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Assistant General Counsel

For 12/15/16
DEC 14 2016



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BOARD OF PUBLIC UTILITIES
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December 13, 2016

**VIA FEDERAL EXPRESS and
ELECTRONIC MAIL**
irene.asbury@bpu.nj.gov
board.secretary@bpu.nj.gov

ER 16090846

Irene Kim Asbury, Esquire
Secretary of the Board
Board of Public Utilities
44 South Clinton Avenue, 3rd Floor, Suite 314
P.O. Box 350
Trenton, New Jersey 08625-0350

RE: Aggregation of Non-Year Round Demand Response Programs

Dear Secretary Asbury:

As you are aware, PJM Interconnection, L.L.C. ("PJM") has adopted Capacity Performance pricing. As a result, PJM capacity revenue for non-year round demand response programs will no longer be available beginning in the May 2020 - June 2021 planning year. If no action is taken, summer only demand response programs, such as Atlantic City Electric Company's ("ACE") Energy Wise Rewards ("EWR") program will no longer be eligible for capacity revenue.

In addition to other options, ACE and its affiliated Exelon utilities (Delmarva Power & Light Company, Baltimore Gas and Electric Company, Commonwealth Edison, and Potomac Electric Power Company) are pursuing a mechanism that allows Exelon utilities with summer only demand response programs to continue to receive demand response capacity revenue for their customers. The result of such aggregation would be that PJM capacity revenue will continue to be available to summer demand response programs (such as ACE's EWR program) that have aggregated with winter generation capacity sources.

Case mgmt
A. Moreau
V. Becker
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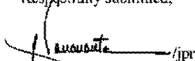
The five Exelon utilities named above intend to issue a joint-utility Request for Proposals ("RFP") from winter resources to aggregate with the Exelon utilities' summer resources for the purpose of offering Capacity Performance resources into the PJM May 2017 Base Residual Auction ("BRA"). The PJM May 2017 BRA is the BRA in which capacity revenues for the May 2020 through June 2021 planning year will be awarded. Three conformed copies of this correspondence and the News Release are included for filing.¹

The Exelon utilities are seeking to aggregate up to 1,600 megawatts of unforced capacity. The submission of RFP responses will be conditioned upon the Federal Energy Regulatory Commission's approval of PJM's November 17, 2016 proposed aggregation tariff changes.

In preparation for the RFP, the Exelon utilities are issuing a Request for Information ("RFI") seeking non-binding information from interested parties with eligible Winter Resources. That RFI was issued on December 5, 2016. Participating in the RFI is not a requirement for participating in the RFP.

We will keep the Board informed regarding the status of the RFP. Feel free to contact Roger E. Pedersen, ACE's Manager of Regulatory Affairs, or me if you have any questions or require further assistance or information.

Respectfully submitted,


Philip J. Rasanante /jpr
An Attorney at Law of the
State of New Jersey

Enclosure

cc: Hon. Richard S. Mroz, President (with enclosure)
Cynthia Covic, Esquire, Chief of Staff (with enclosure)
Richard DeRose, Deputy Chief of Staff (with enclosure)
Thomas Walker, Director, Division of Energy (with enclosure)
Stacy Peterson, Deputy Director, Division of Energy (with enclosure)
Bethany Rocque-Romaine, Esquire, Legal Specialist (with enclosure)

¹ This filing has been made consistent with the Board's Order Waiving Provisions of N.J.A.C. 14:4-2, N.J.A.C. 14:17-4.2(a), N.J.A.C. 14:1-1.6(c), and N.J.A.C. 14:17-1.6(d), issued on July 29, 2016 in connection with *In the Matter of the Board's E-Filing Program*, BPU Docket No. AX16020100.



Contact: BGE: 410-470-7433
ComEd: 312-394-3500
DPL: 866-655-2237
Peppo: 202-872-2680
ACE: 866-655-2237

FOR IMMEDIATE RELEASE

Five Exelon Utilities Issue Request for Information Regarding Aggregation of Capacity Resources in PJM

BALTIMORE (Dec. 5, 2016) — Five Exelon utilities — Atlantic City Electric (“ACE”), Baltimore Gas and Electric Company (“BGE”), Commonwealth Edison (“ComEd”), Delmarva Power (“DPL”), and Potomac Electric Power Company (“Peppo”) — intend to issue a joint-utility Request for Proposals (“RFP”) from Winter Resources to aggregate with the Exelon utilities’ Summer Resources for the purpose of offering Capacity Performance resources into the PJM Interconnection, L.L.C. (“PJM”) May 2017 Base Residual Auction (“BRA”).

The Exelon utilities are seeking to aggregate up to 1,600 megawatts of unforced capacity (“UCAP”). The submission of RFP responses will be conditioned on the Federal Energy Regulatory Commission’s (“FERC’s”) order regarding PJM’s November 17, 2016 proposed aggregation tariff changes (ER 17-367).

In preparation for the RFP, the Exelon utilities are issuing a Request for Information (“RFI”) seeking non-binding information from interested parties with eligible Winter Resources. Participating in the RFI is not a requirement for participating in the RFP.

Please visit www.bge.com/cpagggregation to submit your contact information and to gain access to the RFI/RFP submission platform (Ariba). RFI responses are due no later than December 19, 2016.

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Exelon Corporation (NYSE: EXC) is a Fortune 100 energy company with the largest number of utility customers in the U.S. Exelon does business in 48 states, the District of Columbia and Canada and had 2015 revenue of \$34.5 billion. Exelon’s six utilities deliver electricity and natural gas to approximately 10 million customers in Delaware, the District of Columbia, Illinois, Maryland, New Jersey and Pennsylvania through its Atlantic City Electric, BGE, ComEd, Delmarva Power, PECO and Peppo subsidiaries. Exelon is one of the largest competitive U.S. power generators, with more than 32,700 megawatts of nuclear, gas, wind, solar and hydroelectric generating capacity comprising one of the nation’s cleanest and lowest-cost power generation fleets. The company’s Constellation business unit provides energy products and services to approximately 2.5 million residential, public sector and business customers, including more than two-thirds of the Fortune 100. Follow Exelon on Twitter @Exelon.