BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

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IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF THE 2014 PROGRAM FOR THE PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS (FILED JANUARY 27, 2014)	)	PSC DOCKET NO. 14-41

ORDER NO. 8551

AND NOW, this 15th day of April, 2014, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on January 27, 2014, pursuant to 26 *Del. C.* §351 *et seq.*, Delmarva Power & Light Company ("Delmarva") filed an application (the "Application") with the Commission requesting approval of its 2014 Program for the Procurement of Solar Renewable Energy Credits (the "2014 Program"); and

WHEREAS, the 2014 Program is based on requirements set forth in the Renewable Energy Portfolio Standards Act ("REPSA") which was enacted in 2007 and amended in subsequent years. See 26 *Del. C.* §§351 to 364. The 2011 Amendments made Delmarva responsible for procuring RECs[1] and SRECs[2] necessary for compliance with respect to all energy delivered to Delmarva's distribution customers beginning in compliance year 2012 (June 2012 - May 2013); and

[1] A "REC" is defined in 26 *Del. C.* §352(18).
[2] An "SREC" is defined in 26 *Del. C.* §352(25).

WHEREAS, the 2014 Program is based on recommendations of the Renewable Energy Taskforce (the "Taskforce"), which is charged with making such recommendations to the Commission and other entities.[3] See 26 *Del. C.* §§ 360(d), (d)(2), and (d)(3). The 2014 Program is also based on the Pilot Program[4] and the 2013 Program for the Procurement of Solar Renewable Energy Credits (the "Pilot Program" and "2013 Program"),[5] which the Taskforce developed and which the Commission previously approved; and

WHEREAS, in Order No. 8535 (February 20, 2014), the Commission opened this docket, ordered certain deadlines for the filing of petitions to intervene and public comments on the Application, ordered the Commission Staff ("Staff") to file a report with its recommendations regarding the 2014 Program, and

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[3] 26 *Del. C.* §360(a)(2) provides, in pertinent part, that the Taskforce is charged with making recommendations about and reporting on the following and matters related thereto: a. Establishing balanced markets mechanisms for REC and SREC trading; b. Establishing REC and SREC aggregation mechanisms and other devices to encourage the deployment of renewable, distributed renewable, and solar energy technologies in Delaware with the least impact on retail electricity suppliers, municipal electric companies and rural electric cooperatives; c. After an analysis by the Taskforce, the annual progress towards achieving the minimum cumulative percentages for all renewable energy resources including, but not limited to, solar and other eligible energy resources and making appropriate recommendations based upon deliberate and factual analysis and study; d. Minimizing the cost for complying with any portion of this subchapter based upon deliberate and factual analysis and study; e. Establishing revenue certainty for appropriate investment in renewable energy technologies, including, but not limited to, consideration of long-term contracts and auction mechanisms; f. Establishing mechanisms to maximize in-state renewable energy generation and local manufacturing; and g. Ensuring that residential, commercial, and utility scale photovoltaic and solar thermal systems of various sizes are financially viable and cost-effective investments in Delaware.

[4] The Commission approved the Pilot Program via Order Nos. 8075 (November 8, 2011) and 8093 (December 20, 2011) in PSC Docket No. 11-399.

[5] The Commission approved the 2013 Program via Order Nos. 8281 (January 22, 2013) and 8450 (September 10, 2013) in PSC Docket No. 12-526.

set an evidentiary hearing date for this matter for April 15, 2014; and

WHEREAS, pursuant to 29 *Del. C.* §8716, on February 10, 2014, the Delaware Public Advocate ("DPA") filed his statutory notice of intervention; and

WHEREAS, on February 12, 2014, the DPA timely filed his written comments on the 2014 Program ("DPA's Comments"); and

WHEREAS, pursuant to 26 *Del. Admin. C.* §1001-2.9, on March 21, 2014, the Department of Natural Resources and Environmental Control ("DNREC") timely filed a petition for leave to intervene; and

WHEREAS, **on** April 14, 2014, Hearing Examiner Lawrence granted DNREC's petition for leave to intervene; and

WHEREAS, on March 21, 2014, DNREC also timely filed the "Comments of Robert Underwood, Energy Program Administrator for the DNREC Division of Energy & Climate" ("DNREC's Comments") which stated that DNREC "strongly supports" the 2014 Program and recommended "its prompt approval;" and

WHEREAS, on April 4, 2014, Staff timely filed its report ("Staff's Report") regarding its review of, and recommendations for, the 2014 Program. Staff's Report included a discussion of its review of all of the details of the 2014 Program for compliance with Staff's previous recommendations as well as compliance with the Taskforce's recommendations. Staff's Report also outlined the merits of the 2014 Program and supported the

key elements of the 2014 Program with a few suggested changes and recommendations; and

WHEREAS, the Commission, having reviewed the record in this case; and having received and reviewed the Application, the DPA's Comments, DNREC's Comments; and having heard oral argument from the participants at the evidentiary hearing held on April 15, 2014; and having deliberated in public at that April 15, 2014 evidentiary hearing;

NOW, THEREFORE, IT IS ORDERED BY THE AFFIRMATIVE VOTE OF NOT FEWER THAN THREE COMMISSIONERS:

1. The Commission grants Delmarva's Application regarding the 2014 Program with the changes that we discussed and accepted during deliberations.

2. The Commission will enter a formal Findings and Opinion in support of this Order at a later date.

3. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

Commissioner

Commissioner

Commissioner

Commissioner

ATTEST:

Secretary