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| PUC logo | COMMONWEALTH OF PENNSYLVANIA  PENNSYLVANIA PUBLIC UTILITY COMMISSION  P.O. BOX 3265, HARRISBURG, PA 17105-3265 | **IN REPLY PLEASE REFER TO OUR FILE**  M-2014-2424864 |

April 13, 2016

PECO Energy Company

Attention: Jack R. Garfinkle

Legal Department

2301 Market Street/ S23-1

Philadelphia, PA 19101-8699

Re: Approval of PECO Energy Company

“Procedure for Awarding Contracts to Act 129 Phase III Conservation Service Providers”

Dear Mr. Garfinkle:

On March 18, 2016, PECO Energy Company filed “Procedure for Awarding Contracts to PA Act 129 Conservation Service Providers” with the Pennsylvania Public Utility Commission (Commission). The procedures are required pursuant to the Act 129 Phase III Energy Efficiency and Conservation Program Final Implementation Order adopted on June 11, 2015 at Docket M-2014-2424864.

As part of the Implementation Order at 121, the Commission proposed minimum criteria for the Conservation Service Providers (CSP) competitive bidding review process. The Commission requires assurance that Electric Distribution Companies (EDCs) will issue Request for Proposals (RFPs) to all qualified registered CSPs using the current posting of the CSP register on the Commission’s website. The EDC must also make an effort to acquire bids from “disadvantaged businesses” consistent with the Commission’s Policy Statements at 52 Pa. Code §§ 69.804, 69.807 and 69.808. The Commission further requires selection criteria and weight assigned to each factor for bid review and selection of overall best bid/proposal. Selection criteria must consider: quality of prior performance; timeliness of performance; quality of the proposed work plan or approach; knowledge, background and experience of the personnel to be utilized; and other factors as deemed relevant. If the Commission has not commented upon or disapproved the proposed RFP process within 15 days of its filing, the EDC would be permitted to use that process.

Commission staff reviewed “Procedure for Awarding Contracts to PA Act 129 Conservation Service Providers” and finds that it is in compliance with the criteria established in the Implementation Order at 121. Therefore, the Commission hereby approves “Procedure for Awarding Contracts to PA Act 129 Conservation Service Providers”.

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Sincerely,

Rosemary Chiavetta

Secretary

Cc: Joseph Sherrick, TUS

Charles Covage, TUS