



**NSTAR ELECTRIC COMPANY
d/b/a Eversource Energy**

**REQUEST FOR PROPOSALS
FOR POWER SUPPLY FOR BASIC SERVICE**

For the Delivery Term commencing
January 1, 2021

October 20, 2020

**NSTAR ELECTRIC COMPANY
d/b/a EVERSOURCE ENERGY**

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I. Introduction and Background

NSTAR Electric Company d/b/a Eversource Energy (“NSTAR Electric” or the “Company”) is requesting wholesale power supply bids to provide 100% of All-Requirements Service¹ to its Residential and Commercial customers on NSTAR Electric’s Basic Service tariff, commencing January 1, 2021 and terminating December 31, 2021 and 100% of All-Requirement Service to its Industrial Basic Service customers commencing January 1, 2021 and terminating March 31, 2021. The full terms of the procurements are detailed in this RFP. Final bids are due on Tuesday, November 17, 2020 by 10 A.M. EPT.

The Massachusetts Electric Industry Restructuring Act of 1997 (the “Act”) provides for competition in the electric utility industry by extending competition in the wholesale power supply markets to retail customers through the provision of retail access to all customers. The Act provides access for all retail customers of NSTAR Electric as of March 1, 1998. The Act requires an electric distribution company to provide Basic Service to those customers who are not receiving generation service from a competitive retail supplier. The Act further requires Basic Service to be competitively procured. In addition, the Massachusetts Department of Public Utilities (“DPU” or the “Department”) ordered all electric companies in Massachusetts to procure Basic Service through competitive solicitations by customer group (Residential, Commercial and Industrial) and to procure such power at fixed monthly prices. In subsequent proceedings, the DPU required electric companies in Massachusetts to procure Basic Service supply on a load zone-specific basis and to establish separate Basic Service prices for each load zone for Industrial customers and to procure Basic Service supply on a quarterly basis for Industrial customers.²

NSTAR Electric is a subsidiary of Eversource Energy, with a principal place of business in Boston, Massachusetts. NSTAR Electric is hereby issuing this RFP for power supply offers from qualified power suppliers (“Suppliers”) to supply firm, load-following power to meet the Basic Service requirements (as defined below) for customer groups on a load zone-specific basis for the Delivery Term. Although Suppliers need not provide bids for each tranche of Basic Service, Suppliers must provide separate fixed monthly prices for each tranche bid. NSTAR Electric plans to award the power supply for Basic Service by load zone based on the proposals that provide the best value and satisfy the needs of its customers. NSTAR Electric has a uniform zonal rate for Large Commercial and Industrial customers in Northeast Massachusetts Reliability Region (“NEMA”), and a separate, uniform zonal rate in Southeast Massachusetts Reliability Region (“SEMA”).

¹ See the attributes of “All-Requirements Service” described in Section IV “Nature of Service.”

² Default Service, D.T.E. 02-40-C (September 11, 2003).

II. Basic Service Requirement

NSTAR Electric is soliciting offers for All-Requirements Service, by load zone, to supply NSTAR Electric's end-use customers in the Industrial customer group who take service pursuant to the Company's Basic Service Tariffs. Basic Service is provided to retail customers who are not taking service from a competitive supplier. Service to customers can be initiated by: (a) a customer notifying NSTAR Electric that it wishes to terminate service from its competitive supplier and commence Basic Service; (b) a competitive supplier notifying NSTAR Electric company that it is terminating service to a customer; (c) a competitive supplier ceasing to provide service to a customer; or (d) a customer moving into NSTAR Electric's service territory, who has not affirmatively chosen a competitive supplier.

Under this RFP, NSTAR Electric will purchase 50% of the Residential and Commercial Basic Service load for January 1, 2021 through December 31, 2021, and 100% of the Industrial Basic Service load for the First quarter of 2021. Bidders must offer to supply the entire load for the applicable Delivery Period in each customer group tranche bid upon. NSTAR Electric will consider only fixed price bids that can be evaluated on a monthly \$/MWh basis.

Industrial

All-Requirements Service to begin on hour ending 0100 EPT on January 1, 2021 and terminate on hour ending 2400 EPT on March 31, 2021, for four tranches of 25% each totaling 100% of the Basic Service load for customers in the Industrial Customer Group, comprising the following load assets:

Zone	Asset Name	Asset ID #
NEMA:	DEF_SERVICE_IND_BECO_LOAD	1485
NEMA:	DEF_SERVICE_IND_CAMBRIDGE_LOAD	1491
SEMA:	DEF_SERVICE_IND_BECO_SEMA_LOAD	8123
SEMA:	DEF_SERVICE_IND_COMM_LOAD	1488

Commercial

The All Requirements Service period begins on hour ending 0100 EPT on January 1, 2021 and terminates the hour ending 2400 EPT on December 31, 2021 for two tranches of 25% each of the Basic Service load for the Commercial customer group, comprising the following load assets:

Zone	Asset Name	Asset ID #
NEMA:	DEF SERVICE COM BECO LOAD	1484
NEMA:	DEF SERVICE COM CAMBRIDGE LOAD	1490
SEMA:	DEF_SERVICE_COM_COMM LOAD	1487
SEMA:	DEF_SERVICE_COM_BECO SEMA LOAD	8122

Residential

The All-Requirements Service period begins on hour ending at 0100 EPT on January 1, 2021 and terminates on the hour ending 2400 EPT on December 31, 2021 for four tranches of 12.5% each of the Basic Service load for the Residential customer groups:

Zone	Asset Name	Asset ID #
NEMA:	DEF SERVICE RES BECO LOAD	1483
NEMA:	DEF SERVICE RES CAMBRIDGE LOAD	1489
SEMA:	DEF_SERVICE_RES_COMM LOAD	1486
SEMA:	DEF_SERVICE_RES_BECO SEMA LOAD	8121

III. Delivery

The All-Requirements Service supply for Basic Service is to be delivered to the Pool Transmission Facilities (“PTF”) within the NEMA and SEMA load zones, as appropriate for delivery to each customer taking Basic Service. NSTAR Electric will make arrangements for NEPOOL Regional Network Service, which provides for transmission over PTF, and Local Network Service from any applicable local transmission provider(s), which provides for transmission over non-PTF. NSTAR Electric will be billed by ISO New England Inc. (“ISO-NE”) and the applicable local transmission provider(s) for these services. NSTAR Electric will pay these bills and recover the costs, along with its distribution costs, from its customers through its retail distribution tariffs. Any other transmission or distribution costs will be the Supplier’s responsibility.

IV. Nature of Service

Each Supplier with an accepted proposal will be assigned a share of the appropriate NSTAR Electric load asset in the ISO-NE settlement system and will be required to satisfy all ISO-NE Tariff obligations associated with that load asset. The Supplier of Basic Service for each customer group and load zone shall be responsible for meeting a fixed percentage of the service requirements for NSTAR Electric’s customers in the customer group and load zone taking such service. These service requirements include delivery, to the PTF within the NEMA and SEMA load zones, of the portion of the electric capacity, energy, ancillary services and all other ISO-NE market products required to meet the needs of NSTAR Electric’s Basic Service customers pursuant to the terms of ISO-NE Tariffs and the applicable Master Power Supply Agreement (“MPSA”). Supplier shall be responsible for all transmission and distribution losses associated with delivery of energy from the Delivery Points to the ultimate customers’ meters.

The Supplier(s) of All-Requirements Service are not required to provide NSTAR Electric’s renewable energy obligations resulting from the Massachusetts Renewable Energy Portfolio Standards promulgated at 225 CMR 14.00 and 15.00 et seq., or the Alternative Energy Portfolio Standard promulgated at 225 CMR 16.00 et seq. These requirements will be managed separately by NSTAR Electric.

V. Expected Loads

Although NSTAR Electric customers may leave Basic Service to take service from competitive suppliers, and may return to Basic Service, Industrial customers are restricted from returning to their previous competitive supplier for a period of six (6) months after leaving that supplier's service pursuant to the Department's decision in NSTAR Electric Company, D.T.E. 05-84 (2006). These rules were adopted to prevent competitive retail suppliers from using Basic Service as a free option to park load when the price of Basic Service is below market due to market timing and energy price movements. There are some limited exceptions to these rules, and the rules may be updated by the Department from time to time. Potential bidders should review NSTAR Electric's Terms and Conditions for a more detailed explanation of NSTAR Electric's policy for reducing volatility in the volume of Industrial Basic Service load: Tariff M.D.P.U. No. 101D is available at: <https://www.eversource.com/Content/docs/default-source/rates-tariffs/101.pdf?sfvrsn=2>

There has been significant activity regarding municipal aggregation in the NSTAR Electric service territory. The aggregation programs are designed to move customers from Basic Service to competitive supply and are administered independently. Aggregation programs are in place for a number of municipalities in the Company's service territory, and additional plans may be approved before and during the All Requirements Service Periods referenced in this RFP. Suppliers should refer to the DPU website for more information and updates on the status of aggregation plans in the Commonwealth.

On July 22, 2020, the Department issued an order (the "Order") allowing the City of Boston to implement a municipal aggregation program to serve the load of its customers beginning January or February of 2021. The Order also required the City of Boston to issue an Electric Service Agreement ("ESA") Plan by October 10, 2020 stating the intent to comply with the 2021 implementation date. The City of Boston has issued its RFP to meet this requirement.

To help Suppliers determine the potential load requirements NSTAR Electric is providing the following information electronically via NSTAR's web site at:

[https://www.eversource.com/Content/general/about/doing-business-with-us/energy-supplier-information/wholesale-supply-\(eastern-massachusetts\)](https://www.eversource.com/Content/general/about/doing-business-with-us/energy-supplier-information/wholesale-supply-(eastern-massachusetts))

- ❑ A copy of this RFP.
- ❑ A copy of the Form of Master Power Supply Agreement.
- ❑ A Bid Form.
- ❑ Aggregate historical hourly *reconciled* Basic Service load (including losses) by customer group, by distribution company, for the period March 2003 through June, 2020, plus aggregate historical hourly *preliminary* Basic Service load (including losses) by customer group, by distribution company, for the period July, 2020 through September, 2020.
- ❑ Copies of monthly NSTAR Electric reports illustrating the number of Basic Service and competitive supply customers enrolled and their energy consumption by load zone and rate schedule. In addition, the Massachusetts Department of Energy Resources provides electric customer migration data on its website.

NSTAR Electric cautions Suppliers that historical load data is not a guarantee of future load volumes. It is understood and agreed that NSTAR Electric shall have no liability or responsibility to any entity resulting from the use or reliance upon any such information. Suppliers are responsible for forecasting their obligations on an hourly, daily, and monthly basis. However, NSTAR Electric will provide Suppliers with certain information to facilitate the projection of load requirements. Such data includes the history of energy and peak Basic Service load, with periodic updates to such information.

Suppliers may not limit the amount of supply that may or must be purchased by NSTAR Electric in each tranche but may elect to bid only specific tranches of the load if the Supplier is willing to serve only particular customer groups or load zones.

VI. Proposals

Each proposal must be approved by an authorized representative of the Supplier, containing the bid price information required in the Bid Form. Suppliers must have an executed MPSA and demonstrate an ability to comply with NSTAR Electric's financial assurance requirements prior to submitting a proposal. In addition, proposals should contain explanatory, descriptive and/or supporting materials as necessary. Each proposal must conform to the requirements of Section "VII. Terms and Conditions" below and must specify in the Bid Form the price at which the Supplier will provide Basic Service for each customer group and load zone. Proposals shall be stated on an "as-delivered" energy basis with prices stated on a fixed \$/MWH basis. Prices may vary by calendar month, but must be uniform for the entire calendar month and cover the entire Delivery Term of the tranche selected by the Supplier. In addition, prices may not contain demand components or vary by time-of-use within a calendar month. Proposals that contain restrictions on the amount of power supply in any tranche, or any other conditions other than as expressly permitted herein shall be rejected.³ Suppliers shall specify a price for each customer group on which it bids. The price for each tranche, customer group or load zone may be different.⁴

An authorized officer or other authorized representative of the Supplier certifies by its submission of its bid that: the Supplier has reviewed the RFP and all attachments and has investigated and informed itself with respect to all matters pertinent to the RFP and its proposal; the Supplier's proposal is submitted in compliance with all applicable federal, state and local laws and regulations, including antitrust and anti-corruption laws; and, the Supplier is bidding independently and that it has no knowledge of the substance of any proposal being submitted by another party in response to this RFP. Violation of any of the above requirements may be reported to the appropriate government authorities.

VII. Terms and Conditions

³ For example, a Supplier offering to supply the industrial customer group in the NEMA load zone must agree to supply a fixed percentage of the needs of that group. The Supplier may not offer to serve a fixed percentage of the industrial customer group in the NEMA load zone with the condition that the amount of service purchased does not exceed a specified MW level in any given hour.

⁴ For example, a Supplier may bid to serve the industrial customer group in the SEMA load zone at \$/MWh for the month of January, 2021. For the month of February, 2021, a Supplier may bid to serve the industrial customer group in the SEMA load zone at \$B/MWh.

All proposals shall constitute an offer to sell to NSTAR Electric Basic Service supply to the applicable customer groups and load zones and such offer shall be required to be delivered to NSTAR Electric no later than 10 a.m. EPT on Tuesday, November 17, 2020, and held open until the earlier of 3 p.m. EPT on Tuesday, November 17, 2020, or the date and time at which such offer is either accepted or rejected by NSTAR Electric. Pricing or other terms contained in such offer may not be changed or withdrawn during this period. NSTAR Electric is not required to consider submissions received after the 10 a.m. deadline.

Each winning Supplier selected by NSTAR Electric will provide Basic Service to NSTAR Electric in accordance with the terms and conditions of the MPSA. All Suppliers are required to have in place an executed MPSA and agreed form of Transaction Confirmation prior to submitting bids. Winning suppliers will be required to execute the applicable MPSA Transaction Confirmation documents within three (3) business days of being notified that it has been selected as a winning Supplier, and to provide any required financial assurance in accordance with the terms of the MPSA.

If a Supplier does not currently have a MPSA in place and intends to request NSTAR Electric to consider any changes to the form of MPSA prepared by NSTAR Electric, such request should be presented in the form of a mark-up to the MPSA to NSTAR Electric by 4 p.m. EPT on Friday, November 6, 2020. A Supplier must have a fully-executed MPSA in place with NSTAR Electric prior to the submission of any proposal.

VIII. Right to Select or Reject Supplier

Although it is NSTAR Electric's intention to select Suppliers as a result of this RFP, NSTAR Electric shall have the exclusive right to select or reject any or all of the proposals submitted, at any time and for any reason. NSTAR Electric may also disregard any bid submission not in accordance with the requirements contained in this RFP. Further, NSTAR Electric expressly reserves the right, in its sole and absolute discretion, to seek clarifications of any submissions, to negotiate to seek modifications to any submissions, to unilaterally change the schedule described herein or modify any of the rules, requirements and procedures referenced herein, to seek additional information, to terminate the process described herein, and to invite any (or none) of the Suppliers to participate further in the process, all without prior notice to other potential parties.

A person's or an entity's preparation for this process, submission of information in response to this RFP, or participation in this process shall not operate to vest any rights in that person or entity or to create any duties or obligations for NSTAR Electric.

IX. Supplier Requirements for Basic Service

Each Supplier must obtain all necessary regulatory and other approvals required to enable it to provide the applicable service prior to the submission of any bid. Each Supplier submitting a proposal must meet certain conditions, including but not limited to:

- A. Each Supplier must be a member of NEPOOL and have an accepted Market Participant Service Agreement and settlement account established with ISO-NE and be in good standing and in compliance with all ISO-NE Policies (including, without limitation, the

Financial Assurance Policy) at the time of its proposal submission and throughout the term of the period covered by this RFP;

- B. Demonstrate that it has the financial resources to perform its obligations. Further, the Supplier must be prepared to provide financial assurances and instruments satisfactory to NSTAR Electric to cover NSTAR Electric's costs in the event of a Supplier default. NSTAR Electric shall calculate the potential exposure associated with a Supplier default, and in the event such exposure exceeds the applicable unsecured credit rating limit, Supplier shall be required to provide an irrevocable letter of credit or other security in a form and amount and from an issuer acceptable to NSTAR Electric. If Supplier requires a Guarantor to satisfy these credit requirements, Supplier shall deliver to Buyer prior to bid submission a guaranty in a form acceptable to Buyer for prompt payment by Guarantor when due of all present and future payment obligations of Supplier in an amount that is no less than \$5 million;
- C. Demonstrate its own experience and qualifications (not that of its affiliates or special purpose entities) to provide the Basic Service offered;
- D. Commit to assisting and cooperating with NSTAR Electric in any regulatory or judicial process relating to the proposed purchase, at the Supplier's expense;
- E. Demonstrate the ability to meet the labeling and disclosure requirements of the Massachusetts legislation for all resources bid.
- F. Each Supplier must be authorized by the Federal Energy Regulatory Commission to sell wholesale power.
- G. Comply with the requirements set forth in this RFP.

X. Retail Customer Relationships

All customers taking Basic Service covered by this RFP remain retail customers of NSTAR Electric. As the retail provider, NSTAR Electric performs billing and customer service functions for all customers taking Basic Service.

XI. Regulatory Approval

Any agreement(s) entered into for the delivery of Basic Service pursuant to this solicitation will be subject to the DPU's favorable review of the results of NSTAR Electric's solicitation for Basic Service. Section 1 of the NSTAR Electric Master Power Supply Agreement Form of Confirmation reflects this review standard, which NSTAR Electric will require to be adopted for all Transactions subject to this solicitation. The Supplier is responsible for obtaining any applicable regulatory approvals for its obligations as stated above, and for satisfying any reporting and other requirements of the Federal Energy Regulatory Commission.

XII. Process and Schedule

A. Schedule

NSTAR Electric intends to adhere to the following schedule, although it reserves the right to modify the schedule at any time at its sole discretion.

Process Step	Date
Issue Request for Proposal	October 20, 2020
Final Bids due	Tuesday, November 17, 2020 – 10:00 a.m. EPT
Award Group selected	Tuesday, November 17, 2020 no later than 3:00 p.m. EPT
Transaction Confirmation Documents Executed	Wednesday, November 18, 2020 no later than 5:00 p.m. EPT
Service Begins	January 1, 2021

B. Communications

All offers for supply must be made by E-mail, addressed to both the primary and alternate contact listed below:

E-mail: phillip.higgins@eversource.com

All other communications regarding this RFP may be made by E-mail, or addressed to:

Eversource Energy Service Company
107 Selden Street
Berlin, CT 06037
Attn: Phil Higgins

Fax: 860-665-4583
E-mail: phillip.higgins@eversource.com

If you have any questions please call either:

Primary Contact: Phillip Higgins (860) 665-5003

C. Confidentiality

NSTAR Electric agrees that it shall use commercially reasonable efforts to treat the non-public information it receives from Suppliers in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party or use such information for any purpose other than in connection with this RFP; provided that, in any regulatory, administrative or jurisdictional proceeding in which confidential information is sought, NSTAR Electric shall take reasonable steps to limit disclosure and use of said confidential information through the use of non-disclosure agreements or orders seeking protective treatment, and shall inform the Supplier if confidential information is being sought. Notwithstanding the foregoing, in any regulatory proceeding in which such confidential information is sought and a request for confidential treatment is made to the DPU, NSTAR Electric shall not be responsible in the event that it is determined that the request for treating information in a confidential manner is not warranted. The Supplier shall be required to use commercially reasonable efforts to treat all information received from NSTAR Electric in a confidential manner and will not, except as required by law or in a regulatory proceeding, disclose such information to any third party.

D. Evaluation

Proposals will be evaluated on the following bases:

1. Lowest evaluated bid price by customer group and load zone;
 2. Compliance with non-price bidding requirements and bidder qualifications;
- and
3. Risk relative to price and ability to serve the load.

In evaluating bid prices, NSTAR Electric will evaluate monthly bids using a forecast of the monthly Basic Service load.

Attachment 1

Table of Credit Exposure Limits

This table sets forth the maximum unsecured credit exposure that NSTAR Electric may have to any individual entity based on its credit rating tier. The applicable credit rating tier is based on an entity's senior unsecured debt ratings, or in the absence of such ratings, the entity's Corporate Credit ratings. In the case of split credit ratings, the lower of such ratings shall apply unless such ratings differ by more than one tier, in which case, one tier above the lower of such ratings shall apply. For entities that are guarantors of counterparties, the maximum exposure is the lesser of the amount of the guaranty or the Rating Limit set forth in this table. Please note that the "Rating Limits" are subject to change in NSTAR Electric's sole discretion.

Tier	S&P Rating	Moody's Rating	Internal Rating	Rating Limit
1	AA- or Higher	Aa3 or Higher	AA- or Higher	\$60,000,000
2	A+, A	A1, A2	A+, A	\$50,000,000
3	A-	A3	A-	\$40,000,000
4	BBB+	Baa1	BBB+	\$30,000,000
5	BBB	Baa2	BBB	\$20,000,000
6	BBB-	Baa3	BBB-	\$10,000,000
7	Below BBB- (or unrated)	Below Baa3 (or unrated)	Below BBB- (or unrated)	Security Required