NRG Energy, Inc.
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Princeton, NJ 08540

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DELAWARE P.S.C.

July 17, 2014

VIA ELECTRONIC MAIL & OVERNIGHT DELIVERY

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

DR
Kevin
Amy
Jbeth
Alisa

Re: PSC Docket No. 13-152 In the Matter of the Investigation Into Delmarva Power & Light Company's Planned Distribution Infrastructure Investments Over the Next Five Years (Opened April 16, 2013)

Dear Ms. Bentley:

Attached please find an original of NRG Energy, Inc.'s comments on Staff Review of Delmarva Power & Light Company's 2013-2017 Infrastructure Investment Plans.

Please do not hesitate to contact me at the number above if you have any questions.

Respectfully submitted,

Abraham H. Silverman FBW

Abraham H. Silverman
Assistant General Counsel, Regulatory
NRG Energy, Inc.

IN THE MATTER OF THE	)	RECEIVED
INVESTIGATION INTO DELMARVA	)	2014 JUL 18 AM 9 48
POWER & LIGHT COMPANY'S	)	
PLANNED DISTRIBUTION	)	DOCKET NO. 13-152
INFRASTRUCTURE INVESTMENTS	)	DELAWARE P.S.C.
OVER THE NEXT FIVE YEARS	)	
(OPENED APRIL 16, 2013)	)	

COMMENTS OF NRG ENERGY, INC.

NRG Energy, Inc. ("NRG") appreciates the opportunity to address the distribution planning issues raised by the Delaware PSC Staff in its June 20, 2014 Report regarding Delmarva Power and Light Company's ("DPL") 2013-2017 infrastructure investment plan.[1] Among other things, the Staff report recommends:

- Given DPL's current reliability performance, its proposed infrastructure investment of $397 million over the next five (5) years appears to be excessive and premature.
- The Commission should approve a public review of DPL's most recent reliability plan as filed with the Commission on March 31, 2014, with a report back to the Commission on that public review due no later than September 2014.
- The Commission should instruct DPL that all planned reliability projects are required to incorporate reasonable justifications and tangible identified benefits for ratepayers before being submitted in any future planning scenarios.

NRG supports Staff's recognition that distribution and transmission planning by public utilities must take into account a broader range of options and objectives, including distributed generation, demand response, and micro-grid applications that will lower consumer costs and improve system reliability and resiliency.

I. Introduction

NRG's experience with planning in the organized markets is that transmission projects are often built to resolve reliability concerns without regard to whether a generation or a

[1] Delaware Public Service Commission, *Staff Review of Delmarva Power & Light's 2013-2017 Infrastructure Investment Plans*, Docket No. 13-152 Reliability Investigation (June 20, 2014).

demand-side management ("DSM") solution would resolve the same reliability concern at lower cost, without the need for incentive rates, and at less risk to ratepayers. The instant proceeding before the DE PSC appears to represent the same trend, and likely has the same root causes. Too often, tariff rules prohibit planners from even considering generation or DSM solutions. Effective regional or state planning processes must consider generation, DSM *and* traditional distribution infrastructure alternatives when solving reliability challenges or addressing economic constraints.

While understandable, the DPL infrastructure plan unfortunately demonstrates the old adage 'if the only tool you have is a hammer, every problem looks like a nail.' The DPL plan appears to inappropriately have only traditional 'poles and wires' solutions to identified reliability concerns, which may end up costing consumers far more, and delivering far less reliable and resilient outcomes, than a more inclusive plan that allows for competitive delivery of distributed generation, demand response and micro-grid solutions. The Commission should mandate that DPL planners explore multiple options – including generation and DSM solutions – to preserve reliability and meet growing consumer needs.

Second, an effective planning process should provide the PSC with real options when evaluating whether to permit a new transmission or distribution project. The current plan appears to provide a binary choice: approve the single project developed in the DPL planning process, or face imminent reliability problems. To ensure consumers get the best overall outcomes, there must be public involvement in evaluating the primary alternatives, as Staff recommends.

Third, current policy unreasonably favors transmission and distribution projects by socializing these expansion costs, and by providing guaranteed cost recovery. These incentives and risk-reduction mechanisms are not available to innovative alternatives such as distributed

generation and micro-grids. The utility planning process should acknowledge that these approaches to system reliability and resiliency provide other benefits, and should be afforded equal consideration in the planning process.

NRG recommends specific enhancements to the utility planning processes in Delaware to ensure that all potential solutions are considered in a coordinated approach to meet identified system needs:

1) Reliability planning by utilities should begin with assessing system needs in neutral terms, without assuming the form of the solutions.

2) Reliability planning by utilities should consider *all* resource solutions when evaluating and recommending future improvements to the system.

3) Reliability planners should provide the State with multiple solutions to each identified planning need, including recommending:

    a. At least one transmission and/or distribution alternative;

    b. A plan for deploying distributed generation technology as an alternative, including microgrids;

    c. A plan for deploying DSM technologies as an alternative; and

    d. A mix of appropriate transmission/distribution upgrades, generation and demand-side resources.

4) The Commission should require a competitive solicitation for third parties to develop and deliver the distributed generation, micro-grid and DSM technologies prior to finalizing any infrastructure investment plan.

5) The Commission's pricing and cost allocation policies should ensure that alternatives to traditional transmission and distribution infrastructure are eligible for appropriate cost recovery, up to the level needed to attract private investment to meet system needs.

NRG appreciates the ability to provide these comments on how to enhance the regional planning process.

II. About NRG

A Fortune 250 company, NRG is at the forefront of changing how people think about and use energy. Whether as the largest solar power developer in the country, by building the nation's first privately funded electric vehicle charging infrastructure, or by giving customers the latest smart energy solutions to better manage their energy use, NRG is a pioneer in developing cleaner and smarter energy choices for our customers.

NRG's diverse power generating facilities have a capacity of about 53,000 megawatts, capable of supporting almost 42 million homes. Our retail electricity providers — Reliant and Energy Plus — and thermal energy division serve approximately three million residential, business, commercial and industrial customers in 47 states.

In Delaware, NRG owns the Indian River Generating Station and the Dover Energy Center, and is an active participant in the state's retail electric market.

NRG supports clean energy resources and technologies critical to our transition to a sustainable, low carbon society. NRG and its affiliates are pioneering new DSM resources as well as customer-sited renewable generation and combined heat and power applications, and is committed to building a modern smart-grid for its customers.

III. Communications

Communications in connection with this filing should be addressed to:

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WHEREFORE, NRG Energy, Inc. respectfully requests that the Commission accept these Comments to the above captioned proceeding.

Dated: July17, 2014

Respectfully submitted,

NRG ENERGY, INC.

By: /s/
Abraham H. Silverman
Assistant General Counsel, Regulatory