

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

**Petition of PECO Energy Company
for Approval to Modify its Default
Service Supplier Master Agreement**

**Public Meeting of February 1, 2024
Agenda No. 3045119-TUS
Docket No. P-2023-3045119**

STATEMENT OF CHAIRMAN STEPHEN M. DeFRANK

Before the Commission is the Petition of PECO Energy Company-Electric (PECO), filed on December 22, 2023, seeking approval to modify its Default Service Supplier Master Agreement (SMA). Specifically, PECO proposes to add a new Appendix to the SMA which incorporates the 2018 International Swaps and Derivatives Association, Inc. (ISDA) U.S. Resolution Stay Protocol into the SMA. PECO avers this addition would enable market participants subject to the regulations issued by the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (U.S. Stay Regulations) to participate in the Company's default service auctions.

PECO's petition states that certain wholesale suppliers subject to the U.S. Stay Regulations are not able to participate in the Company's default service supply solicitations because the presently approved SMA does not incorporate the ISDA U.S. Resolution Stay Protocol. Under the newly proposed Appendix, wholesale suppliers will confirm adherence to applicable regulations which will permit additional parties to compete and bid in the Company's default service auctions.

Allowing participation in default service auctions by well-qualified bidders is fundamental to achieving robust and competitive results. Therefore, I support approval of PECO's Petition and I take this opportunity to encourage all applicable electric distribution companies (EDCs) to review their SMAs to ensure the agreements do not inadvertently prohibit participation from well-qualified wholesalers. Furthermore, I welcome reviewing additional proposals advanced by EDCs to remove any unnecessary restrictions set forth in the current terms and conditions of their SMAs.

February 1, 2024
Date



Stephen M. DeFrank
Chairman