

**BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE**

IN THE MATTER OF THE COMMISSION'S)
CONSIDERATION OF THE INTERCONNECTION)
STANDARD FOR DELMARVA POWER & LIGHT) PSC DOCKET NO. 07-234
COMPANY UNDER THE PROVISIONS OF)
16 U.S.C. § 2621(d)(15))
(OPENED SEPTEMBER 4, 2007))

ORDER NO. 7304

This 16th day of October, 2007, the Commission determines and Orders the following:

1. By Order No. 7275 (Sept. 4, 2007), the Commission opened this docket and directed Delmarva Power & Light Company ("Delmarva") to file, by October 31, 2007, a proposed interconnection standard for the Commission's consideration and potential adoption as the state-wide interconnection standard. That Order also closed Regulation Docket No. 58, which had been opened to consider whether the Public Utility Regulatory Policy Act ("PURPA") Interconnection Standards enacted by the United States Energy Policy Act of 2005 ("the Act") should apply to Delaware regulated electric utilities.¹ In that

¹The PURPA interconnection standard to be considered by the State commissions is codified at 16 U.S.C. § 2621(d) (15) as added by the Energy Policy Act of 2005 § 1254 (a). This section provides:

Each electric utility shall make available, upon request, interconnection service to any electric consumer that the electric utility services. For purposes of this paragraph, the term "interconnection service" means service to an electric consumer under which an on-site generating facility on the consumer's premises shall be connected to the local distribution facilities. Interconnection services shall be offered based upon the standards developed by the Institute of Electrical and Electronics Engineers: IEEE Standard 1547 for Interconnecting Distributed Resources with Electric Power Systems, as they may be amended from

docket, after receiving comments from the participants,² Hearing Examiner Ruth Ann Price found no reason to undertake a re-examination of the Delaware interconnection standards at this time.³

2. As explained in Order No. 7275, the Commission directed Delmarva to file an interconnection standard based on Staff's arguments that: (a) the Act requires the Commission to consider an interconnection standard because the Commission had not previously adopted such standard; (b) the experience of other jurisdictions such as Maryland, New Jersey, and the District of Columbia demonstrates that the adoption of a state-wide interconnection standard with regional consistency would minimize barriers to distributed generation and provide enhanced opportunities for generation development; (c) the ongoing dockets regarding Delaware's energy future require the Commission to consider an interconnection standard in order to promote system reliability and enhanced opportunity to generate renewable energy sources; and (d) the Regulation Docket No. 58 participants

time to time. In addition, agreements and procedures shall be established whereby the services offered shall promote current best practices of interconnection for distributed generation, including but not limited to practices stipulated in model codes adopted by associations of state regulatory agencies. All such agreements and procedures shall be just and reasonable, and not unduly discriminatory or preferential.

²The participants in Regulation Docket No. 58 included Delmarva, the Delaware Electric Cooperative, Inc., Mid-Atlantic Solar Energy Industries Association, the Delaware Million Solar Roofs Coalition (collectively "the Coalition"), the Division of the Public Advocate ("DPA"), and Staff.

³See Hearing Examiner Ruth Ann Price's Letter to the Chair and Members of the Commission (Sept. 1, 2006), attached to PSC Order No. 7275 (Sept. 4, 2007) as Ex. "A."

(including Delmarva) agreed that Delmarva would file a proposed interconnection standard with the Commission by October 31, 2007.

3. By Memorandum dated October 4, 2007, however, Staff informed the Commission that it now believes Delmarva's current interconnection standards are adequate for the time being.⁴ As grounds, Staff stated that: (a) Hearing Examiner Price had concluded in Regulation Docket No. 58 that a need to reexamine the interconnection standards had not been demonstrated; (b) Delmarva personnel (who at one time suggested that regional standards were preferable) have recently indicated that they now believe that the current standards are sufficient and that comparability with other states is not an issue; (c) Delmarva has not received any feedback that the current standards represent a barrier to self-generation; (d) the existing Delaware standards already include automatic updates to reflect changes in current standards and rules regarding, among other things, the allowed size of generating units eligible for net metering; and (e) the benefits associated with continuing this docket, when it is likely that there would only be minor changes to the current standard, if any, do not justify the costs. As such, Staff recommended that PSC Docket No. 07-234 be closed at this time with the understanding that this issue can be revisited in the future if any person raises a concern with the existing interconnection standards.

4. The Commission agrees with Staff and finds, for the reasons stated above, that the state-wide interconnection standard currently

⁴See Memorandum from Janis Dillard, Regulatory Policy Administrator, to Chair McRae and Commissioners (Oct. 4, 2007).

in effect for Delmarva Power & Light Company is adequate and that no further re-examination of the standard is warranted at this time, under the U.S. Energy Policy Act of 2005 or otherwise.

Now, therefore, **IT IS ORDERED:**

1. That further proceedings in PSC Docket No. 07-234 are hereby terminated.

2. That the Commission, however, 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:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Karen J. Nickerson
Secretary