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November 7, 2024

Via Electronic Filing

Ms. Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building, 2nd Floor
400 North Street
Harrisburg, PA 17120

**Re: Duquesne Light Company - Default Service Plan IX
Compliance Filing re Solar Power Purchase Agreement
Docket No. P-2020-3019522**

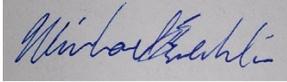
Dear Secretary Chiavetta:

On October 21, 2024, at the above-captioned docket Duquesne Light Company's ("Duquesne Light" or the "Company") filed a compliance filing to implement the procurement of certain energy and solar Alternative Energy Credits ("SAECs") from a solar generation facility in Pennsylvania ("Solar Generator") sponsored by PG Solar, LLC ("PG Solar"). The compliance filing comprised:

- Exhibit A, a **CONFIDENTIAL** power purchase agreement between the Company and PG Solar ("Solar PPA");
- Exhibit B, a **CONFIDENTIAL** opinion letter from Charles River Associates ("CRA") concerning the Solar PPA procurement process and results;
- Exhibit C, the **CONFIDENTIAL** bid scoring matrix that CRA used in the Solar PPA procurement process;
- Exhibit D, an illustrative example of ratemaking treatment of Solar PPA costs and revenues

Pursuant to Duquesne Light's discussion with PUC staff, and subsequent October 24, 2024, TUS Data Request, attached is the Company's response to the Commission's request for additional information regarding the solar PPA.

Respectfully Submitted,

A handwritten signature in blue ink, appearing to read "Michael Brechlin", is placed over a grey rectangular background.

Michael Brechlin
Assistant General Counsel,
Regulatory

Enclosures

Cc: Certificate of Service

Data Request Response

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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On behalf of MAREC Action

Date: November 7, 2024



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Duquesne Light's Responses to
TUS Data Request
DLC PPA Review
Docket No. P-2020-3019522

Note: Please restate the data request before providing a response. In addition, give the name and title of the person(s) providing the response and/or information for each data request.

1. In reference to the compliance filing DLC filed with the Commission on October 21, 2024, for approval of a PPA, please respond to the following questions.

- a. Given that the Pittsburgh Airport Phase 2 project scored slightly lower than the Salt Solar project, please explain why Duquesne Light Company is recommending approval of the Pittsburgh Airport Phase 2 project?
- b. Given the bundled price for energy and solar credits, please explain why Duquesne Light Company believes that entering into this PPA with the Pittsburgh Airport Phase 2 project is in the customer's best interest.

Responses provided by John Peoples, Manager, Procurement & Settlement:

1(a). Duquesne Light considered two solar projects as a result of the procurement process, Salt Solar (PG Renewables) and Pittsburgh Airport Phase 2 (IMG Solar, LLC). While Salt Solar scored slightly higher than Pittsburgh Airport Phase 2, the initial scoring and recommendation for consideration provided to Duquesne Light was only part of the consideration involved in the final project decision. Duquesne Light also considered the likelihood of project success, and determined that an extension of an existing, online, generation project had a higher likelihood of success than a project that did not have any demonstrated success. The Pittsburgh Airport Phase 2 project additionally has already obtained the necessary land rights to begin construction. This decision also considered the failure of the 2022 procurement to realize a working project, which involved the same bidder as the Salt Solar project. Duquesne Light believes there is a higher likelihood of project success with the company selected, rather than working with the Salt Solar project team that failed in 2022.

1(b). The procurement that resulted in the pending request for approval of a PPA was conducted in the same manner as the prior procurement, which was approved by the Commission on May 22, 2022. Prior to the RFP that was conducted in 2022, Duquesne Light provided the Commission with the rationale and reasoning for conducting an RFP for a PPA for default service customers in Default Supply Plan IX (Docket No. P-2020-3019522). The testimony in DSP IX explained why it is in the best interest of Duquesne Light default customers to support local, PA solar initiatives. This PPA also introduces a long-term 15 year procurement of solar energy and REC's that goes into the "prudent mix" of procurement, further diversifying Duquesne Light's default service procurement strategy, and aligning Duquesne Light procurement plans with policy that we believe the Commission has

previously advocated. For these reasons, it is in the customer's best interest that the local solar PPA be approved.

VERIFICATION

I, John Peoples, hereby state that the facts above set forth are true and correct to the best of my knowledge, information and belief and that I expect to be able to prove the same at a hearing held in this matter. I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. §4904 (relating to unsworn falsification to authorities).

Signature:

A handwritten signature in cursive script that reads "John Peoples".

Title: Manager, Procurement & Settlement

Date: November 7, 2024