

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. 12-173-05
CELL PROVIDER PROJECT TARIFF)
(FILED APRIL 26, 2012))

ORDER NO. 8146

AND NOW, this 15th day of May, 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

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).

application for a new electric tariff and new gas tariff, and adopted 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 26, 2012, Delmarva submitted its second monthly filing (the "Compliance Filing") to account for the varying QFCP-RC Charge for June 2012. Delmarva also included, as part of the calculation of the June QFCP-RC Charge, a four-month amortization plus interest of QFCP-RC development costs totaling \$572,821; and

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

WHEREAS, the Commission Staff ("Staff") reviewed the Compliance Filing, the calculations supporting the June 2012 QFCP-RC Charge, and the source documents supporting the calculation of the June 2012 QFCP-RC Charge, and found no manifest error in the Compliance Filing or the calculations contained therein. Staff therefore recommends that the June 2012 QFCP-RC Charge be permitted to take effect for Delmarva customer bills issued between May 30, 2012, and June 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 and any prior Compliance Filings, 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 26, 2012, including the June 2012 QFCP-RC Charge attached as Exhibit "A."

2. That Delmarva Power & Light Company shall provide to the Commission Staff ("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 work papers.

3. That 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 26, 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

EXHIBIT A

QFCP-RC CHARGE

BILLING MONTH OF:

JUNE 2012

Service Classification	\$/kWh
Residential	.000671
Residential-Space Heating	.000671
Residential Time-of-Use "R-TOU"	.000671
Residential Time-of-Use NON-Demand "R-TOU-ND"	.000671
Small General Service-Secondary Non-Demand "SGS-ND"	.000671
Space Heating Secondary Service "SGS-ND" and "MGS-S"	.000671
Water Heating Secondary Service "SGS-ND" and "MGS-S"	.000671
Outdoor Recreational Lighting Svc- Secondary "ORL"	.000671
Medium General Service-Secondary "MGS-S"	.000671
Large General Service-Secondary "LGS-S"	.000671
General Service-Primary "GS-P"	.000656
General Service-Transmission "GS-T"	.000644
Outdoor Lighting PL	.000671
Outdoor Lighting SL	.000671