BEFORE THE PUBLIC SERVICE COMMISSION

OF THE STATE OF DELAWARE

IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF THE 2016 PROGRAM FOR THE PROCUREMENT OF SOLAR RENEWABLE ENERGY CREDITS (FILED OCTOBER 8, 2015)	)	PSC DOCKET NO. 15-1472

ORDER NO. 8884

AND NOW, this 3rd day of May, 2016, the Delaware Public Service Commission ("Commission") determines and orders the following:

WHEREAS, on October 8, 2015, 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 2016 Program for the Procurement of Solar Renewable Energy Credits (the "2016 Program"); and

WHEREAS, the 2016 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 - 364. The 2011 Amendments made Delmarva responsible for procuring renewable energy credits ("RECs")[1] and solar renewable energy credits ("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

WHEREAS, the 2016 Program is based on recommendations of the Renewable Energy Taskforce (the "Taskforce"), which is charged with

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

making such recommendations to the Commission and other entities.[3] *See* 26 *Del. C.* §§ 360(d), (d) (2), and (d) (3). The 2016 Program is also based on the Pilot Program,[4] the 2013 Program,[5] the 2014 Program,[6] and the 2015 Program[7] (collectively the "SREC Programs") for the Procurement of Solar Renewable Energy Credits, which the Taskforce developed and which the Commission previously approved; and

WHEREAS, pursuant to Order No. 8808, Delmarva gave public notice of the Application, the evidentiary hearing date, and various deadlines by causing notice to be published in the legal classified section of The News Journal and Delaware State News newspapers on November 6, 2015; and

WHEREAS, a deadline for filing written comments on the Application and for any petitions to intervene pursuant to 26 *Del.*

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[3] 26 *Del. C.* § 360(d)(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).

[6] The Commission approved the 2014 Program via Order Nos. 8551 (April 15, 2014) and 8629 (September 9, 2014).

[7] The Commission approved the 2015 Program via Order Nos. 8717 (March 3, 2015) and 8764 (July 21, 2015).

Admin. C. §1001-2.9.2 was established as Monday, November 30, 2015, and an evidentiary hearing on this matter was scheduled at the regularly-scheduled Commission meeting on Tuesday, December 15, 2015, beginning at 1:00 p.m.; and

WHEREAS, the Delaware Division of the Public Advocate ("DPA") exercised its statutory right to intervene on November 16, 2015; and the Department of Natural Resources and Environmental Control ("DNREC") was the only other party to file a petition for leave to intervene, which was granted by Hearing Examiner R. Campbell Hay in Order No. 8881 on April 19, 2016; and

WHEREAS, only the DPA filed written comments by the November 30, 2015 deadline, though various written public comments were filed after the November 30, 2015 deadline; and

WHEREAS, on December 4, 2015, Delmarva, by letter, requested that the Commission cancel the December 15, 2015 evidentiary hearing and delay consideration of this matter until early 2016, after DNREC promulgated final regulations regarding the Implementation of the Renewable Energy Portfolio Standards Cost Cap Provisions; and

WHEREAS, on December 9, 2015, Staff, by letter, supported Delmarva's request; on December 10, 2015, DNREC, by letter, supported Delmarva's request; and the DPA did not oppose Delmarva's request; and

WHEREAS, at the December 15, 2015 Commission meeting, the Commission considered and granted Delmarva's request to cancel the December 15, 2015 evidentiary hearing and delay consideration of this matter until early 2016; and

WHEREAS, on March 9, 2016, Delmarva, by letter, requested that the Commission schedule an evidentiary hearing for this matter on May 3, 2016; and

WHEREAS, at the April 5, 2016 Commission meeting, the Commission considered and granted Delmarva's request to schedule an evidentiary hearing for this matter on May 3, 2016, which Staff, the DPA, and DNREC supported; and memorialized this decision in Order No. 8876 on April 19, 2016; and

WHEREAS, on April 15th, 2016, notice of the May 3, 2016 evidentiary hearing and deadline for written comments, which was extended to 12 noon on May 3, 2016, was published in The News Journal and the Delaware State News; and

WHEREAS, Staff performed a review of the 2016 Program Application to ensure compliance with recommendations made by the Taskforce, the Delaware Code, the Commission's Regulations, prior orders, and applicable law; and

WHEREAS, Staff's review noted that the 2016 Program contained changes related to the break point for tier size and the amount of SRECs required, and Staff supports the changes to the process as stated in Delmarva's Application for the 2016 Program; and

WHEREAS, the Commission, having reviewed the record in this case, including the Application, testimony, and oral argument at the evidentiary hearing held May 3, 2016; and having deliberated in public at that May 3, 2016 evidentiary hearing;

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

1. The Commission grants Delmarva's Application regarding the 2016 Program, subject to any changes discussed and accepted at the May 3, 2016 evidentiary hearing.

2. The Commission will enter a full Findings, Opinion, and Order setting forth the reasoning for our decision at a later date.

3. 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:

Donna P. Jackson

Secretary