

**DEPARTMENT OF STATE
PUBLIC SERVICE COMMISSION**

Statutory Authority: 26 Delaware Code, Section 362(a) and 29 Delaware Code, Section 10113(b)(5)
(26 Del.C. §362(a) & 29 Del.C. §362(b)(5))
26 DE Admin. Code 3008

FINAL

ORDER

3008 Rules and Procedures to Implement the Renewable Energy Portfolio Standard (Opened August 23, 2005)

IN THE MATTER OF THE ADOPTION OF RULES		
AND PROCEDURES TO IMPLEMENT THE		
RENEWABLE ENERGY PORTFOLIO STANDARDS		
ACT, 26 DEL. C. §§ 351-363, AS APPLIED TO		
RETAIL ELECTRICITY SUPPLIERS (OPENED		PSC REGULATION
AUGUST 23, 2005, REOPENED SEPTEMBER 4, 2007;		DOCKET NO. 56
AUGUST 5, 2008; SEPTEMBER 22, 2009; AUGUST		
17, 2010; SEPTEMBER 6, 2011; SEPTEMBER 18, 2012;		
FEBRUARY 2, 2017; MARCH 31, 2021; AUGUST		
25, 2021)		

**ORDER NO. 9896
AMENDING ORDER NO. 9871**

AND NOW, this 6th day of October 2021, the Delaware Public Service Commission ("Commission") determines and orders as follows:

WHEREAS, in June 2021, the General Assembly passed Senate Bill 2, which was signed by the Governor on September 17, 2021, will amend the *Renewable Energy Portfolio Standards Act* ("REPSA") at §§ 352 and 360 of Title 26 of the Delaware Code;¹ and

WHEREAS, Senate Bill 2 added the definitions of "Community-owned energy generating facility" and "Unsubscribed energy;" and

WHEREAS, the attached revisions to the Commission's *Rules and Procedures to Implement the Renewable Energy Portfolio Standard*, 26 Del. Admin. C. § 3008 *et seq.* ("*RPS Rules*")² are necessary to reflect the Senate Bill 2 amendments by updating the definitions; and

WHEREAS, under 29 Del. C. § 10113(b)(5), an agency's "amendments to existing regulations to make them consistent with changes in basic law but which do not otherwise alter the substance of the regulations" are exempt from the requirements of 29 Del. C. c. 101 relating to notice and public comment and may instead be informally adopted or amended; and

WHEREAS, the attached revisions to the *RPS Rules* also include nonsubstantive changes to alter style or form or to correct technical errors; and

WHEREAS, given that the attached revisions are necessary to make the *RPS Rules* consistent with the Senate Bill 2 amendments to *REPSA*, to address style and form, and to correct technical errors, the Commission finds that 29 Del. C. § 10113(b)(5) apply to these amendments;

**NOW, THEREFORE, IT IS HEREBY ORDERED BY THE AFFIRMATIVE
VOTE OF NOT FEWER THAN THREE COMMISSIONERS:**

1. That pursuant to 26 Del. C. § 362(a) and 29 Del. C. § 10113(b)(5), the Commission hereby amends its *Rules and Procedures to Implement the Renewable Energy Portfolio Standard*, 26 Del. Admin. C. § 3008, as proposed herein. A markup version of the *RPS Rules* reflecting only the amended sections is attached as **Exhibit "B"**.

2. That pursuant to 26 Del. C. §§ 10113 and 10118, the Secretary of the Commission shall transmit a copy of this Order, including Exhibits "B," to the Registrar of Regulations for publication in the November 1, 2021 edition of the *Delaware Register of Regulations*. An exact copy of the *RPS Rules*, as amended, shall be published in the *Delaware Register of Regulations* as the current official regulation as defined in 29 Del. C. § 1132.

3. That the effective date of the amendments to the *RPS Rules* shall be the later of November 11, 2021, or ten days after publication in the *Delaware Register of Regulations*.

4. That the Commission reserves the jurisdiction and authority to enter such further Orders in this matter as may be deemed necessary or proper.

BY ORDER OF THE COMMISSION:

Dallas Winslow, Chairman

Joann Conaway, Commissioner

Harold Gray, Commissioner

Kim Drexler, Commissioner

Manubhai C. Karia, Commissioner (absent)

ATTEST: Matthew Hartigan, Acting Secretary

¹ Senate Bill 2 is attached hereto as Exhibit "A."

² The Commission Order No. 6931 dated June 6, 2006 and subsequently amended with last made changes by Order No. 9768 dated March 31, 2021.

EXHIBIT "A"

(Senate Bill 2)

***Please note: Senate Bill 2 can be viewed online at:
<https://legis.delaware.gov/BillDetail?LegislationId=78777>**

EXHIBIT "B"

3008 Rules and Procedures to Implement the Renewable Energy Portfolio Standard (Opened August 23, 2005)

1.0 Definitions

1.1 The following words and terms, when used in this Regulation, should have the following meanings unless the context clearly indicates otherwise:

"Alternative Compliance Payment" or "ACP" means a payment of a certain dollar amount per megawatt hour, which a CREC may submit in lieu of supplying the minimum percentage of RECs required under subsection 3.3.5.

"Commission" means the Delaware Public Service Commission.

"Community-owned energy generating facility" means a renewable energy generating facility, located in the service area of a utility under the regulation of the Public Service Commission, that has multiple owners or customers who share the output of the generator, which may be located either as a stand-alone facility or behind the meter of a participating owner or customer. The facility shall be interconnected to the distribution system and operated in parallel with an electric distributions company's transmission and distribution facilities.

"Compliance Year" means the calendar year beginning with June 1 and ending with May 31 of the following year, for which a CREC must demonstrate that it has met the requirements of this Regulation.

"CREC" means a Commission-regulated electric distribution company or a Commission-regulated utility.

"Customer-Sited Generation" means a Generation Unit that is interconnected on the End-Use Customer's side of the retail electricity meter in such a manner that it displaces all or part of the metered consumption of the End-Use Customer.

"DNREC" means Delaware Department of Natural Resources and Environmental Control.

"Eligible Energy Resources" means the following energy sources located within the PJM region or imported into the PJM region and tracked through the PJM Market Settlement System:

Solar Photovoltaic Energy Resources;

Electricity derived from wind energy;

Electricity derived from ocean energy including wave or tidal action, currents, or thermal differences;

Geothermal energy technologies that generate electricity with a steam turbine, driven by hot water or steam extracted from geothermal reservoirs in the earth's crust;

Electricity generated by a fuel cell powered by Renewable Fuels;

Electricity generated by the combustion of gas from the anaerobic digestion of organic material;

Electricity generated by a hydroelectric facility that has a maximum design capacity of 30 megawatts or less from all generating units combined that meet appropriate environmental standards as determined by DNREC (see DNREC Regulation's Secretary's Order No. 2006-A-0035);

Electricity generated from the combustion of biomass that has been cultivated and harvested in a sustainable manner as determined by DNREC, and is not combusted to produce energy in a waste to energy facility or in an incinerator (see DNREC Regulation's Secretary's Order No. 2006-A-0035);

Electricity generated by the combustion of methane gas captured from a landfill gas recovery system; provided, however, that:

Increased production of landfill gas from production facilities in operation prior to January 1, 2004 demonstrates a net reduction in total air emissions compared to flaring and leakage;

Increased utilization of landfill gas at electric generating facilities in operation prior to January 1, 2004 (i) is used to offset the consumption of coal, oil, or natural gas at those facilities, (ii) does not result in a reduction in the percentage of landfill gas in the facility's average annual fuel mix when calculated using fuel mix measurements for 12 out of any continuous 15 month period during which the electricity is generated, and (iii) causes no net increase in air emissions from the facility; and

Facilities installed on or after January 1, 2004 meet or exceed 2004 Federal and State air emission standards, or the Federal and State air emission standards in place on the day the facilities are first put into operation, whichever is higher.

"End-Use Customer" means a person or entity in Delaware that purchases electrical energy at retail prices from a CREC.

"Fund" or **"Green Energy Fund"** means the Delaware Green Energy Fund as authorized under 26 **Del.C.** §1014(a).

"GATS" means the Generation Attribute Tracking System developed by PJM-Environmental Information Services, Inc. (PJM-EIS).

"Generation Attribute" means a non-price characteristic of the electrical energy output of a Generation Unit including, but not limited to, the Unit's fuel type, geographic location, emissions, vintage, and RPS eligibility.

"Generation Unit" means a facility that converts a fuel or an energy resource into electrical energy.

"Industrial Customer" means an End-Use Customer with a North American Industry Classification System (NAICS) Manufacturing Sector Code.

"Municipal Electric Company" means a public corporation created by contract between 2 or more municipalities pursuant to provisions of Title 22, Chapter 13 of the **Delaware Code** and the electric utilities that are municipally owned within the State of Delaware.

"New Renewable Generation Resources" means Eligible Energy Resources first going into commercial operation after December 31, 1997.

"Non-Exempt Customers" means all customers of the Commission-regulated electricity company that have not been certified by the Commission as exempt from the RPS under subsection 2.2.

"Peak Demand" shall have the same meaning as and be determined consistently with how such term or a similar term is defined and determined in the applicable utility's tariff then in effect and approved by the Commission. For customers with more than one account, the peak demands shall be aggregated for all accounts. The calculation will be applied in the current year based on the Peak Demand, as defined above, in the prior year.

"PJM" or **"PJM Interconnection"** means the regional transmission organization (RTO) that coordinates the movement of wholesale electricity in the PJM region, or its successors at law.

"PJM region" means the area within which the movement of wholesale electricity is coordinated by PJM Interconnection. The PJM region is as described in the Amended and Restated Operating Agreement of PJM.

"Qualified Fuel Cell Provider" means an entity that:

a. By no later than the commencement date of commercial operation of the full nameplate capacity of a fuel cell project, manufactures fuel cells in Delaware that are capable of being powered by renewable fuels, and

b. prior to approval of required tariff provisions, is designated by the Director of the Delaware Economic Development Office and the Secretary of DNREC as an economic development opportunity."

"Qualified Fuel Cell Provider Project" (or **"QFCPP"**) means a fuel cell power generation project located in Delaware owned and/or operated by a Qualified Fuel Cell Provider under a tariff approved by the Commission pursuant to 26 **Del.C.** §364(d).

"Renewable Energy Credit" or ("REC") means a tradable instrument comprised of all the Generation Attributes equal to 1 megawatt-hour of electricity derived from Eligible Energy Resources and that is used to track and verify compliance with the provisions of this Regulation. A REC does not include emission reduction credits and/or allowances encumbered or used by a Generation Unit for compliance with local, state, or federal operating and/or air quality permits associated with the 1 megawatt-hour of electricity.

"Renewable fuel" means a fuel that is derived from Eligible Energy Resources. This term does not include a fossil fuel or a waste product from a fossil fuel source.

"RPS" or "Renewable Energy Portfolio Standard" means the percentage of electricity sales at retail in the State that is to be derived from Eligible Energy Resources.

"Retail Electricity Product" means an electrical energy offering that is distinguished by its Generation Attributes only and that is offered for sale by a CREC to End-Use Customers. Multiple electrical energy offerings with the same Generation Attributes may be considered a single Retail Electricity Product.

"Rural Electric Cooperative" means a non-stock, non-profit, membership corporation organized pursuant to the Federal "Rural Electrification Act of 1936" and operated under the cooperative form of ownership.

"Solar Alternative Compliance Payment" or "SACP" means a payment of a certain dollar amount per megawatt-hour, which a CREC or Municipal Electric Supplier may submit in lieu of supplying the Minimum Percentage from Solar Photovoltaic required under subsection 3.3.6.

"Solar Photovoltaic Energy Resources" means solar photovoltaic or solar thermal energy technologies that employ solar radiation to produce electricity or to displace electricity use.

"Solar Renewable Energy Credit" or "SREC" means a tradable instrument that is equal to 1 megawatt-hour of retail electricity sales in the State that is derived from Solar Photovoltaic Energy Resources and that is used to track and verify compliance with the provisions of this Regulation.

"Sustainable Energy Utility" or ("SEU") is the nonprofit entity according to the provisions of 29 Del.C. §8059 that develops and coordinates programs for energy end-users in Delaware for the purpose of promoting the sustainable use of energy in Delaware.

"Total Retail Sales" means retail sales of electricity within the State of Delaware exclusive of sales to any Industrial Customer with a Peak Demand in excess of 1,500 kilowatts.

"Unsubscribed energy" means any community-owned energy generating facility percentage of output that is not allocated to any customer.

11 DE Reg. 1670 (06/01/08)

13 DE Reg. 952 (01/01/10)

14 DE Reg. 1241 (05/01/11)

22 DE Reg. 525 (12/01/18)

24 DE Reg. 1014 (05/01/21)

2.0 Purpose and Scope

- 2.1 The benefits of electricity from renewable energy resources accrue to the public at large, and electric suppliers and consumers share an obligation to develop a minimum level of these resources in the electric supply portfolio of the State. The purpose of this Regulation, in support of 26 Del.C. Subchapter III-A, is to set forth the rules for governing the RPS.
- 2.2 This Regulation shall apply to all Retail Electricity Products in the State of Delaware except for Retail Electricity Products sold by Municipal Electric Companies and Retail Electricity Products sold to any Industrial Customer with a Peak Demand in excess of 1,500 kilowatts.
 - 2.2.1 An Industrial Customer with Peak Demand in excess of 1,500 kilowatts may elect to have its load exempt from this Regulation provided that it meets the definitions found in subsection 1.1 and:
 - 2.2.1.1 submits a notice to the Commission's Staff including, but not limited to, Name and Address of Industrial Customer, and NAICS Code, and load for each account;
 - 2.2.1.1.1 the Commission's Staff shall, within thirty (30) days of receipt of the notice, provide to the Industrial Customer an acknowledgement of the status, exempt or non-exempt, of the Industrial Customer; and
 - 2.2.1.2 submits the Commission's Staff acknowledgement referenced in subsection 2.2.1.1.1 to its CREC.
 - 2.2.2 For an End-Use Customer with multiple accounts totaling in excess of 1,500 kilowatts within an applicable utility's service territory, to have its load exempt, the aggregate of its accounts with an NAICS Manufacturing Sector Code must have a Peak Demand of at least 751 kilowatts and it must follow the procedure found in subsection 2.2.1.

- 2.3 Any Rural Electric Cooperative that has opted-out of Commission regulation by its membership pursuant to 26 **Del.C.** §223 of the **Delaware Code** shall, for all purposes of administering and applying this Regulation, be treated as a Municipal Electric Company during any period of time the Rural Electric Cooperative is exempt from Commission regulation.
- 2.4 A Rural Electric Cooperative may elect to be exempt from the requirements of this Regulation if it develops and implements a program for its ratepayers that is comparable to the RPS beginning in 2013. A Rural Electric Cooperative electing to be exempt from this Regulation must notify the Commission of such election and shall be subject to the requirements set forth in 26 **Del.C.** §363. A Rural Electric Cooperative not electing to be exempt from this Regulation shall be subject to this Regulation and the applicable provisions of 26 **Del.C.** §363.

11 DE Reg. 1670 (06/01/08)

14 DE Reg. 1241 (05/01/11)

22 DE Reg. 525 (12/01/18)

24 DE Reg. 1014 (05/01/21)

3.0 Administration of RPS

- 3.1 Certifying and Decertifying Eligible Energy Resources:
- 3.1.1 The Commission through its Staff will certify Generation Units as Eligible Energy Resources based on the definition of Eligible Energy Resources found in subsection 1.1.
- 3.1.2 Any Generation Unit seeking certification as an Eligible Energy Resource must submit an Application for Certification as an Eligible Energy Resource Under the Delaware Renewable Energy Portfolio Standard (Application) to the Commission. This may include Customer-Sited Generation or a Generation Unit owned or operated by a Municipal Electric Company.
- 3.1.3 Customer-sited generation is eligible to be considered an Eligible Energy Resource provided the facility is physically located in Delaware.
- 3.1.4 Commission Staff will review the Application and will notify the applicant of its approval as an Eligible Energy Resource or of any deficiencies in its Application within 30 days of receipt. The applicant will have the opportunity to revise its submission, if appropriate.
- 3.1.5 If an Eligible Energy Resource, once notified by Commission Staff, fails to provide the required documentation or missing information within 60 days of the date of such notification, the Application will be dismissed and must be resubmitted.
- 3.1.6 If Commission Staff finds the Generation Unit to be in compliance with this Regulation and other applicable law, Staff will issue a State of Delaware Certification Number.
- 3.1.7 Upon receipt of the State of Delaware Certification Number, a Generation Unit will be deemed an Eligible Energy Resource.
- 3.1.8 Upon designation as an Eligible Energy Resource, the Generation Unit's owner shall be entitled to one (1) REC for each mega-watt hour of energy derived from Eligible Energy Resources other than Solar Photovoltaic Energy Resources. Upon designation as an Eligible Energy Resource, the owner of a Generation Unit employing Solar Photovoltaic Energy Resources shall be entitled to one (1) SREC for each mega-watt hour of energy derived from Solar Photovoltaic Energy Resource. SRECs and RECs will be created and supplied by the PJM-EIS GATS, or its successor at law. Eligible Energy Resources are subject to applicable PJM-EIS GATS rules and shall pay applicable PJM-EIS GATS fees.
- 3.1.8.1 The Commission may establish or participate in another renewable energy tracking system, if the Commission finds that PJM-EIS's GATS is not applicable or not suited to meet the needs or requirements of the RPS.
- 3.1.9 If a Generation Unit is deemed an Eligible Energy Resource and the Eligible Energy Resource's GATS account continues to be maintained in good standing, the Eligible Energy Resource may achieve a Delaware designation for RECs or SRECs recorded with PJM-EIS's GATS for the calendar year being traded in GATS at the time of the Commission Staff's approval of the Eligible Energy Resource.
- 3.1.10 An Eligible Energy Resource will remain certified unless substantive changes are made to its operational characteristics. Substantive changes include but are not limited to changes in fuel type, fuel mix and generator type. An Eligible Energy Resource making substantive changes to its operational characteristics shall notify the Commission of such changes at least 30 days prior to the effective date of such changes. At such time, the Generation Unit shall submit a revised Application, which shall be subject to review and re-certification.
- 3.1.11 An Eligible Energy Resource must provide updates to any changes to information submitted in the Application within 30 days of those changes becoming effective. These changes include but are not limited

to changes in ownership of the generating unit, changes in ownership of the RECs or SRECs, changes in system size, or the deactivation of the unit.

3.1.12 RECs or SRECs created by an Eligible Energy Resource shall remain valid for compliance, subject to subsection 3.2.9, subsection 3.3.3 and subsection 3.3.4, even if that Eligible Energy Resource is subsequently decertified for eligibility.

3.1.13 An Eligible Energy Resource may be decertified for any of the following:

3.1.13.1 Failure to comply with subsections 3.1.1 through 3.1.11;

3.1.13.2 A material change in circumstances that causes it to become ineligible for certification under subsection 3.1;

3.1.13.3 Fraud or misrepresentation in the Application or to PJM-EIS GATS;

3.1.13.4 Failure to properly update the Commission on changes to information submitted in the Application; or

3.1.13.5 Good cause as determined by the Commission.

3.2 Compliance with RPS

3.2.1 The Total Retail Sales of each Retail Electricity Product delivered to End-Use Customers by a CREC during any given Compliance Year shall include a minimum percentage of electrical energy sales from Eligible Energy Resources and Solar Photovoltaics as shown in Schedule 1.

SCHEDULE 1		
Compliance Year (beginning June 1st)	Cumulative Minimum Percentage from Solar Photovoltaics	Minimum Cumulative Percentage from Eligible Energy Resources
2018	1.75%	17.5%
2019	2.00%	19.0%
2020	2.25%	20.00%
2021	2.50%	21.00%
2022	2.75%	22.00%
2023	3.00%	23.00%
2024	3.25%	24.00%
2025	3.50%	25.00%
2026	3.75%	25.5%
2027	4.0%	26%
2028	4.25%	26.5%
2029	4.5%	27%
2030	5.0%	28%
2031	5.8%	30%
2032	6.6%	32%
2033	7.4%	34%
2034	8.4%	37%
2035	10%	40%

Minimum Cumulative Percentage from Eligible Energy Resources includes the Minimum Cumulative Percentage from Solar Photovoltaics

3.2.2 A CREC's compliance with Schedule 1 shall be based on accumulating RECs and SRECs equivalent to the current Compliance Year's Cumulative Minimum Percentage of Total Retail Sales of each Retail Electricity Product sold to End-Use Customers subject to subsection 3.2.9 and, where appropriate, other Commission regulations. Each CREC shall file a report detailing its compliance with its RPS obligations within 120 days following the end of the Compliance Year.

3.2.3 The CREC shall be responsible for procuring RECs, SRECs, and any other attributes needed to comply with the minimum percentage requirements set forth in 26 Del.C. §354 and subsection 3.2.1 with respect to all energy delivered to the CREC's End-Use Customers.

3.2.4 The CREC will charge all of its distribution system End-Use Customers for RPS compliance costs through a non-bypassable charge based on the weighted average cost of the RECs and SRECs supplied by the CREC.

- 3.2.4.1 Industrial Customers whose peak demand is in excess of 1500 kilowatts and have been acknowledged by the Commission as having their load exempted from the RPS compliance obligations pursuant to 26 **Del.C.** §353(b), Section 1.0, and subsections 2.2.1 and 2.2.2, shall not be charged the RPS compliance cost permitted by subsection 3.2.3.
- 3.2.4.2 For a particular compliance year, the total recovery of the RPS compliance costs by the CREC, shall not be an amount greater than the CREC's actual dollar for dollar costs incurred for that compliance year in complying with the State of Delaware's RPS, except that any compliance fee assessed pursuant to 26 **Del.C.** §358(d) and subsection 3.3.5 shall be recoverable only to the extent authorized by 26 **Del.C.** §358(f)(2) and subsection 4.2.
- 3.2.5 The CREC shall place on their websites customer education pertaining to the RPS non-bypassable charge and credit required in subsections 3.2.3 and 3.2.3.1. The CREC shall also include information on the RPS non-bypassable charge and credit on its bill message or bill insert.
- 3.2.6 A CREC may use energy output produced by a Qualified Fuel Cell Provider Project to fulfill their REC and SREC requirements as set forth in 26 **Del.C.** § 353(d).
- 3.2.7 Energy output must be tracked using PJM-EIS GATS or its successor at law or pursuant to subsection 3.1.8.1.
- 3.2.8 The right of a CREC to use energy output produced by a Qualified Fuel Cell Provider Project to fulfill their REC and SREC requirements shall not expire until actually applied to fulfill such requirements.
- 3.2.9 No CREC with existing contractual electric supply obligations can provide more than 1% of each Compliance Year's Total Retail Sales from Eligible Energy Resources operational before December 31, 1997. The remainder of each year's retail sales, up to the required amount as specified in subsection 3.2.1 must come from New Renewable Generation resources. In Compliance Year 2026 and for each Compliance Year thereafter, all Eligible Energy Resources used to meet the cumulative minimum percentage requirements set by the Commission rules shall be New Renewable Generation Resources.
- 3.2.10 A CREC shall not use RECs or SRECs used to satisfy another state's renewable energy portfolio requirements for compliance with subsection 3.2.1 and Schedule 1. A CREC may sell or transfer any RECs or SRECs not required to meet this Regulation.
- 3.2.11 Eligible Energy Resources may create and accumulate RECs or SRECs for the purposes of calculating compliance with the RPS.
- 3.2.12 Eligible Energy Resources that do not settle through the PJM Market settlement system must document their actual output of generation, as recorded by appropriate metering, as frequently as PJM-EIS-GATS shall prescribe.
- 3.2.13 Aggregate generation from small Eligible Energy Resources totaling 100 kilowatts or less of capacity, may be used to meet the requirements of subsection 3.2.1 and Schedule 1 provided that the generators or their agents shall document the level of generation, as recorded by appropriate metering, as frequently as PJM-EIS-GATS shall prescribe.
- 3.2.14 A CREC or Rural Electric Cooperative shall receive 300% credit toward meeting the Minimum Cumulative Percentage from Eligible Energy Resources of subsection 3.2.1 and Schedule 1 of the RPS for energy derived from the following sources installed on or before December 31, 2014:
 - 3.2.14.1 Customer-Sited solar photovoltaic physically located in Delaware; or
 - 3.2.14.2 A fuel cell powered by Renewable Fuels for a CREC, and such a fuel cell sited in Delaware for Rural Electric Cooperatives.
- 3.2.15 A CREC or Rural Electric Cooperative shall receive 150% credit toward meeting the RPS for wind energy installations sited in Delaware on or before December 31, 2012.
- 3.2.16 A CREC or a Rural Electric Cooperative shall receive an additional 10% credit toward meeting the RPS for solar or wind energy installations sited in Delaware, provided that a minimum of 50% of the cost of the renewable energy equipment, inclusive of mounting components, relates to Delaware manufactured equipment.
- 3.2.17 A CREC or a Rural Electric Cooperative shall receive an additional 10% credit toward meeting the RPS for solar or wind energy installations sited in Delaware provided that the facility is constructed and/or installed with a workforce that consists of at least 75% Delaware residents and/or the installing company employs in total a minimum of 75% workers who are Delaware residents.
- 3.2.18 A CREC or a Rural Electric Cooperative shall receive credit toward meeting the RPS for electricity derived from the fraction of eligible landfill gas, biomass or biogas combined with other fuels (for a Rural Electric Cooperative the Eligible Energy Resource must be sited in Delaware).
- 3.2.19 Cumulative minimum percentage requirements of Eligible Energy Resources and Solar Photovoltaic Resources shall be established by Commission rules for Compliance Year 2036 and each subsequent

year. The minimum percentages established by Commission rules may not be lower than those required for Compliance Year 2035 in subsection 3.2.1 and Schedule 1. Each of the rules setting such minimum percentage must be adopted at least two years before the minimum percentage being required.

- 3.2.20 The Renewable Energy Taskforce shall be formed for the purpose of making recommendations about the establishment of trading mechanisms and other structures to support the growth of renewable energy markets in Delaware according to 26 **Del.C.** §360(d).

3.3 Verification of Compliance with the RPS

- 3.3.1 Beginning with the Compliance Year 2012, the CREC must submit a completed Commission-Regulated Electric Company Compliance Report with the Delaware Renewable Energy Portfolio Standard Report which includes, but is not limited to, evidence of the specified number of SRECs and RECs required for the Compliance Year according to Schedule 1.
- 3.3.2 SRECs or RECs must have been created by PJM-EIS's GATS or its successor at law, or pursuant to subsection 3.1.8.1.
- 3.3.3 SRECs or RECs, submitted for compliance with this Regulation may be dated no earlier than three (3) years prior to the beginning of the current Compliance Year.
- 3.3.4 The three (3) year period referred to in subsection 3.3.3 shall be tolled during any period that a renewable energy credit or solar renewable energy credit is held by the SEU.
- 3.3.5 In lieu of standard means of compliance with the RPS, any CREC may pay into the Fund an ACP pursuant to, and in such amounts as stated in, 26 **Del.C.** §358. If alternative compliance payments representing 15% or more of the total number of RECs for eligible non-solar renewable energy resources are paid into the Fund for each of 2 consecutive compliance years, the minimum cumulative percentage from eligible energy resources specified in Schedule I of subsection 3.2.1 remains at the percentage specified for the immediately preceding year and does not increase from that percentage until a year passes during which less than 15% of the REC obligation is satisfied by alternative compliance payments. After the year in which less than 15% of the REC obligation is satisfied by alternative compliance payments, the annual increases in Schedule I of subsection 3.2.1 resume, starting from the percentage specified for the year immediately before the current compliance year. A freeze of the minimum cumulative percentage from eligible non-solar technology does not permit a freeze of the minimum cumulative percentage from eligible solar energy resources.
- 3.3.6 In lieu of standard means of compliance with the RPS, any CREC may pay into the Fund an SACP pursuant to, and in such amounts as stated in, 26 **Del.C.** §358. If solar alternative compliance payments representing 15% or more of the total number of SRECs are paid into the Fund for each of 2 consecutive compliance years, the minimum cumulative percentage from solar technology specified in Schedule I of subsection 3.2.1 remains at the percentage specified for the immediately preceding year and does not increase from that percentage until a year passes during which less than 15% of the SREC obligation is satisfied by solar alternative compliance payments. After the year in which less than 15% of the total SREC obligation is satisfied by solar alternative compliance payments, the annual increases set forth in Schedule I of subsection 3.2.1 resume, starting from the percentage specified for the year immediately before the current compliance year. A freeze of the minimum cumulative percentage from solar technology does not freeze the minimum cumulative percentage from eligible energy resources.
- 3.3.7 The Commission Staff shall notify the CREC of any compliance deficiencies within 165 days of the close of the current Compliance Year. If the CREC is found to be deficient by the Commission Staff, the CREC shall be required to pay the appropriate ACP or SACP, according to subsections 3.3.5 and 3.3.6. All such payments shall be due within 30 days of notification by the Commission Staff. Upon receipt of payment, the CREC shall be found to be in compliance for that given year.
- 3.3.8 All compliance payments, made by a CREC, shall be payable to the Delaware Green Energy Fund and sent to the Commission.

11 DE Reg. 1670 (06/01/08)

12 DE Reg. 1110 (02/01/09)

13 DE Reg. 952 (01/01/10)

14 DE Reg. 1241 (05/01/11)

16 DE Reg. 790 (01/01/13)

22 DE Reg. 525 (12/01/18)

24 DE Reg. 1014 (05/01/21)

4.0 Recovery of Costs

- 4.1 A CREC may recover, through a non-bypassable surcharge actual dollar for dollar costs incurred in complying with the State of Delaware's RPS, including any such costs for preexisting CREC contracts that predate

February 10, 2021 (i.e., the passage of Senate Bill 33), except that any compliance fee assessed pursuant to subsections 3.3.5 and 3.3.6 shall be recoverable only to the extent authorized by subsection 4.2.

- 4.2 A CREC may recover any ACP or SACP if the payment of an ACP or SACP is the least cost measure to ratepayers as compared to the purchase of RECs and SRECs to comply with the RPS; or if there are insufficient RECs and SRECs available for the CREC to comply with the RPS.
- 4.3 Any cost recovered under this section shall be disclosed to customers at least annually on inserts accompanying customer bills.
- 4.4 All costs arising out of contracts entered into by a CREC pursuant to 26 **Del.C.** §1007 (d) shall be distributed among the entire Delaware customer base of such companies through an adjustable non-bypassable charge which shall be established by the Commission. Such costs shall be recovered if incurred as a result of such contracts unless, after Commission review, any such costs are determined by the Commission to have been incurred in bad faith, are the product of waste or out of an abuse of discretion, or in violation of law.

11 DE Reg. 1670 (06/01/08)

12 DE Reg. 1110 (02/01/09)

14 DE Reg. 1241 (05/01/11)

22 DE Reg. 525 (12/01/18)

24 DE Reg. 1014 (05/01/21)

5.0 Miscellaneous

- 5.1 Under Delaware's Freedom of Information Act, 29 **Del.C.** Ch. 100, all information filed with the Commission is considered of public record unless it contains "trade secrets and commercial or financial information obtained from a person which is of a privileged or confidential nature." 29 **Del.C.** §10002(d)(2). To qualify as a non-public record under this exemption, materials received by the Commission must be clearly and conspicuously marked on the title page and on every page containing the sensitive information as "proprietary" or "confidential" or words of similar effect. The Commission shall presumptively deem all information so designated to be exempt from public record status. However, upon receipt of a request for access to information designated proprietary or confidential, the Commission may review the appropriateness of such designation and may determine to release the information requested. Prior to such release, the Commission shall provide the entity that submitted the information with reasonable notice and an opportunity to show why the information should not be released.
- 5.2 Any End-Use Customer, CREC, Eligible Energy Resource, potential Eligible Energy Resource, Qualified Fuel Cell Provider Project or other interested party to which this Regulation may apply may file a complaint with the Commission pursuant to the Rules of Practice and Procedure of the Delaware Public Service Commission.
- 5.3 The failure to comply with this Regulation may result in penalties, including monetary assessments, suspension or revocation of eligibility as an Eligible Energy Resource, or other sanction as determined by the Commission consistent with 26 **Del.C.** §205(a), §217, and §1019.

10 DE Reg. 151 (07/01/06)

11 DE Reg. 1670 (06/01/08)

14 DE Reg. 1241 (05/01/11)

15 DE Reg. 1625 (05/01/12)

16 DE Reg. 790 (01/01/13)

22 DE Reg. 525 (12/01/18)

24 DE Reg. 1014 (05/01/21)

25 DE Reg. 541 (11/01/21) (Final)