
Energy Auction

Constellation Alternative Proposal

Constellation Energy Commodities Group, Inc,
Constellation NewEnergy, Inc., and
Constellation Generation Group, LLC

Energy Auction Workshop

December 18, 2006

Constellation supports Named Parties Proposal

- ❑ Auction should include BTB and synthetic tolls, novations, and unit contingent calls as potential energy products.
- ❑ A collaborative working group process should be established to develop:
 - ❑ Pre-bid activities, **including product definition**
 - ❑ Pro-forma agreements
 - ❑ Bid evaluation and award procession rules
 - ❑ Finalize RAR and net cost allocation procedures
- ❑ Role of independent evaluator

One Additional Constellation Proposal

- Including unit contingent calls in the energy products requires fuel supply issues to be resolved
 - IOUs can supply fuel
 - Issue of whether and how to segregate utility purchased fuel for the plant versus other purchases
 - Third party can supply fuel
 - Auction to determine lowest fuel supply cost would be necessary
- *Constellation recommends that both utility and third party fuel supply options should be evaluated in collaborative working group process.*