



**Washington Gas  
Energy Services**

*A Washington Gas Affiliated Company*

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COPY

October 29, 2010

**FEDERAL EXPRESS**

Ms. Karen Nickerson, Secretary  
Delaware Public Service Commission  
861 Silver Lake Boulevard  
Cannon Building, Suite 100  
Dover, Delaware 19904

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DELAWARE P.S.C.

**Re: PSC Regulation Docket No. 49 – Washington Gas Energy Services, Inc. Comments**

Dear Ms. Nickerson:

Pursuant to Delaware Public Service Commission Order No. 7832, enclosed please find an original and ten (10) copies of Washington Gas Energy Services, Inc. (“WGES”) comments regarding the proposed revisions to the Commission’s “Rules for Certification And Regulation of Suppliers.”

Please feel free to contact me at 703.793.7565 or via Email at [lgibbons@wges.com](mailto:lgibbons@wges.com) if you have any questions or require additional information.

Sincerely,

Leah Gibbons  
Director, Regulatory and Legislative Affairs

Enclosures

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

COPY

IN THE MATTER OF THE ADOPTION  
OF RULES AND REGULATIONS TO  
IMPLEMENT THE PROVISIONS OF 26  
DEL. C. CH. 10 RELATION TO THE  
CREATION OF A COMPETITIVE  
MARKET FOR RETAIL ELECTRIC  
SUPPLY SERVICE (OPENED APRIL  
27, 1999; RE-OPENED JANUARY 7,  
2003; RE-OPENED SEPTEMBER 22,  
2009; RE-OPENED SEPTEMBER 7 2010)

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PSC REGULATION DOCKET NO. 49

**Comments of Washington Gas Energy Services, Inc.**

Washington Gas Energy Services, Inc. (“WGES”) hereby files these comments in response to Delaware Public Service Commission Order No. 7832 seeking written comments regarding proposed revisions to the Commission’s Net Energy Metering Rules. WGES’ interest in this proceeding is narrowly focused on the revisions that would clarify the eligibility of customer-generators to receive net-metering and the ownership of the renewable energy credits (RECs) generated by those facilities.

WGES strongly supports the proposed revisions to Section 8.1.1 and 8.7 which provide more flexibility to customers as they seek to install renewable generation projects at their locations. The proposed language of 8.1 allows customers to “own and operate, lease and operate, or contract with a third party who owns and operates the electric generation facility . . .” located on their premises. Section 8.7 further clarifies that nothing in the rules is intended to limit eligibility of net metering service based on direct, joint, or third-party ownership or financing arrangements related to a generation facility where net metering would otherwise be available. Such flexibility is critical to providing customers with options for financing these distributed generation projects, as they represent a significant investment and are often out of reach for customers.

In addition, WGES supports the proposed revisions of Section 8.3.4 which provides flexibility to customers and suppliers to determine the ownership of the RECs generated by the customer-generator. The provision specifically allows a customer to relinquish ownership of the RECs by contractual agreement with a third party.

As an owner and operator of three solar power projects with a peak capacity of over 500 kilowatts, WGES is interested in working with commercial customers in Delaware to develop solar

projects that meet their electricity needs. WGES is able to provide the financing and own and operate these facilities and then sell the electric power from the projects to the host customers. WGES also retains ownership of the solar renewable energy credits generated by these projects to satisfy our renewable portfolio standard requirements. In short, the proposed revisions to the regulations provide the clarification needed to make these kinds of projects feasible for Delaware customers.

WGES appreciates the opportunity to provide its perspective to the Commission as it considers adoption of the proposed rules, and we encourage the Commission to approve Section 8.1.1, 8.7, and 8.3.4 as drafted as they accurately reflect the provisions of SB 267.

Respectfully Submitted,

A handwritten signature in black ink that reads "Leah Gibbons". The signature is written in a cursive style with a large, stylized "L" and "G".

Leah Gibbons  
Director, Regulatory & Legislative Affairs