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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  400 NORTH STREET, HARRISBURG, PA 17120 | |  |  | | --- | --- | | |  | | --- | | **REFER TO OUR FILE** |   **EPLY PLEASE REFER TO OUR FILE** | |

March 6, 2019

Docket Nos. P-2017-2637855

P-2017-2637857

P-2017-2637858

TORI GIESLER

FIRST ENERGY SERVICE COMPANY

2800 POTTSVILLE PIKE

READING PA 19612

Re: Results of Request for Proposals Process –Solar Photovoltaic Alternative Energy Credits Procurement for:

Metropolitan Edison Company

Pennsylvania Electric Company

Pennsylvania Power Company

Dear Ms. Giesler:

On March 1, 2019, Metropolitan Edison Company (Met-Ed), Pennsylvania Electric Company (Penelec), and Pennsylvania Power Company (Penn Power) (collectively the ‘Companies’) filed the results of their DSP V Term Solar Photovoltaic Alternative Energy Credit (SPAEC) Solicitation (February 2019 SPAEC Solicitation). The Companies’ filing is submitted in accordance with their Joint Petition at Docket Nos. P-2017-2637855, P-2017-2637857, and P-2017-2637858 pursuant to the Commission’s Order entered September 4, 2018.

The February 2019 SPAEC solicitation sought procurement of 120,500 SPAECs per year to facilitate compliance with the Alternative Energy Portfolio Standards (AEPS) requirements for the 2020 and 2021 compliance years. The Companies request that the Commission approve the bid results for the February 2019 SPAEC solicitation by close of business on March 6, 2019.

Further investigation does not appear to be warranted at this time, since the bid results from the February 2019 SPAEC Solicitation appear to have been conducted in accordance with the procedures approved by the Commission. However, while the solicitation appears to have been conducted in accordance with the plan approved in the Commission’s Order, the procurement was undersubscribed. In addition, the Commission is concerned with some price submittals relative to current market pricing indices. Therefore, we recommend that the Companies reject the two highest priced bid results submitted for the February 2019 SPAEC Solicitation and enact their contingency plan, consistent with Section I.2.6. of the Request for Proposal Rules, to acquire SPAECs in the amount necessary to fill the remaining tranches at the vintages specified in the February 2019 SPAEC Solicitation.

In addition, we direct the Companies to disclose the results of the February 2019 SPAEC Solicitation in accordance with the Commission’s Secretarial Letter in Re: Disclosure of Default Service Solicitation Results and Creation of a Default Service Rate Calculation Model, issued October 12, 2010 at Docket No. M-2009-2082042.

Please direct any questions to Joseph Sherrick, Supervisor of Policy & Planning, Bureau of Technical Utility Services, at (717) 787-5369.

 Sincerely,

# Rosemary Chiavetta

Secretary

cc: Parties of Record