

COSTS TO COMPLY WITH DELAWARE'S RENEWABLE ENERGY PORTFOLIO STANDARDS ACT

for the period June 1, 2016 through May 31, 2017

Delmarva Power incurs and recovers costs in compliance with a Delaware law known as the Renewable Energy Portfolio Standards Act ("Act"). Compliance with the Act is achieved through the use of renewable energy sources, such as solar and wind generation, as well as energy output produced by a qualified fuel cell provider project, and through purchasing credits for renewable and clean energy generation.

The Act requires that the electricity portfolio used to supply Delaware customers include a minimum percentage of renewable energy sources each year, with percentage increases annually through 2025. By 2025, that percentage is 25% (including 3.5% for solar generation). Beginning on June 1, 2012, Delmarva Power was required to assume responsibility for meeting the obligations of the Act for all customers in Delaware, including those who purchase their electricity from third party suppliers.

The following information reflects the total costs recovered, to meet the requirements of the Act for the period June 1, 2016 through May 31, 2017. These costs do not reflect reductions for economic or health benefits from the use of renewable and clean energy sources. The costs collected through the Renewable Compliance Charge for compliance year June 1, 2016 through May 31, 2017 were \$64.9 million.

Visit delmarva.com/renewable-energy-portfolio-standards-act for more information.



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