

**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 & ) PSC DOCKET NO. 10-2  
LIGHT COMPANY UNDER )  
26 DEL. C. §1007(c) & (d) )

**ORDER NO. 7755**

**AND NOW**, this 30<sup>th</sup> day of March, 2010:

**WHEREAS**, the Electric Utility Retail Customer Supply Act of 2006 ("EURSCA") directs Delmarva Power & Light Company ("Delmarva" or the "Company") to file an Integrated Resource Plan ("IRP") with the Delaware Public Service Commission (the "Commission"), the State Energy Office, the Controller General and the Director of the Office of Management & Budget, in which Delmarva is required to "systematically evaluate all available supply options during a 10-year planning period in order to acquire sufficient, efficient and reliable resources over time to meet its customers' needs at a minimal cost," "set forth [Delmarva's] supply and demand forecast for the next 10-year period" and "set forth the resource mix with which [Delmarva] proposes to meet its supply obligations for that 10-year period ..." (26 Del. C. §1007(c)(1)); and

**WHEREAS**, on December 1, 2006, Delmarva filed its initial IRP pursuant to the EURSCA; and

**WHEREAS**, by Order No. 7122 dated January 23, 2007, the Commission opened Docket No. 07-20 to perform its oversight and review of the IRP; and

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**WHEREAS**, by Order No. 7263 dated August 21, 2007, the Commission opened PSC Regulation Docket No. 60 to consider the development of rules and regulations to accomplish integrated resource planning for Delmarva's Standard Offer Service ("SOS") customers, as authorized by EURSCA; and

**WHEREAS**, by Order No. 7628 dated August 18, 2009, the Commission promulgated revised proposed regulations (the "IRP Regulations") to govern Delmarva's development of its IRPs for its SOS customers; and

**WHEREAS**, subsequent to the adoption of the IRP Regulations, the parties to Docket No. 07-20 agreed that Docket No. 07-20 should be closed and that Delmarva would file a new IRP in conformance with the IRP Regulations by May 31, 2010, and that in developing its new IRP it would seek input from the public and key stakeholders through a series of technical working group meetings; and

**WHEREAS**, in Order No. 7661 dated September 22, 2009, the Commission approved the parties' agreement, established a schedule of working group meetings and an IRP filing date of May 31, 2010, and closed Docket No. 07-20; and

**WHEREAS**, the Company has conducted the technical working group meetings required by Order No. 7661 on issues including externalities, demand side management, conservation, modeling scenarios and load forecasting, and has continued to schedule and conduct additional technical working group meetings as deemed necessary by the participants; and

**WHEREAS**, at a technical working group meeting on February 23, 2010, Delmarva addressed the changes in the regional energy environment since Order No. 7661 and the effect those changes were likely to have on the PJM Regional Transmission Expansion Plan ("RTEP") that the PJM Board is expected to release in late June 2010; and

**WHEREAS**, the June 2010 RTEP will analyze, among other things: (1) the new 2010 PJM load forecast; (2) demand resources bid into the May 2009 Reliability Pricing Model ("PRM") capacity auction; (3) new generators representing approximately 700 MW that have signed interconnection service agreements since the 2009 RTEP; (4) generators representing approximately 1070 MW in the Mid-Atlantic region that have announced retirements since the last RTEP; (5) approved transmission upgrades since the last RTEP; (6) changes in the schedule for PATH; and (7) changes in the schedule for MAPP; and

**WHEREAS**, Delmarva specifically contended that as a result of the changes in the regional energy environment that will result from these events - changes over which neither Delmarva, the Commission or the State of Delaware had any control and which obviously cannot be included in an IRP that is filed on May 31, 2010 - the 2010 RTEP was likely to render any previously-filed IRP moot; and

**WHEREAS**, Delmarva contended that the 2010 RTEP results would be critical in developing a 10-year plan that includes the most relevant

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and pertinent information for assessing key decisions regarding Delaware's energy future; and

**WHEREAS**, after discussion among all the participants<sup>1</sup> at the February 23, 2010 technical working group meeting, all participants agreed that an extension of the filing date for the 2010 IRP was appropriate under these circumstances; and

**WHEREAS**, on March 11, 2010, Delmarva filed a Motion to Amend Filing Date (the "Motion") seeking the Commission's approval to amend Order No. 7661 to change the date for the filing of the 2010 IRP from May 31, 2010 to a date that is 90 days after the date that the PJM Board approves the 2010 RTEP; and

**WHEREAS**, in its Motion Delmarva stated that an extension of 90 days after release of the 2010 RTEP (until approximately October 1, 2010) should provide Delmarva sufficient time to incorporate the results of the 2010 RTEP into the IRP models and meet all of the IRP Regulation requirements; and

**WHEREAS**, Delmarva observes that an October 1, 2010 filing is still earlier than the December 2010 deadline set forth in the EURSCA; and

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<sup>1</sup> In addition to Delmarva, the participants at the February 23, 2010 working group were: Staff; the Division of the Public Advocate; the Department of Natural Resources and Environmental Control; NRG/Bluewater Wind Delaware, LLC; the League of Women Voters; the Clean Air Council and Dr. Jeremy Firestone.

**WHEREAS**, Delmarva represents in its Motion that it will continue to work with the participants to further develop and refine the model runs for the 2010 IRP;

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

1. That while the Commission recognizes that many inputs into an IRP can change over time, the changes in the regional energy environment since the 2009 RTEP (i.e., the changes in the PATH and MAPP schedules; the new 2010 PJM load forecast; the new generators that have signed interconnection agreements and the generators that have announced their retirements since the 2009 RTEP, and the demand resources bid into the May 2009 RPM) are likely to have a significant effect on the 2010 RTEP, and therefore the 2010 RTEP could very well render an IRP filed on May 31, 2010 invalid. The Commission believes it is more important to have a valid IRP that reflects the most timely, accurate and pertinent information for the required evaluation of supply options under the EURSCA than to have an IRP that is filed by a date certain but is essentially dead on arrival. The Commission notes that if the 2010 IRP is filed in October 2010, it will still be ahead of the schedule set forth in the EURSCA. Thus, because of these significant changes that will be reflected in the 2010 RTEP and their potential effect on the 2010 IRP, the Commission grants the Motion of Delmarva Power & Light Company.

2. That the Commission amends Order No. 7661 dated September 22, 2009 in Docket No. 07-20 to provide that the date for Delmarva Power & Light Company to file its 2010 Integrated Resource plan shall be extended to the date that is 90 days after the date that the PJM Board approves the 2010 PJM RTEP. However, the Commission acknowledges the concern of certain of the participants that the process not be unduly delayed. Therefore, in no instance shall this filing deadline extend beyond October 31, 2010 without express approval from the Commission, which approval shall only be given upon good cause shown.

3. That the Commission reserves the jurisdiction and authority to enter such further orders as may be deemed necessary and appropriate.

BY ORDER OF THE COMMISSION:

/s/ Arnetta McRae  
Chair

/s/ Joann T. Conaway  
Commissioner

/s/ Jaymes B. Lester  
Commissioner

/s/ Dallas Winslow  
Commissioner

/s/ Jeffrey J. Clark  
Commissioner

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ATTEST:

/s/ Alisa Carrow Bentley  
Secretary