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March 20, 2020

**VIA ELECTRONIC MAIL**  
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Aida Camacho-Welch  
Secretary of the Board  
Board of Public Utilities  
44 South Clinton Avenue, 9th Floor  
P.O. Box 350  
Trenton, New Jersey 08625-0350

RE: In the Matter of a Solar Successor Incentive Program Pursuant to P.L. 2018, c.17  
BPU Docket Nos. QO19010068 and QO20020184

Comments of Atlantic City Electric Company

Dear Secretary Camacho-Welch:

On behalf of Atlantic City Electric Company (“ACE” or “the Company”), please accept these comments in response Staff’s request for comments dated February 28, 2020, regarding the Solar Successor Incentive Program (the “Program” or “Successor Program”). ACE appreciates the opportunity to provide these comments, and thanks the Board for considering the Company’s input in this regard.

Regarding the design of the Successor Program, ACE supports a market-based Renewable Energy Credit (“REC”) incentive mechanism. This approach would be consistent with that used by the New Jersey Solar Renewable Energy Credit (“SREC”) market and has proven to be effective in balancing risks between solar developers and customers. With a market-based incentive approach, Third-Party Suppliers (“TPS”) and Basic Generation Service (“BGS”) suppliers would continue to manage a portfolio of RECs to satisfy the State’s goals under the Renewable Portfolio Standard. The Company believes that this method is the most efficient means of procuring and retiring RECs, and that it would leverage the existing processes currently used for SREC compliance in New Jersey.

If the Board instead determines that a performance or tariff-based incentive is to be employed, ACE recommends that competitive solicitations be administered by a third-party to set incentive rates. In this scenario, the administrator would act as conduit between the electric utility and the developer and would ensure payment. The Company would prefer to avoid any situation in which it is a counterparty to a long-term agreement.

Finally, ACE does not support the use of administrative modeling to set the price of RECs under the Successor Program. Doing so could create a situation in which the administratively-set price is higher than would otherwise be settled upon using a market-based approach. This would result in increased costs to customers and would frustrate the very purpose of establishing the Successor Program (*i.e.*, to reduce the costs associated with achieving the State's goals for solar deployment).

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ACE reiterates its appreciation for this opportunity to submit the foregoing comments, and thanks the Board for considering the Company's input.

Respectfully submitted,

A handwritten signature in black ink that reads "Andrew J. McNally". The signature is written in a cursive style with a large, looped initial "A".

Andrew J. McNally