

Bidder Information Session

January 21, 2026

Auction Process for Duquesne Light Company Default Service Program DSP-X

Auction Date: March 2, 2026

Delivery Period: June 1, 2026 – May 31, 2028

Customer Classes: Residential, Small C&I, Medium C&I, Large C&I

Introduction

Welcome to this bidder information session for Duquesne Light Company's Default Service Program

- Duquesne Light Company ("Company") is seeking to procure full requirements Default Service supply for their Default Service Customers
 - Default Service = Load not being served by an Electric Generation Supplier ("EGS")
 - Products in the Fixed-Price auction (customer class and delivery period):
 - Residential 12-month (June 2026 – May 2027) and 24-month (June 2026 – May 2028)
 - Small C&I 12-month (June 2026 – May 2027) and 24-month (June 2026 – May 2028)
 - Medium C&I 6-month (June 2026 – November 2026)
 - Medium C&I 12-month (June 2026 – May 2027)
 - Products in the Hourly-Priced auction (customer class and delivery period):
 - Large C&I 12-month (June 2026 – May 2027)
- Winning bidders will assume all responsibilities of a PJM Load Serving Entity ("LSE"), with the exception of Network Integrated Transmission Service and Billing Line Items
- Date of Auctions: Monday, March 2, 2026

Presentation is being made by representatives from

- CRA International, the Independent Market Monitor
- This presentation will be posted to the Auction Information Website

Introduction

Questions

2 ways to submit questions during the presentation – questions will be answered only after the prepared presentation

- Send an email to DuquesneDSP@crai.com or
- Use the Teams Q&A feature to submit your questions

Following the prepared presentation

- Questions will be queued in the order above and answered
- The questions sent via email will be answered first, and the questions on Teams Q&A will be answered next
- Attendees who use Q&A may choose to remain anonymous during the Q&A session

Introduction

Disclaimer

This presentation is intended to provide only generally descriptive and summary information. The information and material provided on the Auction Information Website and filed with the PA Public Utility Commission (“PUC” or “Commission”) are controlling. Any conflict between the information conveyed during the bidder information session with information or material provided on the Auction Information Website, is unintentional.

Certain information may be subject to modification and approval by the PA PUC.

Neither the Company, nor the Independent Market Monitor, either individually or as corporations, nor any of their representatives shall be liable to an interested party or any of its representatives for any consequences relating to or arising from the use of the information in this presentation.

Introduction

Background: DSP-X

On April 20, 2024, Duquesne Light Company filed a petition for approval of their DSP-X Default Service Program with the Pennsylvania Public Utility Commission – Docket No. P-2024-3048592.

The Default Service Program was approved per the January 14, 2025, Pennsylvania Public Utility Commission Order.

Under the Default Service Program DSP-X, which covers the delivery period of June 1, 2025, through May 31, 2029, an auction process is used to procure full requirements Default Service supply for the Company's Default Service Customers.

Overview

Communications

Product overview

Qualification process

Credit provisions

PJM settlement

Bidding format

Timeline for auction process

Q&As

Communications

**Central source of information is the Auction Information Website:
www.DuquesneDSP.com**

- Documents – Supplier documents, load data, etc.
- Calendar
- Results – from completed Default Service auctions under this DS Program
- News
- Frequently asked questions (FAQs)
- Ask – submit a question
- About – links to background information
- Registration – register to receive future notifications

Product Overview

DSP-X Auctions

Auction Date	Auction	Customer Class	# Mos to Delivery	Delivery Duration	# Tranches	% of DS Load	Load Cap	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5	6	7	8	9	10	11	12	1	2	3	4	5
March 2026	Fixed Priced	Residential	3	12 Mos	12	25.0%	9																													
				24 Mos	6	12.5%																														
		Small C&I	3	12 Mos	2	25.0%	2																													
				24 Mos	1	12.5%																														
	Medium C&I	6 Mos	3	6 Mos	2	50%	3																													
				12 Mos	1	25%																														
	Hourly	Large C&I	3	12 Mos	2	100%	2																													

The full DSP-X schedule is available at www.duquesnedsp.com/Calendar.aspx

Product Overview

Obligations of Default Service Suppliers

Obligations of Default Service Suppliers are detailed in the Supplier Master Agreement (“SMA”) and Appendices and include:

- Energy
- Capacity
- Transmission
- Ancillary Services
- Alternative Energy Credits for compliance with the AEPS Act
- Transmission and distribution system losses
- Congestion management costs, and
- Such other products and services that are required except for distribution service

Appendix D of the SMA shows which PJM billing line items are assigned to Default Service Suppliers and which are assigned to the Company as the electric distribution company (EDC)

Product Overview

Obligations of Default Service Suppliers (*continued*)

Under the Supplier Master Agreement, Default Service Suppliers will have the following Alternative Energy Portfolio Requirements:

Compliance Period	Tier 1	PV	Tier 2
6/1/2019 - 5/31/2020	7.5%	0.4433%	8.2%
6/1/2020 - 5/31/2021	8.0%	0.5000%	10.0%
Current	8.0%	0.5000%	10.0%

The amounts above are estimates and may vary based on actual load served. DS Suppliers will need to true-up the actual credits needed based on the Monthly Settlement Amount.

If Alternative Energy Portfolio Requirements change by law or for any other reason, a DS Supplier will be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service. The Requirements are assumed to be fixed at PY 2021 levels going forward but are subject to change.

For additional details, please refer to the SMA.

Product Overview

Obligations of Default Service Suppliers (*continued*)

Suppliers will be required to post Alternative Energy Credits 90 days after the completion of the contract.

Timeline for the March 2026 Auctions:

Delivery Period	AEPS Requirements are specified and Suppliers are notified	Suppliers supply AEPS requirements to DLC
June 2026 – November 2026	First week of February 2026	Mid February 2026
June 2026 – May 2027	First week of August 2027	Mid August 2027
June 2026 – May 2028	First week of August 2028	Mid August 2028

If Alternative Energy Portfolio Requirements change by law or for any other reason, a DS Supplier will be responsible for providing the credits at its expense in order to comply with its obligations under Full Requirements Service. For additional details, please refer to the SMA.

Product Overview

Obligations of Default Service Suppliers (*continued*)

Winning bidders will be responsible at their sole cost and expense for:

- Any changes in PJM products and pricing during the contract term
- Any congestion costs incurred to supply its DS share
- Remaining a member in good standing of PJM

Each Default Service Supplier shall be responsible and liable to PJM for the performance of its LSE obligations associated with the provisions of Default Service Supply

Default Service Load will be divided into identical units called tranches

- Each tranche represents a defined percentage of the actual hourly energy required for the relevant delivery period as well as of the PJM capacity requirement for the relevant delivery period
- Intent is to procure 100% of the DS Load for each delivery period over multiple DS auctions

Product Overview

Tranches

For DSP-X, Default Service Load will be divided into identical units called tranches, each representing a defined percentage of Default Service Load.

For example, if there are 25 tranches for a given customer class, then each tranche equals $1/25 = 0.04 = 4\%$, or four percent of that class's load. This includes four percent (4%) of the actual hourly energy required for Default Service Load for the relevant delivery period as well as four percent (4%) of the PJM capacity requirement for the relevant delivery period.

The nominal MW quantity associated with the energy and the capacity for each tranche will depend upon many factors, including but not limited to customer migration to alternative competitive suppliers and weather conditions.

Bidders are responsible for evaluating the uncertainty associated with supplying a wholesale energy tranche which could vary each hour.

Product Overview

Minimum and Maximum Starting Prices

Prior to the auctions, the Independent Market Monitor will announce a minimum and maximum starting price range for each auctioned product

- As part of the application process, Qualified Bidders submit indicative offers based on the minimum and maximum starting prices which will be used to determine the Bidder's initial eligibility in the auction

The Independent Market Monitor may determine that due to extraordinary events, the minimum or maximum starting prices require revision

- If indicative offers have already been received, the Independent Market Monitor will request that the Registered Bidders (or the Qualified Bidders if the Part 2 Application process has not been completed) modify their indicative offers on the basis of the revised minimum starting prices and the revised maximum starting prices
- Such an event also may require a revision to the schedule for the Default Service Program

No later than three (3) business days before bidding starts, the Independent Market Monitor will inform Registered Bidders of the starting prices for round 1

Qualification Process

Overview

Part 1 Applications: Prospective bidders apply to become Qualified Bidders

- Start Date: Thursday, January 22, 2026
- Due Date: Monday, February 2, 2026 at 12:00 noon ET

Part 2 Applications: Each Qualified Bidder provides certifications, its indicative offer, and pre-bid security in order to become a Registered Bidder

- Start Date: Monday, February 9, 2026
- Due Date: Thursday, February 19, 2026 at 12:00 noon ET

Only Registered Bidders can participate in the bidding

Prospective bidders will be able to fill out, submit, and upload their supporting documentation for the Part 1 and Part 2 Applications online through the secure Online Application process

Qualification Process

Part 1 Application – Due Monday, February 2, 2026 at 12:00 noon ET

Submit an application from a person with the power to bind the bidder and agree to:

- Comply with all rules of the auction
- If they become winning bidders, execute the Supplier Master Agreement with the Company

Confirm that they either satisfy the three requirements below, or have no existing impediments to them satisfying all the requirements by the start of the supply period

- Transmission Customer of PJM and have executed the applicable PJM Agreements
- Have PJM E-Accounts necessary to provide Default Service Supply
- PJM Market Participant and a Load Serving Entity in PJM

Agree that if they become winning bidders, they will comply with the creditworthiness requirements set forth in the Supplier Master Agreement

Certify that if they qualify to participate, they will not:

- Disclose information regarding the list of Qualified Bidders
- Disclose confidential information about Qualified Bidders obtained during the bidding process
- Substitute another entity in their place
- Transfer their rights to another entity
- Otherwise assign their status as Qualified Bidders to another entity

Qualification Process

Part 1 Application (*continued*)

A prospective bidder that has qualified during the Part 1 Application process becomes a Qualified Bidder

Independent Market Monitor will send a list of all Qualified Bidders to relevant parties that have undertaken to maintain the confidentiality of the list of Qualified Bidders – relevant parties that will receive this list of Qualified Bidders are:

- Each Qualified Bidder
- Representatives from the Company

All parties receiving a list of Qualified Bidders will be subject to the confidentiality requirements as specified in the Bidding Rules

Part 1 Applicant also must submit financial information and may choose to submit Draft Pre-Bid Letter of Credit (described later)

Prospective bidders will be notified by the Independent Market Monitor no later than three (3) business days after the Part 1 Application Due Date whether they succeeded in becoming a Qualified Bidder

Qualification Process

Part 1 Application (*continued*)

Part 1 Applications are submitted online

- The Part 1 Online Application process opens on Thursday, January 22, 2026
- Due Date: Monday, February 2, 2026 at 12:00 noon ET

A prospective bidder is required to:

- Submit a Part 1 Application to participate in any of Duquesne Light's Default Service Program auctions

Qualification Process

Part 1 Application – All Prospective Bidders

In order to have an Online Account to participate in the Part 1 and Part 2 Application process, prospective bidders must fill out an Account Request Form and email it to duquesnedsp@crai.com

Account Request Form – is available on the Home page of the Information Website (www.duquesnedsp.com) under “Forms”

If you have trouble, email duquesnedsp@crai.com

Qualification Process

Part 1 Application – Account Request Form

Duquesne Light Company's Default Service Program Auction Process

Account Request Form: Request for Part 1 and Part 2 Application Online Account

With access to an Online Account for the Part 1 Application and Part 2 Application process, a prospective bidder will be able to submit and check the status of their Part 1 Application and Part 2 Application as well as upload supporting documentation.

To open an Online Account please fill in the following information:

Company Name:

Date:

MM/DD/YYYY

Please provide the First Name, Last Name, and E-mail Address for every person that you request to be given access to your online Application. Each person listed below will receive a unique username and password combination that they will be able to use to login to the online application of the Company named above.

	First Name	Last Name	E-mail Address
1.			
2.			
3.			
4.			
5.			
6.			
7.			
8.			
9.			
10.			

***Please email this form to the Independent Market Monitor at DuquesneDSP@crai.com

Qualification Process

Part 2 Application – Due Thursday, February 19, 2026 at 12:00 noon ET

Qualified Bidders from the Part 1 Application process submit Part 2 Applications to become Registered Bidders

The Part 2 Application process opens on Monday, February 9, 2026

Due Date: Thursday, February 19, 2026 at 12:00 noon ET

In the Part 2 Application, each Qualified Bidder will make a number of certifications regarding associations to ensure that they are participating independently of other Qualified Bidders and to ensure the confidentiality of information regarding the auction

A Qualified Bidder is associated with another Qualified Bidder if the two bidders have ties that could allow them to act in concert or that could prevent them from competing actively against each other

Qualification Process

Part 2 Application (*continued*)

With its Part 2 Application, a Qualified Bidder will be required to submit an indicative offer – comprising a set of two (2) numbers of tranches for the products in each auction – and to post pre-bid security sufficient for the indicative offers

- The first number is the total number of tranches that the Qualified Bidder is willing to serve at the minimum starting price for the products in the auction
- The second number is the total number of tranches that the Qualified Bidder is willing to serve at the maximum starting price for the products in the auction
- At the minimum and the maximum starting prices, the number of tranches indicated by the Qualified Bidder cannot exceed the load tranche cap per Customer Class

Bidder's initial eligibility per auction

- This is the maximum total number of tranches the Qualified Bidder can bid for the products in round 1 of the auction and may be subject to customer class load caps
- Determined by the number of tranches in the Qualified Bidder's indicative offer at the maximum starting prices
- Thus, the indicative offer at the maximum starting prices needs to state the maximum possible number of tranches that the bidder would be ready, willing, and able to serve

Qualified Bidders will be notified by the Independent Market Monitor no later than three (3) business days after the Part 2 Application Due Date whether they succeeded in becoming a Registered Bidder

Qualification Process

Part 2 Application (*continued*)

Pricing for the Medium C&I 6-Month Product

To bid on the product, a bidder will enter a single quantity to supply the product for the 6-month period. At the end of the auction, there will be a single auction clearing price for the 6-month product.

Should a bidder become a winning supplier for the product, the bidder will be paid one price for the first three (3) months of the 6-month delivery period, and another price for the second three (3) months of the delivery period.

The prices that the winning supplier will be paid will be based on the "price factor" that the bidder specifies in the new Factor Entry Form as part of the Part 2 Application. In particular, the prices the winning supplier will be paid depend on the following:

- The auction clearing price for the product.
- A Load Weighting announced by the Independent Evaluator.
- A "price factor" that the bidder specifies as part of the Part 2 Application, if approved; otherwise, a default price factor.

CRA and Duquesne will review each bidder's proposed price factor for approval and will notify the bidder whether or not their proposed factor is approved. Note that factors representing extreme low or high values between the two 3-month delivery periods may not be approved.

A winning bidder without an approved price factor will be paid the unadjusted auction clearing price for each 3-month period. In effect, the price factor will be set to one (1) by default.

Qualification Process

Part 2 Application (*continued*)

Pricing for the Medium C&I 6-Month Product: Factor Entry (example only)

Please provide your proposed price factor in the highlighted cell below.

	1st 3-Month Period [Jun-Aug 2025]	2nd 3-Month Period [Sep-Nov 2025]
Price Factor	1.1	0.877777778
Load Weighting	55%	45%

This is an example, for illustration only:

If the auction clearing price is :

\$ 100.00 per MWh

A winning bidder will be paid the following prices for the 3-month periods, respectively:

1st 3-Month Period	2nd 3-Month Period	per MWh
\$110.00	\$87.78	

Credit Provisions

Required Credit and Financial Information

For bidder or bidder's Guarantor:

- **Financial statements** (most recently issued SEC Form 10-K, 10-Q, 8-K)
- **A statement of rulings or judgments** relating to financial status that have had a material impact on financial status
- **A debt rating** from at least two of the following rating agencies: S&P, Fitch, or Moody's (with supporting documentation)
- **Contact information** for the Bidder's/Guarantor's credit representative to answer questions on the documentation provided

Credit Provisions

Pre-Bid Security – 2 Options

1) Use Pre-Bid Letter of Credit

- Part 1: Submit a Draft Pre-Bid Letter of Credit (LOC) (optional)
- Part 2: Submit an executed Pre-Bid LOC (**\$250,000/tranche**)

2) Make a cash deposit

- Part 1: Request wiring instructions
- Part 2:
 - Submit cash deposit (**\$250,000/tranche**)
 - Attach a copy of W9 (tax ID) and a copy of banking information on company's letterhead, signed and dated
 - Provide wiring instructions for returning your cash deposit

**For Supplier (Winning Bidder) security requirements, refer to Appendix B
Methodology For Calculation of Market to Market (MTM) exposure**

Credit Provisions

Supplier Master Agreement – Key Elements of Credit Provisions

Security posted during the term of the Default Supply delivery period will depend upon a creditworthiness evaluation

- Unsecured credit may be granted based on the Supplier's (or its Guarantor's) Tangible Net Worth and credit rating (see Supplier Master Agreement)
- Total Exposure Amount less any unsecured credit (Margin) must be met with cash or Letter of Credit (Exhibit 4 of Supplier Master Agreement)

The credit exposure methodology is explained in Section 6.3 of Supplier Master Agreement

Letter of Credit (Exhibit 4 of Supplier Master Agreement)

Guaranty (Exhibit 5 of the Supplier Master Agreement)

Information Website

www.DuquesneDSP.com

Information Website for the Default Service Program auction process is
www.DuquesneDSP.com

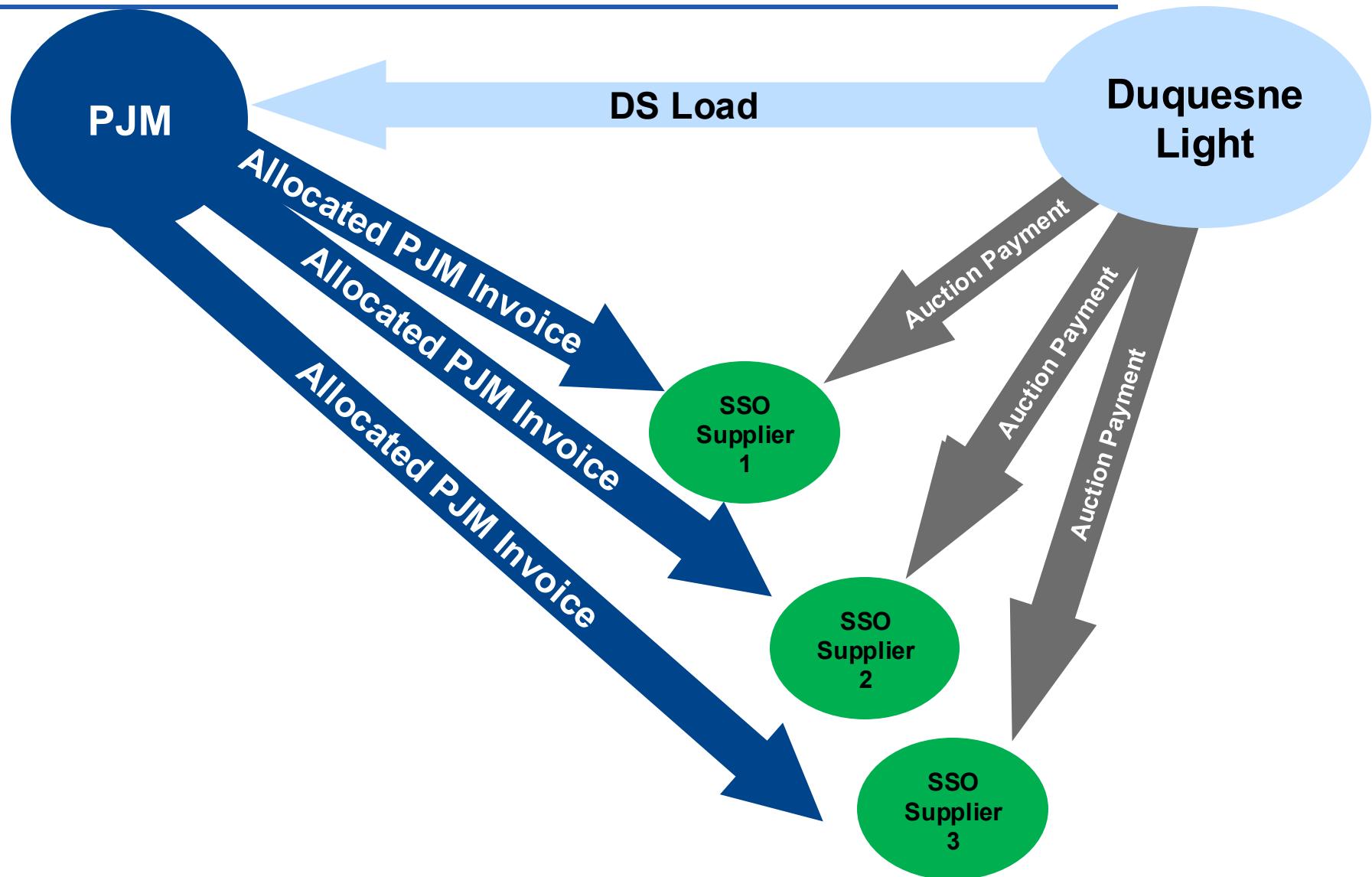
- Information about the Default Service Program
- Download Supplier documents (Supplier Master Agreement, Bidding Rules, etc.)
- Download load and other data
- Auction calendar
- Results from previous Default Service auctions under this Default Service Program
- News and announcements
- Frequently Asked Questions (FAQs)
- Register to receive updates
- Submit questions
- Information about Duquesne Light, CRA International, PJM

Register on the Information Website

- Register to receive information updates regarding Default Service Program – provide name, company name, valid email address
- Once registered, prospective bidders can submit questions

PJM Settlement

Settlement Landscape



PJM Settlement

The Role of Duquesne Light Company's Energy Supply Team

Acts as the Meter Data Coordinator for Default Service Suppliers

- Submits load data to PJM for generation of invoices
 - Primary and Secondary data
 - Re-Settlement periods as necessary
- Default Service Load split by tranches won in delivery period

PJM uses settlement load data to develop the Default Service Invoices

- Primary and Secondary data are used for Final Monthly Energy Allocation (FMEA) and Preliminary Monthly Energy Allocation (PMEA)
- Spreadsheet format
- Emailed
- Based on tranches awarded in the Default Service procurement process

For more information, refer to Article 2 of the SMA - General Terms and Conditions and Article 9 - Billing and Payment

Bidding Format

Reservation Price and Starting Price

There is a reservation price for each product

- No tranche will be procured at a price that is above the reservation price for the product
- The reservation price will not be disclosed to bidders

Starting price for the product = announced price for round 1

- Announced no later than three (3) business days before bidding starts
- No lower than the product's minimum starting price; no higher than its maximum starting price
- Starting price \geq reservation price

Bidding Format

Discretion to Reduce Tranche Targets

Discretion to reduce tranche targets (# tranches to procure)

- If there is insufficient supply bid for the tranches to ensure competitive bidding, Independent Market Monitor may reduce the tranche targets
 - The criteria that could lead to such a reduction will be determined prior to the auction but will not be announced
 - Once certain pre-specified criteria related to excess supply and related to the reservation price have been met, the discretion to reduce the tranche target will be eliminated and there will be no reduction in the tranche target
 - Any exercise of this discretion would be more likely in the earlier rounds of the auction
- If the Independent Market Monitor reduces the tranche targets, bidders will be informed of the revised tranche targets

Bidding Format

Bidder's Eligibility and Load Cap

Bidder's eligibility

- This is the maximum number of tranches the bidder can bid in a round
- Bidder's eligibility for a round = total number of tranches they bid in the preceding round
- Thus, bidder's eligibility cannot increase during auction – only stays the same or declines

The load caps limit the bidder's eligibility to bid on a Customer Class

March 2026 Fixed-Price (FP) and Hourly-Priced (HP) Auctions				
Auction	Customer Class	Delivery Period	Tranche Target	Load Cap *
FP	Residential	June 2026 – May 2028	18 tranches	9 tranches
FP	Small C&I	June 2026 – May 2028	3 tranches	2 tranches
FP	Medium C&I	June 2026 – May 2027	3 tranches	3 tranches
HP	Large C&I	June 2026 – May 2027	2 tranches	2 tranches

** Note that the load cap in an auction for a particular customer class and delivery period may vary by bidder because some bidders already may be committed to serving some of the load for the customer class and delivery period*

Load Cap

Illustrative Example

Bidder A won one tranche of Residential load with a delivery period of June 2026 - May 2027 in a previous Default Service auction.

18 tranches of Residential load (37.5% of Residential DS Load) are up for bid in an upcoming auction with a delivery period that overlaps June 2026 - May 2027. The load cap for the auction is 9 tranches. Will Bidder A have any further restrictions beyond the load cap of 9 tranches?

No. Bidder A's load cap will not be limited further even though the bidder already is serving one tranche. Each tranche is only 2.08% of the load ($37.5/18 = 2.08$). If Bidder A wins all 9 tranches in the upcoming auction, they would serve 20.83% ($18.75\% + 2.08\%$) of the Residential load. Because this is less than 50% of the load, Bidder A would not have a further restricted load cap for the upcoming auction.

Bidding Format

Clock Format

Bidders bid using the Independent Market Monitor's Bidding Website

Multiple-round, descending-price clock format

- Each round has specified start and end times
- The price for the next round is announced (“announced price”) – price falls round to round
- Round opens and each bidder submits the number of tranches of the product it is willing to supply at the product’s announced price
- Round closes
 - **If the total number of tranches bid > tranche target for the product**, then announced price for the product will be reduced for the next round by a price decrement
 - **If the total number of tranches bid \leq tranche target for the product**, then the announced price for the product will remain unchanged for the next round
- Round results are reported prior to the start of next round

Bidding Format

Default Bid

Default bid for a bidder

- If bidder entered round with positive eligibility but fails to submit a confirmed bid in the round, then default bid will be submitted on behalf of the bidder
- The default bid will be zero (0) tranches – because the announced price decreased from the prior round
- A bidder with zero (0) tranches of eligibility will not be able to submit any more bids in that auction

Bidding Format

Subscription State = Measurement of Excess Supply

At the end of each round, the product is over-subscribed (excess supply > 0), subscribed (excess supply $= 0$), or under-subscribed (excess supply < 0)

Excess supply = # of tranches bid – tranche target

- 1) **If excess supply > 0 :** Price for the product is reduced by a price decrement and the auction will continue with the next round.
- 2) **If excess supply $= 0$:** Price for the product will remain unchanged. Bidders who bid on the product will not be able to reduce their tranches bid on the product in the next round of the auction.
- 3) **If excess supply < 0 and no bidders reduced the number of tranches they bid on the product:** Price for the product will remain unchanged. Bidders who bid on the product will not be able to reduce their tranches bid on the product in the next round of the auction.
- 4) **If excess supply < 0 and one or more bidders reduced the number of tranches they bid on the product:** Consequences are the same as case #3, and also a rollback will be applied to the product.

Bidding Format

Rollback

When there is excess supply for the product at the end of round R, the announced price declines in round R+1

- Bidders are free to reduce the tranches bid for the product in response to the lower price
- In some cases, total tranches bid may fall to a level below the tranche target

A rollback process selects a sufficient number of tranches that were bid in round R so that the product is subscribed following round R+1

- Tranches rolled back are selected at random from the those reduced from round R to round R+1
- The price associated with rolled back tranches is the price at which the tranches were bid) – i.e., a price higher than the round R+1 price
- Only tranches that were both bid on a product in round R and not bid on the product in round R+1 are subject to a possible rollback
- Even after a rollback, the total number of tranches accepted for a bidder will be no greater than the total number of tranches the bidder bid in round R

Bidding Format

Illustrative Example – Single Product

Illustrative Bidding in an Auction (single-product example)							
Round	Tranche Target	Announced Price (\$/MWh)	Number of Tranches Bid				
			BidderA	BidderB	BidderC	BidderD	Total
1	100	\$75.00	34	55	21	72	182
2	100	\$62.00	15	48	0	44	107
3	100	\$59.50	0	48	—	42	90

The auction will conclude after round 3 because excess supply for the product was no longer positive. In the round, only 90 tranches of supply were bid against 100 tranches being procured. Negative excess supply triggers a rollback of 10 tranches.

BidderA bid 15 tranches at \$62.00/MWh in round 2 and 0 tranches at \$59.50/MWh in round 3. Because BidderA reduced its bid, it is subject to a rollback of up to 10 tranches.

BidderB bid 48 tranches in rounds 2 and 3. Because BidderB did not reduce, it is not subject to a rollback. BidderB wins 48 tranches at the clearing price.

BidderC bid 0 tranches at \$62.00/MWh in round 2 and is not subject to any rollback.

BidderD bid 44 tranches at \$62.00/MWh in round 2 and 42 tranches at \$59.50/MWh in round 3. BidderD is subject to a rollback of up to 2 tranches.

Rollback Results				
		Tranches		
Round	Price (\$/MWh)	BidderA	BidderB	BidderD
2	\$62.00	15	48	44
3	\$59.50	0	48	42
Rollback	\$62.00	9	0	1
Winning	\$62.00	9	48	43

Clearing price for all 100 tranches won = \$62.00

Bidding Format

Winning Tranches, Bidders, and Prices

If Excess Supply = 0 for the product at end of a round

- Winning tranches are the tranches bid in the last round of the auction
- Winning bidders are the bidders who bid those tranches
- Uniform pricing: Price to be paid for winning tranches for a product will be the highest price for any tranche in the product's bid stack

If Excess Supply ≤ 0 for the product at the end of a round

- There will be a rollback for the product with excess supply < 0
- There will be no rollback for the product with excess supply $= 0$
- Uniform pricing: Price to be paid for winning tranches for a product will be the highest price for any tranche in the product's bid stack

Note: In all cases, a product's bid stack has at most two prices

- If the bid stack has rolled-back tranches, then there are two prices in the bid stack – the most recent (i.e., lower) announced price and the next-most recent (i.e., higher) announced price
- If the bid stack does not have rolled-back tranches, then there is only one price in the bid stack – the most recent announced price

Bidding Format

Close of the Auction

Shortly after the last round of the auction, results are determined by the Independent Market Monitor, then:

- Independent Market Monitor provides to the Company and the Commission the identity of winning bidders, the number of tranches won by each winning bidder, and the prices for the tranches won
- Independent Market Monitor notifies:
 - Each winning bidder of how many tranches the bidder has won and at what prices
 - Each unsuccessful bidder that the bidder has not won any tranches
- The Commission will determine if there has been a violation of the auction rules in such a manner as to invalidate the auction based upon an assessment from the Independent Market Monitor

The Company and the winning bidders will execute the Supplier Master Agreement

Bidding Format

Technical Difficulties During the Auction

- Unforeseen technical difficulties may happen during an online auction
- Pursuant to the auction rules, if a technical difficulty occurs during an auction, depending on the circumstances the Independent Market Monitor will:
 - Inform all the bidders as soon as possible, by phone and/or Independent Market Monitor Message page on the Bidding Website
 - Accept bids using the Backup Bidding Fax Number
 - In case a bidder is unable to submit its bid via facsimile, it is recommended that the bidder call CRA's Help Desk to submit a bid over the phone
 - Extend the duration of bidding round(s), extend the time between bidding round(s), or otherwise pause the auction(s)

Supplier Master Agreement

Administrative Changes

Once the results of the Auction have been approved, the winning bidders are expected to sign the SMA. During DSP-VIII, the Company introduced a generic version of the Supplier Master Agreement.

The generic SMA needs to be signed only once during the DSP-X auction cycle.

Timeline for Upcoming Auctions

Timeline for the DSP-X March 2026 Auctions

Activity	Date
Zoom Information Session	Wednesday, January 21, 2026
Part 1 Applications can be submitted	Thursday, January 22, 2026
Deadline to submit Part 1 Applications	Monday, February 2, 2026
CRA announces minimum and maximum starting prices	Monday, February 9, 2026
Part 2 Applications can be submitted	Monday, February 9, 2026
Deadline to submit Part 2 Applications	Thursday, February 19, 2026
Bidder User Manuals Distributed	Monday, February 23, 2026
Mock Auction for Registered Bidders	Tuesday, February 24, 2026
CRA announces starting price to Registered Bidders	Tuesday, February 24, 2026
Auction for Registered Bidders	Monday, March 2, 2026
CRA notifies Duquesne Light Company and PA PUC of results (tentative)	Monday, March 2, 2026
Commission Decision due second day after conclusion of auction (tentative)	Wednesday, March 4, 2026
Master SSO Supply Agreements Signed (tentative)	Friday, March 6, 2026

Q&As

Please do NOT identify yourself if you have a question

Following the prepared presentation

- Questions received and queued during the prepared presentation will be answered in the following order:
 - Email (DuquesneDSP@crai.com)
 - Teams Q&A
- The questions sent via email will be answered first, and the questions on Teams Q&A will be answered next
- Attendees who use Q&A may choose to remain anonymous during the Q&A session

Q&As raised during this bidder information session will be posted on the Information Website

Thank you for your interest in Duquesne Light Company's Default Service Program

End
