In Connecticut Procurement Process
new procurement plan that could take advantage of falling market prices

PA 11-80 created the position of Power Procurement Manager who was tasked with creating a

Legislature dictated Procurement Process from 2006-2011

Plan can be found in PURA Docket 12-06-02 and Rep. Orders

Current Procurement Process has been in place since 2012

Background
pattern designed by the Legislature.
In 2006 Standard Service was implemented, purchased in a semi-long term 3-year laddering

After a series of TSOs, the market fully opened to competition in 2006 for CIBP and 2007 for

spur a retail market. Offered by the Electric Distribution Companies (EDCC) while they divested assest and desired to

The electric market was legislatively deregulated in 1999.

History: 1999-2006
contracts. Consumers were stuck with high prices from these long term market was much higher. Connecticut could not react as the energy was already purchased when the market began to fall. When the energy charge would now include energy purchased up to 3 years ago. When the generation charge would each energy purchase be used each year over the next 3 years. With each procurement, the EDCS would purchase energy to be used each year over the next 3

History: 2006-2012
The plan has been reopened multiple times for technical changes allowing adaptation with the current market.

October 2012 – PURA approves the Plan and the new procurement process begins.

June 2012 – PURA initiates Docket 12-06-02 to conduct a public hearing process on the Plan.

February 2012-June 2012 a team led by the Power Procurement Manager and including PURA Consultants (Levitan & Assoc.), OCC, Eversource and United Illuminating, developed the current Power Procurement Plan.
Procurement requirements require the supplier to make "Full Requirements" bids for each tranche they are interested in serving.

A rate period is made up of 10 tranches filled with energy purchased in each of the last four EDC load for each rate period is divided into 10 equivalent tranches.

The year is divided into 2 rate periods - Jan 1-Jun 30, July 1-Dec 31.

Both EDCs hold four procurements per year - January, April, July, October.

The two EDCs (Eversource & UI) procure separately.

Current Plan
Full Requirements Bids

- Each tranche is 10% of the total load.

- Historical load is used as a guide when bidding on a tranche, the total load actually used may change by the end of the rate period.

- Bidder is responsible for the total load for each tranche at the end of the rate period. The rate cannot change if load fluctuates from the historical guide.

- In addition to energy, each tranche is also made up of ancillary components – Renewable requirements, capacity costs, risk premium, etc.

- Full Requirements Bid = energy + ancillary components x total load.

- Full Requirements cost is passed on to consumer in the Generation Service Charge with no markup by the EDC.
Sample Procurement Schedule A
Sample Procurement Schedule

<table>
<thead>
<tr>
<th>2020</th>
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- 10% 20%
- 30%
- 40%
- 50%
- 60%
- 70%
- 80%
- 90%
- 100%

Variable Variable Variable Variable Variable
Supplier of Last Resort Service

Very few customers use this rate, designed to be a fallback for companies as they shop.

Bid quarterly in the quarter prior to use.

Separate, independent bid process from standard service.

LRS is available to commercial & industrial customers with a demand > 500KWH.