



**STATE OF DELAWARE  
THE PUBLIC SERVICE COMMISSION**

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June 26, 2014

MEMORANDUM

**TO:** Members of the Commission  
**FROM:** Toni Loper, Public Utilities Analyst  
**SUBJECT:** COMPLIANCE FILING IN THE MATTER OF THE APPLICATION OF DELMARVA POWER & LIGHT COMPANY FOR APPROVAL OF QUALIFIED FUEL CELL PROVIDER PROJECT TARIFFS (FILED May 23, 2014) – PSC DOCKET NO. 14-49-5

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On July 7, 2011, the Governor of the State of Delaware signed into law Amendments (the “Amendments”) to the Renewable Energy Portfolio Standards Act (the “REPSA”) that added Delaware-manufactured fuel cells to the REPSA and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Delaware Public Service Commission-regulated electric company’s renewable energy credit requirements under REPSA.

The Amendments created a regulatory framework whereby the Commission-regulated electric company, Delmarva Power & Light Company (“Delmarva”), and the Qualified Fuel Cell Provider (“QFCP”)<sup>1</sup> will jointly submit tariffs that enable and obligate Delmarva, as the agent for collection and disbursement, to collect from its customers a non-bypassable charge (“QFCP-RC Charge”) for costs incurred for incremental site preparation, filing, administrative and other costs incurred by the QFCP. The QFCP-RC Charge is reduced by compensation to the Qualified Fuel Cell Provider Project (“QFCPP”) for any revenues received from PJM or its successors at law from the output of the QFCPP.

On August 19, 2011, in PSC Docket No. 11-362, Delmarva filed an application for approval of a new electric tariff for Service Classification QFCP-RC (“Electric Tariff”) and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments. On October 18, 2011, the Commission issued Order No. 8062 which approved this tariff filing. On December 1, 2011, the Commission signed Order No. 8079, which, among other things, adopted Order No. 8062. Pursuant to the Electric Tariff, Delmarva is serving in its mandatory role as a collection agent for the QFCP. In compliance with the Electric Tariff, Delmarva will provide monthly filings to account for the varying QFCP-RC Charge.

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<sup>1</sup> All references to capitalized terms are set forth in 26 *Del. C.* §352.

On April 2, 2012, Delmarva submitted its first monthly filing (“Compliance Filing”) as required by its Commission-approved Electric Tariff filed in PSC Docket No. 11-362. By Order No. 8136, the Commission permitted the May 2012 QFCP-RC Charge to take effect and required Delmarva to provide to Staff, with each future Compliance Filing under the REPSA, all documents that Staff requested from Delmarva as part of its review of the prior Compliance Filing.

On May 23, 2014, Delmarva submitted its twenty-seventh Compliance Filing, including the typical charges and calculations. In addition, the reconciliation factors (true-ups) of the April billing revenues, April PJM revenues, and April operational costs were included in the QFCP-RC Charge. The rates for each customer classification are provided below:

<b>July 2014 QFCP-RC Charge</b>		
<b>Service Classification</b>	<b>\$ per kWh</b>	<b>Change from Previous Month</b>
Residential	\$ 0.003795	\$ 0.000121
Residential – Space Heating	\$ 0.003795	\$ 0.000121
Residential Time-of-Use "R-TOU"	\$ 0.003795	\$ 0.000121
Residential Time-of-Use NON-Demand "R-TOU-ND"	\$ 0.003795	\$ 0.000121
Small General Service - Secondary Non-Demand "SGS-ND"	\$ 0.003795	\$ 0.000121
Space Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003795	\$ 0.000121
Water Heating Secondary Service "SGS-ND" and "MGS-S"	\$ 0.003795	\$ 0.000121
Outdoor Recreational Lighting Svc - Secondary "ORL"	\$ 0.003795	\$ 0.000121
Medium General Service - Secondary "MGS-S"	\$ 0.003795	\$ 0.000121
Large General Service - Secondary "LGS-S"	\$ 0.003795	\$ 0.000121
General Service - Primary "GS-P"	\$ 0.003712	\$ 0.000119
General Service - Transmission "GS-T"	\$ 0.003646	\$ 0.000116
Outdoor Lighting PL	\$ 0.003795	\$ 0.000121
Outdoor Lighting SL	\$ 0.003795	\$ 0.000121

26 *Del. C.* §364 (d) (4) provides as follows: “**Notwithstanding § 306 of this title or any other provision of the Delaware Code to the contrary, any changes in rates or charges necessary to collect funds for disbursements or costs addressed in subsections (a)-(c) of this section through adjustable non-bypassable charges shall become effective 30 days after filing, absent a determination of manifest error by the Public Service Commission. The Commission may allow changes in rates or charges related to such adjustable non-bypassable charges to become effective less than 30 days after filing under such conditions as it may prescribe.**”

Delmarva has developed communications on renewable energy and alternative energy, including bill inserts and talking points for Delmarva call center employees. Detailed information on the Qualified Fuel Cell Provider Project can be found in Delmarva’s Electric Tariff (QFCP-RC Leaf No. 74 -74r).

Staff performed a review of the calculations and the QFCP-RC Charge provided in the Compliance Filing dated May 23, 2014, and did not find any manifest errors. Therefore, Staff recommends that the July 2014 QFCP-RC Charge be permitted to take effect for bills issued by Delmarva to its customers between June 27, 2014, and July 28, 2014. Staff notes that Delmarva has concluded its

investigation into Diamond State Generation Partners, LLC's ("DSGP") claim for alleged Force Majeure Events which were noted in the February 26, 2014 filing.<sup>2</sup> After engaging in a data exchange and negotiations with DSGP on the matter, Delmarva has informed Staff that it will not seek Commission approval to collect funds from customers for the purposes of disbursements to DGSP.

**Attachment A: QFCP-RC Charge - All Months**

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<sup>2</sup> DSGP claimed it suffered a gas system issue which resulted in low gas pressure and a fuel supply interruption qualifying as a Force Majeure Event under the Tariff.



# Attachment A

Attachment A QFCP-RC Charge-All Months

