



UGI Utilities, Inc. – Electric Division
Default Service Plan V
Third Request for Proposals (“2026 RFP #3”)
Bid Date: January 22, 2026

1. Overview. In accordance with the decisions from the Pennsylvania Public Utility Commission (“PaPUC”) regarding the Default Service Plan (“DSP V”) of UGI Utilities Inc. – Electric Division (“UGI” or the “Company”) for the period June 1, 2025 through May 31, 2029 (Docket Nos. P-2024-3049343 and G-2024-3049351), UGI is seeking quotes for a single load following full requirements “product” (as further defined below) to serve its default service customers with peak loads of less than 100kW (“GSR-1 Group”). The GSR-1 Group consists of residential customers as well as smaller commercial and industrial customers. UGI has retained NERA to serve as Auction Manager. Suppliers participating in this RFP are “Bidders”. **The RFP website (<https://ugidsp.com/>) is the main source of information for Bidders. All Bidder inquiries should be directed to the Auction Manager at: UGI-DSP@NERA.com.** A calendar of important dates is provided on the RFP website.
2. Quotes Sought. UGI is seeking quotes for a single load following full requirements tranche, which will follow 50% of the actual hourly requirements for the GSR-1 Group customers who have not elected a choice supplier for a 12-month supply period, from June 1, 2026 through May 31, 2027. The load following obligation is based upon the total GSR-1 Group load share after the application of any ATC block energy supply contracts and after an allocation of capacity and associated energy from the New York Power Authority. A summary of ATC block energy supply contracts currently in effect, and planned for the remainder of DSP V, is provided in an Appendix to this RFP document. The full requirements tranche is a “product”. Beginning with UGI’s Second Request for Proposals (“2025 RFP #2”), a 50% load cap applies to the full requirements product. A supplier cannot serve more than 50% of the hourly requirements procured via full requirements contracts for UGI’s GSR-1 Group at any one time. Thus, a supplier that won a 12-month full requirements product in an RFP conducted under UGI’s DSP V cannot bid on this product in the immediately succeeding RFP.
3. Bid Format. Bidders submit a fixed bid price for the entire supply term of the product. Specifically, Suppliers bidding on the full requirements tranche submit a fixed bid price in U.S. dollars per MWh. Bids are inclusive of energy delivered to the UGI Residual Aggregate, capacity (subject to specific conditions if PJM has not issued a final capacity price for a Delivery Year that coincides with a portion of the supply period), ancillary services, certain transmission services, Pennsylvania Alternative Energy Credits (“AECs”) commensurate with load served,

and other products and services that are required. Bids exclude certain non-market-based transmission services as explained in item 5.

4. Applicable Contractual Terms. The Edison Electric Institute Master Power Purchase and Sale Agreement (“EEI Contract”) between UGI and a winning supplier will control all transactions completed under this RFP. Items 5 through 7 provide more information on these conditions as they apply to full requirements transactions.
5. Non-Market-Based Transmission Services (“NMBs”). The winning supplier for a full requirements tranche **will not be responsible** for the non-market-based transmission services listed below. Following execution of the EEI Contract and establishment of contract terms through the PJM-specified system, UGI will enter Billing Line Item (“BLI”) adjustments commensurate with these BLI terms, removing the obligations from the winning supplier and transferring them to UGI. The NMBs that will be transferred from the winning supplier to UGI are:

Charges:

- 1100 – Network Integration Transmission Service
- 1102 – Network Integration Transmission Service (exempt)
- 1108 – Transmission Enhancement
- 1140 – Non-firm Point-to-Point Transmission Service
- 1930 – Generation Deactivation

Credits:

- 2100 – Network Integration Transmission Service
- 2102 – Network Integration Transmission Service (exempt)
- 2108 – Transmission Enhancement
- 2140 – Non-firm Point-to-Point Transmission Service
- 2930 – Generation Deactivation

As such, **these items should not be included in a Bidder’s bid.**

6. Capacity. Bids are inclusive of capacity. If PJM has not issued a final capacity price for a Delivery Year that coincides with a portion or for the entirety of the supply period at least three business days prior to the Bid Date (the date bids are due as stated in the RFP Schedule available on the RFP website), then:
 - a. UGI will instruct Bidders to use the most up-to-date capacity price for the UGI zone in formulating the bid. UGI will confirm this price (the “Capacity Proxy Price”) at least three business days prior to the Bid Date.
 - b. Each month during the supply term, for those months that are also months covered by the Delivery Year for which PJM did not issue a final capacity price, a winning supplier will be compensated (or charged) based upon the difference between the Capacity Proxy Price and the final capacity price from PJM. If the final capacity price is greater than the Capacity Proxy Price, such winning supplier will be compensated for the difference; if the final capacity price is lower than the Capacity Proxy Price, such winning supplier will compensate UGI for the difference.

7. AEC Obligations. Bids are inclusive of the obligation to provide UGI with Tier I, Solar, and Tier II AECs, based upon the Pennsylvania Alternative Energy Portfolio Standards Act. The following items are noted:
 - a. All AECs must be transferred to UGI by July 15 of each year.
 - b. The Tier I credit obligation is defined as the base Tier I obligation minus the Solar obligation (i.e., the net of Tier I and Solar).
 - c. AECs provided must be of a usable vintage for the period during which load is served.
8. Required Qualification Materials. To qualify to submit bids, a Bidder must provide the qualification materials listed in this item or a Bidder that has participated in a previous RFP under DSP V must provide the qualifications materials listed in a “Returning Bidder letter” provided by the Auction Manager. The Auction Manager must have evaluated the qualification materials to be complete and compliant with the requirements of this RFP. The qualification materials are:
 - a. The Contact Information Form, labelled as Attachment 1, is used to provide contact information for up to three (3) representatives of the Bidder. The representatives serve as the main points of contact for the Auction Manager. These representatives will receive all correspondence related to the RFP from the Auction Manager including confidential information required to submit bids.
 - b. The PJM Qualification Certification Form, labelled as Attachment 2, is used to certify that the Bidder is: 1) a qualified market buyer and seller of electricity in good standing with PJM; 2) positioned to obtain and deliver electric generation supplies in PJM; and 3) compliant with all applicable PJM requirements.
 - c. A partially executed EEI Contract, if an EEI Contract has not already been executed by the Bidder as a result of participation in an RFP under DSP V. The Bidder must provide complete contact information in the Cover Sheet of the EEI Contract and page 10 of the document must be signed. If applicable, the name of the Guarantor should be provided in the Cover Sheet on page 6.
 - d. Bid Assurance Collateral in the amount of \$75,000, in the form of cash or a Letter of Credit, fully compliant with any instructions provided separately by the Auction Manager, and acceptable to UGI.
 - i. A Bidder that submits Bid Assurance Collateral in the form of cash must follow the wire instructions provided by the Auction Manager. Such Bidder must submit the Cash Supplement Form, labelled as Attachment 3, to provide instructions for the return of cash. The Cash Supplement Form further instructs the Bidder to submit a W-9 for the entity to which cash is returned. Such Bidder must also submit the Cash Certifications Form, labelled as Attachment 4, to acknowledge the conditions under which UGI may draw upon the cash submitted as Bid Assurance Collateral.
 - ii. A Bidder that submits Bid Assurance Collateral in the form of a Letter of Credit must use the standard form of the Letter of Credit posted to the RFP website. Paragraph 2 of the Letter of Credit provides the conditions under which UGI may draw upon the Letter of Credit. Such Bidder may only include modifications that have been accepted by UGI and approved for use on an optional basis. The list of acceptable modifications is available on the RFP website.

- e. The signature page of the Reliability Assurance Agreement and the signature page of the Operating Agreement with PJM.
9. Submission and Evaluation of Qualification Materials. **Bidders must submit qualification materials to the Auction Manager by email at UGI-DSP@NERA.com by 12:00 p.m. E.T. on the Deadline to Submit Qualification Materials (as stated in the RFP Schedule available on the RFP website). The Auction Manager reviews the Bidder's qualification materials in accordance with the Qualification Materials Review Process document, posted to the RFP website. The following items are noted:**
 - a. The Auction Manager sends a notice by email to acknowledge receipt of the qualification materials and to provide the results of an initial review. Such a notice will be sent by 6 p.m. E.T. on the same business day when the qualification materials are received prior to 12 p.m. E.T. on a business day. If qualification materials are received after 12 p.m. E.T. on a business day or outside of regular business hours, such notice will be sent by 12 p.m. E.T. on the next business day.
 - b. The results of an initial review will find either that the qualification materials are incomplete or require clarification, or that the qualification materials are complete and no further information is required.
 - c. If the qualification materials are incomplete or require clarification, or if the Bid Assurance Collateral is not acceptable to UGI, the Auction Manager will send a deficiency notice to the Bidder. Such deficiency notice includes a deadline by which a response from the Bidder is required.
10. Submission of Bids. The Bid Date is the date bids are due as stated in the RFP Schedule available on the RFP website. Only Bidders with qualification materials that are fully complete and compliant with this RFP by 6 p.m. E.T. on the business day prior to the Bid Date may submit bids.
 - a. Bids must be submitted using the Bid Form provided by the Auction Manager and must be submitted according to the instructions provided by the Auction Manager.
 - b. The Bid Form must be submitted by email to UGI-DSP@NERA.com or by upload to the secure file transfer system designated by the Auction Manager for this purpose.
 - c. The Bid Form must be received during the bid window, between 9:00 a.m. E.T. and 11:00 a.m. E.T. on the Bid Date.
 - d. **A Bid Form received with a time stamp later than 11:00 a.m. E.T. on the Bid Date will not be considered.**
 - e. **All bids must remain open until UGI receives approval or rejection of bid results from the PaPUC.**
11. Processing of Bid Forms. The Auction Manager confirms receipt of the Bid Form by phone within 30 minutes of receipt of the Bid Form. The Auction Manager makes such confirmation using the contact information provided in the Bid Form. If the Auction Manager identifies a deficiency in the Bid Form, the Bidder may resubmit the Bid Form in accordance with the instructions provided by the Auction Manager.
12. Evaluation of Bids and Notifications to Bidders on the Bid Date.

- a. All bids for a product are ranked solely on price. The lowest priced bid for a product is the winning bid. In the event of a tie for the lowest priced bid between two or more bids for a product, the Auction Manager selects the bid of the Bidder that has the fewest contracts in effect across all DSP V products for the supply period of the product. If this method does not break the tie, the Auction Manager chooses the winning bid at random amongst the bids tied for lowest priced bid.
 - b. The Auction Manager phones each Bidder that has submitted a bid by 1:00 p.m. E.T. on the Bid Date and notifies the Bidder whether its bid will be identified to the PaPUC as the winning bid. The Auction Manager also provides a notification to the Bidder by email and such email notification may be provided after 1:00 p.m. E.T.
13. PaPUC Review and Decision. By the first business day after the Bid Date, the Auction Manager submits the bid results in a confidential report to the PaPUC for its review. If the PaPUC reviews and approves the bid results, UGI proceeds to the contract execution process with the “winning supplier” (the supplier that has a winning bid that has been approved by the PaPUC). Otherwise, bids are deemed void and Bidders are notified of this fact. UGI will then put into effect its Contingency Plan as approved by the PaPUC.
14. Return of Bid Assurance Collateral. Bid Assurance Collateral will be returned within the following timeframes:
 - a. For a Bidder that is not the winning supplier:
 - i. Cash is returned within two business days of the PaPUC decision.
 - ii. The Certificate of Cancellation of the Letter of Credit is executed and the Auction Manager sends the Letter of Credit back to the Issuing Bank within three business days of the PaPUC decision. The Bidder may instead instruct the Auction Manager to keep the Letter of Credit in place for the next RFP.
 - b. For a Bidder that is the winning supplier:
 - i. Cash is returned within two business days following full execution of all required contract documents and receipt of acceptable Performance Assurance.
 - ii. The Certificate of Cancellation of the Letter of Credit is executed and the Auction Manager sends the Letter of Credit back to the Issuing Bank within three business days following full execution of all required contract documents and receipt of acceptable Performance Assurance. The Bidder may instead instruct the Auction Manager to keep the Letter of Credit in place for the next RFP.
15. Additional Information for the Winning Supplier. The Auction Manager or UGI may provide additional information relevant to the contract execution process. The following items are noted:
 - a. The winning supplier has two business days following the PaPUC Decision to execute the transaction confirmation and provide Performance Assurance to UGI in accordance with the EEI Contract.
 - b. Through the course of establishing contract terms through the PJM system, the winning supplier may be required to establish a PJM short name. The short name is used to facilitate the transfer of NMBs from the winning supplier to UGI and also to link individual contracts within PJM as defined by PJM IDs. If a short name is required, UGI will work with the winning supplier to establish the short name characters, ensuring unique identification and proper allocation or removal of PJM charges and credits.

16. Additional Provisions of this RFP. Through its participation in the RFP, each Bidder acknowledges and accepts all the terms, conditions and requirements of the RFP and the EEI Contract, including the following:
- a. Each Bidder must be bidding independently and have no knowledge of any information concerning another Bidder in response to this RFP.
 - b. A Bidder shall hold UGI and the Auction Manager harmless of and from all damages and costs, including but not limited to legal costs, in connection with all claims, expenses, losses, proceedings or investigations that arise in connection with the RFP or the award of a contract pursuant to the RFP process.
 - c. A Bidder must not disclose information relating to its participation or bids in the RFP publicly or to any other party before the PaPUC has rendered its decision on the results of the RFP. A violation of this provision may result in a draw upon the Bid Assurance Collateral provided by the Bidder.
 - d. Any information provided by a Bidder in connection with this RFP is provided on a confidential basis to the Auction Manager and may be provided on a confidential basis to the PaPUC Staff. The Auction Manager and representatives from UGI will consider all data and information provided by Bidders in response to this RFP to be confidential and will attempt to limit its disclosure to the public. However, absolute protection from public disclosure of a Bidder's data and information filed in response to this RFP cannot be provided and is not intended.
17. This document may be updated at any time to reflect additional decisions by the PaPUC, relevant changes in law, or non-material modifications to the processing of submitted materials expected to improve potential participation by suppliers. The Auction Manager and the Company may amend this document if necessary to correct typographical errors, cure inconsistencies in the provisions of this RFP, or clarify the intent of the provisions of this RFP.

Appendix

ATC Block Energy Contracts: Quantities and Terms

ATC Block Energy Contracts Currently in Effect	Planned ATC Block Energy Purchases*
10 MW (June 1, 2025 through May 31, 2027)	10 MW (June 1, 2027 through May 31, 2029)
10 MW (September 1, 2025 through August 31, 2030)	

**The products planned to be procured during UGI's DSP V are also provided on the RFP website. The planned products listed above reflect the planned products as of the posting of this RFP document.*