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April 12, 2016

VIA ELECTRONIC FILING

Rosemary Chiavetta
Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

**Re: Petition of PPL Electric Utilities Corporation for Approval of a Default Service Program and Procurement Plan for the Period June 1, 2015 through May 31, 2017
Docket No. P-2014-2417907**

Dear Secretary Chiavetta:

On January 28, 2016, the Pennsylvania Public Utility Commission (“Commission”) approved the Petition of PPL Electric Utilities Corporation to amend its third Default Service Program and Procurement Plan (“DSP III Program”) to modify certain terms and conditions of the Long Term Tier II Alternative Energy Credit (“AEC”) Request for Proposals Process and Rules (“Long Term AEC RFP”) and the Long Term AEC Supplier Master Agreement (“Long Term AEC SMA”).¹ The Commission-approved amendment modified certain, limited provisions of PPL Electric’s Long Term AEC RFP and SMA to further encourage suppliers to submit competitive bids in response to the Long Term Tier II AECs solicitation. The amended procurement process was to be undertaken in April, 2016, to procure credits for the five-year period ending May 31, 2021. The Commission-approved amendment also provided for a contingency plan in the event the amended procurement plan failed or did not result in a competitive solicitation.

PPL Electric’s next solicitation under the DSP III Program is scheduled for April 13, 2016. In order to participate in the Long Term Tier II AEC solicitation, potential suppliers were required to first qualify as an eligible bidder by March 21, 2016, pursuant to the terms and conditions of

¹The Commission rejected the Long Term Tier II AEC bid results from PPL Electric’s April 2015 and October 2015 Solicitations as non-competitive, and directed PPL Electric to submit a revised plan to procure the Long Term Tier II AECs. See Secretarial Letters dated April 13, 2015, and October 13, 2015.

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the amended Long Term AEC RFP and SMA. However, no entities expressed any interest in participating in the Long Term Tier II AEC solicitation. Therefore, no Long Term Tier II AECs will be procured through the April 13, 2016 solicitation.

As noted above, the amended Long Term AEC RFP and SMA provides for a contingency plan in the event the April 13, 2016 procurement of Long Term Tier II AECs fails. PPL Electric hereby notifies the Commission and parties that it will implement the Commission-approved contingency plan for the procurement of the credits needed to meet PPL Electric's Tier II AEC requirements for the remainder of the Long Term AEC program.

Under the Commission-approved contingency plan, PPL Electric will procure the Tier II AECs needed on an annual basis from the retail market using AEC brokers. The Company will solicit at least three brokers, and the broker with the lowest price will be selected, subject to Commission approval.

Copies of this correspondence are being served as indicated on the enclosed Certificate of Service. Should you have any questions or concerns regarding this matter, please contact James Rouland at (610) 774-3042.

Respectfully submitted,



Christopher T. Wright

CTW/

cc: Certificate of Service
Joseph Sherrick
Paul T. Diskin

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

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