

January 19, 2018

Pennsylvania Public Utility Commission  
400 North Street  
Harrisburg, PA 17120

Dear Secretary,

Consolidated Edison Development, Inc. (CED) offers these comments on the Tentative Implementation Order M-2017-2631527 (the “Tentative Order”) and the Joint Statement of Chairman Brown and Vice-Chairman Place dated December 21, 2017.

CED develops, owns and operates renewable and energy infrastructure projects in the United States. CED’s focus is on development of renewable energy infrastructure assets that align with our customer’s needs for energy sources that support responsible environmental stewardship. CED currently owns and operates solar and wind electric generation facilities in Arizona, California, Iowa, Massachusetts, Minnesota, Nevada, Nebraska, New Jersey, Pennsylvania, Rhode Island, South Dakota and Texas.

CED believes a balanced approach to state renewable energy policy with consideration of stakeholder input is an optimum method to developing new or changing existing policy to meet the state’s desires for how renewable electricity generation sources will be developed. The Tentative Order proposes to adopt ‘locational rules’ which will establish for the Commonwealth of Pennsylvania geographic limits on the physical location of solar photovoltaic systems (solar PV) that qualify for Commonwealth of Pennsylvania “solar renewable alternative energy portfolio credit.” This term is interpreted as SRECs eligible to meet the Alternative Energy Portfolio Standards (AEPS) Act solar PV share requirements (AEPS SRECs). The locational rules established by the Act 40 of 2017 (the “Act”) will support the development of renewable electric generation facilities within the boundaries of the Commonwealth that the legislature and governor have determined provide the most benefit to the local electric system, local economy and environment. Implementation of these rules in accordance with the Act’s intent is imperative to support the legislation’s intended purpose.

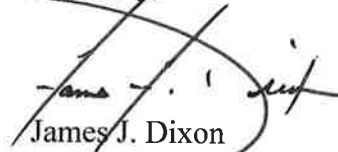
CED shares the concerns that were set forth in the comments by Chairman Brown and Vice-Chairman Place regarding the interpretation of the intent on the Act set forth in the Tentative Order. CED agrees that some of the language of the Tentative Order will dilute the effectiveness of this Act by allowing out-of-commonwealth resources to be eligible to sell AEPS SRECs indefinitely. These concerns include the grandfathering of existing qualified out-of-commonwealth resource on a facility or certification number basis prior to the October 30, 2017 date. We support the extension of AEPS qualification to any out-of-commonwealth resources with existing bilateral contracts but the qualification should not be extended for any future term.

In their Joint Statement, Chairman Brown and Vice-Chairman Place offer their interpretation of section 2804(2)(ii). We feel the language here can be further refined to explicitly state that the out-of-commonwealth facility must have entered into the contract prior to October 30, 2017, and once this contract expires, the facility is no longer eligible to provide AEPS SRECs in Pennsylvania. Out-of-commonwealth resources that have been certified but have no active contracts should not be qualified to sell AEPS SRECs.

The treatment of banked AEPS SRECs can also dilute the effectiveness and can have a large impact on the implementation of this new rule. If qualified out-of-commonwealth resources are allowed to build-up a large bank of unsold AEPS SRECs and continue to sell these SRECs past the expiration of their existing bilateral contracts, this will continue to depress the SREC market in Pennsylvania until all these banked AEPS SRECs are exhausted. CED proposes that supplier banked SRECs from out-of-commonwealth resources that have not been allocated to load should expire at the end of any such contract provided that the contract was entered into before October 30, 2017.

CED requests that the Commonwealth of Pennsylvania and the PA PUC consider our comments and we look forward to the final ruling. Please contact me if you are interested in additional comments or discussions on this matter.

Sincerely,

A handwritten signature in black ink, appearing to read "James J. Dixon", is written over a large, stylized circular scribble.

James J. Dixon  
Senior Vice President  
and Chief Operating Officer