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By Electronic Filing and Federal Express

ML#227699

Andrew S. Johnston, Executive Secretary
Maryland Public Service Commission
William Donald Schaefer Tower
6 Saint Paul Street, 16th Floor
Baltimore, MD 21202-6806

Re: *Baltimore Gas and Electric Company's Proposed Revisions to its Electricity Supplier Coordination Tariff for Suppliers to Transfer Price Responsive Demand Credits to Utility*
ML#s 226190, 227358

Delmarva Power & Light Company's Proposed Revisions to its Electricity Supplier Coordination Tariff for Suppliers to Transfer Price Responsive Demand Credits to Utility
ML#s 226193, 227359

Potomac Electric Power Company's Proposed Revisions to its Electricity Supplier Coordination Tariff for Suppliers to Transfer Price Responsive Demand Credits to Utility
ML#s 226194, 227360

Dear Secretary Johnston:

The Retail Energy Supply Association ("RESA"),¹ by counsel, submits this letter in response to the filings by Baltimore Gas and Electric Company ("BGE"), Delmarva Power & Light Company ("Delmarva") and Potomac Electric Power Company ("Pepco") (collectively, the "Utilities") to revise their Electricity Supplier Coordination Tariffs ("Tariffs") to implement a new requirement that suppliers execute a Billing Line Item Transfer ("BLIT") with PJM to transfer Price Responsive Demand ("PRD") credits from suppliers to the Utilities. The Utilities initially submitted proposed revisions to their Tariffs on July 24, 2019. RESA and WGL Energy Services, Inc. ("WGL Energy") filed letters in

¹ The comments expressed in this filing represent the position of the Retail Energy Supply Association (RESA) as an organization but may not represent the views of any particular member of the Association. Founded in 1990, RESA is a broad and diverse group of twenty retail energy suppliers dedicated to promoting efficient, sustainable and customer-oriented competitive retail energy markets. RESA members operate throughout the United States delivering value-added electricity and natural gas service at retail to residential, commercial and industrial energy customers. More information on RESA can be found at www.resausa.org.

response to the proposed Tariff changes.² RESA raised concerns about the potential unintended consequence of the BLIT mechanism foreclosing competitive electricity suppliers from offering their own PRD programs. RESA also requested that the Commission defer these filings for three weeks to allow RESA and the Utilities to discuss alternative credit allocation mechanisms. WGL Energy requested that the Utilities add an EDI tag identifying customers participating in utility PRD programs and provide monthly reporting information to facilitate supplier reconciliation and validation of PRD credit transfers.

On October 2, 2019, RESA proposed redlines to the Utilities, WGL Energy, and OPC to clarify, *inter alia*, that the BLIT mechanism will be the default mechanism to allocate PRD credits for utility PRD programs, but suppliers may offer their own programs in the future. If a supplier offers a PRD program, RESA's proposed language would have cancelled the default BLIT mechanism and required the utility and the supplier to ensure appropriate PRD credit and penalty allocation through alternative means.

On November 4, 2019, BGE, Delmarva, and Pepco filed revised versions of their proposed Tariff changes that did not include RESA's proposed language but did include language recognizing that suppliers may offer PRD programs and requiring the Utilities to provide the financial credits and costs associated with a supplier's PRD customers to the supplier offering a PRD program. For example, here is the language from proposed Section 10.5 of the BGE Tariff:

Absent changes made by PJM to credit the PRD provider for all of its PRD customers, when an Electricity Supplier participates in PJM's capacity market as a PRD resource in the BGE service territory, the Electricity Supplier shall bill BGE for the financial credits and costs associated with the Electricity Supplier's PRD customers to ensure that PRD credits and costs are correctly allocated between BGE and the Electricity Supplier.

RESA remains concerned about the uncertainty of the specific mechanics to implement this proposed Tariff language, but RESA appreciates that the Utilities have included language recognizing that suppliers may offer PRD programs and requiring that the utility and supplier "ensure that PRD credits and costs are correctly allocated between [the utility] and the Electricity Supplier."


While the details of the PRD credit allocation process will likely need to be revisited in the future for supplier PRD offerings, absent a change at PJM, RESA does not oppose the proposed BGE, Delmarva, and Pepco Tariff changes to address the short-term PRD credit allocation issue associated with their PRD programs that will begin next year. Because RESA is not opposing these Tariff changes, RESA does not

² WGL Energy's filing was ML# 226823 on September 13, 2019. RESA's filing was ML# 226834 on September 16, 2019.

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intend to appear at the December 4, 2019 Administrative Meeting at which these matters are scheduled to be heard by the Commission.

Sincerely,



Eric J. Wallace

c: Matthew Segers, Esq (by email)
Beverly Sikora, Esq. (by email)
Antonio Soruco (by email)