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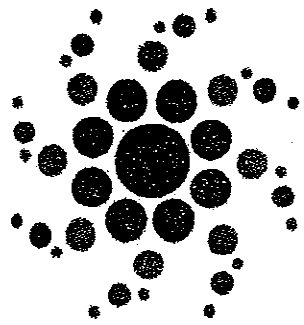

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DELAWARE P.S.C.

September 16, 2013

Alisa Bentley, Secretary
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building
Suite 100
Dover, Delaware 19904

Re: DE PSC Docket No. 12-544

Dear Ms. Bentley:

Enclosed please find, on behalf of Delaware's Sustainable Energy Utility, an original and 10 copies of its comments in the above referenced proceeding.

Please contact me should you have any questions regarding this matter.

Sincerely,

Anthony DePrima
Executive Director
Delaware Sustainable Energy Utility
109 South State Street
Dover, DE 19901
302 883 3038 (o)
302 270-6246 (c)

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 & LIGHT COMPANY UNDER 26 *DEL. C.* §1007(c) & (d) (OPENED DECEMBER 18, 2012)	)	PSC DOCKET NO. 12-544

COMMENTS OF ANTHONY DEPRIMA, EXECUTIVE DIRECTOR, DELAWARE SUSTAINABLE ENERGY UTIITY

9/10/13

Delaware's Sustainable Energy Utility (SEU) appreciates the opportunity to comment on Delmarva Power and Light's IRP filed with the Commission December 7, 2012 and offers the following:

- The SEU acknowledges the central role it plays in delivering energy efficiency programs to Delawareans
- The SEU current funding sources and allocations are not enough to meet the EERS targets
- The SEU stands ready and is eager to work collaboratively with Delmarva to finance and operate programs.

These points are discussed below.

Legislative Authority

Delaware Code gives responsibility for designing and implementing energy efficiency programs to the SEU.

Section 8059 of Title 29 of the Delaware Code establishes the SEU. At § 8059 (c)(1) the Code charges the SEU with designing and delivering energy efficiency services to Delaware households and businesses. The Code, in Title 26, Chapter 15, § 1500 (EERS legislation) declares that the SEU is a critical mechanism for achieving energy conservation and efficiency in the State. Section 1020 of Title 26 requires IRPs filed with the Commission to include a description of energy efficiency activities of the filing utility, and states again that demand side management and other energy efficiency activities shall be implemented by the SEU, in collaboration with the utility.

Funding adequacy

The SEU's current funding sources and authorities are not sufficient to achieve the EERS targets. While the SEU can issue bonds for limited use by state agencies, including school districts, the SEU's direct funding from its RGGI allocation is projected to be between $8 million to $12 million annually. By contrast, the EERS workgroup reported the average of estimates of the statewide cost to achieve the 15% EERS target to be in the neighborhood of $374 million.

The EERS workgroup report recognized that current energy efficiency program funding was inadequate to achieving EERS targets, stating: [1]

> "The statute sets mandatory savings targets, time limits, and efficiency charge limits for the accomplishment of the statute directive. The Workgroup finds that Delaware is unlikely to achieve the legislated efficiency targets given the current and prospective funding levels and the high participation rates that would be necessary to meet such a short timeline. Modifications are required in some or all of the following: 1) funding for efficiency investments; 2) efficiency targets; and/or 3) the timeframe to accomplish the targets."

Collaboration with Delmarva to design and implement energy efficiency programs

The SEU looks forward to continuing collaboration with Delmarva to fund, design and implement energy efficiency programs, and to examine Combined Heat and Power (CHP) implementation opportunities. Delmarva and the SEU met recently to discuss collaboration and will be meeting regularly going forward. Delmarva and the SEU have a demonstrated track record of working collaboratively in establishing the SREC procurement program.

In Conclusion

The SEU looks forward to working collaboratively with Delmarva Power to fund and implement energy efficiency programs. In particular, the SEU looks forward to working with Delmarva Power to identify and implement appropriate CHP programs.

Respectfully submitted,

Anthony J. DePrima
Executive Director
Delaware Sustainable Energy Utility
109 South State Street
Dover, DE 19901
(302) 883 3038

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1 http://www.dnrec.delaware.gov/energy/information/Documents/EERS/Final%20EERS%20Workgroup%20Report.pdf. p. 1.