

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

IN THE MATTER OF INTEGRATED RESOURCE)
PLANNING FOR THE PROVISION OF STANDARD)
OFFER SERVICE BY DELMARVA POWER &) PSC DOCKET NO. 10-2
LIGHT COMPANY UNDER)
26 *DEL. C.* §1007(c) & (d))

ORDER NO. 7869

AND NOW, this 10th day of November, 2010:

WHEREAS, the Electric Utility Retail Customer Supply Act of 2006 ("EURCSA") directs Delmarva Power & Light Company ("Delmarva" or the "Company") to file an Integrated Resource Plan ("IRP") with the Delaware Public Service Commission (the "Commission"), the State Energy Office, the Controller General and the Director of the Office of Management & Budget, in which Delmarva is required to "systematically evaluate all available supply options during a 10-year planning period in order to acquire sufficient, efficient and reliable resources over time to meet its customers' needs at a minimal cost," "set forth [Delmarva's] supply and demand forecast for the next 10-year period" and "set forth the resource mix with which [Delmarva] proposes to meet its supply obligations for that 10-year period ..." (26 *Del. C.* §1007(c)(1)); and

WHEREAS, on December 1, 2006, Delmarva filed its initial IRP pursuant to the EURCSA; and

WHEREAS, by Order No. 7122 dated January 23, 2007, the Commission opened Docket No. 07-20 to perform its oversight and review of the IRP; and

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WHEREAS, by Order No. 7263 dated August 21, 2007, the Commission opened PSC Regulation Docket No. 60 to consider the development of rules and regulations to accomplish integrated resource planning for Delmarva's Standard Offer Service ("SOS") customers, as authorized by EURCSA; and

WHEREAS, by Order No. 7628 dated August 18, 2009, the Commission promulgated revised proposed regulations (the "IRP Regulations") to govern Delmarva's development of its IRPs for its SOS customers; and

WHEREAS, subsequent to the adoption of the IRP Regulations, the parties to Docket No. 07-20 agreed that Docket No. 07-20 should be closed and that Delmarva would file a new IRP in conformance with the IRP Regulations by May 31, 2010, and that in developing its new IRP it would seek input from the public and key stakeholders through a series of technical working group meetings; and

WHEREAS, in Order No. 7661 dated September 22, 2009, the Commission approved the parties' agreement, established a schedule of working group meetings and an IRP filing date of May 31, 2010, and closed Docket No. 07-20; and

WHEREAS, the Company has conducted the technical working group meetings required by Order No. 7661 on issues including externalities, demand side management, conservation, modeling scenarios and load forecasting, and has continued to schedule and conduct additional

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technical working group meetings as deemed necessary by the participants;¹ and

WHEREAS, at a working group meeting in February 2010, Delmarva addressed the changes in the regional energy environment since Order No. 7661 and the potential effect of those changes on PJM's planned June 2010 Regional Transmission Expansion Plan ("RTEP") due to the RTEP's analysis of (among other things): (1) the new 2010 PJM load forecast; (2) demand resources bid into the May 2009 Reliability Pricing Model ("RPM") capacity auction; (3) new generators representing approximately 700 MW that have signed interconnection service agreements since the 2009 RTEP; (4) generators representing approximately 1070 MW in the Mid-Atlantic region that have announced retirements since the last RTEP; (5) approved transmission upgrades since the last RTEP; (6) changes in the schedule for PATH; and (7) changes in the schedule for the Mid-Atlantic Power Pathway ("MAPP"); and

WHEREAS, Delmarva contended that the 2010 RTEP was likely to render any previously-filed IRP moot, and furthermore that the RTEP results would be critical in developing a 10-year plan that includes the most relevant and pertinent information for assessing key decisions regarding Delaware's energy future; and

¹ Regular technical working group participants have included Staff, DPA, DNREC, Clean Air Council, the League of Women Voters and NRG/Bluewater Wind Delaware, LLC.

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WHEREAS, after discussion, all participants at the working group meeting agreed that an extension of the filing date for the 2010 IRP was appropriate under the circumstances; and

WHEREAS, on March 11, 2010, Delmarva filed a Motion to Amend Filing Date seeking to change the date for filing its 2010 IRP from May 31, 2010 to a date 90 days after the date that PJM's Board approved the 2010 RTEP; and

WHEREAS, by Order No. 7755 dated March 30, 2010, the Commission granted Delmarva's motion and extended the filing deadline for the 2010 IRP to no later than October 31, 2010; and

WHEREAS, on September 1, 2010, Delmarva filed a second Motion to Amend Filing Date (the "Second Extension Motion") seeking to extend the filing date of the 2010 IRP to November 15, 2010; and

WHEREAS, Delmarva explained that PJM did not release the 2010 RTEP in June as scheduled; and

WHEREAS, as of the time the Second Extension Motion was filed, PJM still had not released the 2010 RTEP, but, by letter dated August 16, 2010, had informed Delmarva's parent company, Pepco Holdings, Inc., ("PHI") that, after reviewing the progress of the 2010 PJM RTEP, it was clear to PJM that the MAPP was needed to address significant and critical reliability criteria violations in the regional PJM power grid, and requested PHI to proceed with all efforts related to the MAPP project to meet a required in-service date of June 1, 2015; and

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WHEREAS, Delmarva stated that although PJM has not yet released the 2010 RTEP, Delmarva believed that PJM's directives to move forward with the MAPP and PATH projects gave it the "critical" information necessary to run the IRP models and develop a relevant 2010 IRP; and

WHEREAS, by Order No. 7845 dated September 15, 2010, the Commission granted the Second Extension Motion; and

WHEREAS, on November 9, 2010 Delmarva filed a Third Motion to Extend the Filing Date to December 1, 2010 (the "Third Extension Motion"), explaining that DNREC had requested it to perform additional environmental studies, which cannot be completed before November 15, 2010, and

WHEREAS, Delmarva observes that the statutory due date for the 2010 IRP is December 1, 2010;² and

WHEREAS, Delmarva recognizes that Order No. 7755 stated that further extensions would be granted only for good cause shown; and

WHEREAS, Delmarva states that good cause exists in the fact that DNREC, a party to the IRP proceedings, did not request the additional studies until late in the modeling process, and that Delmarva seeks to accommodate DNREC's request; and

WHEREAS, Delmarva represents that it has contacted DNREC, Staff, the DPA and Dr. Firestone, and each has consented to the proposed extension;³

² 26 Del. C. §1007(c)(1).

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

1. That Delmarva has established good cause for the additional extension sought in the Third Extension Motion in that it is attempting to comply with a late-submitted request by DNREC to run an additional study.

2. That, based on the foregoing, Delmarva's request to amend the filing date for its 2010 IRP to December 1, 2010 is **GRANTED**.

3. That the Commission reserves the jurisdiction and authority to enter such further orders as may be deemed necessary and appropriate.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae
Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

³ In addition to the regular technical working group participants identified in footnote 1, the February meeting was also attended by Jeremy Firestone. While not a regular participant in the technical working group meetings, Dr. Firestone also agreed to the proposed extension.

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/s/ Dallas Winslow
Commissioner

/s/ Jeffrey T. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary