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VIA EXPRESS DELIVERY AND E-FILING

Hon. James J. McNulty
Pennsylvania Public Utility Commission
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-03265

Re: Docket No. M-00051865, Implementation of the Alternative Energy Portfolio Standards Act of 2004: Standards for the Participation of Demand Side Management Resources – Technical Reference Manual Update

Dear Secretary McNulty:

Enclosed please find this original and 15 copies of the Initial Comments of Constellation NewEnergy, Inc. ("Constellation"), in accordance with the Pennsylvania Public Utility Commission's ("Commission") Tentative Order adopted January 28, 2010 and entered February 2, 2010, in the above-docketed proceeding ("Tentative Order"), regarding the *Energy-Efficiency and DSM Rules for Pennsylvania's Alternative Energy Portfolio Standard, Technical Reference Manual* ("TRM"). Please note also that a copy of this letter was e-filed in the Commission's docket, and e-mailed to Gregory A. Shawley and Kriss Brown, as per the Tentative Order.

In the event that the Commission or its Staff prepares a service list for this proceeding or otherwise requires additional information regarding the positions presented herein, Constellation identifies the following individuals:

David Fein
Vice President, Energy Policy
Constellation Energy
550 West Washington Blvd., Suite 300
Chicago, IL 60661
(312) 704-8499
David.Fein@constellation.com

Divesh Gupta
Senior Counsel
Constellation Energy.
111 Market Place, Suite 500
Baltimore, MD 21202
(410) 470-3158
Divesh.Gupta@constellation.com

Constellation is a licensed Electric Generation Supplier and registered Conservation Service Provider in the Commonwealth, and provides electricity and energy-related services to commercial and industrial customers in Pennsylvania, 13 other states and the District of Columbia. Included among the services that Constellation provides to its customers are those related to Demand Side Management ("DSM").

Constellation Energy

Constellation appreciates the Commission's and Staff's efforts in clarifying the existing protocols, algorithms and other aspects of the TRM. Through this letter, Constellation comments only that the TRM should allow for all PJM Interconnection, L.L.C. ("PJM") demand response protocols to be included as options for measurement and verification. This includes Guaranteed Load Drop options, such as Comparable Day, as well as the Economic methodology.

This type of increased flexibility will allow for a greater variety of customer types to participate in DSM programs promoted through Act 129. In turn, such flexibility will encourage both greater levels of load (i.e., a greater number of megawatts ("MW")) to participate in the Commonwealth's programs in order to meet Act 129 demand savings goals, and greater diversification of MW by promoting a broader portfolio of participants to take part in Act 129 programs. In allowing for integration of PJM's demand response protocols, the Commission and the Commonwealth will realize these results while nevertheless maintaining a high degree of confidence in performance measurement.

Constellation appreciates this opportunity to provide its initial thoughts on the Tentative Order and the TRM, and looks forward to continued discussions on these and any new issues arising in the context of other parties' initial comments. Constellation is confident that allowing for the use of PJM's existing measurement and verification protocols will promote more robust participation of DSM resources in the Commonwealth, for the ultimate benefit of Pennsylvania's consumers.

Respectfully submitted,

Divesh Gupta
Senior Counsel
Constellation Energy
111 Market Place, Suite 500
Baltimore, MD 21202
410-470-3158
divesh.gupta@constellation.com

On Behalf of Constellation NewEnergy, Inc.

Enclosures (16)