

PECO Energy Company
SOLAR POWER PURCHASE AGREEMENT
Request for Proposals

Issued April 1, 2025

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SELECTED DEFINITIONS

Bidder	Entity that presents a response to the RFP.
EPC contract	The engineering, procurement, and construction contract for the new Project.
Evaluation Period	The period of time between the Proposal due date [to be specified] and the selection of the Winning Proposal(s).
Independent Evaluator (“IE”)	NERA Economic Consulting (“NERA”)
New	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 this RFP.
PA PUC	Pennsylvania Public Utility Commission (also “Commission”).
Planned in-service date	Expected date for the start of “Facility Commercial Operation”, as defined in the PPA.
PPA	A Power Purchase Agreement for the purchase of the solar energy output, capacity and the associated solar photovoltaic alternative energy credits that comply with Pennsylvania’s Alternative Energy Portfolio Standards Act.
Project	A new Utility-Scale Solar project located in the Commonwealth of Pennsylvania, interconnected to PJM, able to sell energy and capacity into PJM markets, and satisfying the requirement of 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”).
Proposal	A response to this RFP for a given Project, containing a bid price and all other required information as specified in Section V of this primary solicitation document.
RFP	Request for Proposal.
Utility-Scale Solar Project	A solar facility that is connected to the PJM grid (i.e., not behind the meter) and that has ICAP capacity of at least 5 MW. Aggregations of smaller solar facilities do not satisfy this definition.
Winning Proposal	A Proposal that has been selected by the Company and the IE, for which the bid price has been approved the PA PUC, and that has resulted in the successful execution of a PPA.

I. INTRODUCTION

- I.1. With this Request for Proposals (“RFP” or “Solar 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”).¹ The Company intends to use the procured energy, capacity, and SPAECs to satisfy its obligations under the Electricity Generation Customer Choice and Competition Act² and AEPS Act, and seeks to enter into fixed-price agreements with successful Sellers. This document describes the process by which Projects may qualify and Bidders may participate in the RFP.
- I.2. The up-to-date schedule for the RFP process is provided on the RFP website (<https://peco-solarrrfp.com>).
- I.3. The Company is an electric distribution company (“EDC”) under Pennsylvania law and provides electric delivery service to over 1.7 million retail customers in the Commonwealth of Pennsylvania. The Company’s electric delivery service territory falls entirely within the area served by PJM Interconnection, LLC (“PJM”).
- I.4. The Pennsylvania Public Utility Commission (“PA PUC”) has approved the procedures described in this RFP and the terms of the Power Purchase Agreement (“PPA”) for PECO Energy Company in a decision dated February 3, 2025, 2025 under Docket No. P-2024-3046008. Potential Bidders are strongly urged to review both the RFP and the PPA (Appendix 1) and to consult with counsel with respect to requirements and obligations under this RFP and the PPA.

¹ All capitalized terms not expressly defined herein are defined in the Form of Power Purchase Agreement (Appendix 1).

² 66 Pa. C.S. 2801 et seq.

- I.5. You are invited to submit a written proposal in accordance with the requirements described in this RFP. The Company has retained NERA Economic Consulting (“NERA”) to manage the RFP process on its behalf for the purpose of soliciting bids to enter into a PPA. All Bidders with Projects that will meet the pre-qualification requirements set forth in Section III are invited to submit a Proposal or Proposals pursuant to the RFP process. All materials must meet the general requirements set forth in Section IV (“RFP General Requirements”).
- I.6. NERA will serve as an Independent Evaluator to monitor and oversee the evaluation of all Proposals. NERA will administer this process through the RFP website (see Section III.2) on the Company’s behalf in accordance with this RFP. Responses to this RFP will be accepted via email at the RFP submission email address (PECO-SolarRFP@nera.com) or via an online application form. Additional instructions for submission of the response to this RFP will be provided to Bidders.
- I.7. This RFP may be updated to reflect additional decisions by the Commission, relevant changes in law or PJM requirements, or non-material modifications to the processing of Proposals expected to improve potential participation by Bidders. Additionally, the Independent Evaluator and the Company may amend the RFP if necessary to correct typographical errors, cure inconsistencies in the provisions of this RFP, or clarify the intent of the provisions of this RFP.

II. PURPOSE, DESIRED PRODUCT, AND GENERAL PRICING GUIDELINES

II.1. Purpose

The purpose of this RFP is to solicit offers from new solar generating facilities located within Pennsylvania and interconnected to PJM. The Company intends to enter into a PPA with the winning Supplier(s) in this RFP with a term of 10 years. The Company anticipates contracting for up to 25 MW (DC) of total capacity across all Projects designated as winners of this RFP, with a minimum project size of 5 MW (DC). To qualify, the Project must be physically located in the Commonwealth of Pennsylvania and qualify as a PJM capacity resource.

II.2. Desired Product

The Company will consider Proposals to enter into a 10-year PPA contract with new physical solar Projects. The Company 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. The Company will consider Proposals from Projects with Guaranteed Initial Delivery Dates within PJM's 2028/2029 Planning Year, but no projects with Guaranteed Initial Delivery Dates after the 2028/2029 Planning Year will be considered.

The Company is seeking to enter into PPAs for up to 25 MW (DC). To reach this target, the Company may enter into more than one PPA with multiple counterparties; the minimum size of each Project is 5 MW (DC).

All responses to this RFP (each, a "Proposal") must be consistent with the general and content requirements specified in Sections IV and V.

The Company has a preference for resources located within its service territory. A map with the approximate boundary of the Company's service territory is provided at the end of this primary solicitation document. However, the Company will consider Proposals for Projects not located in the Company's service territory as long as the physical location of those Projects is in the Commonwealth of Pennsylvania and that those Projects are interconnected to PJM. Any Proposal for a Project not located within Pennsylvania or with a point of interconnection other than PJM will be disqualified from consideration.

Projects must be Utility-Scale Solar projects that can offer energy and capacity into the PJM markets and accrue AEPS-compliant SPAECs. All Projects must be new. The Company will not accept "virtual" bids.

While the Company may designate multiple Proposals and Projects as winners of this RFP, each individual Proposal submitted must be supported by a single, new, physical resource (the "Project") that meets the requirements of this RFP. The Company will accept Proposals for a share of larger

Projects. Any Proposal supported by a Project not meeting the basic qualification requirements will be disqualified from consideration.

Through the PPA, the Company will purchase the specified portion (“Share”) of the Project’s SPAECs, renewable energy output (MWh), and capacity. In reviewing Proposals, the Company will not assign value to any output from the Project other than SPAECs, energy, and capacity. Such other output must not be included in the Proposal. Owners will retain rights to such other Project output, including ancillary services. Owners will be free to market such output or consume such output for their own internal needs. The Company expects and anticipates that Proposal pricing will reflect the ability of the owner of the Project to market such attributes outside of any PPA.

II.3. General Pricing Guidelines

Each Bidder must propose for a Project a single price in \$/MWh that will be applicable for each year of the 10-year contract term using a Microsoft Excel spreadsheet provided by the Independent Evaluator (see Appendix 4 for an illustrative example). This single price is a combined price for each MWh of energy, capacity, and the associated AEPS-compliant SPAECs.

At this time, the Company will not consider solar tolling arrangements or pricing structures other than those that specify a single price in \$/MWh for the energy, capacity and the associated SPAECs. Any Proposal pricing not denominated in this fashion may be disqualified from consideration, or NERA may request an update to the Proposal pricing structure.

III. INFORMATION, SCHEDULE, AND GUIDELINES FOR SUBMITTING THE PRE-QUALIFICATION APPLICATION AND PROPOSAL FORM

III.1. Information Provided to Interested Parties

This primary solicitation document and all of its appendices and forms (together the “RFP”), are posted on the RFP website (<https://peco-solarrfp.com>). Interested parties can download the RFP

with its required forms and complete the forms in Microsoft Word, Adobe Acrobat, and/or Excel format.

III.2. Information on the RFP Website

The information on the RFP website maintained by NERA will include the following:

- (a) This RFP
- (b) Form of PPA (Appendix 1) and Term Sheet
- (c) Illustrative Pre-Qualification Application (Appendix 2)
- (d) Illustrative Proposal Form (Appendix 3)
- (e) Illustrative Bid Form (Appendix 4)
- (f) Frequently Asked Questions (“FAQs”) about this RFP
- (g) Updates on this RFP process and other relevant information

III.3. General Guidelines for Submitting the Pre-Qualification Application and Proposal

By the specified due date, a Bidder shall submit a properly completed Pre-Qualification Application form by email to the RFP submission email address (PECO-SolarRFP@nera.com) or through the online form. Additional instructions for submission of the Pre-Qualification Application will be provided to Bidders.

Pre-Qualification Applications that are non-conforming, incomplete, or that are mailed or hand-delivered may be deemed ineligible and may be excluded from further consideration.

Parties that are interested in submitting a Proposal shall submit the Pre-Qualification Application (Appendix 2) by the Pre-Qualification Due Date. Any Proposal received for a Project that has not been pre-qualified will be deemed ineligible and will be excluded from further consideration.

A Bidder may submit a Proposal for a Project that has been pre-qualified. The Proposal consists of materials required in the Proposal Form (Appendix 3), based on content from Section V of the RFP, and the Bid (see Appendix 4). All of the materials required in the Proposal Form and the Bid are due

by the Proposal Due Date. Bids will only be evaluated once all Proposals are complete or until the deadline for completion of the Proposals has passed.

Please note that the Independent Evaluator (i.e., NERA) will always confirm receipt of materials for the Pre-Qualification Application or for the Proposal. Bidders that do not receive a receipt confirmation should contact the Independent Evaluator.

By submitting a Proposal in response to this RFP, a Bidder certifies that it has not disclosed information relating to the Proposal for the Project publicly or to any other party before the PA PUC has rendered its decision on the results of this RFP. A Bidder further certifies that it has not made any material omission or misrepresentation in its Pre-Qualification Application or its Proposal. A Bidder also certifies that it has not colluded whatsoever with any other party believed to be an actual or prospective Bidder in this RFP.

III.4. Clarification of Proposals

While evaluating Proposals, NERA may request additional information about any item in the Proposal. All requests will be made in writing, and the Bidder will be required to respond to the request by the deadline provided with such request or NERA may choose to stop evaluating the Bidder's Proposal.

III.5. Schedule

The following schedule and deadlines apply to this RFP. The Company reserves the right to extend or otherwise modify any portion of this schedule at any time or terminate the RFP process at its sole discretion.

"EPT" or Eastern Prevailing Time means Eastern Standard Time or Eastern Daylight Savings Time, whichever is in effect in Philadelphia, Pennsylvania on any date specified.

All Proposal Forms and Bid Forms are due by 12:00 p.m. EPT on the Proposal Due Date (see below). Proposals received after the specified date and time may be disqualified from further evaluation. A

provisional schedule is provided below for convenience. Bidders should consult the RFP website for up-to-date information.

Table 1. PROVISIONAL SCHEDULE

Event	Date
Pre-Qualification Application Due Date	12:00 p.m. EPT, July 9, 2025
Notification of Pre-Qualification Date	6:00 p.m. EPT, July 25, 2025
Proposal Due Date	12:00 p.m. EPT, August 6, 2025
Deadline to Complete Proposal/Bids Opened Date	12:00 p.m. EPT, August 20, 2025
PA PUC decision on RFP Results and PPA Execution (expected)	No later than September 15, 2025

III.6. Questions

All questions regarding this RFP should be submitted to the RFP submission email address. All relevant questions and answers will be posted to the RFP website and made available to all registered process participants. Other than questions and answers submitted to the RFP submission email address and posted on the RFP website, no other individual or bidder-specific explanations or interpretations of this RFP will be given. The Bidder should check the RFP website periodically for updates and postings.

In the event that a given Bidder has a question or seeks clarification or explanation of any data or information provided in this RFP, such Bidder is responsible for obtaining the desired information by submitting a written question to the RFP submission email address. A Bidder may submit written questions to the Independent Evaluator at any time during the RFP process.

Any and all communications regarding this RFP will be submitted through the RFP submission email address, posted on the RFP website, or communicated through a public bidder information session.

Under no circumstances should any party associated with a Proposal attempt to contact employees of the Company directly with any matters related to this RFP.

IV. RFP GENERAL REQUIREMENTS

Materials that do not meet the following criteria may be deemed ineligible and may be excluded from further consideration.

IV.1. Pre-Qualification

To be eligible to submit a Proposal for a Project, Bidders must submit a Pre-Qualification Application for that Project. No substitution of Projects is allowed once the pre-qualification has closed.

To pre-qualify a Project, Bidders must:

- (a) Submit a completed Pre-Qualification Application (Appendix 2) via the online application form that includes that Project by the Pre-Qualification Application Due Date; and
- (b) Receive confirmation from NERA that the Project is pre-qualified and that the Bidder may submit a Proposal for that Project.

Any Proposals received for a Project that has not been pre-qualified will be deemed ineligible and will be excluded from further consideration.

In order for a Bid for a Project to be evaluated, Bidders must:

- (c) Submit a completed Proposal Form (Appendix 3) and completed Bid Form (see Appendix 4) via the online application form that includes that Project by the Proposal Due Date; and
- (d) Receive confirmation from NERA that the Proposal Form is complete and that the Bid for that Project will be evaluated.

IV.2. Project Parameters

All Proposals must be supported by a new Project. Each Project supporting a PPA with the Company under a Proposal must, when constructed:

- (a) be located within the Commonwealth of Pennsylvania;
- (b) be a solar-powered resource;

(c) be Utility Scale and interconnected to PJM; and

(d) qualify for SPAECs under the AEPS Act and be able to sell its power and capacity into PJM markets.

IV.3. Proposal Quantities

Through this RFP, the Company seeks up to 25 MW of DC solar capacity, with a minimum project size of 5 MW. The Company will accept Shares of larger Projects.

IV.4. Valid Proposal Duration

Proposals, including pricing, must remain valid for up to three (3) months following the Proposal due date, upon which time Proposals shall expire unless the Bidder has been notified that its Proposal has been selected. If any information provided in the Proposal changes or fails to remain valid during this time, it is the sole responsibility of the Bidder to notify the IE.

V. Proposal Content Requirements

This section describes the Company's expectations and requirements for the content of Proposals. The requirements for the content of Proposals may include any or all of, and is not limited to, the following criteria and will be finalized with the posting of this RFP. The final criteria required are provided in the Proposal Form (Appendix 3). Proposals that do not meet the required criteria in the Proposal Form will be deemed ineligible and will be excluded from further consideration. The Company expects Bidders to provide any information that could impact the Seller's ability to enter into a PPA with the Company. If it appears that certain information is inadvertently omitted from a Proposal, NERA may contact the Bidder to obtain the information.

All Proposals must include a table of contents and provide concise and complete information on the following topics:

V.1. Standard RFP Response Form

Bidders shall provide a completed Appendix 3 (Proposal Form). Please note that, at this time, Appendix 3 is illustrative and may not capture all of the information required to be provided in response to this RFP. NERA may add additional information to assist in the evaluation of Proposals.

V.2. Executive Summary

Bidders may provide an executive summary of the Proposal's characteristics, including any unique aspects and benefits.

V.3. Name and Location

Bidders shall state the name of the Project, the county and EDC service territory where the Project is located, the owner of the Project, the PJM commercial pricing node associated with the Project, and the planned in-service date for the Project. The planned in-service date may be different from the Guaranteed Initial Delivery Date. The location must be in the Commonwealth of Pennsylvania and the Project must be interconnected to PJM.

V.4. Net Capability of Project

Bidders shall state the "Net Capability" of the Project that would be applicable for each month of a calendar year as well as the nameplate capacity of the Project. The Net Capability of the Project is the same as the nameplate capacity if the Bidder is offering the entirety of the Project. If a Bidder is offering a portion of a larger Project, the Bidder shall state the Share (stated as a percentage) of the Project being offered and the Net Capability is then the nameplate capacity times the Share. The Net Capability is the Buyer's Percentage (MW) under the PPA.

V.5. Guaranteed Initial Delivery Date

Bidders shall provide the Guaranteed Initial Delivery Date for the Project. The Guaranteed Initial Delivery Date must be no later than May 31, 2029. The planned in-service date may be different from

the Guaranteed Initial Delivery Date. The Guaranteed Initial Delivery Date provided in the Proposal will be an input to the PPA and cannot change after the deadline for the Proposal. Any change after that point would be a material misrepresentation in the Proposal.

V.6. Generation Technology

Bidders shall describe the generation technology of the Project, including the make of the key equipment.

V.7. PJM Capacity

Bidders shall provide the projected installed capacity (or nameplate).

V.8. Anticipated Project Output

Bidders shall provide expected (p50 and p90) capacity factors and the expected monthly output in MWh of the Project for the first five (5) years of operation.

V.9. Counterparty Financial Information

Bidders shall submit available audited or unaudited financial statements, including balance sheets, income statements, cash flow statements and credit ratings for the Seller for a Project. A Project with a Seller that is not rated or that does not have the requested financial information available may qualify to participate, but such a Seller will be required to post Performance Assurance if the proposed Project is selected.

V.10. Other Contractual Commitments

Bidders shall be able to state that there are no other contractual commitments limiting or affecting the the Company's rights to the Project's output for the Share specified.

V.11. **Project Development Plan**

All Proposals must have a well-defined and credible development plan to complete the development, construction, and commissioning of the Project consistent with the proposed development timeline.

If available, Bidders shall submit a copy of:

- (1) An interconnection request to PJM, the date at which such request was submitted, and the Queue/OASIS ID from PJM;
- (2) The most recent System Impact Study; and
- (3) An executed Generation Interconnection Agreement.³

If a Bidder cannot provide this information, the Bidder must provide the information required by the Proposal Form to establish its ability to complete key development milestone requirements prior to June 1, 2029, including the above-referenced items for the PJM generation interconnection queue.

Bidders shall also detail their position in the PJM generation interconnection queue, if any. Bidders shall also submit a copy of a fully executed EPC contract if required.

Bidders may be asked to provide any or all of the following to clarify the project development plan:

1. The roles and responsibilities of the companies involved in the design, development, procurement, and construction of the Project. Information about key contributors shall extend to the status of the contractual relationship with each key contributor; key contractual assurances; guarantees; warranties, or commitments supporting the Proposal, including an executed EPC contract; and any past experience key contributors have working with each other in the development of similar generation facilities;

³ These requirements may be updated as PJM continues its transition to a more efficient and timely process for handling interconnection requests.

2. A description of the status of major equipment procurement, as well as processes for engineering, procurement, and construction bids and awards;
3. A description of the Project site and the Bidder's or Seller's rights (i.e., whether owned, leased, or under option) to such site. Please indicate whether additional land rights, not held by the Bidder or Seller at the time of the submission of the Proposal, are necessary for the development, construction, and/or operation of the Project;
4. A discussion of the development schedule and associated risks and risk- mitigation plans for that schedule, including whether there are contract commitments from contractors supporting the proposed schedule. The Bidder should be prepared to document and commit to a proposed development schedule, which should include a planned in-service date;
5. A discussion of the financing arrangements secured by the Bidder or Seller, including an overview of the sources of funds, and level of commitment from debt, equity, or other investors;
6. A discussion of permitting, including a list of all required permits, permitting status of each, and key risks to securing necessary future permit approvals;
7. A description of the Project's status in PJM's generation interconnection queue process and presentation of documents described above; and
8. Financial information regarding guarantors and sources of equity funding along with either the Seller's or Seller's guarantors' senior unsecured debt and/or corporate issuer ratings documentation from Moody's Investors Service ("Moody's") and S&P Global Ratings ("S&P") showing the name of the rating agency, the type of rating, and the rating of the Seller or guarantor.

The Company will not assume any responsibility for the successful development, construction, interconnection, and/or completion of a proposed Project. Accordingly, development schedule, budget, permits, and approval risk will be the sole responsibility of the Seller.

V.12. Power Purchase Agreement

Sellers of selected Projects must be able to meet all requirements of the PPA provided in Appendix 1 of this RFP. Bidders will be required to demonstrate in their Proposals that the Sellers for their Projects can meet all specified terms of the PPA and that these Sellers take no exception to the PPA terms. Failure to do so will result in exclusion from further consideration of Proposals for Projects from such Sellers.

V.13. Asset Performance

To the extent not already addressed elsewhere in the Proposal, for all contractual structures, Bidders should specify the “guarantees” associated with their Proposal. Examples of such guarantees include mechanical availability, anticipated production under given conditions, etc.

Bidders shall clearly articulate expected performance metrics which may include performance guarantees and metrics, among others.

V.14. Permits

Projects must have all relevant environmental and other permits necessary for their operation and maintenance when operations commence. To the extent not already addressed elsewhere in the Proposal, Bidders shall provide a description of all permits required for the operation and maintenance of the Project. Bidders should also indicate the status of each permit, including, but not limited to, whether the permit has been obtained, when it will be obtained if it has not yet, and the eventual need to renew such permits, as well as the likelihood of renewal.

V.15. PPA Pricing

Bidders shall submit a bid price (“Bid”) associated with a Project using an Microsoft Excel spreadsheet provided by the Independent Evaluator (see Appendix 4). The Company will only accept a fixed pricing structure denominated in \$/MWh for energy, capacity and associated AEPS-compliant SPAECs. The evaluation of the Proposals will be based on the Proposal Evaluation Criteria and Evaluation Process explained in Section VII.2 of this RFP.

V.16. Bid Assurance Collateral

Bidders will be required to post bid assurance collateral in an amount of \$20,000/MW in the form of cash or a pre-bid letter of credit. If a portion of a larger Project is proposed, the portion of the Project should be multiplied by \$20,000/MW for purposes of determining the required amount of bid assurance collateral. 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. Additional information for the posting and return of bid assurance collateral will be provided with the posting of this RFP.

A standard form of a pre-bid letter of credit acceptable to the Company will be posted to the RFP website. A Bidder that chooses to post bid assurance collateral in the form of a pre-bid letter of credit must use this standard form or incorporate only modifications pre-approved by the Company and posted to the RFP website. A preliminary list of acceptable modifications will be posted. Bidders will have the opportunity to propose additional modifications and a final list will be made available on the RFP website. A Bidder may use any of the approved modifications, regardless of whether the Bidder itself or another Bidder proposed the modification.

Bidders that post bid assurance collateral in the form of cash and have one or more winning Proposals under this RFP may use the cash towards any required collateral under the PPA.

The Company can draw on the bid assurance collateral if: (i) the Bidder or a Seller has made a material omission or misrepresentation in its Pre-Qualification Application or its Proposal; (ii) the Bidder or a Seller discloses information relating to its Proposal publicly or to any other party before the Commission has rendered its decision on the results of the RFP; or (iii) the Bidder has a winning Proposal with a bid price approved by the Commission and the Seller for the Project fails to execute the PPA or fails to meet the creditworthiness requirements within the timeframe required.

V.17. Land Use and Other Environmental Considerations

Bidders are asked to provide a description of identified environmental liabilities, if any, (e.g., potential site remediation requirements, pending future regulatory requirements, etc.) for the Project site. If the Bidder identifies any such environmental liabilities, the Bidder must be able to confirm that it has taken such liabilities into consideration in setting its planned in-service date.

V.18. Community

Bidders are encouraged to highlight their impact on the community and, in particular, communities served by the Company.

Bidders may note if the Project is located within one of Pennsylvania's HUBZones, which the Small Business Administration defines as historically underutilized business zones where at least 35% of employees reside within the HUBZone.⁴

V.19. Characteristics of Key Contributors: Supplier Diversity

Bidders should identify any key contributor to the Project that qualifies as a diverse or preferred supplier, such as a certified women-owned business, a minority-owned business and/or other business with recognized diversity classifications. The Independent Evaluator will post on the RFP website the information required for this section such as the type of documentation that may be submitted if necessary.

VI. MINIMUM BID ELIGIBILITY REQUIREMENTS

This section outlines the minimum requirements that all Proposals must meet to be eligible to participate in this RFP. Proposals unable to meet the following criteria will be deemed ineligible and will be excluded from further evaluation.

- Projects must be pre-qualified in accordance with Section IV of this RFP.

⁴ See <https://www.sba.gov/federal-contracting/contracting-assistance-programs/hubzone-program> for details.

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- Proposals must include all content requirements when available as described in Section V of this RFP, including all requested information and completed forms.

VII. BID EVALUATION AND POST-EVALUATION PROCESS

VII.1. Initial Proposal Review

After the Proposal due date, NERA will review all responses for completeness, responsiveness, and compliance with the minimum bid eligibility requirements specified in Section VI of this RFP. Screening will be conducted at this stage to identify any flaws associated with the materials submitted in the Proposal Form that would make it unacceptable. As a result of this screening, NERA may either exclude a Proposals from further consideration or contact the Bidder to clarify its Proposal Form materials or request additional information. NERA will make such requests in writing via email, and Bidders will be required to respond to the request within the deadline specified with the request, or NERA may choose to stop evaluating a Bidder's Proposal (see Section III).

The Bidder may revise its Bid Form until the Independent Evaluator has provided notice to Bidders of the evaluation of their Proposals by 12:00 p.m. EPT on the Deadline to Complete Proposal/Bids Opened Date. At that point, Bids for Projects for which a complete and compliant Proposal was submitted are evaluated and the Bidder may no longer revise its Bid. NERA will review the Bid Form for completeness and compliance with the RFP and Bidders will be given a period of time to cure any deficiencies related to the Bid Form. NERA will not accept updated pricing from Bidders after the cure period on the Deadline to Complete Proposal/Bids Opened Date unless such information is requested by NERA.

VII.2. Proposal Evaluation Criteria and Evaluation Process

Proposals that meet the requirements in Section VI of this RFP will be evaluated consistent with the evaluation criteria set forth in this RFP. Points will be awarded and deducted based on any or all of, and not limited to, the following:

1. The bid price;
2. Development status of the Project;

3. Development risk, nodal risk, and other risk factors of the Project;
4. Project Location; and
5. Other assets or Proposal-specific benefits and risk factors.

Prior to the evaluation of results, the Company, with input from NERA, may set a confidential reservation price in order to protect against the risk of getting locked into a high-priced, long-term contract. That reservation price will be based on NERA's analysis of expected market prices. The reservation price will not be communicated to Bidders.

The Company anticipates contracting with the Projects that, in total, best meet the Company's needs and those of its customers. Proposals will be ranked based on the stated evaluation criteria, and Projects will be selected based on the Company's needs. Consistent with that objective, the Company may need to contract with multiple Projects. Additional information on selection and evaluation may be provided on the RFP website.

During the Evaluation Period, the Company and/or NERA may choose to initiate discussions with one or more Bidders. In that event, NERA will be the sole conduit of information between a Bidder and the Company. Discussions with a Bidder shall in no way be construed as the commencement of contract negotiations.

VII.3. Selection of Winning Projects and PA PUC Approval

Upon completion of the evaluation of Proposals, NERA shall prepare a confidential report on the RFP results in consultation with the Company, summarizing the Pre-Qualification process and the Proposals and identifying the successful and unsuccessful Bidders and Proposals. The report shall then be submitted to the PA PUC on a confidential basis. The PA PUC will have ten (10) calendar days to review the NERA report and render a decision on the bid prices submitted by successful Bidders. If the results are approved, NERA shall notify all Bidders of the PA PUC's decision and the results of the RFP. The Company will not sign a PPA for a Project if the PA PUC does not accept the bid price for that Project.

VII.4. Execution of PPA

Upon approval of the results by the PA PUC and subject to all provisions of this RFP (including Section IX), the Company shall prepare two (2) copies of a PPA with information from the successful Bidder's Proposal inserted and transmit those copies to the applicable Seller within two (2) business days of notification by the Company. Seller shall execute and return each PPA to the Company with any collateral as required under the PPA within seven (7) business days.

VII.5. Information Release

If the PA PUC approves the results, the Independent Evaluator will publish the winning bid price (\$/MWh) and capacity (MW) of the executed PPA (or if more than one PPA is executed, the capacity of all PPAs (MW) and the weighted average winning bid price (\$/MWh)). This information release will take place within fifteen (15) days of the approval of the results.

VIII. CREDITWORTHINESS AND PERFORMANCE ASSURANCE

Sellers from successful Proposals may be required to post Performance Assurance at the time of execution of a PPA. The Company and NERA will evaluate the creditworthiness and related collateral posting requirements for each Seller included in a Proposal in accordance with a uniform and consistent application of the Company's risk management practices and standards. This evaluation is expected to occur as part of NERA's evaluation of the Proposal.

Credit Requirements are as follows:

Sellers that have a minimum investment grade credit rating shall be deemed to have met the creditworthiness standard and shall not be required to post Performance Assurance. A minimum investment grade credit rating is defined as the most recently published unsecured senior long-term debt rating (or corporate issuer rating if unsecured long-term debt rating is not available) of **BBB-**

from S&P, **BBB-** from Fitch Ratings (“Fitch”), or **Baa3** from Moody’s, respectively. If the Seller is rated by more than one agency and the ratings differ, the lowest rating will be used.

- If a Seller is either not rated by the aforementioned public rating agencies or has ratings below investment grade (as defined above), the creditworthiness standard may be met with cash, a letter of credit, or by issuing a corporate guaranty from an acceptable credit support provider that satisfies the above minimum investment grade standard. Any letter of credit must be in a form acceptable to the Company. Exhibit F to the PPA provides a Letter of Credit form that is acceptable to the Company.
- The Company’s acceptance of a corporate guaranty shall be subject to a satisfactory review of the credit support provider that is issuing the guaranty. In addition, the guaranty shall be in a form acceptable to the Company. Exhibit E to the PPA provides a Form of Guaranty Agreement that is acceptable to the Company.

Any Seller that does not meet the above creditworthiness requirements or provide an acceptable guaranty shall have the corresponding obligation to provide Performance Assurance. Performance Assurance will be equal to 20% of the Total Notional Value of the PPA, as specified in Exhibit G of the PPA (Appendix 1). The amount of required Performance Assurance will decline annually during commercial operation and is subject to a minimum.

IX. RESERVATION OF RIGHTS

The Company reserves the right, without qualification, to reject any or all Proposals. There is no assurance, expressed or implied, that any PPA will be executed pursuant to this RFP. The Company may terminate discussions that may have been initiated with any Bidder or Seller at any time without liability.

Sellers and Bidders are advised that any PPA executed by the Company and any selected Seller may not be an exclusive contract. In submitting a Proposal, Bidders will be deemed to have acknowledged

that the Company may contract with others for the same or similar deliverables or may otherwise obtain the same or similar deliverables by other means and on different terms.

The Company also reserves the right to evaluate all Proposals received in any manner it elects to employ, to solicit additional Proposals if deemed necessary to do so, and to submit additional information requests to Bidders during the Evaluation Period.

This RFP shall not, by itself, give any right to any party for any claim against the Company. Furthermore, by submitting a Proposal, Bidders and Sellers shall be deemed to have acknowledged that the Company assumes no liability in any fashion with respect to this RFP or any matters related thereto. By submission of a Proposal, Bidders and Sellers, for themselves as well as for their successors and assignees (if any), agree that, Bidders and Sellers are solely responsible for all claims; demands; accounts; damages; costs; losses; and expenses in law or equity, known or unknown, foreseen or unforeseeable; arising from or out of this RFP.

The Company shall not reimburse Bidders and Bidders are responsible for any cost(s) incurred in the preparation or submission of a Proposal, in discussions, and/or any other activity contemplated by the Proposal submitted in connection with this RFP.

X. CONFIDENTIALITY OF INFORMATION

All Proposals submitted in response to this RFP become the property of the Company upon submittal. Any information provided by a Bidder in its Pre-Qualification Application and Proposal is provided on a confidential basis. The Company will take reasonable precautions and use reasonable efforts to protect any proprietary or confidential information contained in a Proposal. However, Bidders and Sellers acknowledge that the Company may be required to make such proprietary and/or confidential information available to NERA, the PA PUC, PA PUC Staff, court or other governmental agencies having jurisdiction over the services and products related to this RFP. In making such disclosure, the Company will use reasonable efforts by, among other things, limiting disclosure to generic information (e.g., number of responsive Proposals and range of prices, and energy, capacity

and SPAEC quantities) and refraining from disclosing the identity of any Bidder or Seller, or from providing any information specific to a Bidder or a Seller, as long as such information otherwise continues to be confidential. The Company will not be required to appeal or challenge any determination by the PA PUC, a court, or other governmental entity on the confidentiality or proprietary status of any information provided pursuant to this RFP. Each representative of the Independent Evaluator and PECO that has access to any portion of the Proposals is required to sign a Confidentiality Statement prior to evaluation of any portion of the Proposals. The list of all signatories is available to a Bidder upon request.

XI. REGULATORY APPROVALS

Seller agrees to cooperate, to the fullest extent necessary, to obtain any and all state, federal, or other regulatory approvals the Company deems to be required for the effectiveness of the PPA.

XII. ADDITIONAL INFORMATION

The map below indicates the approximate boundaries of the Company's footprint.

