

Comment Process on the Letters of Credit (Pre-Auction and Post-Auction) October 12, 2020

“Pre-Auction” and “Post-Auction” Letters of Credit

Bidders will be required to submit the “**Pre-Auction Letter of Credit**”, in its final form, at the Part 2 Application stage in an amount sufficient to support their indicative offers. Bidders may use the “**Post-Auction Letter of Credit**”, in its final form, as security under the BGS Supplier Master Agreement. The final forms of these documents will be issued after the conclusion of the comment process. **The Auction Manager is making available two forms of the Draft Pre-Auction Letter of Credit for each Auction: (i) a draft form that allows for hardcopy delivery of the Pre-Auction Letter of Credit to the BGS Auction Manager; and (ii) a draft form that allows for delivery to the BGS Auction Manager via electronic means only.**

Overview

Potential bidders are invited to propose modifications by submitting a redline of these documents in Microsoft Word. Potential bidders may include explanatory notes.

For each modification proposed to a Letter of Credit, the electric distribution companies (“EDCs”) will:

- a. accept the modification and revise the Letter of Credit; or
- b. approve the use of the modification on an optional basis; or
- c. reject the proposed modification.

The BGS Auction Manager, on behalf of a review committee consisting of EDC representatives and representatives from the BGS Auction Manager, will respond individually to each potential bidder that proposed modifications to a Letter of Credit.

After the conclusion of this comment process, the BGS Auction Manager will post to the BGS Auction website each Letter of Credit in its final form. Furthermore, for each Letter of Credit, the BGS Auction Manager will post a document containing all modifications that are acceptable to the EDCs on an optional basis.

Key Documents

- Potential bidders are invited to download from the “Contract and Credit” page of the “bidder info” tab on the BGS Auction website the MS Word format of the following documents:
 - DRAFT Hardcopy Pre-Auction Letter of Credit for the BGS-CIEP Auction
 - DRAFT Electronic Pre-Auction Letter of Credit for the BGS-CIEP Auction
 - DRAFT Hardcopy Pre-Auction Letter of Credit for the BGS-RSCP Auction
 - DRAFT Electronic Pre-Auction Letter of Credit for the BGS-RSCP Auction
 - Post-Auction Letter of Credit for the BGS-CIEP and BGS-RSCP Auctions

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The “Contract and Credit” page can be accessed with the following link: <http://www.bgs-auction.com/bgs.bidinfo.cc.asp>.

- The BGS-CIEP Pre-Auction Letters of Credit have been posted separately from the BGS-RSCP Pre-Auction Letters of Credit; the text of a BGS-CIEP Pre-Auction Letter of Credit is the same as the corresponding Pre-Auction BGS-RSCP Letter of Credit except for references to their respective governing documents.
- Potential bidders planning to participate in both the BGS-CIEP Auction and the BGS-RSCP Auction can opt to provide comments on Pre-Auction Letters of Credit for one of the BGS-RSCP Auction or the BGS-CIEP Auction. Any modifications proposed and accepted for a Pre-Auction Letter of Credit for the BGS-CIEP Auction will also be accepted for the corresponding Pre-Auction Letter of Credit for the BGS-RSCP Auction, and vice versa. Any modifications proposed and accepted for the Hardcopy Pre-Auction Letter of Credit for an Auction will also be accepted for the Electronic Pre-Auction Letter of Credit for both Auctions provided that the proposed modification is not directly related to the method of delivery or transmission of documents.

Process

- The exclusive method for submitting proposed modifications to a Letter of Credit is as a **redline MS Word document of the Draft Letter of Credit**. You may, but are not required to, provide comments to explain any or all of your proposed changes. A submission that is not substantially in the form of the Draft Letter of Credit will not be evaluated or considered.
- Potential bidders send each redlined Draft Letter of Credit by email to the BGS Auction Manager at the following address: BGS-Auction@nera.com.
- Potential bidders are required to provide telephone and email contact information in the event that the review committee needs clarification regarding their comments.
- The EDCs will accept modifications that are beneficial to all parties and are in keeping with industry standards. The EDCs retain the sole and exclusive discretion to accept or reject proposed modifications.
- The BGS Auction Manager will inform each potential bidder of the outcome of the review of their proposed modifications.

Timeline

- The deadline for potential bidders to provide comments is **12 PM (noon) (EPT) on Tuesday, October 27, 2020**.
- Potential bidders will receive individual responses to their proposed modifications no later than **6 PM (EPT) on Thursday, November 5, 2020**.
- The BGS Auction Manager will post all modifications that are acceptable on an optional basis and will post the Final Pre-Auction Letter of Credit and the Final Post-Auction Letter of Credit on **Monday, November 9, 2020**.

Questions

Any questions regarding this Comment Process can be submitted through the “questions” page on the BGS Auction website or by using the following address: <http://www.bgs-auction.com/bgs.contactus.asp>.