

PPL Electric Utilities Corporation

**Default Service Long-Term Block Supply
Request for Proposals (RFP) Process and Rules**

September 8, 2025

DEFAULT SERVICE LONG-TERM BLOCK SUPPLY RFP PROCESS AND RULES

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ARTICLE 1 INTRODUCTION

1.1 Overview

- 1.1.1 Capitalized terms in this document, which are not defined explicitly herein, are defined in the PPL Electric Utilities Corporation Default Service Long-Term Block Supplier Master Agreement (“LTB SMA”) incorporated hereto as Appendix 1.
- 1.1.2 PPL Electric Utilities Corporation (“Company” or “PPL Electric”) has proposed a competitive bidding process to obtain electric supply sufficient for the Company to meet its default service obligations, pursuant to Chapter 28 of the Pennsylvania Public Utility Code, 66 Pa. C. S. §§ 2801-2812, and Pennsylvania Public Utility Commission (“PUC” or “Commission”) Orders and Regulations. This Request for Proposals (“RFP”) is being issued to select electricity suppliers for block supply, which contributes to Residential default service supply beginning on June 1, 2026.
- 1.1.3 PPL Electric is issuing this RFP to procure electricity service under the terms described in the LTB SMA. Specifically, an electricity supplier selected through this RFP (“Long-Term Block Supplier” or “LTB Supplier”) will supply PPL Electric with Block Service, as these terms are defined in the LTB SMA, in the form of LTB Product. Being selected as a LTB Supplier is subject to the approval by the Pennsylvania Public Utility Commission (“PUC” or “Commission”).
- 1.1.4 A “LTB Product” is a fixed MW block of around-the-clock electricity service, for a given time period (“Delivery Period”), which includes all necessary energy, transmission (excluding Non-market-based Transmission Services as defined in the LTB SMA), transmission losses, congestion management costs, and such other services or products (but excluding capacity, ancillary services, and Alternative Energy Credits (“AECs”) to meet Pennsylvania’s Alternative Energy Portfolio Standards Act) that are required with that block supply. For purposes of this RFP, the quantity of LTB Product to be procured will be expressed in tranches where each tranche is 50 MW of the LTB Product.
- 1.1.5 LTB Product must be provided under the terms of the LTB SMA, in which supply is provided at a single specified firm price (in \$/MWh) for delivery of Block Service to the Delivery Point as defined in the LTB SMA. The single specified firm price will be the LTB Supplier’s winning price for tranche(s) that the LTB Supplier has been awarded. PPL Electric’s Residential Customer Group’s retail rates for default service supply will incorporate the prices of the LTB Product.
- 1.1.6 PPL Electric seeks to procure LTB Product under contracts for a 10-year term through a solicitation held in October 2025. The Delivery Period for LTB Product begins at 12:00:00 a.m. Eastern Prevailing Time (“EPT”) of that product’s commencement date and ends at 11:59:59 p.m. EPT of that product’s expiration date. PPL Electric seeks to procure three (3) tranches of the LTB Product corresponding to 150 MW of Block Service for the period

of June 1, 2026 through May 31, 2036. The following table shows available tranches, amounts (in MW), the commencement and expiration dates for the Ten-Year LTB Product.

10-Year LTB Product				
Solicitation #	Available Tranches	Amount (MW)	Commencement Date and Time	Expiration Date and Time
1	3	150	12:00:00 a.m. EPT, June 1, 2026	11:59:59 p.m. EPT, May 31, 2036

- 1.1.7 Any prospective supplier, including any PPL Electric generation supply affiliate, that can meet the Bidder Qualification requirements established in Article 4, and is willing to provide prices at which it will supply LTB Product, may respond to this RFP.
- 1.1.8 Any prospective respondent to this RFP must meet the Bidder Qualification requirements provided in Article 4, and submit a Bid Proposal as described in Articles 5 and 6. The Bidder Qualification requirements generally require the prospective RFP Bidder to provide certain evidence of being a recognized electricity supplier and, if applicable, to submit documents establishing the RFP Bidder’s credit. A Bid Proposal must include the RFP Bidder’s Bid(s), and must be accompanied by the executed LTB SMA and sufficient Bid Assurance Collateral. A Bid is a price, in U.S. Dollars per megawatt-hour (“MWh”) for the product’s Delivery Period, at which the RFP Bidder is willing to serve a number of tranches.
- 1.1.9 All elements of this RFP will be carried out pursuant to the RFP Schedule developed pursuant to Section 2.2. In general, under this RFP, there will be a pre-specified time period prior to the submission of Bid Proposals wherein RFP Bidders can: 1) express interest in offering supplies; 2) obtain data on supply obligations; 3) attend a Bidder Information Session; and 4) submit and receive answers to questions regarding the solicitation.
- 1.1.10 On the Bid Proposal Due Date, a qualified RFP Bidder may submit a Bid Proposal, subject to the restrictions of this Article 1. The RFP Bidder may only submit Bids for whole numbers of tranches. The number of tranches for which an RFP Bidder submits a Bid cannot exceed the Available Tranches. When an RFP Bidder submits a Bid to supply a number of tranches, the RFP Bidder must submit a price at which that RFP Bidder is willing to serve each number of tranches up to and including that number of tranches. Instructions for preparation of a Bid Proposal are addressed in Articles 5 and 6.
- 1.1.11 The Bid Proposal Evaluation Team will present the result to the PUC within one (1) business day of the Bid Proposal Due Date. At that time, the PUC will have one (1) business day to consider the report of the Bid Proposal Evaluation Team and to render a

final decision on the result. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved.

1.1.12 If the PUC rejects all Bids, or if some tranches do not receive Bids, the Company will expeditiously seek guidance and approval from the PUC to address this shortfall. In the event a LTB Supplier defaults, PPL Electric will offer LTB supply assignment as specified in Section 7.5.

1.2 Summary of RFP Documents

1.2.1 The following documents are appended to, and shall be considered an integral part of, this RFP:

Appendix 1:	PPL Electric Utilities Corporation LTB SMA
Appendix 2:	Expression of Interest Form
Appendix 3:	Confidentiality Agreement
Appendix 4:	PJM Qualification Certification Form
Appendix 5:	FERC Authorization Certification Form
Appendix 6:	Credit Application
Appendix 7:	Bid Assurance Letter of Credit (electronic issuance and presentation)
Appendix 8:	Bid Proposal Spreadsheet
Appendix 9:	Binding Bid Agreement

ARTICLE 2 INFORMATION AND SCHEDULE

2.1 Information Provided to Potential Bidders

2.1.1 PPL Electric and its RFP Manager have established a Website that will be the main source of information for this RFP. Prospective RFP Bidders are requested to use this Website for current data and information about all aspects of this RFP and to access all essential RFP-related documents. Certain data may be password-protected at PPL Electric's sole discretion, in which case passwords would be provided upon execution of the Confidentiality Agreement as described in Section 4.3.

2.2 RFP Schedule

2.2.1 RFP schedules will be established by PPL Electric and its RFP Manager. PPL Electric may publish advertisements in daily and weekly energy publications and the RFP Manager will notify potential bidders to inform them of the upcoming solicitation. The Bid Proposal Due Date will occur in or about the following month:

2.2.2 The solicitation will generally span a four-week to six-week time period. Solicitation activities are shown below. The expected completion date of each of the activities shown is expressed in the approximate number of weeks prior to the expected execution of contracts for Default Service Long-Term Block Supply.

- Five weeks or more: RFP Addendum Issued, Bidder Interest Form and Confidentiality Agreement Available, RFP Data Room Opens;
- Three and one-half weeks or more: Bidder Information Session;
- Two and one-half weeks or more: Bidder Qualifications Due;
- Two weeks: Cure Deficiency Deadline;
- One and one-half weeks: Qualified Bidders Notified;
- Final week: Bid Proposals Due, PUC Decision Issued, Transaction Confirmations Issued.

2.2.3 The RFP Schedule will be provided in the RFP Addendum issued for the solicitation.

ARTICLE 3

GENERAL REQUIREMENTS FOR PROPOSALS

3.1 RFP General Requirements

- 3.1.1 A Proposal consists of Bidder Qualifications (a response to the Bidder Qualification requirements in Article 4 of this RFP) and one Bid Proposal with its accompanying documents (as described in Article 5). A respondent to this RFP is an RFP Bidder. An RFP Bidder that fulfills the Bidder Qualification requirements can submit a maximum of one Bid Proposal on the Bid Proposal Due Date in response to this RFP.
- 3.1.2 Bidder Qualifications and Bid Proposals must: (i) adhere to this RFP's terms and conditions; and (ii) fulfill all requirements in Articles 3 through 6 of this RFP.
- 3.1.3 Bidder Qualifications and Bid Proposals that do not adhere to the terms and conditions of this RFP and/or do not fulfill all requirements set forth in Articles 3 through 6 of this RFP will not be considered.
- 3.1.4 It is the intention, but not the obligation, of the Company to enter into a LTB SMA with two or more winning RFP Bidders.
- 3.1.5 PPL Electric is not responsible or liable for any costs incurred by the RFP Bidder in responding to this RFP, including any presentations, demonstrations, or travel, meals or other out-of-pocket expenses. In addition, PPL Electric is not responsible or liable to any broker, consultant, or other person or entity acting on your behalf for any brokerage or other fee or payment related directly or indirectly to the RFP proposal submission or to the selection of an RFP Bidder for Default Service Long-Term Block Supply, whether or not a contract is awarded and executed.
- 3.1.6 The RFP Bidder, at its own cost and expense, shall defend PPL Electric, its parent company, and its subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders, executors, administrators, successors and assigns, against any and all manner of past, present, or future claims, demands, disputes, controversies, complaints, suits, actions, proceedings, or allegations of any kind which in any manner relate to, arise out of, or result from any false statements or misrepresentations, intentional or unintentional, in the Bidder Qualifications and Bid Proposal or breach of any covenant by the RFP Bidder set forth herein. The RFP Bidder shall indemnify and hold harmless PPL Electric, its parent company, subsidiaries, affiliates, successors and assigns, and each and every one of their respective past, present, or future officers, directors, trustees, employees, shareholders and agents, as well as the heirs, executors, administrators, successors and assigns against any and all liens, judgments, liabilities, losses, injuries, damages, fees (including consulting, expert and attorney fees), fines, costs or expenses which in any manner relate to, arise out of, or result from any false statements or

misrepresentations, intentional or unintentional, in the Bidder Qualifications and Bid Proposal or breach of any warranty by the RFP Bidder as set forth herein.

- 3.1.7 The submission of any portion of a Proposal to the Company constitutes the RFP Bidder's acknowledgement and acceptance of all the terms and conditions of this RFP, regardless of the outcome of this RFP or the ultimate fate of such Proposal.
- 3.1.8 An Officer of the RFP Bidder is an individual empowered to undertake contracts and bind the RFP Bidder. The forms and/or agreements attached as Appendices 3, 4, 5 and 9, as well as Appendix 1 if an award is made to the RFP Bidder, shall be executed by individuals who are Officers of the RFP Bidder. Unless otherwise noted, all other representations with respect to this RFP must be made by an Officer of the RFP Bidder.
- 3.1.9 Each RFP Bidder must comply with all the Bidder Qualification requirements described in Article 4.
- 3.1.10 All information provided and certifications made in the Bidder Qualifications must remain valid and remain in full force until five (5) business days after the Bid Proposal Due Date. Regardless of the reason, if any information provided in the Bidder Qualifications changes or any certification fails to remain valid, it is the sole responsibility of the RFP Bidder to notify the Bidder Qualification Evaluation Team of such change at least three (3) business days before the submission of any Bid Proposal on the Bid Proposal Due Date. Failing to do so may result in disqualification of the RFP Bidder and the Bid Proposal. The Bidder Qualification Evaluation Team reserves the right to vary the assessment of Bidder Qualifications based on the revised information provided by the RFP Bidder.

ARTICLE 4

BIDDER QUALIFICATION

4.1 Overview of Bidder Qualification Process

- 4.1.1 The purpose of the Bidder Qualification process is to determine the applicant’s eligibility to bid. An applicant is qualified to bid if, by the Cure Deficiency Deadline, it satisfactorily completes or updates the following: 1) submits an Expression of Interest Form; 2) executes the Confidentiality Agreement; 3) certifies that it meets the PJM membership and Federal Energy Regulatory Commission (“FERC”) authorization requirements stated in Section 4.4 (Applicant’s PJM Qualification and FERC Authorization Certifications); 4) submits the Credit Application and, if applicable, associated financial information requested in Section 4.5 (Credit Application and Financial Information); and 5) submits an executed copy of the Binding Bid Agreement provided as Appendix 9 through PPL Electric’s Proposal Submission Website. With the submission of a Bid Proposal, qualified RFP Bidders will be required to post Bid Assurance Collateral in an amount directly proportional to the amount of load bid upon. The Bid Assurance Collateral will be returned to the RFP Bidder subsequent to contract execution or the rejection of its bid(s), as described in Section 5.3 (Bid Assurance Collateral).
- 4.1.2 The exclusive method of responding to Bidder Qualifications is through the Proposal Submission Website as further explained in Section 6.1.2 and the electronic signature of a party to a form or document required as part of Bidder Qualifications shall be as valid as an original signature of such party and shall be effective to bind such party as further explained in Section 6.2.4.
- 4.1.3 Applicants are urged to provide the materials necessary to establish eligibility through PPL Electric’s Proposal Submission Website as soon as practicable. PPL Electric will endeavor, on a best efforts basis, to notify applicants of any deficiencies in their submittals in accordance with Section 7.2 no later than forty-eight hours before the Cure Deficiency Deadline as indicated in an RFP Schedule developed subject to Section 2.2. If an applicant is notified of any deficiencies, such applicant is required to respond to the deficiency notice by the deadline specified in the deficiency notice in accordance with Section 7.2.2. However, PPL Electric does not bear any responsibility for failure to notify applicants of deficiencies prior to the Cure Deficiency Deadline as indicated in an RFP Schedule developed subject to Section 2.2, and PPL Electric assumes no liability or obligation for a defective submission or for notifying any RFP Bidder of a defective submission. Early submittal of materials will provide the greatest flexibility to correct deficiencies prior to the Cure Deficiency Deadline and applicants are encouraged to submit Bidder Qualifications as soon as possible following the issuance of the RFP, or RFP Addendum. PPL Electric will notify applicants whether or not they have qualified by noon of the Qualified Bidders Notified Date.

4.2 Expression of Interest

- 4.2.1 Applicants will be required to express their non-binding interest to bid by completing and submitting the Expression of Interest Form (Appendix 2) online through PPL Electric's Proposal Submission Website. The applicant will not be eligible to submit a Bid Proposal until the completed Expression of Interest Form has been provided to PPL Electric. Applicants are required to complete and submit this form as directed in Section 6.1.2. no later than the Bidder Qualifications Due Date.

4.3 Confidentiality Agreement

- 4.3.1 An applicant and PPL Electric will be required to execute the Confidentiality Agreement (Appendix 3). The applicant will not be eligible to submit a Bid Proposal until such agreement has been executed. An electronic copy of the Confidentiality Agreement can be found on PPL Electric's Proposal Submission Website. This agreement must be signed by an Officer as defined in Section 3.1.8. The applicant must provide as part of its Bidder Qualifications the executed agreement as directed in Section 6.1.2. Applicants are required to submit this agreement through PPL Electric's Proposal Submission Website no later than the Bidder Qualifications Due Date.
- 4.3.2 If PPL Electric is providing data or information on a confidential basis, upon submission of the executed Confidentiality Agreement, an applicant will be issued a password to access such data and information from the RFP Website. Once the Confidentiality Agreement is received from the applicant, PPL Electric will complete the execution of the agreement and send a copy of the fully executed agreement to the applicant by email.

4.4 Applicant's PJM Qualification and FERC Authorization Certifications

- 4.4.1 An applicant must certify that it is a member of PJM and qualified as a market buyer and market seller in good standing able to secure generation or otherwise obtain and deliver electricity in PJM through compliance with all applicable requirements of PJM to fulfill LTB supply obligation. In addition, an applicant must certify that it has been authorized by the FERC to make sales of energy, capacity and ancillary services at market-based rates. The PJM Qualification Certification Form (Appendix 4) and the FERC Authorization Certification Form (Appendix 5) can be found on PPL Electric's Proposal Submission Website. Such certifications must be signed by an Officer as defined in Section 3.1.8. Applicants are required to submit such certifications through PPL Electric's Proposal Submission Website no later than the Bidder Qualifications Due Date. The applicant must provide as part of its Bidder Qualifications such certifications as directed in Section 6.1.2. The applicant will not be eligible to submit bids until such certifications have been provided to PPL Electric.

4.5 Credit Application and Financial Information

- 4.5.1 Applicants are required to submit the Credit Application (Appendix 6) and associated financial information to PPL Electric. An electronic copy of the Credit Application can

be found on PPL Electric's Proposal Submission Website. Applicants are required to submit the Credit Application through PPL Electric's Proposal Submission Website no later than the Bidder Qualifications Due Date. The applicant must provide as part of its Bidder Qualifications the completed Credit Application and one (1) copy of any supporting documents to this Credit Application including the associated financial information as directed in Section 6.2.1. Supporting documents to the Credit Application include for the entity on whose creditworthiness the RFP Bidder is relying: (i) documentation from the credit rating agencies showing the name of the rating agency, the type of rating, and the rating indicated in the Credit Application and (ii) the Securities and Exchange Commission ("SEC") Form 10-Q or 10-K (whichever is more recent). If the SEC 10-Q or 10-K is unavailable, the supporting documents must include the most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement); and the most recent quarterly, monthly or bi-annual financial information, if available.

- 4.5.2 All submitted information must be in the English language. Financial data must be denominated in U.S. Dollars and conform to Generally Accepted Accounting Principles ("GAAP") in the United States. If the applicant's financial information is consolidated with other entities, then it is the applicant's responsibility to extract and submit as separate documents all data and information related solely to the applicant. This must include all financial information, associated notes, and all other information that would comprise a full financial report conforming to GAAP.
- 4.5.3 PPL Electric may, at its sole discretion, consider financial information of foreign Guarantors that are not denominated in U.S. Dollars or do not conform to GAAP in the United States. Such acceptability will be communicated to the applicant no later than forty-eight hours before the Cure Deficiency Deadline. Any Guarantor will be required to execute the Unconditional Guaranty as it appears in the LTB SMA (Exhibit 4) and as such the Guarantor must be able to make all representations and warranties therein.
- 4.5.4 The following additional requirements apply only for RFP Bidders relying on the financial standing of a foreign Guarantor:
- An RFP Bidder relying on the financial standing of a foreign Guarantor may provide, in addition to supplying all required information and documents under Section 4.5.1, any additional evidence of creditworthiness for the Guarantor so as to provide PPL Electric with comparable assurances of creditworthiness as is applicable for an entity that has been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia.
 - Under the terms of the LTB SMA, the following additional documents are required for the foreign Guarantor to be granted unsecured credit and for the RFP Bidder to rely on the financial standing of the Guarantor: (i) a legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the guaranty pursuant to the LTB SMA is, or upon the completion of execution formalities will become, the binding obligation of the

Guarantor in the jurisdiction in which it has been incorporated or otherwise formed; and (ii) the sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the guaranty pursuant to the LTB SMA on behalf of the Guarantor has the authority to execute the guaranty pursuant to the LTB SMA and that the governing board of such guarantor has approved the execution of the guaranty pursuant to the LTB SMA; and (iii) the sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as the guaranty pursuant to the LTB SMA.

- The RFP Bidder may, but is not required to, submit with its Bidder Qualifications a draft of these additional documents for review. If an RFP Bidder submits a draft of the documents for evaluation, the RFP Manager will provide this evaluation to the RFP Bidder on the Qualified Bidders Notified Date.

4.5.5 An RFP Bidder that is not seeking to be granted unsecured credit under the LTB SMA is not required to provide any of the supporting documents to the Credit Application and must clearly state this intent in the Credit Application.

4.6 Binding Bid Agreement

4.6.1 An applicant must certify that as an RFP Bidder it agrees to be bound by the price quotes entered on any Bid Proposal Spreadsheet submitted by the RFP Bidder, which shall constitute a firm offer to supply service in accordance with the LTB SMA. The signatory to the Binding Bid Agreement must be an Officer, as defined in Section 3.1.8, binding the RFP Bidder to perform the terms and conditions of the LTB SMA at the prices and for the load amounts specified in its Bid Proposal. In addition, by submitting the Binding Bid Agreement, the RFP Bidder certifies that it has met the conditions stipulated in Section 5.7 of this RFP. An electronic copy of the Binding Bid Agreement can be found on PPL Electric's Proposal Submission Website. Applicants are required to submit such certification, in the form of Appendix 9, through PPL Electric's Proposal Submission Website no later than the Bidder Qualifications Due Date. The applicant must send such certification as directed in Section 6.1.2.

4.7 Cure Time for Deficiencies in Qualification Requirements

4.7.1 In the event that an RFP Bidder has not met all of the Bidder Qualification requirements under Article 4 (Bidder Qualification), PPL Electric will endeavor, on a best efforts basis, to notify the RFP Bidder no later than forty-eight hours before the Cure Deficiency Deadline. It is understood and agreed that PPL Electric has no liability for any failure to notify an RFP Bidder of a deficiency. If an RFP Bidder is notified of any deficiencies, such RFP Bidder is required to respond to the deficiency notice by the deadline specified in the deficiency notice in accordance with Section 7.2.2.

4.8 Bid Assurance Collateral and Alternative Letter of Credit Form

- 4.8.1 No later than two (2) business days before the Bid Proposal Due Date, each RFP Bidder must provide liquid Bid Assurance Collateral in an amount of \$1,000,000 per tranche bid. The purpose of this collateral is to assure commitment of the RFP Bidder to execute the Transaction Confirmations for the tranches awarded to the RFP Bidder. The form of collateral must be either cash or an irrevocable Letter of Credit (“LOC”), which LOC must be in a form that allows for electronic issuance and presentation of documents. An acceptable Bid Assurance LOC form that allows for electronic issuance and presentation of documents is provided as Appendix 7 and can be found on PPL Electric’s RFP Website or the Proposal Submission Website. If the RFP Bidder is participating in more than one RFP issued by the Company, the RFP Bidder must provide separate Bid Assurance LOC for each RFP. If the RFP Bidder is providing Bid Assurance Collateral in the form of cash, and if the RFP Bidder is also participating in other RFP(s) issued by the Company, the RFP Bidder must advise the Bid Proposal Evaluation Team as to the amount allocated as Bid Assurance Collateral for purposes of each RFP.
- 4.8.2 As part of the Bidder Qualifications, an applicant may propose modifications to the Bid Assurance LOC form that are non-substantive or clarifying in nature. The applicant proposing modifications to the Bid Assurance LOC form must provide an electronic copy in MS Word with all proposed modifications clearly marked and submit such document as directed in Section 6.1.2. The acceptability of such proposed modifications will be at PPL Electric’s sole discretion, and such acceptability will be communicated to the applicant no later than forty-eight hours before the Cure Deficiency Deadline. A list of all acceptable modifications to the Bid Assurance LOC form will be posted to PPL Electric’s RFP Website or the Proposal Submission Website no later than seven (7) business days before the Bid Proposal Due Date.

4.9 Alternative Forms of Performance Assurance

- 4.9.1 Subsequent to the return of an applicant’s Bid Assurance Collateral, another instrument of performance assurance to secure PPL Electric’s exposure during the Delivery Period of a Transaction Confirmation to the LTB SMA may be required, as set forth in the LTB SMA. Any performance assurance required of the applicant determined in accordance with the LTB SMA may be in the form of cash or LOC. An acceptable Performance Assurance LOC form that allows for electronic issuance and presentation of documents is provided as Exhibit 3 in the LTB SMA. An acceptable Unconditional Guaranty form is provided as Exhibit 4 in the LTB SMA. As part of its Bidder Qualifications, an applicant may propose modifications to the Performance Assurance LOC form or the Unconditional Guaranty form that are non-substantive or clarifying in nature. The applicant proposing modifications to the Performance Assurance LOC form or the Unconditional Guaranty form must provide an electronic copy in MS Word with all proposed modifications clearly marked and submit such document as directed in Section 6.1.2. The acceptability of such proposed modifications to the Performance Assurance LOC form or the Unconditional Guaranty form will be determined at PPL Electric’s sole discretion, and such acceptability will be communicated to the applicant no later than

forty-eight hours before the Cure Deficiency Deadline. A list of all acceptable modifications to the Performance Assurance LOC form or the Unconditional Guaranty form will be posted to PPL Electric's RFP Website or the Proposal Submission Website.

ARTICLE 5

BID PROPOSAL REQUIREMENTS

5.1 Bid Proposal Format

- 5.1.1 RFP Bidders shall submit their Bid Proposal using only the Bid Proposal Spreadsheet attached to this RFP as Appendix 8; an electronic copy is available on PPL Electric’s RFP Website or the Proposal Submission Website. The Bid Proposal Spreadsheet contains sections of information labeled Bidder Information, Tranche Information, and Bid Information. The Bid Proposal Spreadsheet contains shaded cells in which RFP Bidders provide information and their Bids. In order to prevent any misunderstanding of an RFP Bidder’s Bid Proposal, all shaded cells within a Bid Proposal Spreadsheet must be completed by the RFP Bidder. A Bid Proposal Spreadsheet submitted by an RFP Bidder that contains blank shaded cells will be deemed a non-conforming Bid Proposal, and will be eliminated from further consideration. Therefore, if it is the intent of an RFP Bidder to offer to supply a particular total number of tranches, the RFP Bidder must enter a price quote in the price cells associated with each of the total number of tranches up to and including that particular total number of tranches and must enter an “X” in price cells associated with each of the total number of tranches beyond that particular total number of tranches. The non-shaded cells are read-only cells containing either fixed or computed amounts.
- 5.1.2 No Bid Proposal can be conditioned in any manner. PPL Electric reserves the right to accept or reject any RFP Bidder’s Bid Proposal in accordance with the proposal evaluation criteria set forth in Article 7 (Evaluation of Proposals).
- 5.1.3 Bidder Information – These cells are RFP bidder input cells and include Company Name, Contact Name and Phone Number, and must be provided by the RFP Bidder.
- 5.1.4 Tranche Information – The contents of these cells are provided by PPL Electric and include the Available Tranches.
- 5.1.5 Total Tranches Supplied – These cells show the number of total tranches the RFP Bidder can offer to supply.
- 5.1.6 Bid Assurance Collateral Amount – The contents of these cells are computed as the product of the Total Tranches Supplied and \$1,000,000.
- 5.1.7 Price (U.S. \$/MWh) – These cells are RFP Bidder input cells for the RFP Bidder’s price quote corresponding to each Total Tranches Supplied. The price quotes shall be in terms of U.S. \$/MWh for the time period of the product’s delivery. As set forth in the LTB SMA, the MWh of energy shall be equivalent to 50 MW of energy delivered to the Delivery Point as defined in the LTB SMA for one hour. For avoidance of doubt, the price quote indicated in the Bid Proposal Spreadsheet should be an all-inclusive price for the tranches bid for the LTB Product. All price quotes must be positive and are limited

to two decimal places. An RFP Bidder that wishes to offer to supply a particular Total Tranches Supplied must: 1) provide a price quote in the Price (U.S. \$/MWh) cell corresponding to each of the Total Tranches Supplied up to and including that particular Total Tranches Supplied; and 2) mark an “X” in the Price (U.S. \$/MWh) cell corresponding to each of the Total Tranches Supplied beyond that particular Total Tranches Supplied. For example, if an RFP Bidder wishes to offer to supply three Total Tranches Supplied, then the RFP Bidder must provide price quotes for each one and two Total Tranche Supplied as well; and if an RFP Bidder wishes to offer to supply one Total Tranche Supplied, then the RFP Bidder must provide a price quote for one Total Tranche Supplied and mark an “X” for two and three Total Tranches Supplied.

- 5.1.8 Complete/Incomplete Flag – The content of this cell is computed and indicates whether or not the Bid Proposal Spreadsheet has been fully completed in accordance with Section 5.1 (Bid Proposal Format). An incomplete Bid Proposal Spreadsheet will be deemed non-conforming, as set forth in Section 5.5 (Conforming Bid Proposals).
- 5.1.9 The number of tranches for which an RFP Bidder submits a Bid Proposal must be a whole number and cannot exceed the number of Available Tranches.

5.2 Submittal of Bid Proposals

- 5.2.1 Each RFP Bidder shall only submit its Bid Proposal using the Bid Proposal Spreadsheet described in Section 5.1 by secure electronic file transfer to the PPL secure server between 10:00:00 a.m. EPT and 12:00:00 p.m. EPT on the Bid Proposal Due Date as indicated in Section 2.2 (RFP Schedule).

5.3 Bid Assurance Collateral

- 5.3.1 Each RFP Bidder must provide liquid Bid Assurance Collateral to support its Bid Proposal. The form of collateral must be either cash or an irrevocable LOC. An acceptable Bid Assurance LOC form that allows for electronic issuance and presentation of documents is provided as Appendix 7; electronic copies of the form can be found on PPL Electric’s RFP Website or Proposal Submission Website. PPL Electric will consider modifications to the Bid Assurance LOC form in accordance with the process provided in Article 4.
- 5.3.2 The RFP Bidder must provide, no later than two (2) business days before the Bid Proposal Due Date, Bid Assurance Collateral in an amount equal to the sum of \$1,000,000 times the total number of tranches bid in all its Bid Proposal. PPL Electric will hold the Bid Assurance Collateral until either the RFP Bidder is notified by PPL Electric that it has not been awarded tranches or until the RFP Bidder executes the Transaction Confirmation forms upon being awarded tranches. Upon either of the above two conditions, Bid Assurance Collateral in the form of cash will be returned within one (1) business day, and Bid Assurance Collateral in the form of an LOC will be returned within two (2) business days. An RFP Bidder that is awarded tranche(s) and does not

timely execute the Transaction Confirmation forms associated with such tranches shall forfeit its Bid Assurance Collateral.

- 5.3.3 Wire transfer instructions for RFP Bidders who intend to provide Bid Assurance Collateral in the form of cash is available upon request from the RFP Manager.

5.4 Submittal of LTB SMA

- 5.4.1 No later than two (2) business days before the Bid Proposal Due Date, the RFP Bidder must submit an executed LTB SMA, as instructed in Section 6.1.5, including the completed signature page of the LTB SMA and Exhibit 2 of the LTB SMA filled in with the appropriate contact information for the RFP Bidder. Other exhibits of the LTB SMA either are samples or are documents that do not need to be completed until execution of the Transaction Confirmation form.
- 5.4.2 RFP Bidders must execute and submit the current form of LTB SMA set forth in Appendix 1. SMAs executed as part of a prior Default Service Program (i.e. the Competitive Bridge Plan, Default Service Program I, Default Service Program II, Default Service Program III; Default Service Program IV and Default Service Program V) are not applicable to this Default Service Program and will not be accepted.

5.5 Conforming Bid Proposals

- 5.5.1 In order for a Bid Proposal to be conforming, the Bid Proposal must be: (i) submitted using the Bid Proposal Spreadsheet, completed in full and without modification; (ii) submitted by 12:00:00 pm EPT on the Bid Proposal Due Date; (iii) submitted by a qualified RFP Bidder as defined in Section 6.1.1; (iv) submitted by an RFP Bidder that has also submitted sufficient Bid Assurance Collateral; (v) submitted by an RFP Bidder that has also submitted the executed LTB SMA as instructed in Section 5.4.1.

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

5.6 Expiration of Bid Proposals

- 5.6.1 An RFP Bidder's Bid Proposal shall expire the earlier of the time PPL Electric notifies the RFP Bidder that its Bid Proposal has been rejected or at midnight EPT three (3) business days after the scheduled day of awarding bids.

5.7 Additional Requirements

- 5.7.1 The RFP Bidder certifies, by its submission of a Binding Bid Agreement in its Bidder Qualifications, that it is bidding independently and that it has no knowledge of any Proposal being submitted by another RFP Bidder in response to this RFP.
- 5.7.2 The RFP Bidder certifies by its submission of a Binding Bid Agreement that, except for any communication with its financial institution for the purpose of preparing the Bid Assurance LOC, the RFP Bidder has not disclosed and will not disclose publicly or to any other party before the PUC has rendered a decision on the RFP result any information relating to its Proposal, which could have an effect on whether another party submits a Proposal to this RFP or on the contents of such Proposal that another RFP Bidder would be willing to submit in response to this RFP. Such information includes, but is not limited to: the fact that the RFP Bidder is submitting a Proposal in response to this RFP; the RFP Bidder's Bids; the RFP Bidder's number of tranches bid; the RFP Bidder's estimation of the value of a tranche; the RFP Bidder's preference for bidding on one or another Bid Proposal Due Date; and the RFP Bidder's contractual arrangements for power with a party to provide the supply associated with a LTB Product were the RFP Bidder to become a LTB Supplier.

ARTICLE 6
INSTRUCTIONS FOR PREPARATION OF BIDDER QUALIFICATIONS
AND BID PROPOSALS

6.1 General

- 6.1.1 An RFP Bidder must submit its Bidder Qualifications and Bid Proposal separately. The RFP Bidder will first submit its Bidder Qualifications (responses to Bidder Qualification requirements) as required in Article 4 of this RFP. RFP Bidders that are notified that they are qualified RFP Bidders may submit a Bid Proposal, along with all other required documents as described in Section 5.5, by the Bid Proposal Due Date as indicated in Section 2.2 (RFP Schedule).
- 6.1.2 Bidder Qualifications will be available to be completed online by RFP Bidders through a Proposal Submission Website. Additional instructions will be provided to RFP Bidders in an addendum to these RFP Rules. The addendum contains instructions to be followed when the Proposal Submission Website is available. Bidder Qualifications that do not adhere to the terms and conditions of this RFP or that are not submitted in accordance with the instructions provided in such addendum to these RFP Rules will not be considered.
- 6.1.3 Bidder Qualifications must be submitted by the Bidder Qualifications Due Date as indicated in the RFP Schedule developed pursuant to Section 2.2. Each RFP Bidder assumes full responsibility for timely submission of its Bidder Qualification materials.
- 6.1.4 Bid Assurance Collateral in the form of an LOC must be in a form that allows for electronic issuance and presentation of documents (Appendix 7) and must be submitted to the following email address:
- Email: PPLELECTRIC_BIDLC@PPLWEB.COM
- All Bid Assurance Collateral, in the form of LOC or cash, must be received no later than two (2) business days prior to the Bid Proposal Due Date. Each RFP Bidder assumes full responsibility for timely delivery of its Bid Assurance Collateral. For avoidance of doubt, a hardcopy LOC is not an acceptable form of Bid Assurance Collateral.
- 6.1.5 An RFP Bidder that is qualified and submits a Bid Proposal must have signed the LTB SMA by noon EPT on the second business day prior to the Bid Proposal Due Date. If the RFP Bidder is awarded any tranches in this RFP, the signed LTB SMA that was initially submitted will be executed by PPL Electric and provided to the RFP Bidder together with the partially executed Transaction Confirmation forms via email.
- 6.1.6 Bid Proposals must be completed in the full legal name of the party that will execute the LTB SMA with the Company should the party be a winning RFP Bidder and should the PUC approve the RFP result. Each RFP Bidder shall submit its Bid Proposal using the

Bid Proposal Spreadsheet described in Section 5.1 by secure electronic file transfer to the PPL secure server between 10:00:00 a.m. EPT and 12:00:00 p.m. EPT, on the Bid Proposal Due Date.

6.2 Submission of Materials

- 6.2.1 In response to this RFP, each RFP Bidder must provide to the RFP Manager its Bidder Qualifications by the Bidder Qualifications Due Date (and any supporting documents to the Credit Application including the associated financial information).
- 6.2.2 The qualified RFP Bidder must provide Bid Assurance Collateral supporting its Bid Proposal. The RFP Bidder must provide the executed LTB SMA no later than two (2) business days prior to the Bid Proposal Due Date.
- 6.2.3 Only Bid Proposals using the Bid Proposal Spreadsheet submitted by secure electronic file transfer to the PPL secure server or through an alternate method if so directed by the RFP Manager will receive consideration.
- 6.2.4 Under this RFP, the electronic signature of a party to a form or document required as part of Bidder Qualifications and/or the LTB SMA shall be as valid as an original signature of such party and shall be effective to bind such party. Any electronically signed document shall be deemed (i) to be “written” or “in writing,” (ii) to have been signed and (iii) to constitute a record established and maintained in the ordinary course of business and an original written record when printed from electronic files. Such paper copies or “printouts,” if introduced as evidence in any judicial, arbitral, mediation or administrative proceeding, will be admissible as between the parties to the same extent and under the same conditions as other original business records created and maintained in documentary form. PPL Electric will not contest the admissibility of true and accurate copies of electronically signed documents on the basis of the best evidence rule or as not satisfying the business records exception to the hearsay rule and the RFP Bidder hereby agrees not to contest the admissibility of such documents as a condition of qualification. For purposes hereof, “electronic signature” means either a manually signed original signature or an electronic symbol or process attached to or logically associated with a record and executed or adopted by a party with the intent to sign the record that is then transmitted by electronic means; transmitted by “electronic means” means email transmission or other similar electronic or digital means of communication providing evidence of transmission, including transmission via the internet as a “pdf” (portable document format) or equivalent format. The use of electronic signature shall be approved by PPL Electric prior to use by the RFP Bidder.

ARTICLE 7

EVALUATION OF PROPOSALS

7.1 Bidder Qualifications Processing

- 7.1.1 As determined by the RFP Manager, the Bidder Qualification Evaluation Team will consist of representatives of the RFP Manager, a credit representative from PPL Electric, and representatives on behalf of PPL Electric (including PPL Electric's Default Service Long-Term Block Supply RFP Manager).
- 7.1.2 All submissions containing Bidder Qualifications will be reviewed by the Bidder Qualification Evaluation Team. If requested, representatives from the PUC may be provided with such Bidder Qualifications. PPL Electric assumes no liability for any failure to notify RFP Bidders of a deficiency in a submission prior to the Cure Deficiency Deadline.
- 7.1.3 Bidder Qualifications of an RFP Bidder that do not comply with the submission instructions will not be considered.
- 7.1.4 Bidder Qualifications must include all documents and information required to satisfy the Bidder Qualification requirements as set out in Article 4.
- 7.1.5 The Bidder Qualification Evaluation Team will review Bidder Qualifications until the Cure Deficiency Deadline. The Bidder Qualification Evaluation Team will assess the Bidder Qualifications for completeness and compliance with the terms and conditions of this RFP, in accordance with the procedure in Section 7.2.

7.2 Bidder Qualifications Evaluation

- 7.2.1 The Bidder Qualification Evaluation Team will deem a response to the Bidder Qualifications to be complete and compliant if: (i) all information specified in Section 4.1.1 has been fully and satisfactorily provided; and (ii) all certifications and documents have been signed by an Officer of the RFP Bidder.
- 7.2.2 The Bidder Qualification Evaluation Team will review Bidder Qualifications upon receipt but is not obligated to review Bidder Qualifications earlier than five (5) business days prior to the Bidder Qualifications Due Date. If the Bidder Qualification Evaluation Team determines that some portion of the RFP Bidder's response to the Bidder Qualifications is deficient because the response is incomplete or is not compliant with the terms of this RFP, the Bidder Qualification Evaluation Team will endeavor, on a best efforts basis, to issue a deficiency notice requesting that the RFP Bidder cure the deficiency with respect to that particular aspect of its Bidder Qualifications. The Bidder Qualification Evaluation Team will endeavor, on a best efforts basis, to notify RFP Bidders of any deficiencies in their Bidder Qualifications, and to provide a decision on the acceptability of proposed modifications to the Bid Assurance LOC or other

instruments for Performance Assurance, no later than forty-eight hours before the Cure Deficiency Deadline. PPL Electric assumes no liability for any failure to notify RFP Bidders of a deficiency in a submission prior to the Cure Deficiency Deadline. The RFP Manager communicates with the RFP Bidder by email. If an RFP Bidder receives a first deficiency notice from the RFP Manager, regarding any item of the Bidder Qualifications, the RFP Bidder has until 12:00:00 p.m. (noon) EPT, on the Bidder Qualifications Due Date, or until 6:00:00 p.m. EPT, on the second business day following the business day during which a first deficiency notice is sent to the Bidder, whichever comes later, to respond. If the Bidder does not correct or adequately explain the deficiency within the time allowed, the Bidder Qualifications may be rejected. The Bidder Qualification Evaluation Team will review all responses to deficiencies submitted. If a response to a deficiency is provided by an RFP Bidder within the time allowed and the response is not sufficient to cure the deficiency, the RFP Bidder may continue to provide the required clarification or additional information to cure the deficiency. In no event, notwithstanding the foregoing provisions, will a Bidder be allowed to respond after 12:00:00 p.m. EPT, on the Cure Deficiency Deadline.

- 7.2.3 If a deficiency notice is sent and the RFP Bidder does not respond within the time allowed and established by the Bidder Qualification Evaluation Team, or does not address the deficiency in a manner that is deemed satisfactory at the Bidder Qualification Evaluation Team's sole discretion, the RFP Bidder will not be qualified.
- 7.2.4 When the evaluation of the responses to the Bidder Qualifications is completed for all RFP Bidders, RFP Bidders will be either qualified or disqualified. RFP Bidders whose responses to the Bidder Qualifications, as may be supplemented or amended in response to a deficiency notice by the Bidder Qualification Evaluation Team, are found to be complete and compliant will be deemed qualified; all other RFP Bidders will be disqualified.
- 7.2.5 Bidders will be notified on or prior to the Qualified Bidders Notified Date in the RFP Schedule if they qualify to submit Bid Proposal on the Bid Proposal Due Date. Only those RFP Bidders whose response to the Bidder Qualification requirements is complete and compliant with the terms of this RFP will be invited to submit Bid Proposal. An RFP Bidder acting in concert with another RFP Bidder may be disqualified by the Company in its sole and exclusive discretion at any point in the process.

7.3 Bid Proposal Processing

- 7.3.1 Bid Proposals will only be considered for those RFP Bidders that qualify as a result of the prior submission of a response to the Bidder Qualification requirements.
- 7.3.2 The Bid Proposal Evaluation Team will consist of representatives of the RFP Manager and representatives designated to act on behalf of the Company.
- 7.3.3 All Bid Proposals will be electronically and privately opened by the Bid Proposal Evaluation Team and will be evaluated at the same time. A representative of the PUC

may be present to attend the opening and evaluation of the Bid Proposals. Information regarding the content or status of any Bid Proposal will not be publicly released during the evaluation process.

- 7.3.4 The Bid Proposal Evaluation Team will assess the Bid Proposal(s) and all accompanying documents for completeness and compliance with the terms and conditions of this RFP, in accordance with the procedure in Section 7.4.
- 7.3.5 The Bid Proposal Evaluation Team may issue a deficiency notice with respect to any aspect of the Bid Proposal and accompanying documents as described in Section 5.5.1, if practicable to do so before the 12:00:00 pm EPT deadline on the Bid Proposal Due Date. The Bid Proposal Evaluation Team is under no obligation to issue such a deficiency notice. Should the Bid Proposal Evaluation Team issue such a deficiency notice, the RFP Bidder will have until the 12:00:00 pm EPT deadline on the Bid Proposal Due Date to cure any such deficiency. All non-conforming Bid Proposals will be removed from consideration. If an RFP Bidder submits a Bid Proposal Spreadsheet more than once between 10:00:00 a.m. EPT and 12:00:00 p.m. EPT, the last Bid Proposal Spreadsheet that is submitted in accordance with all requirements of this RFP, including the requirements set forth in Section 5.1, automatically supersedes all previously submitted Bid Proposal Spreadsheet(s). For avoidance of doubt, if a Bid Proposal Spreadsheet is submitted more than once, only the last submitted Bid Proposal Spreadsheet will be evaluated and the earlier submissions will be considered void.

7.4 Bid Proposal Evaluation

- 7.4.1 Bid Proposals received from RFP Bidders may be eliminated from further consideration at any point, at the Bid Proposal Evaluation Team's sole and exclusive discretion, for any of the following reasons including (but not limited to): (i) failure to provide clarification of, or additional information relating to, a Bid Proposal as requested by the Bid Proposal Evaluation Team subsequent to the submission of a Bid Proposal; (ii) illegal conduct, attempts or the appearance of attempts to improperly influence the consideration or ranking of the Bids; and (iii) failure to honor representations made in a Proposal.
- 7.4.2 The Bid Proposal Evaluation Team will assess that all information required with the Bid Proposal, as specified in Article 5, has been submitted. If the required information has not been submitted by the Bid Proposal Due Date, the Bid Proposal will be rejected.
- 7.4.3 Any Bid Proposal will be removed from consideration if: (i) it is not submitted electronically using the Bid Proposal Spreadsheet that the RFP Bidder was instructed to use in Section 5.1; or (ii) it is on a Bid Proposal Spreadsheet that includes extraneous information; or (iii) it is not supported by Bid Assurance Collateral in a form acceptable to the Company; or (iv) the RFP Bidder has not submitted a signed LTB SMA; or (v) the RFP Bidder has violated or has not complied with one or more material term or condition set forth in this RFP.

- 7.4.4 The Bid Proposal Evaluation Team will ensure that sufficient financial guarantees are provided to support the Bids. Financial guarantees will be sufficient if the amount of Bid Assurance Collateral is sufficient given the sum of the maximum number of tranches offered for the product by the RFP Bidder as specified in Section 4.8.
- 7.4.5 If a qualified RFP Bidder's Bid Assurance Collateral is insufficient to support the sum of the maximum number of tranches offered for the product by the RFP Bidder, the Bid Proposal Evaluation Team will modify that RFP Bidder's Bid Proposal Spreadsheet. The Bid Proposal Evaluation Team will determine for each such RFP Bidder the greatest number of whole tranches that its amount of Bid Assurance Collateral is sufficient to support. The Bid Proposal Evaluation Team will strike a Bid from a Bid Proposal Spreadsheet for any Total Tranches Supplied that is not supported by the amount of Bid Assurance Collateral. By submitting a Bid Proposal in response to this RFP, each RFP Bidder is authorizing the Bid Proposal Evaluation Team to modify the RFP Bidder's Bid Proposal documents as specified in and as required by this Article 7.
- 7.4.6 The remaining Bid Proposals will be evaluated on a price-only basis as follows. The Bid Proposal Evaluation Team will consider all combinations of Bid(s) (across RFP Bidders) whose sum of Total Tranches Supplied is equal to the Available Tranches. In the event that the greatest sum of Total Tranches Supplied for any combination is less than the Available Tranches, the Bid Proposal Evaluation Team will consider all combinations of Bids whose sum of Total Tranches Supplied equal the most obtainable given those Bids. For each combination, the Bid Proposal Evaluation Team will calculate the Combination Average Price ("CAP") equal to the average Price (U.S. \$/MWh) of the Bids in the combination weighted by their corresponding Total Tranches Supplied. The winning Bid(s) will be the Bid(s) contained in the combination with the lowest CAP. An RFP Bidder that is awarded tranches shall receive the Price (U.S. \$/MWh) corresponding to the winning Bid as stated in its Bid Proposal Spreadsheet under the Bid Information section.
- 7.4.7 In the event that two or more combinations have the lowest CAP, the winning Bid(s) will be the Bid(s) contained in the combination that is drawn randomly from the set of combinations with the lowest CAP.
- 7.4.8 After sufficient financial guarantees are determined, all combinations of Bid(s) are ranked from lowest to highest, and the tied combinations, if any, are resolved, the Bid Proposal Evaluation Team will communicate with each RFP Bidder that has submitted at least one of the Bid(s) in the winning combination and present the winning Bid(s) to the Commission. For each such RFP Bidder, the Bid Proposal Evaluation Team will: (i) communicate the CAP of the winning combination being presented to the PUC; and (ii) identify the Bid submitted by such RFP Bidder that will be presented to the PUC.

The Bid Proposal Evaluation Team will also communicate to the Company the CAP of the winning combination and the number of Bids presented to the PUC.

7.4.9 An RFP Bidder acting in concert with another RFP Bidder may be disqualified by the Company at its sole and exclusive discretion.

7.5 Commission Approval and Review

7.5.1 The Bid Proposal Evaluation Team will prepare a report that presents the result to the PUC for approval. The Bid Proposal Evaluation Team's report will summarize the Bidder Qualification process and the Bid Proposals that were considered on the Bid Proposal Due Date. The PUC will have one (1) business day to decide whether to approve the result. If the PUC does not act within one (1) business day, the winning Bids are deemed to be approved.

7.5.2 The winning RFP Bidders will receive a Transaction Confirmation(s) from PPL Electric on the date of the PUC's approval, or no later than the next business day following the PUC approval in the event the PUC approves the result prior to the expected decision date, or no later than the next business day following the expected decision date in the event the PUC does not act. Specifically, PPL Electric will forward by email or other acceptable means, to each winning RFP Bidder a partially executed Transaction Confirmation. By 2:00 p.m. EPT on the second Business Day following the RFP Bidder's receipt of such partially executed Transaction Confirmation electronically, the RFP Bidder shall return by email or other acceptable means, to PPL Electric one (1) fully executed Transaction Confirmation. In addition, PPL Electric will forward to the RFP Bidder one (1) fully executed LTB SMA electronically. If a winning RFP Bidder fails to execute the Transaction Confirmation as required under this Section 7.5.2, the winning RFP Bidder may forfeit its Bid Assurance Collateral.

7.5.3 If the PUC rejects all Bids, or if some tranches do not receive Bids, those tranches will be offered consistent with Section 1.1.12. In the event that a LTB Supplier defaults, PPL Electric will offer supply assignment consistent with the Step-Up process described in the LTB SMA.

ARTICLE 8 RESERVED RIGHTS

8.1 Non-Binding RFP

- 8.1.1 Prior to the submission of any Bid Proposals and with PUC approval, PPL Electric has the right to withdraw and terminate this RFP without any liability or responsibility to any RFP Bidder or any other party, for reasonable cause, including, but not limited to, adverse statutory changes or interpretations, issuance of new PUC orders and/or regulations, market conditions, etc., that preclude this RFP from being implemented in substantially the manner described herein.
- 8.1.2 Subject to PUC approval, the Company reserves the right to accept or reject, in whole or in part, any and all Proposals, without any liability or responsibility to any RFP Bidder or any other party, for reasons set forth in Section 7.4 of this RFP or for any other reasonable cause including, but not limited to, adverse statutory changes or interpretations, issuance of new PUC orders and/or regulations, market conditions, that preclude this RFP from being implemented in substantially the manner described herein.
- 8.1.3 PPL Electric will not be liable to any RFP Bidder or any other party for failure to execute a LTB SMA. Nothing herein may be construed to bind the Company unless and until the PUC has approved winning Bid(s), and each LTB SMA with an RFP Bidder has been executed and is effective. Once effective, the LTB SMA will govern the relationship between and the responsibilities of the parties to that agreement and not the RFP or any documents relating thereto.
- 8.1.4 Pursuant to these RFP rules, PPL Electric or the Bid Proposal Evaluation Team shall reject Bid Proposals submitted in response to this RFP that are incomplete, or do not conform to the requirements of this RFP, or are submitted beyond the deadline for submission, or for any other reason set forth in Section 7.4 of this RFP.
- 8.1.5 The RFP Rules may be further updated to reflect additional decisions by the PUC, relevant changes in law, or non-material modifications to the processing of Proposals expected to improve potential participation by suppliers. Further, PPL Electric and its RFP Manager may amend the RFP Rules if necessary to correct typographical errors, cure inconsistencies in the provisions of this RFP or clarify the intent of the provisions of this RFP.

8.2 Proposals Become PPL Electric's Property

- 8.2.1 All Proposals submitted by RFP Bidders in response to this RFP will become the exclusive property of PPL Electric upon the receipt of such document(s).

Appendix 1

Default Service Long-Term Block Supplier Master Agreement

Appendix 2

Expression of Interest Form Default Service Long-Term Block Supply

Note that completion of all information is required.

This response is an indication of our interest in PPL Electric Utilities Corporation's Request for Proposals to provide LTB supply service.

Date:

Company:

Contact Name:

Contact Title:

Address:

City:

State:

Zip:

Phone Number:

Email Address:

Appendix 3

Confidentiality Agreement

[Date]

Ladies and Gentlemen,

This letter is a Confidentiality Agreement between PPL Electric Utilities Corporation (“PPL Electric”) and _____ (“RFP Bidder”) in connection with the RFP Bidder’s intent to participate in the Request for Proposals (“RFP”) to provide Block Service through Long-Term Block Product. This Confidentiality Agreement also pertains to the rights and obligations of PPL Electric and the RFP Bidder in the event the RFP Bidder ultimately is selected as a winner in the RFP and provides service pursuant to PPL Electric’s Default Service Long-Term Block Supplier Master Agreement (“LTB SMA”). PPL Electric and the RFP Bidder hereby agree to accept, and to be bound by the terms of, this Agreement.

DEFINITIONS:

(a) The following terms have the following meanings:

- 1 “Agreement” is this Confidentiality Agreement.
- 2 “Pennsylvania PUC” has the meaning set forth in Section 3(b).
- 3 “Confidential Information” has the meaning set forth in Section 5.
- 4 “Party” means PPL Electric or the RFP Bidder.
- 5 “Parties” means PPL Electric and the RFP Bidder collectively.
- 6 “Representatives” means the officers, directors, employees, advisors, lenders, and other persons, including but not limited to any affiliates who are actively and directly participating in evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP. A person or entity is not a “Representative” unless that person or entity agrees to preserve the confidentiality of the Confidential Information in accordance with the terms of this Agreement.
- 7 “Third Parties” means a party or parties other than PPL Electric, the RFP Bidder or their respective Representatives.

(b) Other capitalized terms used in this Agreement have the meaning set forth in this Agreement and/or the applicable Request for Proposals, and/or the applicable LTB SMA.

TERMS:

1. Condition Precedent. PPL Electric and the RFP Bidder shall execute this Agreement as a condition precedent to PPL Electric's furnishing to the RFP Bidder or the RFP Bidder furnishing to PPL Electric a copy of any Confidential Information.

2. Purpose. The purpose of this Agreement is to protect the confidentiality of the Confidential Information and to restrict the use and disclosure of that information in the manner set forth below.

3. Limitations on Use and Disclosure.

(a) A Party shall use the other Party's Confidential Information only for the purpose of evaluating, responding to, negotiating and consummating the RFP and/or the response to the RFP, and/or consummating the LTB SMA and not for any other purpose. Neither Party shall disclose to Third Parties any information about PPL Electric's or RFP Bidder's participation in the RFP or execution of a LTB SMA, or the terms or conditions or any other facts relating thereto, including the fact that discussions are taking place with respect thereto, the status of those discussions, or the fact that Confidential Information has been made available by or to PPL Electric or RFP Bidder or their Representatives. Provided, however, that the identity of all (but no fewer than all) bidders who were awarded any supply in the state may be released on a statewide basis on or after the first day of the service year, and that no winning bidder's name is to be associated with a particular PPL Electric Default Service Load.

(b) Notwithstanding the foregoing or any other provision of this Agreement, PPL Electric may share any Confidential Information with the Pennsylvania Public Utility Commission, or its Staff (collectively "Pennsylvania PUC") as requested by the Pennsylvania PUC. Any such information shared will be designated as confidential, and PPL Electric will ask the Pennsylvania PUC to hold and use it on a confidential basis.

4. Disclosure upon Default. Notwithstanding the foregoing or any other provision of the Agreement, PPL Electric may disclose Confidential Information in an Event of Default by RFP Bidder, as provided for in the LTB SMA. PPL Electric may disclose to any RFP Bidder with whom it has executed the LTB SMA and who is not a Defaulting Party the contract price of the Defaulting Party for the purpose of allowing the Bidder to make the election provided for in Section 5.5 of the LTB SMA.

5. Definition of Confidential Information. Confidential Information shall consist of oral, electronic and written information that is confidential, proprietary, or generally not available to the public. Whenever possible, such Confidential Information shall be marked prior to or at the time of disclosure as being "Confidential Information". Confidential Information in the case of information provided by PPL Electric to the RFP Bidder shall include, without limitation, all data, reports, interpretations, forecasts or records relating to PPL Electric and/or its customers, and any other document created by PPL Electric or others which directly or indirectly relates to all or any portion of the bid evaluation information provided to the RFP Bidder by PPL Electric. Confidential Information in the case of information provided by the RFP Bidder to PPL Electric shall include, without limitation, all data, reports, interpretations, forecasts, bids, credit

information, credit collateral amounts and bidder identity, and shall also include information prepared by the RFP Bidder that includes directly or indirectly Confidential Information furnished by PPL Electric.

6. Non-Confidential Information. Notwithstanding the provisions of Section 5, information shall not be deemed confidential that: (i) becomes generally available to the public; (ii) is already known to the receiving Party at the time of receipt by the receiving Party; or (iii) is acquired after such receipt from a Third Party not known to the receiving Party to be prohibited from making disclosures. The receiving Party shall give prompt notice to the other Party in the event it believes that any of the other Party's information in its possession is not Confidential Information as a result of the provisions of this Section 6.

7. Property of PPL Electric or the RFP Bidder. Confidential Information belonging to PPL Electric shall consist of Confidential Information supplied by PPL Electric to the RFP Bidder and shall also include the portion of Confidential Information furnished by the RFP Bidder to PPL Electric that incorporates Confidential Information furnished to the RFP Bidder by PPL Electric. Confidential Information belonging to the RFP Bidder consists of all other Confidential Information supplied by the RFP Bidder to PPL Electric. PPL Electric and the RFP Bidder acknowledge that each Party's Confidential Information is and at all times remains the sole and exclusive property of that Party, who, it is agreed, has the exclusive right, title, and interest to its Confidential Information. Neither Party grants any right or license, by implication or otherwise, as a result of the provision of Confidential Information to the receiving Party.

8. Disclosure Prohibited Except Where Explicitly Permitted. Neither Party shall disclose or use the other Party's Confidential Information without the other Party's prior written consent except as explicitly stated in Sections 3, 4, 9 and 10 of this Agreement.

9. Disclosure For Bid Evaluation Purposes. A Party may disclose the other Party's Confidential Information to its Representatives for the purposes set forth in Section 3. The obligations and restrictions under this Agreement that apply to a Party also apply to a Party's Representatives.

10. Disclosure to Governmental Authorities Other than the Pennsylvania PUC.

(a) A Party (the "disclosing Party") may also disclose the other Party's Confidential Information to any governmental, judicial, or regulatory authority ("Authority") requiring such Confidential Information; provided that the disclosing Party a) promptly informs the other Party of the substance of any inquiries, requests or requirements in order to afford the other Party an opportunity to attempt to prevent or limit the disclosure of the Confidential Information; b) makes a good faith effort to persuade the Authority (i) that submission of the Confidential Information should not be required, or, if that effort fails, (ii) that submission of the Confidential Information on a non-public basis should be permitted; and c) endeavors in good faith to protect the Confidential Information provided to an Authority from disclosure to Third Parties. If an Authority orders the disclosing Party to disclose any documents containing the other Party's Confidential Information, the disclosing Party shall a) attempt to obtain from the other Party, if the Authority allows the time, a "Public Disclosure Copy", or b) if the Authority does not allow such time, shall prepare itself a "Public Disclosure Copy" in which the Confidential Information

has been redacted to the extent that such redaction is permitted by the Authority requiring disclosure. Confidential Information disclosed pursuant to this Section 10 on a non-public basis shall not lose its status as Confidential Information by virtue of such non-public disclosure.

(b) Notwithstanding the foregoing, the Parties agree that either party may be required to provide Confidential Information to the Federal Energy Regulatory Commission (“FERC”) in order to comply with FERC Form 1 or FERC transaction reporting requirements. Each Party agrees that to the extent it is required to provide FERC any such information, the Party required to provide such information will provide only the information that is reasonably necessary to comply with such reporting requirements and shall not be required to comply with the provisions of Section 10(a) of this Agreement unless there have been substantive changes to the information required for FERC reporting purposes.

11. Termination of RFP Participation. If the RFP Bidder determines that it does not wish to proceed with the RFP, or if PPL Electric excludes the RFP Bidder from the RFP for any of the reasons set forth in the RFP, it will immediately notify the other Party of that decision. In such case, or if the RFP is not consummated, upon the written request of the Party (the “requesting Party”), the other Party (the “receiving Party”) shall not retain and shall promptly return to the requesting Party all the requesting Party’s written Confidential Information in the possession of the receiving Party or its Representatives, except for the portion (“said portion”) of the requesting Party’s Confidential Information that may be found in analyses, compilations, or other documents prepared by, or for, the receiving Party and its Representatives. The said portion and any oral Confidential Information furnished by the requesting Party and not so requested or returned will be held by the receiving Party and kept subject to the terms of this Agreement, or destroyed.

12. Liability and Relief. A Party or any of its Representatives shall be liable for any breach of this Agreement. In the event a non-breaching Party or its Representatives shall have knowledge of any breach of the confidentiality of, or the misappropriation of, any of the Confidential Information, the non-breaching Party shall promptly give notice thereof to the breaching Party. The Parties agree that breach of this confidentiality agreement may cause damages to which a dollar amount may be difficult or impossible to ascribe, however, that such a breach would be irremediable by damages alone and specifically agree to equitable relief as appropriate. The non-breaching Party shall be entitled to specific performance or other equitable relief by way of injunction or otherwise, if the other Party or any of its Representatives breach or threaten to breach any of the provisions of this Agreement. Such remedy shall not be deemed to be the exclusive remedy available to the non-breaching Party, but shall be in addition to all other available remedies. Neither failure nor delay by the non-breaching Party, in exercising any of its rights or privileges herein, shall operate as a waiver nor shall any single or partial exercise preclude any other or further exercise of any right, power or privilege.

13. Representatives, Successors and Assigns. This Agreement shall be binding upon and for the benefit of the Parties, and their respective Representatives, successors, and permitted assigns. Neither Party may assign its rights or obligations hereunder without prior written consent of the other Party.

14. Controlling Law. This Agreement shall be governed by and construed in accordance with the laws of the Commonwealth of Pennsylvania without regard to conflicts of laws rules or principles.

15. Full Compliance Required. The failure in any instance to insist on full compliance with the terms of this Agreement shall not be deemed to be a waiver of the right to insist upon full compliance with these terms thereafter.

16. Signatures. The signatures below establish each Party's agreement to the terms hereof.

17. Termination. This Agreement shall terminate eleven years from the date hereof.

18. Counterparts. This Agreement may be executed in counterparts, each of which will be considered an original, but all of which shall constitute one instrument.

RFP BIDDER

By: _____

Name of Officer: _____

Title: _____

PPL ELECTRIC UTILITIES CORPORATION

By: _____

Name: _____

Title: _____

Appendix 4

PJM Qualification Certification Form

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

Signed:

Date:

Type or Print Name of Officer:

Title:

Company:

Appendix 5

FERC Authorization Certification Form

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

_____.

Signed:

Date:

Type or Print Name of Officer:

Title:

Company:

Appendix 6

Credit Application

1 Company Information

Type of Business

- Corporation
- Limited Liability Company
- Joint Venture
- Other (describe)

RFP Bidder Organization

Legal Corporate Name:

Street Address:

City, State, Zip Code:

DUNS Number:

Federal Tax ID Number:

For Corporation/Limited Liability Companies (please enter “n/a”, if this does not apply to you)

Date and State of Incorporation/Registration:

For Limited Partnerships (please enter “n/a”, if this does not apply to you)

Name of General Partner:

Address of General partner:

City, State, Zip Code:

2 Application for Credit

- The RFP Bidder is not seeking to be granted unsecured credit under the LTB SMA. (If you check this option, this Credit Application is complete and you are not required to provide any supporting documentation).

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

The RFP Bidder listed under Section 1.

The parent/guarantor company listed below.

Parent/Guarantor Company

Legal Corporate Name:

Street Address:

City, State, Zip Code:

DUNS Number:

Federal Tax ID Number:

Applicant Credit Contact Name

Name:
Title:
Street Address:
City, State, Zip Code:
Phone Number:
Email Address:

3 Credit Information

The Applicant indicated in Section 2 is required to provide the Securities and Exchange Commission (“SEC”) Form 10-Q or 10-K (whichever is more recent). If the SEC 10-Q or 10-K is unavailable, the supporting documents must include the most recent audited annual financial information (including a balance sheet, income statement, and cash flow statement); and the most recent quarterly, monthly or bi- annual financial information, if available. Indicate below what statements are being submitted.

SEC 10-K
 SEC 10-Q

If the SEC 10-K or 10-Q is unavailable, the Applicant must provide:

most recent audited annual financial information: (describe)
and
 most recent quarterly, monthly or bi- annual financial information, if available: (describe)

In the event the above information is inadequate to appropriately assess the Applicant's creditworthiness, the Applicant must provide evidence of its capability to provide collateral instruments, its capability to borrow and other sources of liquidity.

Subject to Section 4.5.2 of the LTB RFP, submitted information must be in the English language, and financial data denominated in United States currency, and conform to generally accepted accounting principles (“GAAP”) in the United States. If the Applicant's financial information is consolidated with other entities, then it is the Applicant's responsibility to extract and submit as separate documents all data and information related solely to the Applicant. This must include all financial information, associated notes and all other information that would comprise a full financial report conforming to GAAP.

Has the Applicant or predecessor company declared bankruptcy in the last 5 years?

Yes
 No

Are there any pending bankruptcies or other similar state or federal proceedings, outstanding judgments or pending claims or lawsuits that could affect the solvency of the Applicant?

- Yes
- No

If the answer is "Yes" to either of the above questions, please provide an addendum to this application describing the situation and how it affects the Applicant's ability to meet or not to meet its credit obligations.

4 Applicant's Credit Ratings (please enter "n/a" when the information requested in this item is unavailable)

Standard & Poor's

Current Rating: _____

(Senior Unsecured Long-Term Debt Rating (not supported by third-party credit enhancements, or, if unavailable, the most current corporate issuer rating))

Moody's Investor Services

Current Rating: _____

(Senior Unsecured Long-Term Debt Rating (not supported by third-party credit enhancements, or, if unavailable, the most current corporate issuer rating))

Fitch Ratings

Current Rating: _____

(Senior Unsecured Long-Term Debt Rating (not supported by third-party credit enhancements, or, if unavailable, the most current corporate issuer rating))

Along with the above information, attach the latest review from each of the agencies. Documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant is acceptable.

5 Foreign Guarantor Requirements

Is the RFP Bidders relying on the financial standing of a foreign Guarantor?

- No (Please proceed to Section 7)
- Yes (Please complete this Section 6)

An RFP Bidder relying on the financial standing of a foreign Guarantor may provide any additional evidence of creditworthiness for the Guarantor so as to provide PPL Electric with comparable assurances of creditworthiness as is applicable for an entity that has been incorporated or otherwise formed under the laws of a state of the United States or of the District of Columbia. Please indicate if you are including any such additional information:

Yes: (Describe)

No

Under the terms of the LTB SMA, additional documents are required for the foreign Guarantor to be granted unsecured credit and for the RFP Bidder to rely on the financial standing of the Guarantor. The RFP Bidder may, but is not required to, submit with its Bidder Qualifications a draft of these additional documents for review. Please indicate if you are including any such additional information:

Yes, the Applicant is providing the following documents for review:

Draft legal opinion of outside counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the guaranty pursuant to the LTB SMA is, or upon the completion of execution formalities will become, the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.

Draft sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the guaranty pursuant to the LTB SMA on behalf of the Guarantor has the authority to execute the guaranty pursuant to the LTB SMA and that the governing board of such guarantor has approved the execution of the guaranty pursuant to the LTB SMA.

Draft sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the Guarantor has been authorized by its governing board to enter into agreements of the same type as the guaranty pursuant to the LTB SMA.

No

If an RFP Bidder submits a draft of the documents for evaluation, the RFP Manager will provide this evaluation to the RFP Bidder on the Qualified Bidders Notified Date.

6 Authorization

The Applicant indicated in Section 2 hereby represents and warrants that all statements and representations made herein, including any supporting documents, are true to the best of Applicant's knowledge and belief. The undersigned authorized official of the Applicant warrants that the Applicant agrees to be bound by these representations. The Applicant authorizes the above listed entities to release data requested by PPL Electric Utilities Corporation necessary to perform a credit check in connection with RFP Bidder's interest to bid on this RFP.

Applicant's Company Name: _____

Signature of Authorized Official: _____

Name of Authorized Official (print): _____

Title of Authorized Official (print): _____

Date Signed: _____

APPENDIX 7

**BID ASSURANCE LETTER OF CREDIT
(ELECTRONIC “eUCP CREDIT”)**

DEFAULT SERVICE LONG-TERM BLOCK SUPPLY

**{TO BE ISSUED ON THE LETTERHEAD OF THE ISSUING BANK}
IRREVOCABLE STANDBY LETTER OF CREDIT NO.**

ISSUE DATE _____ EXPIRY DATE _____
APPLICANT _____
[NAME]
[ADDRESS]

BENEFICIARY
PPL ELECTRIC UTILITIES CORPORATION
827 HAUSMAN RD., 1ST FLOOR
ALLENTOWN, PA 18104
ATTN: PPL ELECTRIC ENERGY PROCUREMENT TEAM

ELECTRONIC ISSUE ADDRESS: PPLELECTRIC_BIDLC@PPLWEB.COM

CURRENCY AMOUNT
USD *****\$

WE (THE “ISSUER”) HEREBY ISSUE IN YOUR FAVOR OUR IRREVOCABLE STANDBY LETTER OF CREDIT NO: _____ (THIS “LETTER OF CREDIT,” WHICH SHALL BE AN “eUCP CREDIT”) FOR THE ACCOUNT OF _____ (“APPLICANT”) FOR AN AMOUNT OR AMOUNTS NOT TO EXCEED IN THE AGGREGATE US DOLLARS _____ AVAILABLE BY YOUR DRAFT(S) AT SIGHT AT OUR COUNTERS LOCATED AT _____ [INSERT ISSUER’S PLACE FOR PRESENTATION], EFFECTIVE _____ AND EXPIRING ON _____ AT 5:00 PM NEW YORK, NEW YORK TIME, WHICH IS AT LEAST 60 DAYS FROM THE DATE OF ISSUANCE, UNLESS TERMINATED EARLIER IN ACCORDANCE WITH THE PROVISIONS OF THIS LETTER OF CREDIT OR OTHERWISE EXTENDED BY AMENDMENT.

THIS LETTER OF CREDIT IS PRESENTABLE AND PAYABLE AS AN eUCP CREDIT, AND WE HEREBY ENGAGE WITH YOU THAT DRAFTS DRAWN UNDER AND IN COMPLIANCE WITH THE TERMS OF THIS LETTER OF CREDIT WILL BE HONORED ON PRESENTATION IF ACCOMPANIED BY THE REQUIRED DOCUMENTS PURSUANT TO THE TERMS OF THIS LETTER OF CREDIT.

THIS ORIGINAL LETTER OF CREDIT HAS BEEN ISSUED VIA ELECTRONIC MEANS ONLY TO PPLELECTRIC_BIDLC@PPLWEB.COM. WE CONFIRM THAT THE

ELECTRONIC PDF FILE OF THIS LETTER OF CREDIT (TOGETHER WITH ELECTRONIC PDF FILES OF SUBSEQUENT AMENDMENTS, IF ANY) SERVES AS THE OPERATIVE INSTRUMENT, AND THAT THE BENEFICIARY MAY USE THE ELECTRONIC PDF FILE OF THE LETTER OF CREDIT (TOGETHER WITH ELECTRONIC PDF FILES OF SUBSEQUENT AMENDMENTS, IF ANY) AS IT WOULD A HARD COPY ORIGINAL.

DRAFTS, DOCUMENTS AND OTHER COMMUNICATIONS HEREUNDER MAY BE PRESENTED OR DELIVERED TO US BY EMAIL OR BY ANY OTHER ELECTRONIC MEANS. PRESENTATION OR DELIVERY BY EMAIL MUST BE MADE FROM YOUR EMAIL ADDRESS: PPLELECTRIC_BIDLC@PPLWEB.COM TO THE FOLLOWING ISSUER EMAIL ADDRESS: _____ [INSERT ISSUER EMAIL ADDRESS], AND CONFIRMED BY TELEPHONE TO US AT ONE OF THE FOLLOWING NUMBER(S): _____ OR _____ [INSERT PHONE NUMBERS FOR CONFIRMATION]. IN THE EVENT OF A PRESENTATION BY EMAIL OR BY OTHER ELECTRONIC MEANS, NO REGULAR MAIL PRESENTATION OR DELIVERY IS NECESSARY, AND THE TRANSMISSION BY EMAIL OR BY OTHER ELECTRONIC MEANS WILL CONSTITUTE CONFORMING PRESENTATION OR DELIVERY.

BENEFICIARY WILL HOLD THIS LETTER OF CREDIT UNTIL WE RECEIVE WRITTEN NOTIFICATION FROM THE BENEFICIARY THAT EITHER:

1. THE APPLICANT’S BID PROPOSAL IN THE PPL ELECTRIC DEFAULT SERVICE LONG-TERM BLOCK SUPPLY RFP SOLICITATION ON [INSERT DATE] (THE “SOLICITATION DATE”) HAS BEEN REJECTED IN WHOLE AND THE APPLICANT HAS BEEN NOTIFIED OF SUCH REJECTION; OR
2. THE APPLICANT HAS WON TRANCHES IN THE PPL ELECTRIC DEFAULT SERVICE LONG-TERM BLOCK SUPPLY RFP SOLICITATION ON THE SOLICITATION DATE AND HAS EXECUTED THE DEFAULT SERVICE LONG-TERM BLOCK SUPPLIER MASTER AGREEMENT (“LTB SMA”) AND/OR TRANSACTION CONFIRMATIONS FOR SUCH TRANCHES.

UPON EITHER OF THE ABOVE TWO CONDITIONS, THIS LETTER OF CREDIT WILL BE RETURNED BY THE BENEFICIARY TO THE ISSUER WITHIN TWO BUSINESS DAYS.

THIS LETTER OF CREDIT MAY ALSO BE TERMINATED PRIOR TO THE STATED EXPIRY DATE UPON BENEFICIARY’S RECEIPT OF FULL PAYMENT FROM THE APPLICANT AND ISSUER’S RECEIPT OF A WRITTEN RELEASE FROM THE BENEFICIARY RELEASING THE ISSUER FROM ITS OBLIGATIONS UNDER THIS LETTER OF CREDIT.

IF THE APPLICANT IS AWARDED TRANCHE(S) IN THE PPL ELECTRIC DEFAULT SERVICE LONG-TERM BLOCK SUPPLY RFP SOLICITATION ON THE SOLICITATION

DATE AND DOES NOT TIMELY EXECUTE THE TRANSACTION CONFIRMATIONS ASSOCIATED WITH SUCH TRANCHES, THE APPLICANT SHALL FORFEIT THE ENTIRE AMOUNT OF THIS LETTER OF CREDIT.

THE BELOW MENTIONED DOCUMENT(S) MUST BE PRESENTED ON OR BEFORE THE EXPIRY DATE OF THIS LETTER OF CREDIT IN ACCORDANCE WITH THE TERMS AND CONDITIONS OF THIS LETTER OF CREDIT.

1. YOUR SIGNED STATEMENT, READING AS FOLLOWS:

“THE AMOUNT FOR THIS DRAWING, USD _____ [INSERT AMOUNT], BEING MADE UNDER LETTER OF CREDIT NUMBER _____ [INSERT LETTER OF CREDIT REFERENCE NUMBER], REPRESENTS AN AMOUNT DUE AND PAYABLE TO BENEFICIARY PURSUANT TO THE TERMS OF SUCH LETTER OF CREDIT, AND THIS STATEMENT SHALL BE THE NOTICE OF COMPLETENESS FOR THIS PRESENTATION UNDER THE ABOVE-REFERENCED LETTER OF CREDIT.”

2. THIS ORIGINAL LETTER OF CREDIT AND ANY AMENDMENT(S).

AT THE BENEFICIARY’S REQUEST PRIOR TO THE EXPIRY DATE, THE ISSUER WILL ISSUE TO THE BENEFICIARY A REPLACEMENT LETTER OF CREDIT (HAVING THE SAME TERMS AND CONDITIONS AS THIS LETTER OF CREDIT AND ANY AMENDMENTS HERETO) IF THE BENEFICIARY CERTIFIES TO THE ISSUER THAT THE ORIGINAL LETTER OF CREDIT HAS BEEN LOST, STOLEN, DESTROYED OR MUTILATED AND PROVIDES THE ISSUER WITH A REASONABLY ACCEPTABLE INDEMNITY.

IF PRESENTATION OF ANY DRAWING IS MADE ON A BUSINESS DAY (AS HEREIN DEFINED) AND SUCH PRESENTATION IS MADE ON OR BEFORE 11:00 A.M. NEW YORK TIME, ISSUER SHALL SATISFY SUCH DRAWING REQUEST ON THE NEXT BUSINESS DAY. IF THE DRAWING IS RECEIVED AFTER 11:00 A.M. NEW YORK TIME, ISSUER WILL SATISFY SUCH DRAWING REQUEST ON THE SECOND FOLLOWING BUSINESS DAY, IN EITHER CASE BY WIRE TRANSFER OF IMMEDIATELY AVAILABLE FUNDS TO AN ACCOUNT DESIGNATED BY THE BENEFICIARY BY NOTICE TO THE ISSUER.

THE TERM “BUSINESS DAY” AS USED HEREIN MEANS ANY DAY OTHER THAN (I) A SATURDAY, (II) A SUNDAY, OR (III) A DAY ON WHICH BANKING INSTITUTIONS LOCATED IN THE CITY OF NEW YORK, NEW YORK ARE REQUIRED OR AUTHORIZED BY LAW TO BE CLOSED.

APPLICANT'S FILING OF A BANKRUPTCY, RECEIVERSHIP OR OTHER DEBTOR-RELIEF PETITION, AND/OR APPLICANT'S DISCHARGE THEREUNDER, SHALL IN NO WAY AFFECT THE LIABILITY OF ISSUER UNDER THIS LETTER OF CREDIT AND ISSUER SHALL REMAIN LIABLE TO BENEFICIARY UNTIL THE EXPIRY DATE OF THIS

LETTER OF CREDIT FOR THE FULL AMOUNT OF APPLICANT'S OBLIGATIONS HEREIN TO BENEFICIARY NOT TO EXCEED THE AVAILABLE AMOUNT IN THIS LETTER OF CREDIT.

ADDITIONAL TERMS AND CONDITIONS:

1. ALL COMMISSIONS AND OTHER BANKING CHARGES WILL BE BORNE BY THE APPLICANT.
2. THIS LETTER OF CREDIT MAY NOT BE TRANSFERRED OR ASSIGNED.
3. THIS LETTER OF CREDIT IS IRREVOCABLE.
4. THIS LETTER OF CREDIT IS SUBJECT TO THE UNIFORM CUSTOMS AND PRACTICE FOR DOCUMENTARY CREDITS, 2007 REVISION - ICC PUBLICATION NO. 600, AS SUPPLEMENTED BY THE eUCP VERSION 2.0, OR ANY SUCCESSOR PUBLICATION THERETO (THE "UCP"). AS TO MATTERS NOT GOVERNED BY THE UCP, THIS LETTER OF CREDIT SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE COMMONWEALTH OF PENNSYLVANIA, INCLUDING, TO THE EXTENT NOT INCONSISTENT WITH THE UCP, THE UNIFORM COMMERCIAL CODE AS IN EFFECT IN THE COMMONWEALTH OF PENNSYLVANIA. THIS LETTER OF CREDIT MAY NOT BE AMENDED, CHANGED OR MODIFIED WITHOUT THE EXPRESS WRITTEN CONSENT OF THE BENEFICIARY AND THE ISSUER.
5. ARTICLE 36 OF THE UCP AS IT APPLIES TO THIS LETTER OF CREDIT IS MODIFIED AS FOLLOWS: IF, ON THE LAST BUSINESS DAY FOR PRESENTATION THE PLACE FOR PRESENTATION STATED IN THIS LETTER OF CREDIT IS CLOSED FOR ANY REASON, THEN THE LAST DAY FOR PRESENTATION IS AUTOMATICALLY EXTENDED TO THE DAY THAT IS TEN (10) CALENDAR DAYS AFTER THE PLACE FOR PRESENTATION RE-OPENS OR THE ISSUER NOTIFIES THE BENEFICIARY OF AN ALTERNATIVE PLACE FOR PRESENTATION, WHICH ALTERNATIVE MUST BE IN THE UNITED STATES.
6. THE BENEFICIARY SHALL NOT BE DEEMED TO HAVE WAIVED ANY RIGHTS UNDER THIS LETTER OF CREDIT, UNLESS THE BENEFICIARY OR AN AUTHORIZED AGENT OF THE BENEFICIARY SHALL HAVE SIGNED A DATED WRITTEN WAIVER. NO SUCH WAIVER, UNLESS EXPRESSLY SO STATED THEREIN, SHALL BE EFFECTIVE AS TO ANY TRANSACTION THAT OCCURS SUBSEQUENT TO THE DATE OF THE WAIVER, NOR AS TO ANY CONTINUANCE OF A BREACH AFTER THE WAIVER.
7. A FAILURE TO MAKE ANY PARTIAL DRAWINGS AT ANY TIME SHALL NOT IMPAIR OR REDUCE THE AVAILABILITY OF THIS LETTER OF CREDIT IN ANY SUBSEQUENT PERIOD OR OUR OBLIGATION TO HONOR YOUR SUBSEQUENT

DEMANDS FOR PAYMENT MADE IN ACCORDANCE WITH THE TERMS OF THIS
LETTER OF CREDIT.

AUTHORIZED SIGNATURE: _____

NAME: _____

TITLE: _____

PLEASE DIRECT ANY INQUIRIES (OTHER THAN DRAFTS, DOCUMENTS OR OTHER
COMMUNICATIONS REGARDING PRESENTATION) TO:

[BANK NAME, EMAIL ADDRESS AND PHONE NUMBER]

PPL Electric Utilities
Default Service Long-Term Block Supply RFP Process and Rules
APPENDIX 8

Example Bid Proposal Spreadsheet—Notes

Instructions:

The RFP Bidder must complete the Bid Proposal Spreadsheet as directed in Article 5.

All required information must be entered in the shaded cells. The absence of any required information will be deemed a non-conforming bid and will be eliminated from further consideration.

Residential -- is comprised of the following rate schedules:

RS*	RS – Residential Service
RTS*	RTS(R) – Residential Service – Thermal Storage

NOTES:

1. Rate schedules also may be subject to riders. Any such riders are set forth in PPL Electric Utilities Corporation General Tariff, Rules and Rate Schedules for Electric Service.

**PPL Electric Utilities Corporation
Default Service Long-Term Block Supply RFP Process and Rules**

APPENDIX 8

Example Bid Proposal Spreadsheet—Default Service Long-Term Block Supply

Solicitation # <number>
 Long-Term Block Supply
 Bid Proposal Due Date: <month>, <day>, <year>

Residential
 <number>-Month Delivery Period: <commencement date> - <expiration date>

Bidder Information:

Company Name		* Required Field
Contact Name		* Required Field
Phone Number		* Required Field

Tranche Information:

Total Available Tranches	3
Tranche Size	50MW

Bid Information:

	Total Tranches Supplied	Bid Assurance Collateral Amount	Price (US\$/MWh)	
Bids	1	\$1,000,000		* Required Field
	2	\$2,000,000		* Required Field
	3	\$3,000,000		* Required Field

Complete/Incomplete:

Appendix 9

Binding Bid Agreement

Bid Proposal Due Date: <month> <day><year>

In consideration for the privilege of submitting bids as part of the Default Service Long-Term Block Supply Request For Proposals process, _____ (“RFP Bidder”) agrees to be bound by the price quotes entered for Long-Term Block Supply on any Bid Proposal Spreadsheet, up to the expiration time of its proposal, as set forth in Section 5.6 (Expiration of Bid Proposals) of this Request For Proposals (“RFP”), submitted to PPL Electric Utilities Corporation (“PPL Electric”), in response to this solicitation process, which shall constitute a firm offer to supply service in accordance with the Default Service Long-Term Block Supplier Master Agreement (“LTB SMA”) and applicable Pennsylvania law and regulations. Any bid is not subject to any contingencies or conditions precedent and, if accepted by PPL Electric, the RFP Bidder agrees to execute the Transaction Confirmation in a timely manner as set forth in Section 7.5.2 of the RFP Rules.

The submission of any binding offer to PPL Electric shall constitute the Bidder’s acknowledgment and acceptance of all the terms, conditions and requirements of this RFP.

The RFP Bidder certifies that it is bidding independently and that it has no knowledge of any Proposal being submitted by another RFP Bidder in response to this RFP. The RFP Bidder certifies that, except for any communication with its financial institution for the purpose of preparing the Bid Assurance Letter of Credit, the RFP Bidder has not disclosed and will not disclose publicly or to any other party before the Pennsylvania Public Utility Commission has rendered a decision on the RFP results any information relating to its Proposal, which could have an effect on whether another party submits a Proposal to this RFP or on the contents of such Proposal that another RFP Bidder would be willing to submit in response to this RFP.

The undersigned represents and warrants that he/she has the authority to act on behalf of, and to bind, the RFP Bidder to perform the terms and conditions and otherwise comply with all obligations stated herein.

Signature of Officer: _____

Name of Officer (*print*): _____

Title of Officer (*print*): _____

Date Signed: _____