

**ECKERT  
SEAMANS**  
ATTORNEYS AT LAW

Eckert Seamans Cherin & Mellott, LLC  
213 Market Street  
8<sup>th</sup> Floor  
Harrisburg, PA 17101

TEL 717 237 6000  
FAX 717 237 6019  
www.eckertseamans.com

Sarah C. Stoner  
717.237.6026  
sstoner@eckertseamans.com

June 20, 2016

**Via Electronic Filing**

Rosemary Chiavetta, Secretary  
PA Public Utility Commission  
P.O. Box 3265  
Harrisburg, PA 17105-3265

Re: Petition of PECO Energy Company for: (1) Approval of its Microgrid Integrated Technology Pilot Plan and (2) Issuance of a Declaratory Order Regarding the Recovery of Microgrid Costs; Docket No. P-2016-2546452; and

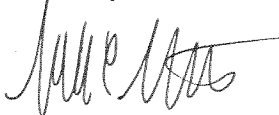
Application for Construction of Microgrid Distributed Energy Resources Fueled by Natural Gas; Docket No. A-2016-2546450

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Dear Secretary Chiavetta:

Enclosed for electronic filing please find the Prehearing Memorandum of the Retail Energy Supply Association ("RESA") with regard to the above-referenced matters. Copies to be served in accordance with the attached Certificate of Service.

Sincerely,



Sarah C. Stoner

SCS/lww

cc: Hon. Eranda Vero w/enc.  
Hon. Cynthia W. Fordham w/enc.  
Cert. of Service w/enc.

## CERTIFICATE OF SERVICE

I hereby certify that this day I served a copy of RESA's Prehearing Memorandum upon the persons listed below in the manner indicated in accordance with the requirements of 52 Pa. Code Section 1.54.

### Via Email and/or First Class Mail

Romulo L. Diaz, Jr., Esquire  
Michael S. Swerling, Esquire  
PECO Energy Company  
2301 Market Street  
P.O. Box 8699  
Philadelphia, PA 19101-8699  
[romulo.diaz@exeloncorp.com](mailto:romulo.diaz@exeloncorp.com)  
[michael.swerling@exeloncorp.com](mailto:michael.swerling@exeloncorp.com)

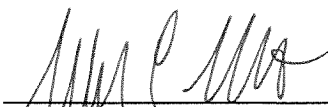
Thomas P. Gadsden, Esquire  
Kenneth M. Kulak, Esquire  
Brooke E. McGlinn, Esquire  
Morgan, Lewis & Bockius  
1701 Market Street  
Philadelphia, PA 19103  
[tgadsden@morganlewis.com](mailto:tgadsden@morganlewis.com)  
[kkulak@morganlewis.com](mailto:kkulak@morganlewis.com)  
[bmclinn@morganlewis.com](mailto:bmclinn@morganlewis.com)

Charis Mincavage, Esquire  
Adeolu A. Bakare, Esquire  
Alessandra L. Hylander, Esquire  
McNees Wallace & Nurick LLC  
100 Pine Street  
P.O. Box 1166  
Harrisburg, PA 17108-1166  
[cmincavage@mcneeslaw.com](mailto:cmincavage@mcneeslaw.com)  
[abakare@mcneeslaw.com](mailto:abakare@mcneeslaw.com)  
[ahylander@mcneeslaw.com](mailto:ahylander@mcneeslaw.com)

Elizabeth Rose Triscari, Esquire  
Office of Small Business Advocate  
300 North Second Street, Suite 202,  
Harrisburg, PA 17101  
[etriscaripa.gov](http://etriscaripa.gov)

Phillip C. Kirchner, Esquire  
Pennsylvania Public Utility Commission  
Bureau of Investigation and Enforcement  
P.O. Box 265  
Harrisburg, PA 17105-3265  
[phikirchne@pa.gov](mailto:phikirchne@pa.gov)

Darryl Lawrence, Esquire  
Aron J. Beatty, Esquire  
Lauren M. Burge, Esquire  
Office of Consumer Advocate  
555 Walnut Street, 5th Floor, Forum Place  
Harrisburg, PA 17101-1923  
[DLawrence@paoca.org](mailto:DLawrence@paoca.org)  
[ABeatty@paoca.org](mailto:ABeatty@paoca.org)  
[LBurge@paoca.org](mailto:LBurge@paoca.org)

  
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Sarah C. Stoner, Esq.

Dated: June 20, 2016

**BEFORE THE  
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Petition of PECO Energy Company for:	:	
(1) Approval of Its Microgrid Integrated	:	
Technology Pilot Plan and (2) Issuance of a	:	Docket No. P-2016-2546452
Declaratory Order Regarding the Recovery	:	
of Microgrid Costs	:	
	:	
Application for Construction of Microgrid	:	Docket No. A-2016-2546450
Distributed Energy Resources Fueled by	:	
Natural Gas	:	

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**THE RETAIL ENERGY SUPPLY ASSOCIATION'S  
PREHEARING MEMORANDUM**

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Pursuant to 52 Pa. Code §§ 5.72-5.75, the public notice published in the Pennsylvania Bulletin on June 4, 2016 and the Prehearing Conference Order issued June 10, 2016, and subject to the granting of the Petition to Intervene being filed on this same date, the Retail Energy Supply Association (“RESA”)<sup>1</sup> submits this Prehearing Memorandum.

**I. PROPOSED PLAN AND SCHEDULE OF DISCOVERY**

RESA is amenable to working with the other parties in this matter to adopt a reasonable proposed plan and schedule of discovery. RESA does not have any proposals regarding discovery modifications.

**II. SETTLEMENT**

RESA is willing to participate in settlement discussions with any party to narrow the issues in this matter.

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<sup>1</sup> The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of more than twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at [www.resausa.org](http://www.resausa.org).

**III. SCHEDULE FOR SUBMISSION OF TESTIMONY, HEARINGS AND BRIEFS**

RESA will cooperate with the other parties and the Presiding Officers to facilitate a workable litigation schedule.

**IV. AMOUNT OF HEARING TIME NEEDED**

At this time, RESA continues to evaluate the issues in this proceeding and is currently unable to estimate the amount of hearing time that may be needed.

**V. WITNESSES**

At this time, RESA is still evaluating whether or not to present testimony in this matter. RESA reserves the right to present a witness as may be necessary depending on the course of the proceeding and will provide the Presiding Officers as well as the other parties in this matter reasonable notice if necessary. RESA also reserves its right to add additional witnesses or change the identity of its witnesses at any time upon appropriate notice to the Presiding Officers and the parties.

**VI. PRESENTLY IDENTIFIED ISSUES**

RESA is a trade association of power marketers, independent power producers, and a broad range of companies within the Mid-Atlantic marketplace, each of whom support the electric services industry and seek to develop a more competitive power industry. RESA members are licensed to sell electric energy in the markets of Pennsylvania's major electric distribution companies ("EDCs"), including PECO's service territory.

RESA has identified the following issues that should be examined in this proceeding:

- How will PECO's construction of DER affect the ability of suppliers to sell electric generation products and services to retail customers in PECO's service territory?
- How will PECO's proposal to treat EGS sales when the microgrid is "islanded" affect sales to and relationships with supplier's customers who are included with the "island?"

- Will the sale of the output of PECO's proposed subsidized DER facilities into the wholesale market have a negative effect on the wholesale market price of electricity that will inure to the detriment of suppliers?
- Is PECO's proposal to own and operate electric generation consistent with its legal authority as an electric distribution company pursuant to the Public Utility Code?
- Is PECO's proposal to be permitted to rate base and include in its PUC-regulated Tariff distributed generation projects consistent with 66 Pa.C.S. § 2802(14) (which states that: "[t]he generation of electricity will no longer be regulated as a public utility function except as otherwise provided for us in this chapter.") or other provisions of the Electricity Generation Customer Choice and Competition Act?

At this time, RESA continues to evaluate its position on and will refine its position based on further study of the proposals, review of discovery and additional input from other parties. RESA reserves the right to address other issues identified through its continued review and analysis of the filing or raised by other parties

## **VII. SERVICE OF DOCUMENTS**

RESA requests that all documents be served on:

Daniel Clearfield, Esquire  
Deanne M. O'Dell, Esquire  
Sarah C. Stoner, Esquire  
Eckert Seamans Cherin & Mellott, LLC  
213 Market St., 8th Floor  
P.O. Box 1248  
Harrisburg, PA 17101  
717.237.6000  
Fax 717.237.6019

RESA also agrees to receive service of documents electronically in this proceeding. To the extent that materials are available electronically, it is requested that copies be served upon:

Daniel Clearfield – dclearfield@eckertseamans.com  
Deanne O'Dell – dodell@eckertseamans.com  
Sarah C. Stoner – sstoner@eckertseamans.com

Respectfully submitted,



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Daniel Clearfield, Esquire  
Attorney ID 26183  
Deanne M. O'Dell, Esquire  
Attorney ID 81064  
Sarah C. Stoner, Esquire  
Attorney ID 313793  
Eckert Seamans Cherin & Mellott, LLC  
213 Market St., 8th Floor  
Harrisburg, PA 17101  
717.237.6000  
Fax 717.237.6019

Date: June 20, 2016

Attorneys for Retail Energy Supply Association