

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PA 17120**

**Petition of PECO Energy Company (PECO)
For Approval of its Long Term Infrastructure
Improvement Plan (LTIP) and Distribution
System Improvement Charge (DSIC)**

**Public Meeting – October 22, 2015
2471423-TUS
Docket No. P-2015-2471423
C-2015-2476587**

**STATEMENT OF
COMMISSIONER PAMELA A. WITMER**

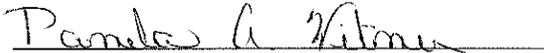
Before the Pennsylvania Public Utility Commission (Commission) today is PECO's Long Term Infrastructure Improvement Plan (LTIP), through which PECO will increase capital investment by approximately \$274 million over the next five years. This investment will fund infrastructure improvements designed to enhance reliability by strengthening and modernizing PECO's electric distribution system.

PECO's LTIP also includes a conceptual plan to construct one or more pilot microgrids in its service territory. PECO indicates that these projects could be potential alternatives to traditional transmission and distribution solutions, and that the company is focusing on areas where the projects can provide significant benefit to diverse customer segments and critical facilities. PECO anticipates spending approximately \$50 to \$100 million on these projects in the 2017 to 2020 timeframe.

Given that innovations like microgrid technology may help enhance reliability and resiliency, I am encouraged by PECO's proposal. I would, however, note that broader implementation of microgrid technology is not without its challenges. To name a few, these include rate structure, questions about ownership of generation and maintenance of the grid, and the issue of cross-subsidization given that traditional customers could arguably shoulder a greater portion of the cost to maintain the system when some customers shift to a microgrid. I am hopeful that PECO's pilot, if effectuated, may help to shed some light on how we can effectively address these challenges.

I applaud PECO for this proposal, and I look forward to further details as the company evaluates these projects and develops a plan.

DATE: October 22, 2015


**PAMELA A. WITMER
COMMISSIONER**