

Posted: July 22, 2025

**Illustrative Example of Exhibit 1 Transaction Confirmation with Capacity Proxy Price (“CPP”)**

Note: For the July 2025 solicitation, the Capacity Supplement below shall apply to tranches awarded for:

- the Residential 24-month product; and
- the Small C&I 24-month product.

Capacity Proxy Price for the Period June 1, 2027 through November 30, 2027 shall be \$299.93/MW-day.

**EXHIBIT 1 Transaction Confirmation**

This Transaction Confirmation letter is being provided pursuant to and in accordance with the Default Service Supplier Master Agreement (“Agreement”) dated [INSERT SMA Effective DATE] between PPL Electric Utilities Corporation (“Company”) and [INSERT DS SUPPLIER NAME] (“DS Supplier”). Terms used but not defined herein shall have the meanings ascribed to them in the Agreement. This Transaction Confirmation shall confirm the following terms of the Transaction agreed to on [INSERT DS Solicitation PaPUC approval date] (“Transaction Date”).

Transaction Type: **[Fixed Price Transaction]**

Product: Full Requirements Service

Customer Group: **[Residential/Small C&I]**

Service Type: [INSERT]

Delivery Point: PPL\_RESID\_AGG

Delivery Period: **December 1, 2025** through **November 30, 2027**

Capacity Supplement Applies? **Yes**

The DS Supplier’s DS Supplier Responsibility Share is [INSERT]. DS Supplier will supply [INSERT] Tranche(s) at a DS Fixed Price of \$ [INSERT] per MWh for the duration of the Delivery Period.

| Service Type    | Total Tranches  | % Size of a Tranche | PLC (MW)        | MW-Measure      |
|-----------------|-----------------|---------------------|-----------------|-----------------|
| <u>[INSERT]</u> | <u>[INSERT]</u> | <u>[INSERT]</u>     | <u>[INSERT]</u> | <u>[INSERT]</u> |

Capacity Supplement:

The Delivery Year for purposes of this Capacity Supplement is June 1, 2027 to May 31, 2028. The Delivery Period overlaps with part or all of the Delivery Year. This Capacity Supplement applies if the results for the Base Residual Auction (“BRA”) under PJM’s Reliability Pricing Model (“RPM”), or any successor, for the Delivery Year were not announced by PJM at least five (5) business days prior to the Bid Date. The Bid Date was July 29, 2025. If the Capacity Supplement applies, it will become effective on the Transaction Date and will expire at the end of the Delivery Period.

Except as specifically modified in and by this Capacity Supplement, all terms and conditions of the Agreement, including all Appendices, Exhibits, and payment provisions under Article 9, shall remain in full force and effect and shall apply to the Transaction. For purposes of this Capacity Supplement: (i) the “Capacity Price” is the price paid by DS Suppliers for Capacity for the Delivery Point, in \$ per MW-day, for the Delivery Year as set forth in the PJM Agreements, or any successor; and (ii) the “Capacity Proxy Price” is \$299.93/MW-day. The Capacity Proxy Price is the average of the most recent results under PJM’s RPM for the two most recent delivery years for which PJM has held a capacity auction. For the avoidance of doubt, the results of the most recent Incremental Auction held under PJM’s RPM would be used if an Incremental Auction has been held for a delivery year.

The Parties agree as follows:

Section 9.1(a)(i) of the Agreement is replaced for purposes of payment for the Transaction referenced herein with:

With respect to each Fixed Price Transaction, for each Billing Month, the Company will prepare a Statement of amounts due to the DS Supplier. This Statement will show the aggregate amounts due based on the DS Fixed Price indicated in such Transaction Confirmation multiplied by the PMEA of the Billing Month. For each month of the Delivery Year that is also a Billing Month of the Delivery Period, this Statement will include an additional line item that will show the sum, over all days of the Billing Month, of the difference between the Capacity Price actually charged for load served for the Delivery Point and the Capacity Proxy Price, multiplied by the amount of Capacity for the day reported as the DS Supplier’s Capacity obligation by Buyer to PJM for the Transaction.

Section 9.1(a)(ii) of the Agreement is replaced for purposes of payment for the Transaction referenced herein:

With respect to each Fixed Price Transaction, to the extent that the FMEA differs from the PMEA, the Company shall pay or charge the DS Supplier for the PMEA/FMEA Adjustment Amount within the PJM deadline for conducting the final settlement. To the extent that the daily Capacity obligations used in the calculation detailed in Section 9.1(a)(i) are adjusted, the Company will pay or charge the DS Supplier any net difference between the payment made and the payment calculated using the adjusted values. For avoidance of doubt, the MW of Capacity reported as DS Supplier’s Capacity obligation shall be adjusted for any subsequent meter corrections reported to PJM, or as a result of any subsequent retail load settlement process. Any reduction in load as a result of Buyer’s or PJM’s operation of its load response programs shall be reflected as a reduction in the MW of Capacity.

Please confirm that the terms stated herein accurately reflect the agreement reached on the date above between the DS Supplier and the Company by returning an executed copy of this Transaction Confirmation by pdf to the Company at DSPEnergyProcurement@pplweb.com. The signatories to this Transaction must have the authority to enter into this Transaction.

ILLUSTRATIVE EXAMPLE

**PPL ELECTRIC UTILITIES  
CORPORATION**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

**[DS SUPPLIER]**

BY: \_\_\_\_\_

NAME: \_\_\_\_\_

TITLE: \_\_\_\_\_

ILLUSTRATIVE EXAMPLE