

PECO Energy Company Solar RFP

Select Procurement Elements

Description	With its Request for Proposals (“RFP”), PECO Energy Company (“PECO” or “Company”) is soliciting Proposals for long-term renewable energy, capacity, and associated solar photovoltaic alternative energy credits (“SPAECs”) from new Tier I solar Alternative Energy Systems under Pennsylvania’s Alternative Energy Portfolio Standards Act, 73 P.S. §§ 1648.1 et seq. (“AEPS” or “AEPS Act”) (each, a “Project”).
Procurement Target	<p>PECO seeks to enter into PPAs for up to 25 MW (DC):</p> <ul style="list-style-type: none"> • Minimum size of each Project: 5 MW (DC). • The Company will accept Proposals for a Share (%) of larger Projects. • PECO may enter into more than one PPA with multiple counterparties.
Project Requirements	<p>All Projects must, when constructed:</p> <ul style="list-style-type: none"> • be located within the Commonwealth of Pennsylvania; • connected to the PJM grid; • able to sell energy and capacity into PJM markets; and • satisfy the requirement of Tier I solar Alternative Energy Systems under Pennsylvania’s AEPS Act. <p>All Projects must be new.</p> <ul style="list-style-type: none"> • A Project will be considered “new” if it has not commenced the delivery of electricity to any entity and its construction has not been completed as of the Proposal due date (as specified in Section III.5 of the RFP). <p>Guaranteed Initial Delivery Date:</p> <ul style="list-style-type: none"> • The Guaranteed Initial Delivery Date must be no later than May 31, 2029. • PECO has a strong preference for Projects that will achieve commercial operation (as this term is defined in the PPA) within PJM’s 2027/2028 Planning Year or earlier. • PECO will consider Proposals from Projects that will achieve commercial operation within PJM’s 2028/2029 Planning Year. <p>Project Development Plan:</p> <ul style="list-style-type: none"> • As part of the Proposal, Bidders are required to provide a Project Development Plan as outlined in Section 2 of the Proposal Form. The required information and documentation for a particular Project depend on the status of the Project within PJM’s interconnection process. <p>Bid Assurance Collateral:</p> <ul style="list-style-type: none"> • Bidders must post bid assurance collateral of \$20,000/MW in the form of cash or a pre-bid letter of credit with the Proposal. • Bid assurance collateral for Bidders that have winning Proposal(s) will be returned shortly after all contract execution formalities have been completed. Bid assurance collateral for Bidders that do not have winning Proposal(s) will be returned shortly after the Commission has issued a decision on the results of the RFP.

	<ul style="list-style-type: none"> If a portion of a larger Project, is proposed, the portion of the Project (the “Share” expressed as a percentage) should be multiplied by \$20,000/MW to determine the required amount of bid assurance collateral. <p>Required certifications:</p> <ul style="list-style-type: none"> Bidders must make the certifications and representations provided in the Pre-Qualification Form and Proposal Form. This includes accepting the terms of the Power Purchase Agreement.
Bid Price	<ul style="list-style-type: none"> A Bid is a single price in \$/MWh that will be applicable for each year of the 10-year contract term. This single price is a combined price for each MWh of energy, capacity, and the associated AEPS-compliant SPAECs for the Share (%) of the Project.
Proposal Evaluation	<ul style="list-style-type: none"> Evaluation criteria include, but are not limited to, the following: <ul style="list-style-type: none"> Bid price; Development status of the Project; Development risk, nodal risk, and other risk factors of the Project; Project Location; and Other assets or Proposal-specific benefits and risk factors.

Select PPA Terms

PPA Term	<ul style="list-style-type: none"> Ten (10) years.
Guaranteed Initial Delivery Date	<ul style="list-style-type: none"> Must be no later than May 31, 2029. Cannot change after the deadline for the Proposal Form.
Delivery Point	<ul style="list-style-type: none"> PECO_RESID_AGG Zone.
Scheduling and Delivery of Products (Sections 5.1-5.3)	<p>Delivery of Energy:</p> <ul style="list-style-type: none"> Seller is solely responsible for arranging, scheduling with PJM and other Transmitting Utilities, and delivering Energy from the Facility to be delivered to the Delivery Point. Seller is responsible for any and all costs and charges incurred and any losses between Interconnection Point and Delivery Point, and the cost of firm transmission rights. <p>Delivery of SPAECs:</p> <ul style="list-style-type: none"> Seller is required to take all actions to register, certify, and transfer SPAECs from Seller to Buyer in accordance with GATS and applicable Law, and bear all costs associated therewith, including program and registration fees. Seller must comply with the AEPS Act in connection with Seller’s transfer of SPAECs to Buyer. <p>Transfer of Auction Specific Unforced Capacity:</p> <ul style="list-style-type: none"> Seller is required to initiate Auction Specific MW Transactions (as such term is defined in the PJM Agreements) in Capacity Exchange following completion of the RPM Auction to which the transaction applies.

<p>Performance Assurance (Article 10 and Exhibit G)</p>	<ul style="list-style-type: none"> • Performance Assurance may be required. The amount will be based on 20% of the Total Notional Value of the Agreement and is subject to a minimum. • If the Seller is rated at or above Investment Grade, as defined in the PPA, Seller has no requirement to provide Performance Assurance. If Seller relies on a Guarantor that is rated at or above Investment Grade, then Seller's Guarantor may post a Guaranty in which case Seller has no requirement to provide additional Performance Assurance. • Acceptable methods for posting Performance Assurance, if required, include cash, letter of credit, or guaranty. Exhibit E to the PPA provides the Form of Guaranty Agreement. A sample letter of credit is provided as Exhibit F to the PPA.
<p>Availability Requirement (Exhibit C)</p>	<ul style="list-style-type: none"> • Seller shall maintain an Availability Percentage greater than or equal to 90% for each two-year period under the PPA. • Information to calculate the Availability Percentage and Availability Damages is provided in Exhibit C of the PPA.

* This term sheet is prepared to give a brief overview of the RFP and PPA solely for the convenience of Bidders. Should there be any conflict between this term sheet and the PPA, the terms and conditions of the PPA shall govern. Should there be any conflict between this term sheet and the RFP, the terms and conditions of the RFP shall govern.