



## CONSUMER ADVISORY

For Immediate Release: May 30, 2024

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### DCPSC Alerts Consumers of Summer Rate Increase for Electric Generation

(Washington, D.C.) - The Public Service Commission of the District of Columbia (Commission) is notifying consumers receiving electricity through Pepco's Standard Office Service (SOS) that prices for electric generation will increase on June 1, 2024. This rate increase could cause District consumers to see an increase in their electricity costs, up to 8% for residential customers and 8.1% for small commercial customers.

"As summer approaches and residents prepare for increased electricity usage during hot days, consumers are advised to budget for higher utility costs and explore retail choice options," stated Commission Chairman Emile C. Thompson.

A consumer's bill for electricity service consists of three cost components – generation, transmission, and distribution – plus various taxes and surcharges. After the District of Columbia's retail electric market was restructured in 1999 (i.e., distribution, generation, and transmission), the Commission retained regulation over Pepco's electric delivery or distribution services and only sets rates for the distribution portion of a customer's bill. The Federal Energy Regulatory Commission establishes transmission rates. The Commission does not regulate electricity generation rates.

Beginning June 1, Pepco reports the following increase for residential and small commercial customers:

- The total bill for an SOS residential customer will increase by about \$8.12 or 8% per month for the average user of 631 kilowatt hours (kWh) per month.
- The total bill for an SOS small commercial customer will increase by about \$21.44 or 8.1% per month for the average user of 1,519 kWh/month.

The residential SOS customer's generation rate (which includes an administrative charge) during the summer will increase from 8.4 cents per kWh to 9.6 cents per kWh, while the winter generation rate will increase from 9.3 cents per kWh to 10.6 cents per kWh.

District electric customers can choose a licensed electricity supplier to provide electric generation at competitive rates not regulated by the Commission. SOS is the default electricity service for customers who have not chosen to purchase electricity from a licensed competitive electricity supplier. The Commission selected Pepco to serve as the District's SOS administrator to procure electric generation for SOS customers. The District's SOS procurement process seeks to provide SOS customers with rates that are reflective of market conditions while at the same time protecting against extreme volatility.

SOS electric generation rates fluctuate based on market prices determined through a competitive bidding process overseen by the Commission. These rates are influenced by various factors, including fuel and generation costs, transmission expenses, wholesale market dynamics, time of day, and customer usage patterns, leading to potential variations in electric rates.

There are several ways for District residents to possibly lower their energy bills. Please see the tips below:

1. Use energy-efficient appliances. Choose appliances with the **ENERGYSTAR** label, which indicates that they are more energy-efficient than standard models.
2. Make it a habit to turn off lights, televisions, computers, and other electronics when you're not using them. Even on standby mode, electronics can still consume power.
3. Set your thermostat to an energy-efficient temperature, such as 78 degrees Fahrenheit during the summer and 68 degrees Fahrenheit during the winter.
4. Try to take advantage of natural light during the day by opening blinds and curtains.
5. Be sure to seal air leaks around doors and windows to prevent heat loss in the winter and cool air loss in the summer.
6. Installing and utilizing ceiling fans can help to circulate air and make a room feel cooler in the summer and warmer in the winter.
7. Switch to LED light bulbs, which are more energy-efficient than traditional incandescent bulbs.
8. **Monitor your energy usage:** Keep track of your energy usage by using a smart meter or monitoring system to identify where you can reduce your energy consumption.

As an energy consumer in the District, the Commission also urges you to explore the following options to manage your electricity costs:

1. Visit [DC Power Connect](#) to compare your options for electricity.
2. Visit Pepco's [website](#) to get more information on energy efficiency, incentives and rebates.
3. Visit the Commission website at [www.dcpsc.org](http://www.dcpsc.org) or call the Office of Consumer Services at **202-626-5120**.

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