

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

PUBLIC NOTICE

CAPITAL GRID PROJECT

July 6, 2018

**FORMAL CASE NO. 1144, IN THE MATTER OF THE POTOMAC ELECTRIC
POWER COMPANY'S NOTICE TO CONSTRUCT TWO 230kV
UNDERGROUND CIRCUITS FROM THE TAKOMA SUBSTATION TO THE
REBUILT HARVARD SUBSTATION AND FROM THE REBUILT HARVARD
SUBSTATION TO THE REBUILT CHAMPLAIN SUBSTATION (CAPITAL
GRID PROJECT)**

1. The Public Service Commission of the District of Columbia ("Commission") gives notice that on June 29, 2018, the Potomac Electric Power Company ("Pepco" or "Company") filed a Notice of Construction ("NOC"), seeking approval of its proposed Capital Grid Project ("Notice").¹ Pepco filed its NOC pursuant to 15 DCMR § 2111.1² and in compliance with Commission Order Nos. 19274³ and 19313.⁴ *Formal Case No. 1144*, involves the Commission's investigation into the reasonableness, safety and need for Pepco's Capital Grid Project.

2. On May 10, 2017, Pepco filed the first of two NOCs with the Commission seeking approval of the first part of its Capital Grid Project.⁵ Under NOC-1, Pepco proposed to construct two 230kV underground transmission lines from the Takoma

¹ *Formal Case No. 1144, In the Matter of the Potomac Electric Power Company's Notice to Construct Two 230 kV Underground Circuits from the Takoma Substation to the Rebuilt Harvard Substation and From the Rebuilt Harvard Substation to the Rebuilt Champlain Substation (Capital Grid Project) ("Formal Case No. 1144")*, The Potomac Electric Power Company's Formal Notice of Construction of the Capital Grid Project, filed June 29, 2018 ("NOC").

² Pursuant to 15 DCMR § 2111.1 (2004), "An electric corporation which plans to construct inside the District of Columbia an underground transmission line in excess of sixty-nine thousand (69,000) volts, or substation connected to such line, shall file the formal notice with the Commission six months prior to the construction."

³ *Formal Case No. 1144*, Order No. 19274, ¶ 16, rel. February 14, 2008 ("Order No. 19274").

⁴ *Formal Case No. 1144*, Order No. 19313, ¶ 7 rel. April 5, 2018 ("Order No. 19313").

⁵ *Formal Case No. 1144*, Potomac Electric Power Company's Formal Notice of Construction of Capital Grid Project, filed May 10, 2017 ("Pepco's NOC-1").

Substation to the rebuilt Harvard Substation and from the rebuilt Harvard Substation to the rebuilt Champlain Substation that is being repurposed as a sub-transmission substation. At that time, Pepco explained that the Capital Grid Project will reconfigure its existing radial transmission system to increase resiliency and redundancy of supplies into the city by creating a networked transmission system that will also address the reliability risk associated with the aging infrastructure including the replacement of self-contained cables with solid, dielectric cables. Pepco represented that the proposed substation upgrades will accommodate more distributed energy resources (“DERs”). Pepco indicated that NOC-2 will include a new load-driven substation in the Mt. Vernon Triangle as well as completion of the 230kV underground circuits.⁶ According to Pepco, “the second NOC filing will include work from the rebuilt Champlain Substation to the Waterfront substation and will primarily address load-driven needs in Mt. Vernon Triangle and its surrounding neighborhoods.”⁷ Pepco also stated that the “second NOC will likely be filed in early 2018.”⁸

3. On May 24, 2017, the Commission issued a Public Notice of Pepco’s NOC-1, “opening an investigation into the reasonableness, safety and need for underground transmission lines and substations work proposed in Pepco’s NOC and invited interested persons to file comments and replies within 90 [] and 120 days, respectively.”⁹

4. After reviewing Pepco’s NOC-1 and the comments of interested persons, the Commission determined that “the purported overall reliability and resiliency benefits of the Capital Grid Project necessitates a holistic view of the entire Capital Grid project, incorporating both NOC-1 and NOC-2 since both projects are interconnected.”¹⁰ At that time, the Commission made no determination regarding the reasonableness, safety, and need for the proposed NOC-1 and NOC-2 facilities. The Commission simply determined that more information than what was provided in NOC-1 was needed in order for the Commission to complete a comprehensive evaluation regarding the reasonableness, safety, and need for the proposed NOC-1 and 2 facilities. Thus, Pepco was directed to refile its NOC-1 combined with NOC-2 as a single new comprehensive Capital Grid Application within 60 days from the date of the Order.¹¹ Subsequently, in Order No. 19313, the Commission granted Pepco’s request for an Enlargement of Time until June 29, 2018, to file the new NOC required in Order No. 19274.¹²

⁶ Pepco’s NOC-1 at 1.

⁷ Pepco’s NOC-1 at 2.

⁸ Pepco’s NOC-1 at 2.

⁹ *Formal Case No. 1144*, Public Notice at 1, rel. May 24, 2017 (“Notice”).

¹⁰ Order No. 19274, ¶ 12.

¹¹ Order No. 19274, ¶ 12.

¹² Order No. 19313, ¶¶ 7-8.

5. Because Pepco indicated that it had not decided whether to include the Mt. Vernon Substation in the NOC-2 filing and because the Mt. Vernon Substation is one of the options for consideration regarding Pepco's Capital Grid Application, Pepco was also directed to include an analysis both with and without the Mt. Vernon Substation in its comprehensive Capital Grid Application.¹³

6. Also, Pepco was directed to include additional information as outlined in Attachment A of Order No. 19274 to facilitate the Commission's review of Pepco's single new comprehensive Capital Grid Application. Among other items, Pepco was directed to provide an assessment of the District of Columbia Department of Energy and Environment's January 29, 2018, filing in *Formal Case No. 1130*,¹⁴ including an assessment of the Study prepared by Synapse Energy Economics which addresses the need and timing of the proposed Mt. Vernon Substation in the context of additional DER growth.¹⁵

7. On June 29, 2018, Pepco filed its NOC seeking approval of its proposed Capital Grid Project.¹⁶ According to Pepco, the Capital Grid Project is a long-term plan addressing the distribution system's resiliency, reliability and modernization needs, and, as proposed, with construction running from February 2019 through June 2026. As directed by the Commission, Pepco's NOC combines the two phases of the Capital Grid Project into a single comprehensive proposal. Generally, the NOC considers the expected load growth in specific areas of the District of Columbia and the growth in DERs, as well as potential alternative non-wire solutions. The Capital Grid Project involves rebuilding two existing substations (Harvard and Champlain Substations), constructing approximately 10 miles of underground transmission lines and constructing a new substation (Mt. Vernon Substation) in the District of Columbia. Pepco is also seeking authorization to pull cable through the conduit previously authorized by the Commission, to allow it to convert the existing Waterfront Substation to a 230kV substation. Also, as part of its Capital Grid Project, Pepco conducted a preliminary analysis regarding the use of non-wires solutions to defer the entire Mt. Vernon Substation. According to Pepco, the analysis included the use of demand response, photovoltaic distribution generation and storage batteries. Pepco states that "while the safe and reliable deferral of future substations in the District of Columbia using

¹³ Order No. 19274, ¶ 13.

¹⁴ *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability ("Formal Case No. 1130")*, Comments by the Department of Energy and Environment and Report by Synapse Energy Economics — Alternatives to Building a New Mt. Vernon Substation in Washington, DC filed January 29, 2018 ("Synapse Energy Economics Study").

¹⁵ Order No. 19274, ¶ 14.

¹⁶ Pepco's NOC-1.

alternative solutions may be on the horizon, the Mt. Vernon Substation is necessary in 2023 to relieve overloads on and oversteering of certain network feeder groups.”¹⁷

8. Pepco represents that it served a copy of the NOC on the affected Advisory Neighborhood Commissions and the Office of the People’s Counsel on the same date it filed its NOC with the Commission as required by Commission Rule 2111.3.¹⁸ Interested persons are invited to provide comments and reply comments within 90 and 120 days, respectively, from the date Pepco filed its Notice.¹⁹ Comments may be filed with Brenda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005 or PSC-CommissionSecretary@dc.gov.

9. Copies of Pepco’s Notice may be obtained by visiting the Commission’s website at www.dcpsec.org. Once at the website, open the “eDocket” tab, click on “Search database” and input “FC 1144” as the case number and “51” as the item number. Copies of Pepco’s Notice may also be purchased, at cost, by contacting the Commission Secretary at (202) 626-5150 or PSC-CommissionSecretary@dc.gov. Persons with questions concerning this Notice should call 202-626-5150.

¹⁷ *Formal Case No. 1144*, NOC at v-vii.

¹⁸ *See Formal Case No. 1144*, NOC Certificate of Service. Pursuant to 15 DCMR § 2111.3 (2004), “All information shall be served on the affected Advisory Neighborhood Commission(s) and the Office of the People’s Counsel on the same date it is filed with the Commission.”

¹⁹ *Formal Case No. 1144*, Order No. 19313, ¶ 8.