



STATE OF DELAWARE

**PUBLIC SERVICE COMMISSION**  
861 SILVER LAKE BLVD.  
CANNON BUILDING, SUITE 100  
DOVER, DELAWARE 19904

TELEPHONE: (302) 736-7500  
FAX: (302) 739-4849

September 10, 2015

MEMORANDUM

TO: The Chair and Members of the Commission

FROM: Pamela Knotts, Regulatory Policy Administrator *PK*

SUBJECT: IN THE MATTER OF THE PROVISION OF STANDARD OFFER SUPPLY TO  
RETAIL CONSUMERS IN THE SERVICE TERRITORY OF DELMARVA POWER &  
LIGHT COMPANY  
(FILED APRIL 1, 2015, SUPPLEMENTED SEPTEMBER 2, 2015 AND  
SUPPLEMENT AMENDED SEPTEMBER 4, 2015)  
PSC DOCKET NO. 15-0889

---

On September 2, 2015, Delmarva filed documents (the "Filing") with the Commission regarding the upcoming Delmarva 2016 Standard Offer Service ("SOS") procurement cycle. This Filing contains documents with Delmarva's proposed changes to the SOS procurement process and includes five exhibits. Exhibit 1 has the 2016 SOS Procurement Improvement Process proposals. Exhibit 2 is the redlined "Proposed 2016 Request for Proposals for Full Requirements Wholesale Electric Power Supply in Delaware" ("RFP"). Exhibit 3 is the clean version of the RFP. Exhibit 4 is the redlined version of the "Proposed 2016 Full Requirements Service Agreement ("FSA"). Exhibit 5 is the clean version of the FSA.

In the RFP, Delmarva's first proposal (RFP §2.4, and throughout) modifies the form of its RFP to replace all references to World Energy Solutions, Inc. with EnerNOC, which acquired World Energy Solutions, Inc. Its second proposal (RFP §3.1) eliminates the eligibility requirement that the applicant be registered with NERC/ReliabilityFirst Corporation as the Purchasing Selling Entity (PSE)<sup>1</sup>. The second

---

<sup>1</sup> FERC Docket No. RR15-4-000 which approved NERC's risk-based registration initiative, eliminated the PSE registration category.

proposal also changed the RFP to clarify the requirements for establishing the applicant's pre-bid creditworthiness by inserting language that the applicant's or its guarantor's unsecured senior long-term debt must be currently rated by at least two of the three credit rating agencies. It also clarifies the criteria for determining creditworthiness of an applicant, its parent or its Guarantor and for determining the maximum amount of unsecured credit to be extended, and establishes a requirement for creditworthiness collateral if the applicant relies on a parent or other entity as Guarantor to establish creditworthiness, including deadlines and requirements for posting a Letter of Credit or cash for collateral. The third proposal (RFP §6) details the bidding schedule for the upcoming procurement year.

The fourth proposal (FSA Article 1) pertains to changes in the FSA and inserted definitions. The FSA was changed in the fifth proposal (FSA Article 4.6) to reflect the change in the PJM Settlement point to nodal pricing. The sixth proposal (FSA Article 4.9 and Exhibit D) assigns buyer's and seller's responsibilities with regard to PJM's Billing Line Item Transfers. The seventh proposal (FSA, Exhibit I) deleted the Declaration of Authority to reflect the change in PJM's requirements.

Staff reviewed the Filing with the proposed revisions as described above and found no issues related to the proposed revisions to the FSA and the RFP.