

**Part 1 Application**

**For Fixed-Price and Hourly-Priced Auctions**

**To Procure Default Service Products**

**Under Default Service Program DSP-VI for**

**FirstEnergy Pennsylvania Electric Company**

**(“FE PA”)**

**Appendix 1 to Bidding Rules**

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Name of Applicant

## **PART 1 APPLICATION**

### **AUCTIONS TO PROCURE DEFAULT SERVICE PRODUCTS FOR FIRSTENERGY PENNSYLVANIA ELECTRIC COMPANY**

#### **INSTRUCTIONS**

There are two parts to the application process.

- **Part 1 Application:** Applicants submit the Part 1 Application and all documents required therein to become Qualified Bidders for the fixed-price auction (“FP Auction”) and/or the hourly-priced auction (“HP Auction”) used to procure default service products for FirstEnergy Pennsylvania Electric Company’s (“FE PA”) Met-Ed, Penelec, Penn Power, and West Penn Rate Districts. A Qualified Bidder for an auction need not submit a new Part 1 Application for subsequent auctions in the same calendar year unless the information in the Qualified Bidder’s Part 1 Application has changed. In any case, a Qualified Bidder must submit its most recent financial statements during the Part 1 Application process before each auction.
- **Part 2 Application:** Qualified Bidders for the FP Auction and/or the HP Auction submit the Part 2 Application in which they will: (a) agree to comply with the Bidding Rules, (b) agree to accept the terms of the Supplier Master Agreement (“SMA”) should they become a winning supplier, (c) make certifications regarding associations and the handling of Confidential Information, (d) submit Indicative Offers, and (e) post Pre-Bid Security to become Registered Bidders.

This document is the Part 1 Application.

For further information, consult the Information Website.

Unless otherwise defined, capitalized terms in this document have the definitions provided in the SMA. “Communications Protocols” refers to the section “Communications Protocols” and related sections in the Bidding Rules.

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Name of Applicant

## **PART 1 APPLICATION SUBMISSION**

To become a Qualified Bidder for the FP Auction and/or the HP Auction, Applicants must submit the following to the Independent Evaluator electronically through the Secure Online Application Process by the Part 1 Application Due Date:

- **Electronic Application Form:** Completed Part 1 Application submitted online;
- **PDF Copy Application Form:** A copy of the Part 1 Application document with signatures, and the name of the Applicant on every page of the Application;
- **Supporting Documentation:** A copy of required financial statements and other requested documents supporting the Application as specified in Appendix A; and
- **Changes to Pre-Bid Letter of Credit (Optional):** Any suggested modifications to the template for the Pre-Bid Letter of Credit must be provided to the Independent Evaluator in an electronic, red-lined version.

Proposed modifications to the Pre-Bid Security Letter of Credit and any other inquiries may be directed to the Independent Evaluator by email at [fepaauction@crai.com](mailto:fepaauction@crai.com). Inquiries can also be made through the Information Website.

It is in your interest to seek independent legal and financial advice before deciding to participate in the FP Auction and/or the HP Auction.

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Name of Applicant

**The completed Part 1 Application and any proposed modifications to the Pre-Bid Security Letter of Credit MUST be received by the Independent Evaluator no later than 12:00 p.m. noon prevailing Eastern Time on the Part 1 Application Due Date as posted in the timeline on the Information Website.**

## **CONFIDENTIALITY OF PART 1 APPLICATION SUBMISSIONS**

Confidentiality requirements specific to the Part 1 Application are provided below.

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## **CONFIDENTIALITY OF CREDIT INFORMATION**

Any information and materials that you submit in this Part 1 Application may be provided on a confidential basis to the Independent Evaluator team and the Pennsylvania Public Utility Commission (“Commission”) and their representatives. Information that you provide in this Part 1 Application, except for information regarding bidding agreements provided in Section 1.11, may be provided on a confidential basis to representatives of the Company for a creditworthiness assessment.

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## **CONFIDENTIALITY OF QUALIFIED BIDDERS**

Upon completion of the Part 1 Application process, the names of Qualified Bidders will be provided to other Qualified Bidders on a confidential basis. As part of this Part 1 Application, you are required to certify that you agree to release your name to other Qualified Bidders and that you will keep confidential the list of Qualified Bidders that is provided to you.

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Name of Applicant

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## **PART 1 APPLICATION**

### **Fixed-Price Auction and Hourly-Priced Auction to Procure Default Service Products**

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This Part 1 Application is the application form to become a Qualified Bidder in the FP Auction and/or the HP Auction.

#### **Background Information**

Before completing this application, please review the Bidding Rules document, the SMA, and other documents posted on the Information Website so that you understand the conditions under which the FP Auction and HP Auction will be conducted.

#### **Confirmation of Receipt**

When your Part 1 Application is submitted online through the Secure Online Application Process, an email will be sent to the Authorized Representative and the Delegate of the Applicant to confirm receipt.

#### **Incomplete Applications**

If your Part 1 Application is incomplete or requires clarification, the Independent Evaluator will send a deficiency notice to your Authorized Representative by email. You will have until 12:00 p.m. noon prevailing Eastern Time on the Part 1 Application Due Date, or until 5:00 p.m. prevailing Eastern Time on the Business Day following the Business Day during which a deficiency notice is sent to you, whichever comes later, to respond. If you do not correct or adequately explain the deficiency within the time allowed, your Part 1 Application may be rejected and you may be unable to participate in the FP Auction or the HP Auction. All corrections to remedy deficiencies within an Applicant's Part 1 Application must be submitted online. The Authorized Representative needs to sign and date next to the correction(s) to the Part 1 Application and send a copy as an email attachment to the Independent Evaluator at [fepaauction@crai.com](mailto:fepaauction@crai.com) or through the Secure Online Application Process.

#### **Late Applications**

Part 1 Applications received after the Part 1 Application Due Date will NOT be accepted under any circumstances.

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Name of Applicant

**Notification to Qualified Bidders**

If you become a Qualified Bidder for the FP Auction and/or the HP Auction, the Independent Evaluator will send a Notification of Qualification to your Authorized Representative by email after the Part 1 Application Due Date.

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\_\_\_\_\_  
Name of Applicant

**PART 1 APPLICATION FORMS**

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**1.1. Applicant Basic Information**

Name of Applicant (Company Name)

Legal Name of Applicant (if different from above)

Place of Incorporation, if applicable

Federal Tax ID

D&B DUNS #

Please state whether the Applicant is a corporation, partnership, etc.

Years in Business

URL for Applicant's Website

Has the Applicant participated in a prior FE PA Default Service solicitation?

If yes, indicate the most recent auction date (month, year):

\_\_\_\_\_  
Name of Applicant

## 1.2. Authorized Representative

The Authorized Representative is authorized to represent the Applicant in the FP Auction and/or the HP Auction. The Authorized Representative will receive all documentation related to the relevant auction(s) if and when the Applicant becomes a Qualified Bidder and subsequently a Registered Bidder, including any auction procedures and Confidential Information required for the submission of bids in any trial auction(s) and in the actual auction(s). The Authorized Representative must ensure that only authorized persons act on behalf of the Applicant in the FP Auction and/or the HP Auction. The Authorized Representative is the only person authorized to distribute auction procedures and Confidential Information and should do so in accordance with the Communications Protocols. The integrity of the FP Auction and the HP Auction depends upon each Authorized Representative safeguarding Confidential Information and passwords used in the auctions.

**The person designated below is the Applicant's Authorized Representative.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Title			
<input type="text"/>			
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**Communications with the Authorized Representative for purposes of the Part 1 Application are typically done via email.**

The Applicant hereby acknowledges that any notification or other communication given by the Independent Evaluator to the Applicant with respect to the Part 1 Application shall be emailed to the email address above.

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Name of Applicant

**This certification must be signed by the Authorized Representative.**

I hereby certify that I am authorized by the Applicant to serve as Authorized Representative, to represent the Applicant both (i) in the FP Auction and/or the HP Auction, and (ii) for purposes of this Part 1 Application. I further certify that I will be responsible for all Confidential Information regarding the FP Auction and/or the HP Auction and I will distribute Confidential Information only to other individuals who are authorized to act on behalf of the Applicant according to the Communications Protocols.

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Signature of Authorized Representative

Date

\_\_\_\_\_  
Name of Applicant

**The person designated in this section by the Applicant is the Delegate. The Delegate serves as a secondary point person for communications with the Independent Evaluator.**

Last Name [ ]	Given Name(s) [ ]	Mr/Mrs/Ms/Dr/(other) [ ]	
Company Name [ ]		Title [ ]	
Street Address 1 [ ]			
Street Address 2 [ ]			
City [ ]	State [ ]	Zip Code [ ]	
Telephone No. [ ]	Cell Phone No. [ ]	Fax No. [ ]	Email Address [ ]

\_\_\_\_\_  
Name of Applicant

**1.3. Designation of the Applicant's Authorized Representative and the Applicant's Delegate for the FP Auction and/or the HP Auction**

**This certification should be signed by an officer or director of the Applicant. The person making this certification cannot be either the Authorized Representative or the Delegate.**

I certify that I am an officer or director of the Applicant, empowered to undertake contracts and bind the Applicant. I have read and accept the Bidding Rules, the provisions contained in the SMA, and the provisions of the Communications Protocols pertaining to bidders in the FP Auction and/or the HP Auction.

All the information contained in this Application is true and correct to the best of my knowledge. If there are material changes to the Applicant's information provided in this Part 1 Application, I agree to notify the Independent Evaluator. I designate \_\_\_\_\_ to act as the Authorized Representative of the Applicant in the FP Auction and/or the HP Auction and \_\_\_\_\_ to act as the Delegate for the Authorized Representative. I am not designating myself as Authorized Representative or Delegate.

\_\_\_\_\_  
Signature of Officer or Director of the Applicant

\_\_\_\_\_  
Date

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Name of Applicant

#### 1.4. Applicant's Legal Representative in Pennsylvania

Please check here  if the Applicant's Authorized Representative is also the Applicant's Legal Representative.

The Applicant's Legal Representative in Pennsylvania must:

- be a legal counsel or a representative agent;
- have an address in Pennsylvania; and
- be authorized and agree to accept service of process on the Applicant's behalf.

**The person designated below is the Applicant's Legal Representative or Representative Agent.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Company Name	Title		
<input type="text"/>	<input type="text"/>		
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

**This certification must be signed by the Legal Representative.**

I agree to serve as Legal Representative of the Applicant. I am authorized and I agree to receive service of process on the Applicant's behalf.

\_\_\_\_\_  
Signature of Legal Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Name of Applicant

### 1.5. Applicant's Credit Representative

The Applicant's Credit Representative is the Applicant's in-house Credit Representative who can answer questions or provide information about the Applicant's credit with respect to the requirements for the FP Auction and/or the HP Auction.

**The person designated below is the Applicant's Credit Representative.**

Last Name	Given Name(s)	Mr/Mrs/Ms/Dr/(other)	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Title			
<input type="text"/>			
Street Address 1			
<input type="text"/>			
Street Address 2			
<input type="text"/>			
City	State	Zip Code	
<input type="text"/>	<input type="text"/>	<input type="text"/>	
Telephone No.	Cell Phone No.	Fax No.	Email Address
<input type="text"/>	<input type="text"/>	<input type="text"/>	<input type="text"/>

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Name of Applicant

**1.6. General Requirements to Participate in the Auctions to Procure Default Service Products**

1. If the Applicant already is a Transmission Customer of PJM who has executed the applicable PJM Agreements as that term is defined in the SMA, please check  and please provide a copy of the signature page of the PJM Agreements.

Otherwise, please certify that there exist no known impediments for the Applicant to execute the applicable PJM Agreements prior to the start of the supply period.

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Signature of Authorized Representative

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Date

2. If the Applicant already has PJM E-Accounts necessary to provide Default Service supply, please check  and please provide documentation from PJM that the Applicant has a PJM E-Account.

Otherwise, please certify that there exist no known impediments for the Applicant to establish the PJM E-Accounts necessary to provide Default Service Supply and execute the PJM E-Account contract(s) for the supply period prior to the beginning of the supply period.

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Signature of Authorized Representative

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Date

3. If the Applicant already is a PJM Market Participant and a Load Serving Entity in PJM, please check  and please provide documentation from PJM that the Applicant is a Market Participant.

Otherwise, please certify that there exist no known impediments for the Applicant to become a PJM Market Participant and a Load Serving Entity in PJM by the start of the supply period.

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Signature of Authorized Representative

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Date

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Name of Applicant

4. Further, please certify that:

- (a) The Applicant and its corporate officers have no indictments or pending criminal litigation in any federal, state or local jurisdiction relating to the Applicant;
- (b) The Applicant and its corporate officers have no criminal convictions;
- (c) The Applicant has no civil penalties, judgments, sanctions or consent decrees arising out of the violation of any law, rule, regulation or ordinance in connection with its business activities;
- (d) The Applicant has not had any permit or authority to do business in any jurisdiction revoked or suspended; and
- (e) The Applicant has never been barred from public bidding or sanctioned for unauthorized disclosure of Confidential Information.

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Signature of Authorized Representative

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Date

If you are unable to make these certifications in Section 1.6, subsections (1) to (4), please state which certifications you are unable to make and explain all reasons in the space given below.

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Name of Applicant

**1.7. Financial and Credit Information for the Applicant**

**Please provide the following information for the Applicant:**

- (a) If the Applicant is not an SEC registrant, provide the most recent Annual Report;
- (b) If the Applicant is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement);
- (c) If the Applicant is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Applicant’s Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant’s financial condition;
- (d) The following financial information along with page references to the relevant financial filings submitted:

	Amount (\$)	Financial Document Page Number	Financial Document Source	Date of Financial Document Source
Goodwill				
Shareholders' Equity				
Net Intangible Assets				

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Name of Applicant

- (e) Applicant’s senior unsecured debt ratings from the following three rating agencies if available, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant:

	Rating	Date of the Rating
Moody’s		
Standard & Poor’s		
Fitch		

If senior unsecured debt ratings are unavailable, but corporate issuer ratings are available, please provide the corporate issuer ratings, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Applicant:

	Rating	Date of the Rating
Moody’s		
Standard & Poor’s		
Fitch		

- (f) If the Applicant has not been incorporated or otherwise formed under the laws of the United States, the Applicant is asked to provide in addition to (a)-(f) above:
- i. A legal opinion acceptable to the Company of counsel qualified to practice in the foreign jurisdiction in which the Applicant is incorporated or otherwise formed that the SMA will become the binding obligation of the Applicant in the jurisdiction in which it has been incorporated or otherwise formed.
  - ii. Any additional information that the Applicant wishes to include that could provide comparable credit assurances to those that are provided by other Applicants that have been incorporated or otherwise formed under the laws of the United States.

An Applicant that has not been incorporated or otherwise formed under the laws of the United States and that does not provide this information or any information that could provide comparable assurances of creditworthiness will be required to post the maximum security if they become a winning bidder.

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Name of Applicant

Further, if such Applicants become Default Service Suppliers, they will be required to submit additional documents as detailed in Article 6 of the SMA, including:

- A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Default Service Supplier is incorporated or otherwise formed that this Agreement is, or upon the completion of execution formalities will become, the binding obligation of the Default Service Supplier in the jurisdiction in which it has been incorporated or otherwise formed;
- The sworn certificate of the corporate secretary (or similar officer) of such Default Service Supplier that the person executing the Agreement on behalf of the Default Service Supplier has the authority to execute the Agreement and that the governing board of such Default Service Supplier has approved the execution of the Agreement; and
- The sworn certificate of the corporate secretary (or similar officer) of such Default Service Supplier that the Default Service Supplier has been authorized by its governing board to enter into agreements of the same type as the SMA.

**Is the Applicant and/or its parent:**

	<u>Applicant</u>		<u>Parent</u>	
	Yes	No	Yes	No
Operating under federal bankruptcy laws or bankruptcy laws in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact the Applicant's and/or parent's financial condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to collection lawsuits or outstanding judgments that could impact solvency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Name of Applicant

Please provide a statement disclosing any existing, pending or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (state, FERC, SEC or DOJ) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or that materially affect current financial or operational status.

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Name of Applicant

### 1.8. Guarantor Information

The Guarantor information is required only if the Applicant expects to have a third party act as a Guarantor should the Applicant become a Default Service Supplier.

**Please check here  and proceed to the next section if this section does not apply to you because you will not have a third party act as a Guarantor.**

#### Basic Information for the Guarantor

Name of Guarantor

Legal Name of Guarantor (if different from above)

Place of Incorporation, if applicable

Federal Tax ID

D&B DUNS #

Please state whether the Guarantor is a corporation, partnership, etc.

Years in Business

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Name of Applicant

**Guarantor's Contact Information**

Last Name

Given Name(s)

Mr/Mrs/Ms/Dr/(other)

Title

Street Address 1

Street Address 2

City

State

Zip Code

Telephone No.

Cell Phone No.

Fax No.

Fax No.

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Name of Applicant

**The Guarantor's Credit Representative**

The Guarantor's in-house Credit Representative is the individual who can answer questions or provide information about the Guarantor's credit with respect to the requirements for the FP Auction and/or the HP Auction.

**The person designated below is the Guarantor's Credit Representative.**

Last Name <input type="text"/>	Given Name(s) <input type="text"/>	Mr/Mrs/Ms/Dr/(other) <input type="text"/>	
Title <input type="text"/>			
Street Address 1 <input type="text"/>			
Street Address 2 <input type="text"/>			
City <input type="text"/>	State <input type="text"/>	Zip Code <input type="text"/>	
Telephone No. <input type="text"/>	Cell Phone No. <input type="text"/>	Fax No. <input type="text"/>	Email Address <input type="text"/>

\_\_\_\_\_  
Name of Applicant

**Please provide the following information for the Guarantor:**

- (a) If the Guarantor is not an SEC registrant, provide the most recent Annual Report;
- (b) If the Guarantor is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement);
- (c) If the Guarantor is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Guarantor’s Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant’s financial condition;
- (d) The following financial information along with page references to the relevant financial filings submitted:

	Amount (\$)	Financial Document Page Number	Financial Document Source	Date of Financial Document Source
Goodwill				
Shareholders' Equity				
Net Intangible Assets				

- (e) Guarantor’s senior unsecured debt ratings from the following three rating agencies if available, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Guarantor:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

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Name of Applicant

If senior unsecured debt ratings are unavailable, but corporate issuer ratings are available, please provide the corporate issuer ratings, and the date of the rating, along with documentation showing the name of the rating agency, the type of rating, and the rating of the Guarantor:

	Rating	Date of the Rating
Moody's		
Standard & Poor's		
Fitch		

- (f) If the Guarantor has not been incorporated or otherwise formed under the laws of the United States, the Guarantor is asked to provide in addition to a)-f) above:
- i. A legal opinion acceptable to the Company of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the Guaranty will become the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed.
  - ii. Any additional information that the Guarantor wishes to include that could provide comparable credit assurances to those that are provided by other Guarantors that have been incorporated or otherwise formed under the laws of the United States.

An Applicant whose Guarantor has not been incorporated or otherwise formed under the laws of the United States and that does not provide this information or any information that could provide comparable assurances of creditworthiness will be required to post the maximum security if they become a winning bidder.

Further, if an Applicant with such a Guarantor becomes a Default Service Supplier, the Guarantor will be required to submit additional documents as detailed in Article 6 of the SMA, including:

- A legal opinion of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that this Guaranty 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;

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Name of Applicant

- The sworn certificate of the corporate secretary (or similar officer) of such Guarantor that the person executing the Guaranty on behalf of the Guarantor has the authority to execute the Guaranty and that the governing board of such Guarantor has approved the execution of the Guaranty; and
- 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.

**Is the Guarantor and/or its parent (if applicable):**

	Guarantor		Parent	
	Yes	No	Yes	No
Operating under federal bankruptcy laws or bankruptcy laws in any jurisdiction?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to pending litigation or regulatory proceedings (in state court, or in federal court, or from regulatory agencies, or in any other jurisdiction) which could materially impact the Guarantor's and/or parent's financial condition?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Subject to collection lawsuits or outstanding judgments that could impact solvency?	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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Name of Applicant

Please provide a statement disclosing any existing, pending or past adverse rulings, judgments, litigation, contingent liabilities, revocations of authority, administrative, regulatory (State, FERC, SEC or DOJ) investigations and any other matters relating to financial or operational status for the past three years that arise from the sale of electricity or natural gas, or that materially affect current financial or operational status of the Guarantor.

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Name of Applicant

### 1.9. Additional Certifications

The Bidding Rules, the SMA, and the Information Website include important information that an Applicant should understand prior to participating in the FP Auction and/or the HP Auction.

- (a) Please certify that you have read the Bidding Rules for the Auction(s) in which you intend to participate (the FP Auction and/or the HP Auction) and that you will comply with these rules.

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Signature of Authorized Representative

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Date

- (b) Please certify that you have read the SMA and that you accept its terms. Please also certify that if you become a winning bidder, you will execute the SMA within three (3) Business Days following the date of the Commission's approval of the auction results:

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Signature of Authorized Representative

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Date

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Name of Applicant

- (c) Please certify that if you qualify to participate in the FP Auction and/or the HP Auction, you will not disclose at any time information regarding the list of Qualified Bidders in the FP Auction and/or the HP Auction, including but not limited to the number of Qualified Bidders, the identity of any one of the Qualified Bidders (including yourself), or the fact that an entity has not qualified for participation in the FP Auction and/or the HP Auction. Further, please certify that you will destroy any document distributed by the Independent Evaluator that lists the Qualified Bidders within five (5) days of the close of the bidding, or earlier if so instructed by the Independent Evaluator.

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Signature of Authorized Representative

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Date

- (d) No Qualified Bidder in the FP Auction and/or the HP Auction shall substitute another party, transfer its rights to another party, or otherwise assign its status as a Qualified Bidder to another party. Any such substitutions, transfers, or assignments shall be null and void and will result in the exclusion of the Qualified Bidder from the FP Auction and/or the HP Auction. Please certify that you agree to the limitation set forth in this paragraph.

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Signature of Authorized Representative

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Date

The Bidding Rules and Communications Protocols include restrictions on the disclosure of Confidential Information. For purposes of the following certifications, the definition of Confidential Information relative to bidding strategy is defined according to Section 12.2 of the Bidding Rules.

- (e) Please certify that you agree not to disclose any Confidential Information relative to bidding strategy to any party that may have an effect on the participation of another bidder, prospective bidder, or on any of the bids that another bidder would be willing to submit.

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Signature of Authorized Representative

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Date

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Name of Applicant

- (f) Please certify that, to the extent Confidential Information relative to bidding strategy is disclosed within your organization or to a third party, you will ensure that sufficient precautions are taken to ensure that such Confidential Information is not made public or made available to another bidder. Such precautions include, but are not limited to confidentiality agreements, non-disclosure agreements, firewalls, and other contractual or structural protections that would maintain the confidential nature of a bidder's bidding strategy.

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Signature of Authorized Representative

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Date

If unable to make the certifications requested above please identify the nature of your need to disclose Confidential Information without sufficient precautions to ensure that such Confidential Information is not made public or made available to another bidder.

\_\_\_\_\_  
Name of Applicant

### 1.10. Alternate Guaranty Form

A prospective Default Service Supplier that wishes to rely on a Guarantor upon becoming a Default Service Supplier can use the standard form of guaranty (Appendix G to the SMA) and be assured that the standard form of guaranty is acceptable to the Company. Alternatively, the Company will consider alternate forms of guaranty if they are submitted with this Part 1 Application. Also, you may submit an alternate form of guaranty that was previously approved by the Company in a prior solicitation.

The Alternate Guaranty Form must be a financial guaranty for unlimited liability. Additional requirements are specified in Appendix B of this Part 1 Application.

**Please check here  and proceed to the next section if this section does not apply to you because you are not submitting an alternate form of guaranty. Otherwise please read Appendix B and complete this section.**

The Authorized Representative acknowledges by signing below that he/she has read the requirements of Appendix B and that he/she believes that the proposed Alternate Guaranty Form complies with these requirements:

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

Please check below to show that you are including all required documents.

- The proposed form of alternate guaranty;
- Certification that the alternate guaranty has been in general use by the Applicant in its ordinary course of business over the past twelve months;
- An enforceability opinion with respect to the alternate form of guaranty from counsel; and
- Previously approved alternate form of guaranty.

\_\_\_\_\_  
Name of Applicant

### 1.11. Bidding Agreements

**Please note that the Company will not review information provided in this section.**

**Please check here  and proceed to the next section if you will be bidding independently and not as a party to any bidding agreement with another party or through any other arrangement involving joint or coordinated bidding with any other party.**

Otherwise, please indicate below whether you are a party to or a part of a bidding agreement, a joint venture, a bidding consortium, or other arrangements for purposes of participating in the FP Auction and/or the HP Auction or pertaining to bidding in the FP Auction and/or the HP Auction. On the next page, please also provide the names of the other parties to the bidding agreement or other arrangement.

Other parties to the arrangement:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Bidding Agreement

Bidding Consortium

Joint Venture

Other (define)

If you are part of a bidding agreement, bidding consortium or joint venture, you must nominate a single party to the bidding agreement, bidding consortium or joint venture to fulfill the creditworthiness requirements. This party may have a Guarantor. Please indicate below which party from the bidding agreement, bidding consortium, or joint venture will be fulfilling the creditworthiness requirements:

Name of the single party fulfilling the creditworthiness requirements:

\_\_\_\_\_

\_\_\_\_\_  
Name of Applicant

The Authorized Representative of the party named above must sign here to acknowledge the fact that this party has agreed to fulfill the creditworthiness requirements:

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

**1.12. Justification of Omissions**

If you are unable to provide all documents or all information requested in this Part 1 Application, please justify fully any omissions in the space provided below.

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Name of Applicant

## Appendix A – Enclosures to the Part 1 Application

This is a checklist of documents to be enclosed with this Part 1 Application. Please submit only one copy of required supporting documents to the application unless noted otherwise.

A copy of the completed Part 1 Application with original signatures and original notarized signatures of Sections 1.2, 1.3 and 1.4 [Instructions Part 1]

For the Applicant:

- A copy of the signature page of the applicable PJM Agreements as that term is defined in the SMA [Section 1.6]
- If the Applicant is not an SEC registrant, provide the most recent Annual Report [Section 1.7]
- If the Applicant is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide the most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement) [Section 1.7]
- If the Applicant is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide the most recent annual or quarterly financial data accompanied by an attestation by the Applicant's Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant's financial condition [Section 1.7]
- Senior unsecured debt ratings or, if unavailable, corporate issuer ratings [Section 1.7]
- If the Applicant has not been incorporated or otherwise formed under the laws of the United States, (i) a legal opinion acceptable to the Company of counsel qualified to practice in the foreign jurisdiction in which the Applicant is incorporated or otherwise formed that the SMA will become the binding obligation of the Applicant in the jurisdiction in which it has been incorporated or otherwise formed, and (ii) any additional information that the Applicant wishes to give that could provide comparable credit assurances to those that are provided by other Applicants that have at least two credit ratings from accepted credit ratings agencies. [Section 1.7]

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Name of Applicant

For the Guarantor:

- If the Guarantor is not an SEC registrant, provide the most recent Annual Report [Section 1.8]
- If the Guarantor is an SEC registrant, provide the Form 10-Q or Form 10-K, whichever was filed most recently with the SEC. If unavailable, please provide most recent audited quarterly or annual financial information (including a balance sheet, income statement, and cash flow statement) [Section 1.8]
- If the Guarantor is an SEC registrant and if both the Form 10-K and Form 10-Q most recently filed with the SEC are not available, please provide most recent annual or quarterly financial data accompanied by an attestation by the Guarantor's Chief Financial Officer that the information submitted is true, correct and a fair representation of the Applicant's financial condition [Section 1.8]
- Senior unsecured debt ratings or, if unavailable, corporate issuer ratings [Section 1.8]
- If the Guarantor has not been incorporated or otherwise formed under the laws of the United States, (i) a legal opinion acceptable to the Company of counsel qualified to practice in the foreign jurisdiction in which the Guarantor is incorporated or otherwise formed that the Guaranty will become the binding obligation of the Guarantor in the jurisdiction in which it has been incorporated or otherwise formed, and (ii) any additional information that the Guarantor wishes to give about the Guarantor's financial standing that could provide comparable credit assurances to those that are provided by other Guarantors that have at least two credit ratings from accepted credit rating agencies. [Section 1.8]

If the Applicant is proposing an Alternate Guaranty Form:

- Proposed form of alternate guaranty [Section 1.10]
- Certification that the alternate guaranty has been in general use by the Applicant in its ordinary course of business over the past twelve months [Section 1.10]
- An enforceability opinion with respect to the alternate form of guaranty from counsel [Section 1.10]
- Proposed form of alternate guaranty [Section 1.10]

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Name of Applicant

## **Appendix B – Alternate Guaranty Form (Optional)**

The criteria used to review the alternate form of guaranty are as follows:

1. The alternate guaranty must be a financial guaranty; performance guarantees are not acceptable.
2. The Company will consider alternate forms of guaranty only if the guaranty is for unlimited liability.
3. The alternate guaranty must be an unconditional guaranty of payment of all amounts due by the Default Service Supplier to the Company under the SMA. The SMA must be expressly identified and the satisfaction of obligations through performance may not be authorized.
4. The alternate guaranty may be terminated upon not less than thirty (30) days advance written notice to the Company and termination shall not discharge liabilities and obligations of the Guarantor that have been incurred before the effective date of the termination.
5. The alternate guaranty must not be subject to any monetary limit.
6. The alternate guaranty must be accompanied by a certification that this form of guaranty, subject to changes needed to conform to the specific requirements of the , has been in general use by the submitting party in its ordinary course of business over the past twelve months.
7. The alternate guaranty must be a guaranty of payment and not of collection.
8. Assignment of the alternate guaranty shall not be permitted except with the prior written consent of the Company.
9. The Applicant must provide an enforceability opinion with respect to the alternate form of guaranty from its counsel. The accompanying enforceability opinion must be from a law firm of national (i.e., United States) standing, must not be weaker than would be industry norm and must contain only those qualifications that would be typical. The opinion shall name the Company and explicitly state that the Company is entitled to rely on the opinion.

The alternate forms of guaranty will be reviewed in accordance with the following process:

- Upon receipt of the Part 1 Application, the Independent Evaluator will redact the proposed alternate form of guaranty to remove any information identifying the Applicant. The Independent Evaluator will then forward the redacted version to a credit and legal representative of the Company.

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Name of Applicant

- The credit and legal representative will determine whether the alternate form of guaranty provides sufficient assurances of payment, taking into account the following considerations:
  - (i) whether the alternate form of guaranty conforms with the specific requirements identified by the Company (listed above);
  - (ii) whether the alternate form of guaranty provides substantially similar credit protections to the credit protections provided to the Company by the standard form of guaranty; and
  - (iii) whether the alternate form of guaranty includes defenses in favor of the Guarantor not found in the standard form of guaranty. The Company's representative may also identify specific changes that would permit the alternate form of guaranty to be acceptable, if such changes are of a limited nature.
- The credit and legal representative shall inform the Independent Evaluator of its decision no later than seven (7) Business Days following the Part 1 Application Due Date.
- Upon receipt of the Company's decision, the Independent Evaluator will notify the Applicant of the Company's decision. The Company's decision will state one of the following:
  - (i) The proposed alternate guaranty is acceptable to the Company in the form in which it was submitted.
  - (ii) The proposed alternate guaranty is not acceptable to the Company in the form in which it was submitted, but would be acceptable subject to specific changes of a minor nature. The correspondence from the Independent Evaluator will set forth the required changes.
  - (iii) The proposed alternate guaranty is not acceptable to the Company.
- If specific changes are required to the proposed alternate guaranty, the Applicant will be required to resubmit the alternate guaranty form with changes identified by the Company on the Business Day following the Business Day during which the Independent Evaluator notified the Applicant of the Company's decision. No later than three (3) Business Days after the Applicant's resubmission, the Independent Evaluator will notify the Applicant of the Company's final decision.

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A potential bidder that had secured approval for an alternate form of guaranty from any previous Default Service procurement auction held by one or more of the Company's and wishes to use the same alternate form of guaranty can renew this by submitting the following:

1. The alternate form of guaranty from any previous Default Service procurement auction by the Company;
2. The enforceability opinion from any previous Default Service procurement auction by the Company;
3. A certification that the text of the alternate form of guaranty is exactly the same as the alternate form of guaranty that had been previously approved from any previous Default Service procurement auction by the Company;
4. A certification that the text of the enforceability opinion is exactly the same as the enforceability opinion that had been previously approved from any previous Default Service procurement auction by the Company.

If a potential bidder submits the materials as specified above, the alternate form of guaranty will be approved for the FP Auction and/or the HP Auction without further re-evaluation. If a potential bidder had secured approval for an alternate form of guaranty from any previous Default Service procurement auction by the Company but is unable to provide the materials as specified above, the potential bidder must resubmit the alternate form of guaranty and all supporting documentation as specified in the Alternate Form of Guaranty section above and these materials will be re-evaluated according to the criteria set forth in this document.

All proposing parties that become Qualified Bidders under the Part 1 Application process, but whose alternate guaranty is rejected by the Company, are required to submit with their Part 2 Application a supplemental certification that the Applicant unconditionally accepts all terms and conditions of the SMA.

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Name of Applicant

### **Appendix C – Proposing Changes to the Pre-Bid Security Letter of Credit (Optional)**

The standard form of the Pre-Bid Security Letter of Credit that is acceptable to the Company will be posted to the Information Website. However, an Applicant has the option to propose changes to the Pre-Bid Security Letter of Credit during the Part 1 Application process by clearly identifying the proposed changes in an electronic, redlined version. This version may be submitted by email to [fepaauction@crai.com](mailto:fepaauction@crai.com) or as an attachment through the Secure Online Application.

The Company will assess, in their sole and exclusive discretion, whether such modifications are acceptable. The Qualified Bidder, in its Part 2 Application, must provide the required executed Pre-Bid Security Letter of Credit that either uses the standard form or incorporates only those modifications to the standard form accepted by the Company upon review of the Part 1 Application. The draft Pre-Bid Security Letter of Credit will be reviewed in accordance with the following process:

- Upon receipt of the Part 1 Application, the Independent Evaluator will redact the draft Pre-Bid Security Letter of Credit to remove any information identifying the Applicant. The Independent Evaluator will then forward the redacted version to a credit and legal representative of the Company.
- The credit and legal representative will determine whether such modifications are acceptable. The credit and legal representative shall inform the Independent Evaluator of its decision no later than seven (7) Business Days following the Part 1 Application Due Date.
- Upon receipt of the Company's decision, the Independent Evaluator will notify the Applicant of the Company's decision. The Company's decision will either state:
  - (i) The proposed changes to the Pre-Bid Security Letter of Credit are acceptable to the Company in the form in which they were submitted.
  - (ii) The proposed changes to the Pre-Bid Security Letter of Credit are not acceptable to the Company in the form in which they were submitted, but would be acceptable subject to specific changes of a minor nature. The correspondence from the Independent Evaluator will set forth the required changes.
  - (iii) The proposed changes to the Pre-Bid Security Letter of Credit are not acceptable to the Company.
- If specific changes are required pursuant to (ii) above, the Applicant will be required to resubmit the draft Pre-Bid Security Letter of Credit with changes identified by the Company on the Business Day following the Business Day during which the

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Name of Applicant

Independent Evaluator notified the Applicant of the Company's decision. No later than three (3) Business Days after the Applicant's resubmission, the Independent Evaluator will notify the Applicant of the final decision.

**End of Part 1 Application**

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