

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**  
**1325 G STREET, N.W., SUITE 800**  
**WASHINGTON, D.C. 20005**

**NOTICE**

**May 3, 2023**

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT  
AND DESIGNATION OF STANDARD OFFER SERVICE IN THE  
DISTRICT OF COLUMBIA,**

1. By Order No. 19897, the Public Service Commission for the District of Columbia (“Commission”) established “... a pilot program to procure renewable energy through long-term power purchase agreements (‘PPA’) for electricity generated by solar or wind power facilities located within the PJM Interconnection region (‘PJM’) with a target quantity of five (5) percent of the [Standard Offer Service (‘SOS’)] load.”<sup>1</sup> By Order No. 20715, the Commission amended Chapter 41 of Title 15 of the District of Columbia Municipal Regulations to integrate long-term renewable energy PPAs into the District’s SOS procurement portfolio.<sup>2</sup> The Commission noted that this introduction of long-term renewable energy PPAs into the SOS procurement portfolio would preserve “... the environmental quality, including effects on global climate change and the District’s public climate commitments.”<sup>3</sup> Moreover, the Commission observed that, while the Commission was starting small with a target quantity of five percent (5%) of SOS load, it was taking direct action to reduce greenhouse gas emissions by promoting the construction of new renewable energy generation within PJM.<sup>4</sup> To facilitate the establishment of this pilot program, the Commission directed that a planning meeting be scheduled and that the SOS Working Group produce, by July 31, 2019, a draft request for proposals (“RFP”) for long-term renewable energy PPAs, including the Renewable Energy Credits associated with the energy and draft revised SOS rules, if required, to accommodate this change in the SOS procurement portfolio.<sup>5</sup>

2. By Order No. 20327, the Commission directed the Potomac Electric Power Company (“Pepco”), as the SOS Administrator, to act as the counterparty to the long-term

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<sup>1</sup> *Formal Case No. 1017*, Order No. 19897, ¶ 1, rel. April 12, 2019.

<sup>2</sup> *See* RM41-2020-02, *In the Matter of 15 DCMR Chapter 41-District of Columbia Standard Offer Service Rules*, Order No. 20715, rel. March 23, 2021.

<sup>3</sup> Order No. 19897, ¶ 22. Under the District of Columbia Official Code, “[i]n supervising and regulating utility or energy companies, the Commission shall consider the public safety, the economy of the District, the conservation of natural resources, and *the preservation of environmental quality, including effects on global climate change and the District’s public climate commitments.*” D.C. Code § 34-808.02 (2019) (emphasis added).

<sup>4</sup> Order No. 19897, ¶ 33. The Commission indicated that it wanted to monitor the impact of the five percent (5%) SOS PPA on ratepayers before increasing the target quantity.

<sup>5</sup> Order No. 19897, ¶ 35.

renewable energy PPA and file a revised RFP and draft PPA to procure the renewable energy.<sup>6</sup> By Order No. 20636, the Commission approved Pepco's RFP and draft PPA.<sup>7</sup>

3. The RFP required initial proposals to provide the following: (1) a facility located in the PJM region; (2) a facility at least ten megawatts (10 MW) in size; (3) a fifteen (15)- or twenty (20)-year term; (4) evidence of the bidders' (or their affiliates') experience in the operation or development of onshore wind or solar electricity generating assets; (5) a delivery schedule of onshore wind or solar energy generation; (6) the current status of site control efforts and a detailed plan to achieve full site control; (7) the proposed interconnection of the facility and what rights the bidder has acquired for interconnection; (8) identities of the parties that will have the responsibility to develop, finance, construct, and operate the facility; (9) a single, fixed price for the entire term or a price with a fixed annual escalation through the entire term; (10) pricing that is not contingent on future receipt of any state and/or federal tax credits or other incentives; (11) for solar facilities, an availability guarantee of ninety percent (90%) during the first contract year and ninety-five percent (95%) in all other contract years; and (12) for onshore wind facilities, an availability guarantee of ninety percent (90%) for the entire term.<sup>8</sup>

4. On July 25, 2022, Pepco filed a letter informing the Commission that it had finalized negotiations regarding the PPA required by Order Nos. 20636 and 20327.<sup>9</sup> By Order No. 21413, the Commission approved the executed PPA.<sup>10</sup>

5. On April 21, 2023, Pepco filed a letter informing the Commission that on February 21, 2023, it received a letter from the counterparty to the PPA invoking its contractual right to terminate because it had failed to contract for the sale of ninety percent (90%) of the project. Pepco proposes that the Commission issue an order directing Pepco to issue a new RFP with more flexible terms (e.g., more than five percent (5%) of the SOS load and/or longer contract duration and allow for bidding by existing renewable projects) to attract more bidders.<sup>11</sup>

6. The Commission requests that interested persons file comments on the terms Pepco proposed and/or propose other terms the Commission could include in a new RFP on or before June 5, 2023. Comments should be filed with the Commission Secretary at [psc-commissionsecretary@dc.gov](mailto:psc-commissionsecretary@dc.gov) – subject “Formal Case No. 1017.” Copies of Pepco's proposal can

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<sup>6</sup> *Formal Case No. 1017*, Order No. 20327, ¶¶ 1, 39, 44, 48, 50, rel. April 9, 2020.

<sup>7</sup> *Formal Case No. 1017*, Order No. 20636, ¶¶ 1, 5, rel. October 1, 2020.

<sup>8</sup> *Formal Case No. 1017*, Potomac Electric Power Company's 2020 Solicitation for New Photovoltaic Solar and Onshore Wind Power Supply Generation and Renewable Energy Purchase Agreement, filed September 23, 2020 (“Pepco's RFP”).

<sup>9</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Confidential Summary of Renewable Energy Purchase Agreement at 1, filed July 25, 2022.

<sup>10</sup> *Formal Case No. 1017*, Order No. 21413, rel. August 3, 2022.

<sup>11</sup> *Formal Case No. 1017*, Potomac Electric Power Letter, filed April 21, 2023.

be accessed by visiting the Commission's website at [www.dcpssc.org](http://www.dcpssc.org). Once at the website, open the "eDocket" tab, click on "Search Current Dockets," and input "FC1017" as the case number.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION**

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

**CHIEF CLERK:**

**BRINDA WESTBROOK-SEDGWICK  
COMMISSION SECRETARY**