

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**

**NOTICE OF PROPOSED TARIFF  
NEW COMMENT PERIOD**

**FORMAL CASE NO. 1163, IN THE MATTER OF THE INVESTIGATION INTO THE  
REGULATORY FRAMEWORK OF MICROGRIDS IN THE DISTRICT OF  
COLUMBIA,**

1. The Public Service Commission of the District of Columbia (Commission) hereby gives notice, pursuant to Section 34-802 of the District of Columbia Official Code and in accordance with Section 2-505 of the District of Columbia Official Code,<sup>1</sup> of its intent to act upon the Potomac Electric Power Company's (Pepco or Company) proposed Standby Service Schedule – Rider S tariff amendment (Rider S) by December 19, 2023.

2. By Order No. 21172, the Commission directed Pepco to update the current Standby Service (Schedule S) to accommodate distributed energy resources focused on microgrids.<sup>2</sup> On August 1, 2023, Pepco filed a proposed tariff amendment to replace the current Standby Service Schedule (Schedule S) with Pepco's Standby Service Rider S (Rider S).<sup>3</sup> Pepco states that Schedule S is available to customers when part or all of the customer's electric or other power requirements normally are supplied by his own power-producing equipment and auxiliary service is desired for emergency or abnormal conditions. Schedule S provides for the reservation of production and transmission capacity by means of a per-kilowatt (kW) charge applied to the maximum number of kW that the Company is to stand ready to supply. Pepco contends that no customer is currently taking service under Schedule S.<sup>4</sup>

3. The proposed Rider S will be required in the District of Columbia portion of the Company's service area when a minimum of 15% or more of the customer's electric or other power requirements normally are supplied by the customer's own power-producing equipment with a generating capacity greater than 100 kilowatts (kW). Auxiliary service is supplied by the Company for emergency or abnormal conditions. The Rider S is not applicable to emergencies or other generation used solely as a backup to Company service.<sup>5</sup>

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<sup>1</sup> D.C. Official Code § 34-802 and D.C. Official Code § 2-505.

<sup>2</sup> *Formal Case No. 1163, In the Matter of the Investigation into the Regulatory Framework of Microgrids in the District of Columbia*, Order No. 21172, ¶ 1, rel. June 30, 2022. By Order Nos. 21527, 21577, and 21638, the Commission granted Pepco extensions until August 1, 2023, to file the proposed tariff.

<sup>3</sup> *Formal Case No. 1163*, Potomac Electric Power Company's Proposed Modifications to the Current Standby Service (Schedule S), filed August 1, 2023 Pepco's Standby Service (Rider S).

<sup>4</sup> Rider S at 1-2.

<sup>5</sup> Rider S at 2.

4. Pepco states that to properly accommodate a DER focus, the proposed Rider S modification is split into three (3) discrete charges: (1) Customer Charge, (2) Contract Demand Charge, and (3) Daily As-Used Demand Charge.<sup>6</sup> All three component charges will be applied to Rate Schedules MGT-LV, GT-LV, and GT-3A and are expounded on below:

- a. Customer Charge – This charge is derived from and is identical to the customer’s otherwise applicable rate schedule. It is the “baseline” to which the other two (2) charges are added to account for distribution capacity reservation costs.
- b. Contract Demand Charge – A per-kW charge applied to a Contract Demand that is set at the time the customer establishes their Standby contract and includes the customer’s maximum required capacity for both standby and distribution service. This charge is designed primarily to cover the costs of “local facilities” close to the point of delivery of the customer.
- c. Daily As-Used Demand Charge – a per-kW charge applied to the customer’s highest recorded thirty (30) minute demand during daily on-peak periods (“As-Used Daily Demand”). This charge is designed to account for all other capacity costs unrelated to “local facilities,” such as shared facilities.<sup>7</sup>

5. Pepco states that the Rider S is revenue-neutral at the class level in relation to otherwise applicable rate schedules. The “Effective” Distribution Service Charge is yet to be determined. Pepco requests that the Commission approve the revised retail transmission rates, which will subsequently be implemented approximately six (6) months following approval by the Commission.<sup>8</sup>

6. Pepco proposes to add/amend the following tariff pages:

**ELECTRICITY TARIFF, P.S.C. of D.C. No. 1**  
**Original Page No. R-60**  
**Second Revised Page No. R-16.1**

7. On October 20, 2023, the Commission published a Notice of Proposed Tariff to solicit comments on Rider S, due November 19, 2023.<sup>9</sup> On November 2, 2023, the Department of Energy and Environment filed a Motion for Enlargement of Time until December 19, 2023, for filing comments.<sup>10</sup> By Order No. 21927 the Commission granted the motion extending the

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<sup>6</sup> Rider S at 2.

<sup>7</sup> Rider S at 4-5.

<sup>8</sup> Rider S at 5.

<sup>9</sup> 70 *D.C. Reg.* 014104-014106 (October 20, 2023).

<sup>10</sup> *Formal Case No. 1160*, The Department of Energy and Environment’s Unopposed Motion for Enlargement of Time to File Comments on Notice of Proposed Tariff, filed November 2, 2023.

comment period.<sup>11</sup> As a result, the new comment period on Pepco’s proposed Standby Service Schedule – Rider S tariff amendment is December 19, 2023.

8. Any persons interested in commenting on the subject matter of this NOPT may submit written comments not later than December 19, 2023, addressed to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, NW, Suite 800, Washington, DC 20005, and sent electronically on the Commission’s website at [https://edocket.dcpsec.org/public/public\\_comments](https://edocket.dcpsec.org/public/public_comments). Copies of the proposed tariff amendment may be obtained by visiting the Commission’s website at [www.dcpsec.org](http://www.dcpsec.org). Once at the website, open the “eDocket” tab, click on “Search Current Dockets,” and input “FC1163” as the case number. Copies may also be purchased at cost by contacting the Commission Secretary at the address provided above. Persons with questions concerning this NOPT should call (202) 626-5150 or send an email to [psc-commissionsecretary@dc.gov](mailto:psc-commissionsecretary@dc.gov). After the comment period has expired, the Commission will take final action on Pepco’s proposed Standby Service Schedule – Rider S.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**



**CHIEF CLERK:**

**BRINDA WESTBROOK-SEDGWICK  
COMMISSION SECRETARY**

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<sup>11</sup> *Formal Case No. 1163, Order No. 21927, rel. November 13, 2023.*