## Design Components

<table>
<thead>
<tr>
<th>#</th>
<th>Design Components</th>
<th>Priority</th>
<th>Status Quo</th>
<th>A</th>
<th>B</th>
<th>C</th>
<th>D</th>
<th>E</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Structure</td>
<td></td>
<td>One-tier by definition but two-tier when Current Exposure requirement</td>
<td>Two - Lead-Lag - historical and</td>
<td>75% leading and 25% lagging indicators;</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>considered</td>
<td>prospective</td>
<td>credit exposure equal to weighted</td>
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<td>credit exposure equal to weighted</td>
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<td></td>
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<td></td>
<td></td>
<td></td>
<td>median credit exposure for one day</td>
<td>median credit exposure for one day</td>
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<tr>
<td>2</td>
<td>Current Exposure (CE) requirement</td>
<td></td>
<td>Current exposure can't exceed Working Credit Limit (75% of available credit)</td>
<td>Extrapolate Current Exposure to include collateral breach cure period</td>
<td></td>
<td></td>
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<tr>
<td>3</td>
<td>Leading component</td>
<td></td>
<td>Current Exposure requirement</td>
<td>Extrapolation of potential billing</td>
<td>Other &quot;Seasonal&quot; indicator</td>
<td>one week of projected market activity;</td>
<td></td>
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<td></td>
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<td></td>
<td>using forward index such as ICE prices</td>
<td></td>
<td>use forward markets for price (hub prices as surrogate); daily projected activity * daily projected price (for one week); then take median activity $ exposure for one week</td>
<td></td>
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<tr>
<td>4</td>
<td>Lagging Component</td>
<td></td>
<td>Highest three weeks invoices during current 6-month cycle with semiannual reset</td>
<td>Status Quo but monthly reset based on Participant's last month's actual 3 week peak and following month's historical share of load costs; maintain CE requirement.</td>
<td>Reduce three week Peak (e.g. use second highest in 6 months, or other measure), but increase/ extend CE req't and remove Prepay option. May allow for use of some CE collateral to partial pay invoices.</td>
<td>Median $ activity exposure for 3 weeks</td>
<td></td>
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<tr>
<td>5</td>
<td>Prepayment* Eligibility</td>
<td></td>
<td>Only Participants with Unsecured Credit Allowance</td>
<td>All Participants</td>
<td>Complete removal</td>
<td>Complete removal if PMA solution includes more frequent reset</td>
<td></td>
<td></td>
</tr>
<tr>
<td>6</td>
<td>Prepayment Dollar limits</td>
<td></td>
<td>Capped at Participant's Unsecured Credit Allowance</td>
<td>Unlimited</td>
<td>2X unsecured credit</td>
<td>1.5X unsecured credit</td>
<td>Based on member uncapped levels</td>
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<tr>
<td>7</td>
<td>Prepayment Frequency</td>
<td></td>
<td>Ten per rolling 12 months</td>
<td>Unlimited</td>
<td>8 per PMA reset period</td>
<td>20 per rolling 12 months</td>
<td>15 per rolling 12 months</td>
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<td>8</td>
<td>Timing/frequency of PMA resets</td>
<td></td>
<td>Apr/Oct</td>
<td>Mar/Oct</td>
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</table>

* In this discussion, "Prepayment" means prepayment of invoice resulting in a reduction to the PMA credit requirement