

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF DELAWARE

COMPLIANCE FILING IN THE MATTER OF THE)
APPLICATION OF DELMARVA POWER & LIGHT)
COMPANY FOR APPROVAL OF QUALIFIED FUEL) PSC DOCKET NO. 12-173-04
CELL PROVIDER PROJECT TARIFF)
(FILED APRIL 2, 2012))

ORDER NO. 8136

AND NOW, this 17th day of April, 2012, the Public Service Commission (the "Commission") determines and orders the following:

WHEREAS, on July 7, 2011, the Governor of the State of Delaware signed into law certain amendments (78 Del. Laws Ch. 99) (July 7, 2001) (the "Amendments") to the Renewable Energy Portfolio Standards Act, 26 Del. C. §§351 - 364 (the "RPS") that added Delaware-manufactured fuel cells to the RPS and allowed energy output from such fuel cells to be considered a resource eligible to fulfill a portion of a Commission-regulated electric company's renewable energy credit requirements under RPS; and

WHEREAS, the Amendments were part of a comprehensive State economic development and renewable energy program in which a new form of base load generation was added in Delaware; and

WHEREAS, the Amendments created a regulatory framework whereby a Commission-regulated electric company and a Qualified Fuel Cell Provider ("QFCP")¹ will jointly submit tariffs² that enable and obligate a Commission-regulated electric company, as the agent for collection and disbursement, to collect from its customers non-

¹ A "Qualified Fuel Cell Provider" is defined within 26 Del. C. §352(16).

² The requirements for the tariffs are set forth in the Commission's prior order in this docket, PSC Order No. 8025, dated September 6, 2011. See also, 26 Del. C. §§364(b) and (d).

bypassable charges for costs incurred for incremental site preparation, filing, administrative, and other costs incurred by the QFCP, reduced by compensation for any revenues received from PJM³ or its successors at law from the output of the Qualified Fuel Cell Provider Project ("QFCPP");⁴ and

WHEREAS, in accordance with the Amendments, the Commission was directed to either approve or reject all tariff filings as proposed, without alteration or the imposition of any condition or conditions; and

WHEREAS, on August 19, 2011, Delmarva Power & Light Company ("Delmarva") filed an application in PSC Docket No. 11-362 for approval of a new electric tariff for Service Classification QFCP-RC and a new gas tariff for Service Classification LVG-QFCP-RC pursuant to the Amendments; and

WHEREAS, on October 18, 2011, the Commission issued PSC Order No. 8062, which approved Delmarva's tariff filing and ordered that the Commission would enter a formal Findings and Opinion in support of PSC Order 8062 at a later date; and

WHEREAS, on December 1, 2011 the Commission issued PSC Order No. 8079, which, among other things, adopted Order No. 8062, set forth the Commission's formal Findings and Opinion approving Delmarva's application for a new electric tariff and new gas tariff, and adopted

³ "PJM" means the regional transmission organization that coordinates the movement of wholesale electricity in the PJM region, or its successors at law. See 26 Del. C. §352(14).

⁴ Under 26 Del. C. 352(17), a "qualified fuel cell provider project" means a fuel cell power generation project located in Delaware owned and/or operated by a qualified fuel cell provider under a tariff approved by the Commission pursuant to 26 Del. C. §364(d).

the allowance adjustments made by the Secretary of the Delaware Department of Natural Resources and Environmental Control ("DNREC") to the Renewable Energy Credit ("REC")⁵ and Solar Renewable Energy Credit ("SREC");⁶ and

WHEREAS, pursuant to the Commission-approved Tariff for Service Classification QFCP-RC, Delmarva will file on a monthly basis with the Commission a copy of the computation of the Service Classification QFCP-RC Charge ("QFCP-RC Charge") with current factors and reconciliation factors at least thirty days prior to applying such QFCP-RC Charge on customers' bills. See P.S.C. Del. No. 8 - Electric, Original Leaf No. 74d, Section F; and

WHEREAS, on April 2, 2012, Delmarva submitted its first monthly filing (the "Compliance Filing") to account for the varying QFCP-RC Charge for May 2012;⁷ and

WHEREAS, the May 2012 QFCP-RC Charge, which is set forth on the attached Exhibit "B," will be effective for bills issued between April 30, 2012, and May 29, 2012, absent a determination of manifest error by the Commission; and

WHEREAS, the Commission Staff ("Staff") reviewed the Compliance Filing, the calculations supporting the May 2012 QFCP-RC Charge, and

⁵ Under 26 Del. C. §352(18), a "Renewable Energy Credit" or "REC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from eligible energy resources and that is used to track and verify compliance with the provisions of the RPS.

⁶ Under 26 Del. C. §352(25), a "Solar Renewable Energy Credit" or "SREC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from solar photovoltaic energy resources and that is used to track and verify compliance with the provisions of RPS.

⁷ The Compliance Filing contained electric tariff leafs number 1, 39 to 47, 50, 74 through 74r and gas tariff leafs 2, 37a, and 48a. See the attached Exhibit "A." On April 4 and 5, 2012, Delmarva also provided the source documents for the calculation of the May 2012 QFCP-RC Charge with each customer classification.

the source documents supporting the calculation of the May 2012 QFCP-RC Charge, and found no manifest error in the Compliance Filing or the calculations contained therein, and therefore recommends that the May 2012 QFCP-RC Charge be permitted to take effect for Delmarva customer bills issued between April 30, 2012, and May 29, 2012, subject to the requirement that Delmarva shall provide to Staff, with each future Compliance Filing under the RPS, all documents which Staff requested from Delmarva as part of the review of this Compliance Filing, including, but not limited to, Delmarva's workpapers, and subject to the requirement that Staff reserves the right to perform more detailed audits of any and all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE VOTE OF
NOT FEWER THAN THREE COMMISSIONERS:**

1. That the Commission approves the Compliance Filing made by Delmarva Power & Light Company on April 2, 2012, including the tariff leafs attached as Exhibit "A" and the May 2012 QFCP-RC Charge attached as Exhibit "B."

2. That Delmarva Power & Light Company shall provide to Staff, with each future Compliance Filing under the Renewable Energy Portfolio Standards Act, 26 Del. C. §§351 - 364 (the "RPS"), all documents that Staff requested from Delmarva Power & Light Company as part of its review of this Compliance Filing, including, but not limited to, Delmarva's workpapers.

3. That the Commission Staff hereby reserves the right to perform a more detailed audit of any months included in Delmarva Power & Light Company's Compliance Filing made on April 2, 2012, and any and

all months included in the Compliance Filing or any future tariff filings made to adjust the QFCP-RC Charge.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Chair

/s/ Joann T. Conaway
Commissioner

/s/ Jaymes B. Lester
Commissioner

/s/ Dallas Winslow
Commissioner

/s/ Jeffrey J. Clark
Commissioner

ATTEST:

/s/ Alisa Carrow Bentley
Secretary

E X H I B I T "A"

P.S.C. Del. No. 8 - Electric
Amended Leaf Nos. 1, 39 to 47, 50, 74 through 74r

and

P.S.C. Del. No. 5 - Gas
Amended Leaf Nos. 2, 37a, and 48a

E X H I B I T "B"

May 2012 QFCP-RC Charge