

**Pepperidge Farm Incorporated Request for Pricing (RFP)  
for  
Purchase of Connecticut Class I Renewable Energy Certificates  
-and-  
Power Supply Requirements Serving Connecticut Locations**

Discrete Bids for Purchase of RECs, Offers for Supply of Power, and Combined Structured Offers will be Accepted

**Auction Start time:** 10:00 AM EPT, Wednesday, August 13, 2008

**First Auction Ends:** 10:30 AM EPT, Wednesday, August 13, 2008

**Informational Webinar scheduled for 2:00 PM EPT, Friday, July 25, 2008**

This RFP and all pertinent auction documentation are available at World Energy's public RFP site:  
<http://www.worldenergy.com/procurements/pepperidgefarms/pepperidgefarms.html>

World Energy and Pepperidge Farm Incorporated are pleased to distribute this Request for Pricing (RFP) for the Pepperidge Farm Incorporated's sale of Connecticut (CT) Class I Renewable Energy Certificates (RECs), and its purchase of power supply for its locations in Connecticut. **This is an indicative RFP.** Upon request and provided you have an executed Exchange Agreement with World Energy, you will receive the complete set of documents listed below. You will not be permitted to bid until you have returned your executed World Energy Exchange Agreement.

Note: The RECs are supplied by a natural gas fired 1.2MW fuel cell scheduled to go online August 2008. Pepperidge Farm Incorporated is very familiar with fuel cell operations and performance, and currently has a 250 kW fuel cell on site which will remain in operation. Both fuel cells are manufactured, maintained and operated by FuelCell Energy, Inc. The installation of this new fuel cell will reduce the power supply requirements for the offered accounts based on an estimated 24x7 operation of the fuel cell. Detailed information regarding the design specifications of the cell, including expected performance over time, are provided as supporting documents. The fuel cell's expected output has been netted from Pepperidge Farm Incorporated's power supply requirements.

The World Energy fees for this auction are outlined below:

**REC Purchase:** \$1.50/MWh, paid by the winning bidder(s) and due upon contract execution. The fee should not be added to your bid submitted on the World Energy System, as it is a separate payment made directly to World Energy.

**Energy Supply:** \$1.00/MWh, paid by the winning supplier and due over the course of the supply contract, per the terms of World Energy's Exchange Agreement.

**Combined Structured Offers:** The discrete fee terms of the REC Purchase and the Energy Supply will both apply.

**A. Documents Attached.** The following documents will be made available on World Energy's public website at

<http://www.worldenergy.com/procurements/pepperidgefarms/pepperidgefarms.html>

- Auction Term sheet containing Bid Conditions for REC Purchase
- Project Description - an overview of the project and offering
- Application to the State of Connecticut to qualify as a Class I Renewable Energy Resource

- CT. Class I approval
- Connecticut Clean Energy Fund contract
- Pepperidge Farm Incorporated Letter of Acceptance of Connecticut Clean Energy Fund Grant
- CT Clean Energy Fund requirements, including plant operation of minimum 8 years (Section 1.3.2 of Attached Document)
- Estimated Usage – Bloomfield Facility
- NU monthly Data Summary
- ICAP Tags
- Usage Summary and Forecast, including historical usage data, fuelcell output proforma, 5 year forecast of energy usage net fuel cell output.
- Interval Data Files for all interval metered accounts

## **B. Deal Summary.**

### **RECs**

Pepperidge Farm Incorporated is requesting bids for the purchase of Fuel Cell Class I Renewable Energy Certificates (RECs).

Pepperidge Farm Incorporated is the owner of a 1.2 MW natural gas fired fuel cell installation at the Pepperidge Farm Incorporated Bloomfield Plant located in Bloomfield, CT. and has retained World Energy Solutions, Inc. to assist it in procuring a Bidder to purchase the plant's resulting RECs. Pepperidge Farm Incorporated is seeking unit-REC bids for various terms (please see Section F.)

The system will start operating in August 2008 and it is estimated that this system will generate an average of 10,116 class I RECs (equal to 10,116,000 kilowatt-hours, or 10,116 Megawatt-hours) on an annual basis over the first five years of operation. All RECs generated during a specific vintage year will be captured in that same RPS Reporting Year. Pepperidge Farm Incorporated is looking for pricing for vintage years 2008(partial)-2009, 2008-2010, and 2008-2012.

Opening Bid for RECs will be set at \$\$/MWh (to be released)

### **Power**

Pepperidge Farm Incorporated is seeking full electricity requirements for the Pepperidge Farm Incorporated facilities of Campbell Soup Company behind Northeast Utilities - Connecticut Power & Light (NU-CP&L). The contracting entity will be Pepperidge Farm Incorporated.

TERM - The term will be 12, 24, 36, 48 or 60 months from the first meter read date of September 1, 2008. The exact term of supply the Buyer will choose solely depends on the responses they receive. FIRM REQUIRED - This is a full requirements supply obligation, with the account balanced by Supplier.

Note: With the installation of the fuel cell, the facility will now be under Rider N Self-Generator Net Energy Bill Service and demand will be determined monthly. As such, the ICAP Tag will no longer be required and therefore, capacity charges should be treated as a pass-through. The new account number is: 335120812. There will be three meters that will take the place of the meters provided: Meter 891536282, Meter 891535902 and Meter 035512080. CL&P stated that the two first meters are primary and backup meters. The last is a meter that sums the primary and backup meters for the actual usage.

Opening Bid for Power will be set at \$\$/kWh (to be released)

## Combined Structured Offer

Pepperidge Farm Incorporated is also encouraging structured offers outside of the discrete terms of the REC Purchase and the Energy Supply above. Longer-term REC offtake and power supply offers up to 10 years are encouraged, including the possibilities, for example:

- Different terms between the power and REC offtake. E.g. 5 year power supply, 10 year REC offtake.
- Other creative structures are welcome. We encourage offers that acknowledge the unique nature of Pepperidge Farm Incorporated's assets and requirements. Please submit creative structures WITHOUT pricing on Wednesday, August 6, 2008. Pricing to be submitted on Auction day (August 13<sup>th</sup>).

Bidders are required to submit the form of contract and parameters of the transaction on August 6, 2008, for review by World Energy and Pepperidge Farm Incorporated. By 11:50 AM EPT on August 13, bidders should submit the price parameters of the structured offer to Hillary Nussbaum at World Energy.

## Prices Requested

1. Index Plus Retail Adder - Buyer seeks a pricing product offering that is indexed to the LMP RTO/ISO "Day Ahead Index plus Retail Adder". All non utility tariff driven components (Capacity, Transmission Losses, sales tax, etc.) are to be treated as "pass-through charges" and should not be included in the offer. Buyer requires that the winning offer allow for a 100 % fixed price conversion product for the remaining term of the agreement. **Offers should only include the Retail Adder.**

2. Fixed Price - Offers should include all services and products necessary to provide firm delivery of energy to Customer, including but not limited to, commodity energy within specified bandwidth, REP charges (margin), all applicable ancillary services (except capacity), ISO Administration fees, and line loss charges (unaccounted for energy). Capacity charges should be treated as passthrough charges and should not be included in the offer. The customer requests a consumption bandwidth at a minimum of +/- 10% based upon historical annual usage. Sales tax should NOT be included in the bid price.

For questions and additional information the primary World Energy Solutions contact is: Hillary Nussbaum (303) 941-7277 or hnussbaum@worldenergy.com

## C. Auction Process

- Bids for discrete REC purchase and / or power supply will only be accepted via a web-based auction to be held on Wednesday, August 13, 2008. Power offers will be auctioned first, followed by REC bids. Combined offers will be accepted at any time up to 15 minutes following the end of the final REC auction. **Combined offers will be accepted via email, and will not be auctioned.** Bidders submitting combined offers are required to detail the terms of their offer (excluding price) prior to the auction event, by Wednesday, August 6th, in addition to providing a draft contract, as specified in Section E, Auction Timeline.
- The Auction shall be held at [www.worldenergy.com](http://www.worldenergy.com) (the "Auction Website"). All approved Bidders shall be provided a password to access the Auction Website. Bidders who fail to timely satisfy all the Pre-Bid requirements will be denied access to the Auction Website and such Bidders will not be able to participate in the Auction.
- In order to access and use the Auction Website, Bidders must have an executed Agreement on file with World Energy Solutions. If you do not have an agreement in place with World Energy or if you are unsure of your contracting status, please contact Hillary Nussbaum at [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com) or by phone at (303) 941-7277.

- Bidders must provide World Energy with a *draft* contract adhering to posted applicable auction term sheet(s) for products of interest prior to the auction. (REC bidders must supply a draft P&S, and power bidders must provide a draft supply contract. Combined bidders must provide draft contract(s)).
- Pepperidge Farm Incorporated will be prepared to execute a power supply contract by 3:00 pm EPT the day of the auction event. REC contracts will require additional review time, and will be executed by COB Friday, August 22<sup>nd</sup>. Bidders submitting combined offers should provide an explanation of their contracting approach considering these timing requirements.
- REC bidders must enter a 'Commitment Bid' equal to or more than the opening bid price two days before the auction event.

**D. Actions Required.** The following are critical next steps required of your firm to participate in this event. Please coordinate each with Hillary Nussbaum at [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com), unless otherwise specified below:

1. Return your executed World Energy Exchange User Agreement to obtain additional documents listed above.
2. RSVP at your earliest convenience if you would like to participate in the auction, indicating whether RECs, Power, or Combined products are of interest.
3. Participate in informational webinar scheduled for Friday, July 25, 2008.
4. Bidders should submit their boilerplate REC contract to World Energy by Friday, August 1, 2008.
5. Bidders are required to submit the form of contract and parameters of the transaction (without pricing) for the combined, structured offer on Wednesday, August 6, 2008.
6. Schedule system training with World Energy.
7. Return any questions on this RFP and other documents to the attention of Hillary Nussbaum, by 5:00 pm EPT Monday, August 11, 2008.  
Comments to [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com)
8. Commitment bids for the REC auctions to be entered onto World Energy's Exchange auction platform between 10 AM EPT – 12 noon EPT on Monday, August 11, 2008.
9. By 11:50 AM EPT on August 13, bidders should submit the price parameters of the structured offer to Hillary Nussbaum at World Energy.

## E. Auction Timeline

*All dates are subject to change.*

<b>Date</b>	<b>Action</b>
Monday, July 21, 2008	RFP issued
Monday, July 21, 2008	Auction Bid Conditions posted by World Energy
Friday, July 25, 2008 (2 p.m. EPT)	Webinar - Pepperidge Farm Incorporated Presentation and Bidder Q&A
Friday, August 1, 2008	Draft REC contract(s) incorporating posted terms
Wednesday, August 6, 2008	Last date for User Agreement execution.
Wednesday, August 6, 2008	Form of contract and parameters of

<p><b>Date</b> (5:00 p.m. EPT)</p> <p>Wednesday August 6 – Friday August 8, 2008</p> <p>Monday, August 11, 2008 (5:00 p.m. EPT)</p> <p>Monday, August 11, 2008 (5:00 p.m. EPT)</p> <p><b>Wednesday, August 13<sup>th</sup></b></p>	<p><b>Action</b> transaction (without pricing) for Combined Structured offer and Auction RSVP due to World Energy.</p> <p>Bidder Training on Demonstration Platform and written bidder instructions provided.</p> <p>Last Day for Comments/Questions on RFP and related material.</p> <p>Commitment bid date - Applies to REC auctions only</p> <p><b>Auction Date; Submission of combined structured offer pricing.</b></p>
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**F. Auction Schedule**

**RECS**

RFP Number	Transaction Type	Flow Date	Contract Term (Vintage)	Expected Total Quantity MWh (RECs)	Auction End Time (EPT)
5485	CT Class I REC	August – 08	2008-2009	14,502	10:30 EPT
5486			2008-2010	24,349	10:40 EPT
5487			2008-2012	44,630	10:50 EPT

**Power**

RFP Number	Transaction Type	Flow Date	Contract Term (Months)	Expected Average Annual Quantity MWh (Power)	Auction End Time (EPT)
5544	Power – Fixed Price, 10% swing	Sept – 08	12 months	6,389	11:00 EPT
5545			24 months	6,562	11:05 EPT
5546			36 months	6,736	11:10 EPT
5547			48 months	6,632	11:15 EPT
5548			60 months	6,612	11:20 EPT
5549	Power – Index Plus Adder	Sept – 08	12 months	6,389	11:25 EPT
TBD			24 months	6,562	11:30 EPT
TBD			36 months	6,736	11:35 EPT

**Combined Structured Offer**

RFP Number	Transaction Type	Flow Date	Contract Term (Vintage or Mths)	Average Annual Quantity MWh (production, RECs) (usage, Power)	Auction End Time (EPT)
NA	Structured Combined REC/Power Offers	August – 08 (RECs) Sept – 08 (Power)	Open	Open	11:50 EPT

**Note: Pepperidge Farm Incorporated will commit to a firm quantity of 9,000 annual RECs. The sale of the RECs is therefore partially unit-contingent for the remaining fuel cell capacity output.**

**The expected annual REC production (MWh):**

2008 (Aug - Dec)	4,308
2009	10,194
2010	9,847
2011	9,962
2012	10,319

**G. Owner Requirements and Contract Award**

**General—applies to both RECs and Energy Transactions**

- **The bid conditions provided as a separate document to this RFP apply as specified and must be incorporated into any agreement between Pepperidge Farm Incorporated and winning bidder(s) in their substantive form.** General terms apply to both REC and power transactions. Other terms apply only to their underlying product transaction as delineated in the document.
- Although competitive pricing is a key consideration to the awarding of contracts in this procurement, the customer will also take into consideration contract terms and conditions and financial stability of supplier. Best bid does not guarantee contract award. **THE CUSTOMER IS NOT REQUIRED TO AWARD ANY CONTRACT.**
- Pepperidge Farm Incorporated reserves the right to amend or replace the RFP at any time. Pepperidge Farm Incorporated may, at its own discretion, withdraw this RFP in part or in its entirety without any obligation to the bidders.
- If, for any reason, the customer is unable to execute by within the timeframe specified for the auction product, World Energy reserves the right to rebid the product or ask the winning supplier(s) to refresh pricing.
- Bidders submitting combined offers will pay the fees for both RECs and Energy, as outlined below.

**Applies only to transactions involving RECs**

- The fee for the REC purchase is \$1.50/MWh, paid by the winning bidder(s) and due upon contract execution. The fee should not be added to your bid submitted on the World Energy System, as it is a separate payment made directly to World Energy.
- The winning bidder will be notified within one hour of the close of the last auction. The winning bidder must keep bids firm until a contract with Pepperidge Farm Incorporated is fully executed. Both the winning bidder and Pepperidge Farm Incorporated will execute the contract(s) no later than 5:00 pm EPT on Friday, August 15, 2008.
- RECs are 'created' quarterly on the 15<sup>th</sup> day of the 2<sup>nd</sup> quarter following the generation of the energy. From that 'Creation Date' the REC can be traded until 15 days before the end of the quarter (known as the Trading Period).

### **Applies only to transactions involving energy**

- The fee for energy supply is \$1.00/MWh, paid by the winning supplier and due over the course of the supply contract, per the terms of World Energy's Exchange Agreement.
- All energy supply offers should be held until 3:00 p.m. EPT on the day of the auction.
- The winning supplier should have the contracts ready for signature promptly after notification to ensure that the contracts will be executed by 3:00 p.m.
- The contract start date shall be on the first meter read occurring after the first of the month specified in the Flow Date section of the auction schedule, provided above.

### **H. Administration**

If you are a World Energy Solutions registered bidder, but do not have a username and password, please email [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com). If you have forgotten your password, you may retrieve it by selecting "Forgot your Password?" at the platform login page and entering your email address.

In the event you are not interested in participating in this process, please indicate via email that you do not wish to be included in future correspondence regarding this procurement at [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com), and we will remove you from this mailing list.

If you are not the correct person in your organization to receive this request, please email the correct contact details to [hnussbaum@worldenergy.com](mailto:hnussbaum@worldenergy.com).

**NOTE: All information contained in or supplied with this RFP is proprietary and confidential. Any use of this information, except for the sole purpose of preparing a bid in response to this RFP, is strictly prohibited.**