

**PENNSYLVANIA PUBLIC UTILITY COMMISSION  
HARRISBURG, PENNSYLVANIA 17105**

**Proceeding to Evaluate Transition  
to Corrected Non Solar Tier I  
Calculation Methodology**

**Public Meeting: October 6, 2016  
2093383-LAW  
Docket No. M-2009-2093383**

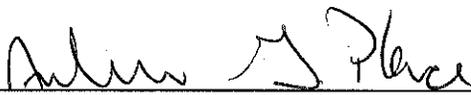
**STATEMENT OF VICE CHAIRMAN ANDREW G. PLACE**

Before us for consideration is the Final Order in the Proceeding to Evaluate Transition to Corrected Non-Solar Tier I Calculation Methodology at the above docket. The Commission issued a Tentative Order in this matter on August 11, 2016 seeking comments on the impact of the quarterly adjustment obligation increase, on possible remedies to mitigate any impact, and on any other appropriate action to be taken by the Commission. The Tentative Order was issued as the Commission discovered an error in how the non-solar Tier I quarterly adjustments were being calculated. All electric generation suppliers (EGSs) and electric distribution companies (EDCs) were notified of the miscalculation by Secretarial Letter on July 8, 2016. The July 8, 2016 Secretarial Letter explained that the Commission corrected this error for the 2016 compliance year, resulting in an approximate seven percent increase in the otherwise anticipated annual non-solar Tier I obligations.

Comments were received from interested parties including several EDCs, EGSs, the Statutory Advocates, an industrial customer advocate, default service suppliers (DSSs), and associations representing these same stakeholders. The comments assisted the Commission in examining the diversity of impacts and issues caused by the calculation error. However, comments on addressing the error in prior years, stretching back to the 2010 compliance year, were largely absent. In addition, the lack of comments from the renewable community was a missed opportunity for the Commission to hear the perspectives of those entities providing alternative energy supply.

This error occurred as we implemented the AEPS requirements set forth in Act 129 at 73 P.S. §§ 1648.1 *et seq.* and Section 2814 of the Public Utility Code. 66 Pa.C.S. §2814. It is deeply regrettable that though these calculations were available to many people this error was not caught until years later and that there is not an attainable remedy which does not leave EGSs, DSSs and Tier I alternative energy suppliers to absorb the costs and losses of the error.

**DATE: October 6, 2016**

  
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**Andrew G. Place**  
**Vice Chairman**