

November 23, 2020

Via Electronic Filing

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street
Harrisburg, PA 17105-3265

Re: Docket No. P-2020-3019522
Petition of Duquesne Light Company for Approval of Its Default
Service Plan for the Period June 1, 2021 Through May 31, 2025


Dear Secretary Chiavetta:

Attached for filing are MAREC Action's Exceptions to the Recommended Decision of Deputy Chief Administrative Law Judge Mark A. Hoyer, dated and transmitted to the parties by email on November 12, 2020. A copy of MAREC Action's Exceptions is being served on Judge Hoyer and the parties listed on the attached Certificate of Service.

Very truly yours,

THOMAS, NIESEN & THOMAS, LLC

By


Charles E. Thomas, Jr.

Enclosure

cc: Bruce H. Burcat, Esquire
Elizabeth A. Stanton, Ph.D.

BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION

DEPUTY CHIEF ADMINISTRATIVE LAW JUDGE MARK A. HOYER

Petition of Duquesne Light Company for :
Approval of Its Default Service Plan for the : Docket No. P-2020-3019522
Period June 1, 2021 through May 31, 2025 :

EXCEPTIONS OF MAREC ACTION

AND NOW, comes MAREC Action (“MAREC”), by its attorneys, and files the following Exceptions to the Recommended Decision of Deputy Chief Administrative Law Judge Mark A. Hoyer in the above matter, dated and transmitted to the parties by email on November 12, 2020.

I. BACKGROUND

Solar PPA matters are addressed on pages 42 through 51 of Judge Hoyer’s Recommended Decision. After summarizing Duquesne’s proposals, Judge Hoyer explained that both the EGS parties and MAREC oppose Duquesne’s Solar PPA proposal for different reasons. We are here concerned only with those relating to MAREC.

Judge Hoyer explained that it is MAREC’s position that Duquesne should enter into a higher quantity of and larger sized long-term renewable contracts than Duquesne is proposing. Judge Hoyer further noted that MAREC believes that an appropriate analysis to determine a prudent mix of contracts would be an all-resource Request for Proposals followed by Integrated Resource Modelling to determine the least-cost mix of resources that meet the Company’s other

requirements including its AECs obligation. Unfortunately, time did not permit the development of the analysis within the confines of the record in this proceeding.

MAREC continues to believe that long-term renewable contracts benefit consumers by providing price stability, incentives to renewable development, lower renewable energy certificate prices, lower energy costs, economic development and reduced pollution.

Judge Hoyer correctly characterized MAREC's position with regard to the path forward:

At this stage of the proceedings, MAREC now thinks that the best path forward for the Company to achieve a prudent mix of renewables at the lowest cost to consumers is to establish a stakeholder working group at the conclusion of this docket to bring a proposal forward to the Commission for its review. Duquesne Light should be required to work with stakeholders to design a prudent mix that allows consumers to receive the benefits of long-term contracts for renewables.¹

MAREC fully supports the establishment of a stockholder working group and submits the following Exceptions related to the Recommended Decision's failure to do so.

II. EXCEPTIONS

1. Exception No. 1 **The Recommended Decision's failure to recommend the establishment of a Stakeholder Group.**

MAREC respectfully submits as its Exception No. 1 the Recommended Decision's failure to recommend the establishment of a Stakeholder Group at the conclusion of the proceeding to work with stakeholders to design a product mix that allows consumers to receive the benefits of long-term contracts for renewables.

The Recommended Decision ignores the Commission's directive with respect to long-term contracts. In its Secretarial Letter at Docket No. M-2019-3007101, the Commission referenced MAREC's Comments concerning long-term contracts for renewables, agreed on the importance of this issue, and requested electric distribution companies ("EDCs") to address this

¹ Recommended Decision at 46.

procurement mechanism in their default service plan proposals. The Commission’s directive in this regard was quite clear:

Concerning procurement and long-term contracts, the Commission agrees that long-term contracts need to be carefully considered and that we need to consider this topic further in upcoming DSP proceedings. We request that the EDCs include in their filings evidence showing how its DSP proposal complies with the prudent mix requirements of the Public Utility Code [Act 129] and case law.²

The record in this proceeding, as it now stands, does not support Duquesne’s contention that its plan achieves a prudent mix of contracts for its DSP and that this mix is “the least cost to customers over time.”³

2. Exception No. 2 The Recommended Decision fails to recognize the work of the Stakeholder Group.

As one of its final points regarding MAREC’s contentions, the Recommended Decision again refers to MAREC’s proposal to employ an “all-resource Request for Proposals followed by Integrated Resource Modelling to determine the least-cost mix of resources that meet the Company’s other requirements including its AECs obligation”.⁴ The Recommended Decision asserts that MAREC’s recommendation is vague and lacks the necessary specificity for it to be actionable. The Recommended Decision’s assertions overlook the work of the Stakeholder Group. Specificity and vagueness issues would be resolved by the group, including the requirements for Commission approval.

3. Exception No. 3 The Recommended Decision’s rejection of MAREC’s proposed collaboration on long-term contracts as a justification for reopening DSP is shortsighted.

The Recommended Decision also briefly considers MAREC’s proposal for a collaboration on long-term contracts and the possible reopening of this DSP IX proceeding to

² *Investigation into Default Service and PJM Interconnection, LLC, Settlement Reforms*, Docket No. M-2019-3007101 (Secretarial Letter dated January 23, 2020) (“Secretarial Letter”), at 8.

³ 66 Pa. C.S. § 2807(e)(3.4).

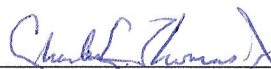
⁴ Recommended Decision at 48.

change the plan. Contrary to the Recommended Decision's conclusion, additional long-term renewable contracts could provide a basis for reconsideration of the supply mix ultimately approved by the Commission in this case. Again, this would be a subject for the Stakeholder Group.

III. CONCLUSION

For the foregoing reasons, the Exceptions of MAREC should be granted and Duquesne should be required to work with stakeholders to design a prudent mix that allows consumers to receive the benefits of long term contracts for renewables. The Commission could determine to amend DSP IX to include the proposal that would take effect after year one or two of Duquesne's default service plan. In the event that a stakeholder disagrees with the outcome of the working group's efforts, it should be permitted to file a Petition with the Commission to contest the proposal or to request consideration of its own proposal.

Respectfully submitted,



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DATED: November 23, 2020

CERTIFICATE OF SERVICE

I hereby certify that I have this 23rd day of November, 2020, served a true and correct copy of the foregoing Exceptions of MAREC Action to the Recommended Decision of Deputy Administrative Law Judge, upon the persons listed below which MAREC Action believes are participating in the proceeding:

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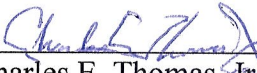
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