bidder inquiry procedure are the exclusive methods for inquiring about this RFP, and questions submitted to individual PECO employees, the Company, or the RFP Monitor by other means will not be answered and may result in disqualification of the bidder.

- 2.4 Informational Website and Updates. PECO has established a website – [[www.peco.com/\\_\\_\\_\\_](http://www.peco.com/____)] – for electronic copies of RFP materials, posting of questions and answers, and other updates on this RFP. The website also includes the standard offer letter and other materials that will be used with customers by Opt-In Suppliers. Bidders

are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified bidders.

### ARTICLE 3 BIDDER QUALIFICATION

3.1 Bidder Application. In order to submit a bid proposal in response to this RFP, a bidder must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 2 (Bidder Application). All Applications shall be submitted by overnight delivery to the submission address specified in Section 8.2. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a Bidder Application constitutes a bidder's agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of the Applications may be provided initially via electronic email to \_\_\_\_\_@peco-energy.com to meet the bidder application deadline as long as the required hard copies are received by 5:00 p.m. EPT the business day immediately following the application deadline day.

3.2 Bidder Qualifications. In order to qualify to submit a bid proposal, a bidder must demonstrate and document in the Application that it satisfies the following criteria (the "Bidder Qualifications"):

Bidder qualification requirements under Section 3.2(a), (b) and (c) are unnecessary because any EGS serving load in PECO territory would meet these criteria and would qualify automatically.

- (a) The bidder is licensed to operate as an EGS in Pennsylvania;
- (b) The bidder is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements;
- (c) The bidder is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff;
- (d) The bidder does not have any past due outstanding supplier-related charges owed to PECO;
- (e) The bidder has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits a plan with its proposal (acceptable to PECO in its sole discretion) demonstrating that the bidder will be certified in such EDI capabilities by June 1, 2013; and
- (f) The bidder agrees to comply with the following operational requirements:
  - (i) Maintenance of the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and
  - (ii) Maintenance of the ability to submit 'rate level' 810 EDI transactions. For customers with two rates on the same account, the

Having a past due amount should not disqualify an EGS from participating in the program. This provision does not provide for good faith disputes.

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PECO should confirm that this requirement is technically feasible for EGSs.

supplier will be required to submit separate billing charges for each rate.

It is unclear whether this agreement is necessary in light of the fact that the relationship between PECO and EGSs serving load in PECO territory is governed by the Supplier Tariff and other agreements between the parties.

- (g) The bidder agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines. No Program charges may be separately billed.
- (h) The bidder agrees to comply with any increased bonding requirements imposed by the PA PUC during the Opt-In Service Period.
- (i) The bidder certifies that it has the financial resources to make a bonus payment under the offer of \$50.00 to all customers who enroll with them and who remain with the program for three complete billing cycles.
- (j) The bidder certifies that it has the capability to provide customers with three ways to accept their offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) through calls on a toll-free phone number provided by the Opt-In Supplier; and (3) through a website.

3.3 Bidder Agreement. Each bidder must also execute a Bidder Agreement in the form included in the Bidder Application. In the event the bidder does not become an Opt-In Supplier, the Bidder Agreement will be returned to the bidder unexecuted by PECO.

3.4 Additional Information. PECO may, but is not obligated to, request additional information and materials from any bidder for evaluation of an Application. Information submitted by a bidder absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application is no longer true, Bidder shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the bidder and rejection of any Bid Proposal. PECO shall have no duty to inform any bidder of any deficiency in its Application.

3.5 Application Evaluation and Notification of Applicants. PECO, in its sole discretion, will evaluate each Application using a standard protocol for its completeness and satisfaction of the Bidder Qualifications. The RFP Monitor will oversee this evaluation. PECO will provide each bidder with notice of its satisfaction or failure to satisfy the Bidder Qualifications by the date for Notification of Bidder Qualification set forth in Section 2.3 hereof. Qualified bidders will be provided with a unique bidder number for use in this RFP.

3.6 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

#### ARTICLE 4 BID PROCEDURE AND BID PROPOSALS

PECO cannot have "sole discretion" to determine participation.

The provision in Section 3.4 is too broad. It is unclear what sort of additional information PECO would be seeking from an EGS under this provision and whether the option to seek additional information could be used to delay or reject an EGS bidder.

- 4.1 Notification of Number of Eligible Customers and Price-to-Compare. PECO will provide qualified bidders with the total number of Eligible Customers and the June 2013 PECO PTC in accordance with the Program Schedule.
- 4.2 Submission of Bid Proposals. As described in the Introduction, a Bid Proposal consists of a fixed price in cents per kilowatt hour and a number of tranches the bidder is prepared to serve during the Opt-In Service Period at that fixed price. Bidders must bid a whole number of tranches up to a maximum of 10 tranches. Only bidders who submit an Application and receive notice of qualification as provided in Article 3 will be permitted to submit a Bid Proposal. PECO will provide Bid Proposal forms to qualified bidders substantially in the form of Exhibit 2. A bidder must submit an original and two copies of its Bid Proposal to the address specified on the Bid Proposal form provided by PECO no later than the Bid Proposal Due Date. Each Bid Proposal shall be submitted in a sealed envelope clearly marked "BID PROPOSAL" with bidder's previously assigned bid number on the outside of the sealed envelope.
- 4.3 Bid Price. The price in all Bid Proposals must be a fixed price in cents per kilowatt-hour, which is at least five percent (5%) lower than the June 2013 PECO PTC. The bid price is the price at which the supplier must be ready and willing to serve a residential customer for six monthly billing periods under the standard terms and conditions of the Program beginning on a customer's next meter read date on or after June 1, 2013.
- 4.4 Minimum and Maximum Bid Quantities. Eligible Customers will be divided into twenty tranches, each equal to five percent (5%) of Eligible Customers. Bidders must bid to serve a minimum of one tranche, or 5% of Eligible Customers, and may not bid to serve more than ten tranches, or fifty percent (50%) of the Eligible Customers. Any bid greater than the permitted maximum bid will be deemed to be equal to the permitted maximum bid.
- 4.5 Multiple Bids. A bidder may submit up to five bids at different prices, all of which may be accepted by PECO. The total number of Eligible Customers in multiple bids may not exceed the maximum bid quantity. In the event a bidder submits multiple bids cumulatively totaling a number more than the number of Eligible Customers, the bid(s) with the highest price will be disqualified until the remaining bids are within the number of Eligible Customers.
- 4.6 Other Limitations. Bid Proposals that are incomplete, unsigned, or otherwise do not conform to the form of the Bid Proposal shall be rejected by PECO. No Bid Proposal may be conditioned on any other Bid Proposal. Any bid that is contingent in any way shall be rejected as non-conforming. Each bidder must act independently and without knowledge of other bids, and PECO may reject any Bid Proposal which it determines, in its sole discretion, is submitted by a bidder in violation of these limitations or in coordination or in concert with any other bidder.

## **ARTICLE 5 EVALUATION OF BID PROPOSALS**

- 5.1 Evaluation of Bid Proposals. All Bid Proposals will be opened by the RFP Monitor, who will rank proposals from the lowest price to the highest price and record the cumulative number of Eligible Customers bid for each bid price. The price offered under the bid, or bids, whose quantity of Eligible Customers result in the cumulative tally equaling or exceeding the number of Eligible Customers will determine a common Clearing Price for offers. A bidder who offers the Clearing Price (or a lower price) will be a successful bidder (an Opt-In Supplier). If necessary, the bid quantity of bidders which bid at the clearing price will be equally reduced so that the total number customers to receive offers from winning bidders will be equal to the number of Eligible Customers.
- 5.2 Selection of Successful Bidders and PA PUC Approval. Upon completion of the evaluation of Bid Proposals, the RFP Monitor shall prepare a report of the RFP results in consultation with, and on behalf of PECO, summarizing the bidder qualification process and the Bid Proposals and identifying the successful and unsuccessful bidders, along with successful and unsuccessful Bid Proposals. The PA PUC will have three business days to review and approve, or disapprove results.
- 5.3 Release of Winning Bid Price Information. Upon approval of any results by the PA PUC, PECO will inform all bidders of the total number of bidders, the names of the winning bidders, the number of customers to be allocated to each bidder, and the applicable clearing price. The names and other information of the non-winning bidders will not be reported.

**ARTICLE 6  
CUSTOMER ALLOCATION AND CUSTOMER OFFERS**

- 6.1 Allocation Methodology. Eligible Customers will be randomly allocated to Opt-In Suppliers in accordance with the number of customers contained in their respective winning bids, as may be adjusted as provided in this RFP. Customers shall be selected for allocation to Opt-In Suppliers pursuant to a random selection process employed by a neutral independent third party who has expertise in the use of established statistical procedures for random selection (the “Statistical Expert”). Prior to such selection, Opt-In Suppliers shall be entitled to review the random selection and allocation methodology and procedure with the Statistical Expert and PECO.
- 6.2 Provision of Customer Accounts. Not later than two (2) business days following the selection and allocation of Eligible Customers by the Statistical Expert, PECO shall provide each Opt-In Supplier a list of customer accounts with account information (including account number and rate class) for the customers selected by the Statistical Expert for offers from that supplier.
- 6.3 Offer Process. All Opt-In Suppliers shall provide offers to their allocated customers in the following manner:
  - 6.3.1 At the sole expense of the Opt-In Supplier, PECO shall mail all of an Opt-In Supplier’s allocated customers an offer package which includes an offer letter with the Clearing Price, a description of the Program terms and conditions for the

Cost issue not decided.

Section 6.3.1 does not provide that EGSs will have an opportunity to review the offer package before it is mailed out to customers. Mr. McCawley testified that EGSs would have an opportunity to review the offer package prior to mailing. Tr. at 62. This should be specified in the document.

six-month offer and the procedure by which the customer can accept the offer. This procedure shall include three ways to accept the offer: 1) a response post card, included in the offer mailing, and pre-populated with as much customer information as possible; 2) a toll-free phone number provided by the Opt-In Supplier; and 3) a website provided by the Opt-In Supplier. The offer shall be valid until the end of the Customer Opt-In Period specified in the Program Schedule. The Opt-In Supplier shall provide PECO with the following information, within three business days of being notified as a winning bidder: mailing address for the response post card; toll-free phone number for enrollments under the program; and website address for enrollments under the program. The offer package will instruct the customer to contact the Opt-In Supplier for more information and to enroll in the program, and will not include a PECO phone number. Offer packages will provide information about the customer participation cap.

- 6.3.2 The offer packages will be mailed by PECO at a rate of approximately 50,000 mailings per day in accordance with a schedule provided by PECO based on the number of Opt-In Suppliers and total offers.
- 6.3.3 As described in Section 6.3.1, customers will be able to accept an Opt-In Supplier offer by either mailing the enrollment post card to the Opt-In Supplier, or by calling the Opt-In Supplier, or by submitting information electronically on the Opt-In Supplier's website. Contact information for PECO will not be included in the offer package; however, PECO will process any timely "Opt-In" requests it receives from default customers by notifying the Opt-In Supplier of the customer's decision to Opt-In.
- 6.3.4 Offers are open to both residential default service and residential shopping customers. If PECO receives a request to enroll by a shopping customer who becomes aware of the offer, PECO will notify the Opt-In Supplier of the customer's request. PECO will enable the customer to select from participating Opt-In Suppliers if the customer does not specify a particular Opt-In Supplier during the inquiry.
- 6.3.5 The Program will cap customer participation at 50% of Eligible Customers as follows. Each Opt-In Supplier may enroll a number of customers up to 50% of the number of customers allocated to the Opt-In Supplier under the Program. Opt-In Suppliers shall be solely responsible for administering this requirement.
- 6.4 EDI Enrollment. Opt-In Suppliers must submit the EDI enrollment transactions for the customers who have accepted the supplier's offer to PECO on or before sixteen (16) days prior to respective customer's meter read date to ensure that the customer's switch is effective as of that date.
- 6.5 Reporting to PA PUC. In order for PECO to comply with its reporting obligations to the PUC (which includes providing a confidential copy to the Office of Consumer Advocate) and in accordance with the Program Schedule, each Opt-In Supplier shall prepare and

submit a confidential report to PECO, listing the customer accounts sent offer packages, the customer accounts that enrolled with the Opt-In Supplier; and statistics on the form of offer acceptance (i.e. post card, website or phone call). Any tracking of enrolled accounts after allocation will be the sole responsibility of Opt-In Suppliers. Upon PECO's request, each Opt-In Supplier shall prepare and submit an updated confidential report to PECO within thirty days of the conclusion of the Program.

## ARTICLE 7 OPT-IN SUPPLIER STANDARD TERMS AND CONDITIONS

The following standard terms and conditions shall apply to all Opt-In Suppliers:

- 7.1 All Opt-In Supplier billing for customers who accept offers under the Program shall be Consolidated EDC Billing.
- 7.2 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 7.3 The Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the program for three complete billing cycles as a condition for receiving the bonus.
- 7.4 The bonus shall be in the form of a check to the customer name on the account, and mailed to the billing address for the account.
- 7.5 All bonus checks shall be mailed within five business days after the customer completes three complete billing cycles on the program.
- 7.6 The Opt-In Supplier may not impose any additional requirements on the customer as a condition of receiving the bonus payment.
- 7.7 The Opt-In Supplier shall track the following information related to the payment of bonus checks and shall provide this information to Commission Staff and/or the Office of Consumer Advocate, on a confidential basis, upon request:
  - 7.7.1 Customer Name; Address; Account Number; Date that the customer qualified to receive the bonus check; Date the bonus check was mailed; and an indicator of whether the bonus check was cashed.
- 7.8 Within three business days of satisfying all of its bonus payment obligations under the Program, the Opt-In Supplier shall provide written notice of such satisfaction to PECO at                     @peco-energy.com.
- 7.9 Any offers made by a customer's Opt-In Supplier to the customer to switch to another product before the completion of the three billing cycles required to qualify for the bonus check shall include clear language explaining the risk of forfeiting the bonus.

Mr. McCawley admitted that PECO has not had any discussions with EGSs about whether it is feasible to require that an EGS send out bonus checks within 5 days (Tr. at 65) or report in "three days." The terms and conditions should allow for a realistic period for the mailing of the bonus checks and reporting.

This issue should be negotiated with EGSs during a collaborative. RESA accepts that EGSs should not be able to drop Opt-In Auction program customers back to default service at will. However, there are situations where it may be appropriate to permit an EGS to terminate service consistent with the contract terms provided to the customer.

- 7.10 The Opt-In Supplier shall have sole responsibility to make bonus payments. PECO has no liability to the customer for bonus payments if the Opt-In Supplier defaults on its obligation.
- 7.11 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. In no event may an Opt-In Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Opt-In Service Period.
- 7.12 All Opt-In Suppliers must provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations and orders.
- 7.13 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

**ARTICLE 8  
ADDITIONAL PROGRAM PROVISIONS**

- 8.1 RFP Costs. All costs of this RFP incurred by PECO, including the service of the RFP Monitor and Statistical Expert, and all incremental costs of developing, printing, and mailing the offer package will be prorated and charged to Opt-In Suppliers in proportion to the number of Eligible Customers allocated to the supplier. PECO shall invoice each Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list, with the amount due payable within thirty days of the date of the invoice.
- 8.2 Address for submissions. All submissions to PECO, unless otherwise communicated at the Bidder Conference and subsequently posted to the \_\_\_\_\_ website, for this RFP shall be delivered via overnight delivery to the following address:

PECO Competitive Opt-In Supplier Program  
c/o [Name],  
PECO Energy Company  
S14-2  
2301 Market Street  
Philadelphia, PA 19103

Bidder is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion; however, any Bid Proposal submitted after the date and time specified will be returned unopened and without consideration. Electronic emails of materials other than Bid Proposals (which may not be sent electronically) shall be sent to: \_\_\_\_\_@peco-energy.com.

- 8.3 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.

Section 7.13 appears to eliminate the process established by Rule 19.5 of the Supplier Tariff that allows the parties time to negotiate in good faith when there is a change in law, regulation or order and permits cancellation when necessary. This process should be retained.

Although use of the PECO trademark requires approval, EGSs should be permitted to reference "PECO" in general terms, such as referring to the PECO service territory, etc.

The limitation on publicity by EGSs in Section 8.8 is unreasonable. EGSs should be permitted to publicize their participation in the program without PECO's consent. Also, limitations on the use of a brand should be reciprocal.

- 8.4 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.
- 8.5 Presentation and Formatting. All information submitted by a bidder must be in the English language.
- 8.6 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any bidder in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.
- 8.7 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in the offer package and/or on the offer package envelope.
- 8.8 Publicity. Bidders are not permitted to announce or release any information regarding this RFP or PECO's evaluation process without PECO's prior written approval, which PECO may withhold approval in its sole discretion. Each bidder understands and agrees that PECO does not participate in, nor does it allow, bidders to utilize media releases of any kind to publicize bidder's business relationship with PECO. Each bidder shall not use any trade name, trademark, service mark or any other information which identifies PECO in such bidder's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. Successful bidders agree to cooperate with PECO in preparation of any press release announcing the results of this RFP.
- 8.9 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each bidder is responsible for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur any liability (whether contractual, financial or otherwise) to any bidder participating in the RFP process. By submitting an Application, bidder releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by bidder.
- 8.10 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of bidder's information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more bidders. No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions

Waivers should be reciprocal.

acceptable to PECO. PECO also reserves the right to not execute agreements with any or all bidders should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.

- 8.11 Non-conforming Applications and Bid Proposals. PECO reserves the right to reject any Application or Bid Proposal at any time on the grounds that it does not conform to the terms and conditions of this RFP or the bidder has not complied with the provisions of this RFP.

**EXHIBIT 1 - FORM OF BIDDER APPLICATION**

Name of Bidder:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:

**INSTRUCTIONS**  
**Two signed originals of Attachment A (Bidder Agreement) must be attached to Bidder's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Opt-In Competitive Offer Program Request for Proposals and Program Rules.**

As an officer or other authorized representative of the Bidder, I certify that: (a) the Bidder is licensed to operate as an EGS in Pennsylvania; (b) the Bidder is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements; (c) the Bidder is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff; (d) the Bidder does not have any past due outstanding supplier-related charges owed to PECO; (e) the Bidder has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits the attached plan for PECO's consideration which demonstrates that the bidder will be certified in such EDI capabilities before submitting bids; (f) the Bidder will comply with the following operational requirements: (1) maintenance of the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and (2) maintenance of the ability to submit 'rate level' 810 EDI transactions; (g) the bidder agrees that any delayed charges must be billed pursuant to all applicable EDEWG "Final Bill" implementation guidelines, and no Program charges may be separately billed; (h) the Bidder will comply with any increased bonding requirements imposed by the PA PUC during the Opt-In Service Period; and (i) the bidder certifies that it has the financial resources to make a bonus payment under the offer of \$50.00 to all customers who enroll with them and who remain with the program for three complete billing cycles; and (j) the bidder certifies that it has the capability to provide customers with three ways to accept their offer: (1) processing a response post card from the customer, included in the offer mailing, and pre-populated with as much customer information as possible; (2) providing a toll-free phone number provided by the Opt-In Supplier; and (3) providing a website.

This requirement should be eliminated.

**SIGNATURE OF AUTHORIZED REPRESENTATIVE**

I am an officer or other authorized representative of the Bidder and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP.

Signature:	Date:
------------	-------

Name:	Title:

It is unclear whether this agreement is necessary in light of the fact that the relationship between PECO and EGSs serving load in PECO territory is governed by the Supplier Tariff and other agreements between the parties.

**EXHIBIT 1 - ATTACHMENT A - FORM OF OPT-IN SUPPLIER AGREEMENT**  
**AGREEMENT**

This Agreement (“Agreement”) is made as of March 22, 2013 (the “Effective Date”), by and between [Opt-In Supplier] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania (“PECO”).

**1. Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the Electric Generation Supplier Opt-In Competitive Offer Program Request for Proposals and Program Rules issued by PECO on January 18, 2013 (the “Program”) and PECO’s Electric Generation Supplier Coordination Tariff (the “Supplier Tariff”).

**2. Term.** This Agreement shall commence on the Effective Date and shall remain in effect through the Opt-In Service Period (the “Term”) unless terminated as provided in this Agreement.

**3. Fixed Price to Customers.** In accordance with the Program, the Opt-In Supplier shall provide Competitive Energy Supply to each customer that accepts its offer under the Program (an “Opt-In Supplier Customer”) at the Clearing Price.

**4. Bonus Payment.** In accordance with the Program, the Opt-In Supplier shall pay a fifty dollar (\$50.00) bonus payment to any and all customers who remain with the program for three complete billing cycles at the Opt-In Supplier’s sole expense. PECO will have no obligation whatsoever with respect to the bonus payment due to any customers, which shall be the sole responsibility of the Opt-In Supplier.

**5. Terms and Conditions.** During the Term, the Opt-In Supplier agrees that: (a) all Opt-In Supplier billing for each Opt-In Supplier Customer shall be Consolidated EDC Billing; (b) each Opt-In Supplier customer shall have the option to return to PECO default service or to switch to another EGS, or to the Opt-In Supplier under a different Opt-In Supplier offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Opt-In Supplier Customers for non-payment of EGS charges under the terms of PECO’s approved Purchase of Receivables program in the Supplier Tariff; (d) in no event may an Opt-In Supplier discontinue service to an Opt-In Supplier Customer before the end of the Opt-In Service Period; (e) the Opt-In Supplier shall provide notice prior to the end of the Opt-In Service Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations; and (f) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, an Opt-In Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

**6. Representations and Warranties of Opt-In Supplier.** The Opt-In Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is licensed to operate as an EGS in Pennsylvania; (b) it is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements; (c) it is in compliance with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO’s Electric Service Tariff; (d) it has no past due outstanding supplier-related charges owed to PECO; (e) it has been certified by PECO to have the data exchange capabilities required for all applicable Electronic Data Interchange (“EDI”)/Electronic Data Exchange Working Group (“EDEWG”) transactions under this Agreement; (f) it has the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and submit ‘rate level’ 810 EDI transactions. For customers with two rates on the same account; (g) any delayed charges must be billed pursuant to

This term should be consistent with PUC determination.

EDEWG "Final Bill" implementation guidelines; and (h) it will comply with any increased bonding requirements imposed by the PA PUC during the Opt-In Service Period.

**7. Termination.** This Agreement may be terminated by PECO upon written notice of a material breach of this Agreement or the Supplier Tariff by Opt-In Supplier.

**8. Payment of Program Costs.** The Opt-In Supplier agrees to pay all Program costs incurred by PECO on a pro rata basis with all other Opt-In Suppliers in the Program based upon the number of customers allocated to the Opt-In Supplier by the Statistical Expert. PECO shall invoice the Opt-In Supplier within thirty days of the Opt-In Supplier receipt of its allocated customer list under the Program, and the Opt-In Supplier shall pay the invoice in full within thirty days of the date of the invoice.

**9. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Opt-In Supplier acknowledges that (a) the Opt-In Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Opt-In Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Opt-In Supplier in the event that the Opt-In Supplier no longer serves that customer for any reason; and (c) the Opt-In Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

**10. Indemnification.** The Opt-In Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Opt-In Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

**11. Other Provisions.** This Agreement represents the entire agreement between PECO and Opt-In Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, or any applicable law, rule, regulation or order. Opt-In Supplier may not assign this Agreement without PECO's consent. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Opt-In Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and the Opt-In Supplier, and neither party shall have the power to bind or obligate the other party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the event of any conflict between this

In the event that the Commission determines that a separate agreement is necessary, this indemnity provision should be reciprocal. It is entirely too broad and unilaterally in favor of PECO.

Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

**PECO ENERGY COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PECO Energy Company  
ATTN:  
2301 Market Street  
Philadelphia, PA  
Phone:  
Fax:  
E-mail: \_\_\_\_@peco-energy.com

**[OPT-IN SUPPLIER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Company name]  
[Address]

Phone:  
Fax:  
E-mail:

**EXHIBIT 2  
BID PROPOSAL FORM**

*(not to be submitted with Bidder Application)*

Legal Name of Bidder:

Bidder #:

Fixed Price for six monthly billing cycle periods (cents/kwh): \_\_\_\_\_

Bid Quantity (Number of Tranches, not to exceed 10 tranches): \_\_\_\_\_

- Bidder has submitted multiple bids in response to this RFP (check box if applicable; multiple bids may not exceed 100% of Eligible Customers).

I hereby certify that I am an officer or other authorized representative of the Bidder named above and submit this Bid Proposal on behalf of the Bidder. By submitting this Bid Proposal, Bidder acknowledges and accepts all terms of PECO's Request for Proposal dated \_\_\_\_\_.

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

# **APPENDIX B**

RESA's Comments

Exhibit JJM-5S

***PECO Energy Company***  
***Electric Generation Supplier***  
***Standard Offer Program***  
***Request for Proposals and Program Rules***  
***\_\_\_\_\_ , 2013***

## **ARTICLE 1 INTRODUCTION**

- 1.1 In this Request for Proposals (“RFP”), PECO Energy Company (“PECO” or the “Company”) is soliciting proposals by electric generation suppliers (“EGSs”) to provide competitive retail service to residential customers. Participating EGSs in this program (the “Standard Offer Program” or “Program”) will have the opportunity to submit applications to provide fixed-price electric generation service to residential customers for twelve monthly billing cycle periods, on a month by month basis beginning approximately three weeks after the application is submitted. This document describes the process by which EGSs may qualify and submit applications and the rules with which each accepted applicant (the “Standard Offer Supplier”) must comply and the standard terms and conditions for service provided by the Standard Offer Supplier under this Program.
- 1.2 Program Duration. The Standard Offer Program will begin at the conclusion of the enrollment period for PECO’s EGS Opt-In Competitive Offer Program, which is expected to conclude on or about May 15, 2013. The initial Standard Offer Month will be June 2013; the final Standard Offer Month will be May 2015.
- 1.3 PECO is a corporation organized and existing under the laws of the Commonwealth of Pennsylvania with its principal corporate office in Philadelphia, Pennsylvania. PECO is an electric distribution company under Pennsylvania law and provides electric delivery service to approximately 1.6 million retail customers in Southeastern Pennsylvania. PECO is also the default service provider in its service territory, and currently provides electric generation service to approximately [ ] residential customers.
- 1.4 Participating EGSs must qualify by submitting an application (an “Application”) to PECO demonstrating their qualifications to become a Standard Offer Supplier, as described in detail in Section 3.2. These qualifications include a current EGS license issued by the Pennsylvania Public Utility Commission (“the Commission”) and the ability to comply with provisions of PECO’s Electric Generation Supplier Tariff (“Supplier Tariff”). As part of the qualifying process, an applicant will be required to execute a Standard Offer Supplier Agreement in which the applicant agrees to various requirements. In the Standard Offer Supplier Agreement, the applicant agrees to offer all interested residential customers a fixed price, in cents per kilowatt-hour, for which the supplier is prepared to provide electric generation service to residential customers for twelve monthly billing cycle periods (the “Standard Offer Period”). The fixed price to be offered by the applicant must be seven percent (7%) lower than the PECO default service rate (the “Price-to-Compare”) in effect at the time of the offer.
- 1.5 Although applications may be submitted at any time, PECO will activate Standard Offer Suppliers only for whole calendar months. An applicant must be deemed qualified by PECO at least ten business days in advance of first day of the next calendar month in order to be activated as a Standard Offer Supplier for that month. A Standard Offer Supplier may request removal from the list of Standard Offer Suppliers upon thirty days

written notice to PECO. Absent a request to be removed from the list, Standard Offer Suppliers will continue to be listed from month to month.

1.6 This RFP includes the following attached documents:

Exhibit 1: Standard Offer Supplier Application (including Standard Offer Supplier Agreement)

**ARTICLE 2  
SCHEDULE AND STANDARD OFFER SUPPLIER INFORMATION**

2.1 Monthly RFP Schedule. The following table sets forth significant dates each month (the "Program Schedule") for the Standard Offer Supplier Program. The time for each deadline on each specified date is 5:00 pm Eastern Prevailing Time (EPT). PECO reserves the right to modify these dates at its discretion.

RFP Overview and Technical Conference	Scheduled during the first week of the month prior to the upcoming Standard Offer Month
Standard Offer Supplier Application Due Date	Twenty business days before Standard Offer Month
Notification of Standard Offer Supplier Qualification	Ten business days before Standard Offer Month
Standard Offer Month	Calendar month
Commencement of Supply by Standard Offer Supplier	Based on enrolled customer's switching date

2.2 RFP Overview and Technical Conference. PECO will post a schedule of technical web conferences to outline the Standard Offer Program, including the RFP process. Potential applicants are urged to review this RFP, including exhibits, prior to the web conference. PECO will answer questions raised at each web conference to the extent possible. Any party wishing to participate in each web conference must send an e-mail to *[e-mail address to be provided]* with the subject line "Standard Offer Program" PECO will provide participation information for the web conference by return e-mail.

2.3 Applicant Inquiries. Before each technical conference, participants may submit questions to PECO via electronic mail *[e-mail address to be provided]*. To the extent possible, questions submitted prior to the technical conference will be addressed by PECO at the conference. Additional questions submitted and answered by PECO thereafter shall be posted with answers. The person or company submitting the question shall not be identified. While PECO will review and attempt to answer questions in good faith, PECO reserves the right not to answer any question. The conference and this applicant inquiry procedure are the exclusive methods for inquiring about this RFP, and questions

PECO should notify all registered EGSSs in its service territory about the referral program technical conference.

submitted to individual PECO employees or the Company by other means will not be answered and may result in disqualification of the applicant.

- 2.4 Informational Website and Updates. PECO has established a website – [www.peco.com/\_\_\_\_\_] – for electronic copies of RFP materials, posting of questions and answers, the RFP schedule, and other updates on this RFP. Applicants are encouraged to review this website regularly. In its sole discretion, PECO will endeavor to provide e-mail notification of important website updates to qualified applicants.

### ARTICLE 3 STANDARD OFFER SUPPLIER QUALIFICATION

- 3.1 Standard Offer Supplier Application. In order to submit a proposal in response to this RFP, an applicant must submit a printed original and three printed copies of an Application for approval by PECO using the form attached hereto as Exhibit 1, Attachment A (Form of Standard Offer Supplier Application). All Applications shall be submitted to the submission address specified in Section 8.2. Applications which are incomplete, do not conform to the form attached hereto, or otherwise do not satisfy all requirements of this RFP shall not be considered. Submission of a Standard Offer Supplier Application constitutes an applicant's agreement to and acceptance of all terms and conditions of this RFP. An electronic copy of the Applications may be provided initially via electronic email to [e-mail address to be provided] to meet the bidder application deadline as long as the required hard copies are received by 5:00 p.m. EPT on the business day immediately following.

- 3.2 Standard Offer Supplier Qualifications. In order to qualify to submit a bid proposal, an applicant must certify in the Application that it satisfies the following criteria (the "Standard Offer Supplier Qualifications"):

Bidder qualification requirements under Section 3.2(a), (b) and (c) are unnecessary because any EGS serving load in PECO territory would meet these criteria and would qualify automatically.

- (a) The applicant is licensed to operate as an EGS in Pennsylvania;
- (b) The applicant is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements;
- (c) The applicant is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff;
- (d) The applicant does not have any past due outstanding supplier-related charges owed to PECO;
- (e) The applicant has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits a plan with its proposal (acceptable to PECO in its sole discretion) demonstrating that the applicant will be certified in such EDI capabilities by before submitting bids; and

The provision at Section 3.2(d) is inappropriate and should be eliminated. Having a past due amount should not disqualify an EGS from participating in the program. This provision does not provide for good faith disputes.

It is unclear whether this agreement is necessary in light of the fact that the relationship between PECO and EGSs serving load in PECO territory is governed by the Supplier Tariff and other agreements between the parties.

- (f) The applicant agrees to comply with the following operational requirements:
  - (i) Maintenance of the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and
  - (ii) Maintenance of the ability to submit 'rate level' 810 EDI transactions. For customers with two rates on the same account, the supplier will be required to submit separate billing charges for each rate.
- (g) The applicant agrees that any delayed charges must be billed pursuant to all applicable Electronic Data Exchange Working Group "Final Bill" implementation guidelines. No Program charges may be separately billed.
- (h) The applicant agrees to comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

PECO should confirm that this requirement is technically feasible for EGSs.

3.3

Standard Offer Supplier Agreement. Each applicant must also execute a Standard Offer Supplier Agreement in the form included in the Standard Offer Supplier Application. In the event the applicant does not become a Standard Offer Supplier, the Standard Offer Supplier Agreement will be returned to the applicant unexecuted by PECO upon request of the applicant.

3.4

Additional Information. PECO may, but is not obligated to, request additional information and materials from any applicant for evaluation of an Application. Information submitted by an applicant absent a request by PECO which is not in the nature of a correction or clarification to the Application will not be considered by PECO. If any information in an Application or Standard Offer Supplier Agreement is no longer true, Applicants shall immediately notify PECO of the changed information. Failure to provide such notification or respond to a request for additional information and materials may result in disqualification of the applicant and rejection of its application. PECO shall have no duty to inform any applicant of any deficiency in its Application.

3.5

Prior Qualification. An applicant who has previously qualified under the Standard Offer Supplier Program is not required to submit a second application for succeeding months, but must inform PECO of any change its status or ability to satisfy the qualification requirements as provided in Section 3.4. An applicant who has previously qualified under the Standard Offer Supplier Program need not execute a new Standard Offer Supplier Agreement unless requested by PECO.

3.6

Application Evaluation and Notification of Applicants. PECO, in its sole discretion, will evaluate each Application using a standard protocol for its completeness and satisfaction of the Standard Offer Supplier Qualifications. PECO will provide each applicant with notice of its satisfaction or failure to satisfy the Standard Offer Supplier Qualifications by the date for Notification of Standard Offer Supplier Qualification set forth in the Program Schedule.

The provision at Section 3.4 is too broad. It is unclear what sort of additional information PECO would be seeking from an EGS under this provision and whether the option to seek additional information could be used to delay or reject an EGS bidder.

PECO cannot have "sole discretion" to decide participation.

- 3.7 PECO Affiliates. Affiliates of PECO are permitted to submit Applications and to participate in this RFP to the same extent as any other entity.

#### **ARTICLE 4 CUSTOMER ENROLLMENT**

- 4.1 Enrollment. Residential customers may enroll with the Standard Offer Supplier through the PECO website or by telephone using an interactive voice response (“IVR”) system maintained and operated by PECO or a dedicated call center referral group. Customers may select a Standard Offer Supplier from a list, or choose to have PECO randomly assign a Standard Offer Supplier.
- 4.2 Enrollment Report. Once every business day, PECO will electronically transmit a report of enrollment requests received to each EGS serving as Standard Offer Supplier. The Enrollment Report will contain the information needed to enable the EGS to submit EDI 814 enrollment requests to PECO. Each Standard Offer Supplier shall submit EDI 814 enrollments within one business day of receipt of the enrollment request report from PECO. The contract date in the EDI 814 transaction must match the date of the applicable Enrollment Report.
- 4.3 Enrollment Processing. Upon receipt by PECO of the EDI 814 enrollment, the standard EDC Enrollment Letter (or other Commission-approved form of notification) will be mailed by PECO to the customer.
- 4.4 Sales Agreement. Each Standard Offer Supplier shall send a sales agreement, which meets all PUC regulations and includes the terms and conditions set forth in Article 7, to the customer within one business day after sending the EDI 814 enrollment transaction. The sales agreement will provide the terms of service for the initial 12-monthly billing cycle period and also provide information about how the terms may change after the initial 12-month period. This shall include the date by which the customer must take action to exercise his or her options at the end of the term.
- 4.5 Report to PA PUC. In order to monitor the success of the Standard Offer Supplier Program, PECO will produce two confidential reports to the Commission and the Office of the Consumer Advocate (“OCA”) annually, with the first report submitted within 45 days after PECO has operated the program for 12 complete months. The second report will be submitted by June 15, 2015. In order to obtain statistics to prepare this report, Standard Offer Suppliers shall provide metrics on a monthly basis in the form of electronic reports to PECO, including, for each offer month, the number of accounts that enrolled in the program for the Standard Offer Month, the number of accounts that have dropped from the program in each month before the end of the 12-month Standard Offer Period (e.g. number of accounts dropped in the first month of the term, number of accounts dropped in the second month, etc.); and the number of accounts retained by the

This issue should be discussed with EGS to ensure that the one business day turnaround time is feasible.

The information provided in these reports should be made available to other interested parties with relevant confidential information redacted (such as specific EGS names, etc.).

EGS for at the end of the 12-month Standard Offer Period. PECO will provide a template for this reporting to facilitate compilation of data.

**ARTICLE 5  
STANDARD OFFER SUPPLIER STANDARD TERMS AND CONDITIONS**

The following standard terms and conditions shall apply to all Standard Offer Suppliers:

- 5.1 At the time of the first contact between the Standard Offer Supplier and the Standard Offer Customer, the customer will be reminded of the terms and conditions of the standard offer, including the date by which the customer must take action to exercise his or her options at the end of the term.
- 5.2 All Standard Offer Supplier billing for customers who enroll under the Program shall be Consolidated EDC Billing.
- 5.3 Each customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties.
- 5.4 Only PECO shall be entitled to terminate service to customers for non-payment of EGS charges under the terms of its approved Purchase of Receivables program. In no event may a Standard Offer Supplier discontinue service to a customer who accepted its offer under the Program before the end of the Standard Offer Period.
- 5.5 All Standard Offer Suppliers must provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations.
- 5.6 Notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

Section 6.1 deals with an issue the PUC should decide.

**ARTICLE 6  
ADDITIONAL PROGRAM PROVISIONS**

- 6.1 Program Costs. All costs associated with implementation of the Standard Offer Supplier Program, including this RFP, will be recovered through a discount in the Purchase of Receivables payment to all suppliers. Costs include information system implementation costs for website and IVR changes, incremental call center support for the program and other associated administrative costs.
- 6.2 Address for submissions. All submissions to PECO for this RFP and Program, unless otherwise communicated at a technical conference and subsequently posted to the website, shall be delivered via overnight delivery to the following address:

Section 5.6 appears to eliminate the process established by Rule 19.5 of the Supplier Tariff that allows the parties time to negotiate in good faith when there is a change in law, regulation or order and to end the agreement where necessary. This process should be retained.

This issue should be negotiated with EGSs during a collaborative. RESA accepts that EGSs should not be able to drop standard offer referral program customers back to default service at will. However, there are situation where it may be appropriate to permit an EGS to terminate service consistent with the contact terms provided to the customer.

Although use of the PECO trademark requires approval, EGSs should be permitted to reference "PECO" in general terms, such as referring to the PECO service territory, etc.

PECO Standard Offer Supplier Program  
c/o [Name],  
PECO Energy Company  
S14-2  
2301 Market Street  
Philadelphia, PA 19103

Applicant is solely responsible for the timely delivery of any submission for this RFP. Applications and other materials received after the applicable date specified in this RFP shall be accepted only in PECO's sole discretion. Electronic emails shall be sent to: *[e-mail address to be provided]*

6.3 No Unauthorized Modifications. No interpretation or change to this RFP shall be valid unless it is signed by a duly authorized representative designated by an Officer of PECO.

6.4 Ownership of RFP Materials. All materials submitted to PECO pursuant to this RFP shall be the property of PECO.

6.5 Presentation and Formatting. All information submitted by an applicant must be in the English language.

6.6 Costs. PECO shall have no responsibility whatsoever with respect to the costs of any applicant in considering or responding to this RFP, including but not limited to any costs of preparing any materials submitted to PECO.

6.7 Use of PECO Mark. PECO will have final approval regarding the use of any PECO mark and any other reference to PECO in materials related to the Standard Offer Supplier Program.

6.8 Publicity. Applicants are not permitted to announce or release any information regarding this RFP or PECO's evaluation process without PECO's prior written approval, which PECO may withhold approval in its sole discretion. Each applicant understands and agrees that PECO does not participate in, nor does it allow, applicants to utilize media releases of any kind to publicize applicant's business relationship with PECO. Each applicant shall not use any trade name, trademark, service mark or any other information which identifies PECO in such applicant's sales, marketing and publicity activities, including interviews with representatives of any written publication, or television or radio station or network, without PECO's express prior written consent. Standard Offer Suppliers agree to cooperate with PECO in preparation of any press release announcing the results of this RFP. Standard Offer Suppliers are not permitted to promote their role as Standard Offer Supplier, either before, during or after their Offer Month, without PECO's prior written approval, which PECO may withhold approval in its sole discretion.

6.9 Disclaimer. PECO makes no representations or warranties regarding the accuracy or completeness of the information contained in this RFP and its exhibits or any statements made by representatives of PECO during the RFP process. Each applicant is responsible

The limitation on publicity by EGSs in Section 6.8 is unreasonable. EGSs should be permitted to publicize their participation in the program without PECO's consent. Also, limitations on the use of a brand should be reciprocal.

for making its own evaluation of information and data contained in this RFP and in preparing and submitting responses to this RFP. The issuance of this RFP and the receipt of information in response to this RFP shall not, in any way, cause PECO to incur any liability (whether contractual, financial or otherwise) to any applicant participating in the RFP process. By submitting an Application, applicant releases PECO, its affiliates, officers, employees, and agents from any and all claims, demands, actions, losses, liabilities, and expenses (including reasonable legal fees and expenses) (collectively, "Claims") relating to this RFP and agrees to indemnify PECO, its affiliates, officers, employees and agents from any Claims arising from any false representation or violation of these RFP rules by applicant.

Waivers should be reciprocal.

- 6.10 Not an Offer. This RFP is issued to elicit responses to PECO's inquiry and is not an offer. The issuance of the RFP and the submission of applicant's information do not create any obligation upon PECO, and PECO reserves the right to accept or reject any or all proposals received. PECO also reserves the right to amend, suspend, or terminate the RFP process at any time, without reason and without liability, and makes no commitments, implied or otherwise, that this process will result in a business transaction with one or more applicants. No contract or other binding obligation on PECO will be implied unless and until an agreement has been executed on terms and conditions acceptable to PECO. PECO also reserves the right to not execute agreements with any or all applicants should the Company determine, in its sole discretion, that such agreement would violate existing regulatory standards.
- 6.11 Non-conforming Applications. PECO reserves the right to reject any Application at any time on the grounds that it does not conform to the terms and conditions of this RFP or the applicant has not complied with the provisions of this RFP.

**EXHIBIT 1 - FORM OF STANDARD OFFER SUPPLIER APPLICATION**

Name of Applicant:			
Contact:		Title:	
E-mail:		Phone:	
Address:	City:	State:	Zip Code:

**INSTRUCTIONS**  
**Two signed originals of Attachment A (Standard Offer Supplier Agreement) must be attached to Applicant's original Application, with a copy attached to each of the three required additional copies. All terms used herein have the meaning set forth in PECO's Standard Offer Supplier Program Request for Proposals and Program Rules.**

As an officer or other authorized representative of the Applicant, I certify that: (a) the Applicant is licensed to operate as an EGS in Pennsylvania; (b) the Applicant is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements; (c) the Applicant is in compliance, and agrees to continue to comply, with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff; ~~(d) the Applicant does not have any past due outstanding supplier-related charges owed to PECO;~~ (e) the Applicant has been certified by PECO to have the data exchange capabilities required for all applicable EDI/EDEWG transactions, or submits the attached plan for PECO's consideration which demonstrates that the Applicant will be certified in such EDI capabilities before submitting bids; (f) the Applicant will comply with the following operational requirements: (i) maintenance of the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and (ii) maintenance of the ability to submit 'rate level' 810 EDI transactions; (g) the Applicant agrees that any delayed charges must be billed pursuant to all applicable EDEWG "Final Bill" implementation guidelines, and no Program charges may be separately billed; and (h) the Applicant will comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

This requirement should be eliminated.

**SIGNATURE OF AUTHORIZED REPRESENTATIVE**

I am an officer or other authorized representative of the Applicant and certify that all of the information and certifications in this Application are true and acknowledge that this submission constitutes acceptance and agreement to all terms of the RFP.

Signature:	Date:
Name:	Title:

It is unclear whether this agreement is necessary in light of the fact that the relationship between PECO and EGSs serving load in PECO territory is governed by the Supplier Tariff and other agreements between the parties.

**EXHIBIT 1 - ATTACHMENT A**

**FORM OF STANDARD OFFER SUPPLIER AGREEMENT**

This Agreement ("Agreement") is made as of \_\_\_\_\_, 201\_ (the "Effective Date"), by and between [Standard Offer Supplier] and PECO Energy Company, a public utility authorized to supply electric service in the Commonwealth of Pennsylvania ("PECO").

**1. Definitions.** All capitalized terms not otherwise defined herein shall have the meaning set forth in the EGS Standard Offer Program Request for Proposals and Program Rules issued by PECO on \_\_\_\_\_, 2013 (the "Program") and PECO's Electric Generation Supplier Coordination Tariff (the "Supplier Tariff").

**2. Term.** This Agreement shall commence on the Effective Date and shall remain in effect unless terminated as provided in this Agreement.

**3. Fixed Price to Customers.** In accordance with the Program, the Standard Offer Supplier shall provide Competitive Energy Supply to each customer that enrolls with the Standard Offer Supplier (a "Standard Offer Customer") at effective Standard Offer Price at the time of each customer's date of enrollment. The Standard Offer Price shall be a fixed cents/kWh comprised of a seven percent (7 %) reduction from the effective PECO Energy residential default service Price to Compare on the date the standard offer is made. The Standard Offer Price will be available to the Standard Offer Customer over twelve complete billing cycles ("Standard Offer Period").

**4. Terms and Conditions.** During the Term, the Standard Offer Supplier agrees that: (a) all Standard Offer Supplier billing for each Standard Offer Customer shall be Consolidated EDC Billing; (b) each Standard Offer customer shall have the option to return to PECO default service or to switch to another EGS, or to the Standard Offer Supplier under a different offer, at any time and without incurring switching fees or other penalties; (c) only PECO shall be entitled to terminate service to Standard Offer Customers for non-payment of EGS charges under the terms of PECO's approved Purchase of Receivables program in the Supplier Tariff; (d) in no event may a Standard Offer Supplier discontinue service to a Standard Offer Customer before the end of the Standard Offer Period; (e) the Standard Offer Supplier shall provide notice prior to the end of the Standard Offer Period regarding any renewal and/or price change as required under the Supplier Tariff and/or PA PUC regulations; (f) Standard Offer Customers may choose to be assigned to the Standard Offer Supplier of their choice or may choose a random assignment by PECO; and (f) notwithstanding any language in Rule 19.5 of the Supplier Tariff to the contrary, a Standard Offer Supplier shall not have the right to terminate service to its customers obtained through this Program because of a change in applicable rules, regulations, tariffs, or orders.

**5. Representations and Warranties of Standard Offer Supplier.** The Standard Offer Supplier represents and warrants that, on the Effective Date and throughout the Term: (a) it is licensed to operate as an EGS in Pennsylvania; (b) it is a member of PJM and meets all applicable PJM obligations for load serving entities, including credit requirements; (c) it is in compliance with all applicable obligations, requirements, rules, and regulations of the Supplier Tariff and PECO's Electric Service Tariff; (d) it has no past due outstanding supplier-related charges owed to PECO; (e) it has been certified by PECO to have the data exchange capabilities required for all applicable Electronic Data Interchange ("EDI")/Electronic Data Exchange Working Group ("EDEWG") transactions under this Agreement; (f) it has the ability to cancel supplier charges via the 810 Bill Purpose Codes 17 and 18 as described in the EDEWG Implementation Guidelines for Electronic Data Interchange, and submit 'rate level' 810 EDI transactions.

For customers with two rates on the same account; (g) any delayed charges must be billed pursuant to EDEWG "Final Bill" implementation guidelines; and (h) it will comply with any increased bonding requirements imposed by the PA PUC during the Standard Offer Period.

**6. Termination and Withdrawal from Supplier List.** This Agreement may be terminated (i) by PECO upon written notice of a material breach of this Agreement or the Supplier Tariff by the Standard Offer Supplier; (ii) by PECO upon the termination of the Program; or (iii) by the Standard Offer Supplier upon thirty (30) days written notice, provided that the Standard Offer Supplier shall no longer be serving any Standard Offer Supplier customers who remain on a fixed rate offered by the Standard Offer Supplier under the Program during the Standard Offer Period applicable to such customer. A Standard Offer Supplier shall be removed from PECO's Standard Offer Supplier list upon 30 days written notice, but the Agreement shall not terminate except as provided in the preceding sentence.

**7. Limitations.** Notwithstanding any provision of this Agreement or the Program, the Standard Offer Supplier acknowledges that (a) the Standard Offer Supplier has obtained certain benefits from participating in the Program, but that PECO has made no representation regarding the number of customers (if any) the Standard Offer Supplier may obtain as a result of the Program, or the amount of electric load that will be required by such customers; (b) PECO has no obligation to provide electric supply other than default service in accordance with the Pennsylvania Public Utility Code to any customer that may be served by the Standard Offer Supplier in the event that the Standard Offer Supplier no longer serves that customer for any reason; and (c) the Standard Offer Supplier waives any right to claim any loss of business, consequential damage or any monetary or other direct damages from PECO of any kind whatsoever arising from or relating to this Agreement or the Program.

**8. Indemnification.** The Standard Offer Supplier shall indemnify, save and hold PECO harmless from and against any and all third party losses, costs, liabilities, damages and expenses (including, without limitation, attorneys' fees and expenses) incurred or suffered as a result of or in connection with the Standard Offer Supplier's material breach of this Agreement, failure to comply with any applicable laws, or intentional, negligent or willful misconduct.

**9. Other Provisions.** This Agreement represents the entire agreement between PECO and Standard Offer Supplier and no amendment of this Agreement will be valid unless in writing and signed by representatives of both parties. Each party represents that this Agreement is a legally valid and binding obligation enforceable against it in accordance with its terms, and that the execution, delivery and performance of this Agreement are within its powers and have been duly authorized by all necessary action and do not violate any terms and conditions in its governing documents, any contracts to which it is a party, and any applicable law, rule, regulation or order. Standard Offer Supplier may not assign this Agreement without PECO's consent. All notices required under this Agreement shall be provided to the parties and addresses listed directly below or to such other address as either party may designate from time to time by providing written notice to the other party. Nothing in this Agreement is intended to convey benefits, rights or remedies to any person other than Standard Offer Supplier and PECO, and no third party shall have the right to enforce the provisions of this Agreement, except that the PA PUC may enforce the provisions of this Agreement, the Program, the Supplier Tariff and any provision of the Pennsylvania Public Utility Code or PA PUC regulations applicable to this Agreement. This Agreement is not intended to create any partnership or joint venture between PECO and the Standard Offer Supplier, and neither party shall have the power to bind or obligate the other party. In the event that any provision of the Agreement shall be found to be void or unenforceable, such findings shall not be construed to render any other provision either void or unenforceable, and all other provisions shall remain in full force and effect unless the provisions which are void or unenforceable shall substantially affect the rights or obligations granted to or undertaken by either party. This Agreement shall be construed according to the laws of the Commonwealth of Pennsylvania, without regard to its conflict of laws provisions. In the

In the event that the Commission determines that a separate agreement is necessary, this indemnity provision should be reciprocal. It is entirely too broad and unilaterally in favor of PECO.

event of any conflict between this Agreement, the Program, and the Supplier Tariff, this Agreement shall be controlling.

**PECO ENERGY COMPANY**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

PECO Energy Company  
ATTN:  
2301 Market Street  
Philadelphia, PA  
Phone:  
Fax:  
E-mail: \_\_\_\_\_@peco-energy.com

**[STANDARD OFFER SUPPLIER]**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

[Company name]  
[Address]

Phone:  
Fax:  
E-mail: