

# BLANKET PURCHASE ORDER

## STATE OF MARYLAND

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BPO NO: 001B5400014

PRINT DATE: 10/31/15

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<b>SHIP TO:</b> AS SPECIFIED ON INDIVIDUAL ORDERS		
<b>VENDOR ID:</b> WGL ENERGY SERVICES, INC. 101 CONSTITUTION AVE. NW  WASHINGTON, DC 20080 (410 )512-4487	<b>REFER QUESTIONS TO:</b>  LISA FORTUNE MCDONALD (410 )767-4084 LISA.MCDONALD@MARYLAND.GOV	
<b>ITB:</b>	<b>EXPR DATE:</b> 06/30/17 <b>POST DATE:</b> 05/07/14	<b>DISCOUNT TERMS:</b> . NET 30 DAY <b>CONTRACT AMOUNT:</b> .01

### TERMS:

ARTICLES HEREIN ARE EXEMPT FROM MARYLAND SALES AND USE TAXES BY EXEMPTION CERTIFICATE NUMBER 3000256-3 AND FROM FEDERAL EXCISE TAXES BY EXEMPTION NUMBER 52-73-0358K. IT IS THE VENDOR'S RESPONSIBILITY TO ADVISE COMMON CARRIERS THAT AGENCIES OF THE STATE OF MARYLAND ARE EXEMPT FROM TRANSPORTATION TAX.

VENDOR CONTACT: LESLIE LEWIS  
410-628-4303 (PHONE)  
410-628-1393 (FAX)

RFP NO.: MDDGS31011976

THE CONTRACT IS FOR THE DELIVERY OF ELECTRICITY  
BEGINING JULY 1, 2014 - JUNE 30, 2017

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AMENDMENT 2:

WGL ENERGY SERVICES SHALL RETIRE A QUANTITY OF RENEWABLE ENERGY CREDITS FROM THE DGS 2012 PORTFOLIO, SUFFICIENT TO MEET ITS 2014 MARYLAND RENEWABLE PORTFOLIO STANDARD (RPS) OBLIGATION FOR TIER I RENEWABLE PORTFOLIO STANDARD (RPS) OBLIGATION FOR TIER I, TIER II AND SOLAR GENERATION. IN ORDER TO FULLY SATISFY THE TIER II OBLIGATION, WGLE SERVICES SHALL EXCHANGE A QUANTITY OF DGS WIND CREDITS FOR TIER II CREDITS.

ANY REMAINING CREDITS SHALL BE RETIRED TO AN ACCOUNT LABELED "STATE OF MD - GENERATING CLEAN HORIZONS," FOR FUTURE USE BY DGS.

AS AN APPROVED LOAD SERVING ENTITY ("LSE") IN MARYLAND, WGLE SERVICES IS REQUIRED, UNDER THE MARYLAND RPS, TO SUPPLY A DEFINED PERCENTAGE OF ANNUAL ELECTRIC VOLUME THROUGH RENEWABLE GENERATION SOURCES.

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### TERMS (cont'd):

TYPICALLY, AN LSE WOULD SEPARATELY ACQUIRE THE REQUIRED RENEWABLE QUANTITY THROUGH A PURCHASE OF RECS ON THE OPEN MARKET, AND THE COST WOULD BE PASSED THROUGH TO THE CUSTOMER. THE STATE OF MARYLAND, INCLUDING DGS, HAS ALREADY PURCHASED RECS THROUGH SEVERAL POWER PURCHASE AGREEMENTS SINCE 2012. DGS ELECTS TO ASSIGN A PORTION OF ITS 2013 REC PORTFOLIO TO WGL ENERGY SERVICES, FOR THE PURPOSE OF 2014 RPS COMPLIANCE.

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AMENDMENT 1: THIS AMENDMENT WILL EXTEND WGES'S RESPONSIBILITIES FOR MANAGING RENEWABLE ENERGY CREDITS ACCUMULATED THROUGH SEVERAL STATE AGENCY RENEWABLE ENERGY PROJECTS.

#### 3.2.15 RENEWABLE ENERGY CREDITS (RECS)

3.2.15.1 PROVIDE MONTHLY ENERGY HOURLY TRANSACTION SCHEDULES VIA EMAIL TO DGS/USM FOR EACH OF THE THREE (3) EXISTING POWER PURCHASE AGREEMENTS (PPAS) UNDER THE GENERATING CLEAN HORIZONS PROGRAM (INCLUDES THE PINNACLE, ROTH ROCK AND CONSTELLATION PROJECTS), AS WELL AS PPAS FOR THE MARYLAND AVIATION ADMINISTRATION, MARYLAND PORT AUTHORITY AND MARYLAND TRANSIT ADMINISTRATION SOLAR INSTALLATIONS, IF AVAILABLE. ALSO PROVIDE TRANSACTION SCHEDULES FOR THE CLEAN BAY POWER PPA, SCHEDULED TO BEGIN DECEMBER 2016.

3.2.15.2 ACCEPT DELIVERY OF ANY RECS FROM THE THREE (3) GENERATING CLEAN HORIZONS INSTALLATIONS, MARYLAND AVIATION ADMINISTRATION, MARYLAND PORT AUTHORITY AND MARYLAND TRANSIT ADMINISTRATION SOLAR INSTALLATIONS, AND THE FUTURE CLEAN BAY POWER INSTALLATION, ON BEHALF OF THE PARTICIPATING DGS/USM ACCOUNTS. ANY RECS DELIVERED SHALL BE ADMINISTERED AND MAINTAINED IN A GATS ACCOUNT, MANAGED BY THE LSE. A MINIMUM OF QUARTERLY ACCOUNTING OF RECS SHALL BE MADE AVAILABLE TO DGS/USM DESIGNEES OR THEIR AGENT. THE DATA SUPPLIED SHALL BE IDENTIFIED BY PARTICIPATING EDC ACCOUNT AND INCLUDE THE PPA SOURCE, EXCHANGES, SWAPS, RETIREMENTS, AND EXPIRATION DATES, PER GUIDANCE FROM DGS/USM.

3.2.15.3 THE LSE SHALL PROVIDE UP TO TWO (2) TRANSACTIONS PER CALENDAR YEAR TO SATISFY ANY DGS/USM REQUESTS TO EXCHANGE, SWAP, RETIRE, PURCHASE OR SELL RECS. SWAPS MAY INCLUDE EXCHANGE OF NON GREEN-E@ RECS FOR GREEN-E@ RECS. THESE TRANSACTIONS WILL BE MANAGED AS A CHANGE IN THE PURCHASE ORDER. THE TRANSACTION PRICE CHARGED/CREDITED TO DGS/USM WILL BE INCLUSIVE OF ANY LSE COSTS, BROKER FEES, PREMIUMS OR DISCOUNTS.

3.2.15.4 DURING THE TERM OF THIS CONTRACT, ADDITIONAL PPAS MAY BE

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### TERMS (cont'd):

ADDED, INCLUDING THE CLEAN BAY POWER PPA, SCHEDULED TO BEGIN DECEMBER OF 2016.

3.2.15.5 EACH PARTICIPATING BLOCK AND INDEX ACCOUNT SHALL RECEIVE TIER 1 RECS FROM EXISTING PPAS, INCLUDING SRECS AND GREEN-E® RECS. DGS/USM WILL PROVIDE PROGRAMMATIC GUIDANCE ON THE DISTRIBUTION OF RECS TO THE LSE PRIOR TO EACH CALENDAR YEAR. ANY REMAINING RPS REQUIREMENTS WILL BE OBTAINED BY MARKET SOLICITATION AND PURCHASE.

3.2.15.6 THE LSE SHALL TAKE ALL ACTION TO MEET STATE OF MARYLAND'S RPS OBLIGATIONS FOR TIER 1, TIER 2, AND SOLAR RECS, INCLUDING BUT NOT LIMITED TO, ACTIONS TO SOLICIT, NEGOTIATE, EXECUTE, AND TAKE DELIVERY OF ANY REC CONTRACT(S) NEEDED. THE FREQUENCY FOR THESE SOLICITATIONS SHALL BE IN ACCORDANCE WITH SCHEDULING DIRECTION PROVIDED BY DGS/USM AND WILL TYPICALLY BE TWO (2) TIMES PER YEAR. ALL REC RETIREMENTS MUST BE EXECUTED BY MARCH 31ST OF THE SUBSEQUENT CALENDAR YEAR. THE LSE SHALL PAY ALL COSTS ASSOCIATED WITH THESE CONTRACT RECS AND SUBSEQUENTLY ALLOCATE THESE AS A PASS-THROUGH COST. THESE COSTS WILL BE IDENTIFIED AS A SPECIFIC LINE ITEM ON EACH PARTICIPATING ACCOUNT'S MONTHLY SUPPLY INVOICE.

3.2.15.7 IN ADDITION TO ANY PJM CHARGES, THE LSE SHALL INCORPORATE THE COLLECTION OF MONTHLY ENERGY CHARGES FROM EACH PARTICIPATING DGS/USM ACCOUNT, USING A SPECIFIED RATE AND APPORTIONING METHODOLOGY APPLIED TO EACH PPA INVOICE.

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CONTRACT IS FOR THE DELIVERY AND GENERATION, TRANSMISSION OF FIRM ELECTRICITY, AND ANY ANCILLARY AND/OR INCIDENTAL SERVICES TO A NUMBER OF FACILITIES IN THE POTOMAC ELECTRIC POWER COMPANY (PEPCO), BALTIMORE GAS & ELECTRIC COMPANY (BG&E), DELMARVA POWER (DELMARVA) AND POTOMAC EDISON (PE)SERVICE TERRITORIES IN THE STATE OF MARYLAND. THIS BPO IS ISSUED BY DGS ON BEHALF OF ALL EXECUTIVE AND INDEPENDENT STATE AGENCIES, AS WELL AS THE UNIVERSITY SYSTEMS OF MARYLAND (USM) INSTITUTIONS, COLLECTIVELY REFERRED TO AS THE "STATE". TOTAL ANNUAL ENERGY REQUIREMENTS ARE ESTIMATED TO BE 1 BILLION KILOWATT HOURS.

THE REQUEST FOR PROPOSAL (RFP), DATED DECEMBER 13, 2013. ALL ADDENDA, ATTACHMENTS AND EXHIBITS, WGES TECHNICAL OFFER DATED MARCH 10, 2014, WGES' FINAL PRICE PROPOSAL DATED MARCH 10, 2014, ARE INCORPORATED HEREIN BY REFERENCE, AND THE CONTRACTOR AGREES TO COMPLY WITH ALL OF IT'S TERMS, CONDITIONS, AND REQUIREMENTS.

CONTRACTOR IS AUTHORIZED TO COLLECT REC REIMBURSEMENT FOR

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