

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

PUBLIC NOTICE

August 15, 2017

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

The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice that on August 1, 2017, the Potomac Electric Power Company (“Pepco” or “Company”), acting in its role as the Standard Offer Service (“SOS”) Administrator, filed, on behalf of the SOS Working Group, the proposed Wholesale Full Requirements Service Agreement (“WFRSA”) and Request for Proposals (“RFP”) for the 2017-2018 SOS Solicitation pursuant to 15 DCMR § 4101.3.¹

Each year by August 1, the SOS Administrator is required to file a WFRSA and RFP for the upcoming SOS solicitation.² Prior to that submission, the Company convenes the SOS Working Group to consider whether and to what extent the WFRSA and RFP should be revised or updated. In its submission, Pepco states that the SOS Working Group identified two substantive proposed changes to the 2017-2018 RFP and that there were no substantive changes to the 2017-2018 WFRSA.³

Section 3.7 of the 2017-2018 RFP has been revised to include a 24-hour cure period to provide an opportunity for wholesale suppliers to correct deficiencies in qualifications materials.⁴ This change has been made consistent with a directive in Commission Order No. 18829 in *Formal Case No. 1017*.⁵

¹ The specific procurement format, process, timeline, evaluation process, evaluation criteria, and model contract for the procurement of electricity supply shall be submitted to the Commission for its approval by the SOS Administrator by August 1 of the year prior to delivery. 15 DCMR § 4101.3 (2015).

² *Id.*

³ *Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia* (“*Formal Case No. 1017*”), Standard Offer Service Working Group’s Proposed Wholesale Full Requirements Service Agreement and Request for Proposals for the 2017 to 2018 SOS Solicitation, filed August 1, 2017 (“SOS Working Group’s Proposed WFRSA and RFP”).

⁴ SOS Working Group’s Proposed WFRSA and RFP.

⁵ By Order No. 18829, the Commission directed Pepco to add a 24-hour cure period to the RFP and WFRSA to allow for the cure of any deficiencies in qualification documents within 24 hours of the bid due date. *Formal Case No. 1017*, Order No. 18829, ¶¶ 350-353 and 394, rel. July 7, 2017.

In addition, Appendix A, the 2017-2018 Implementation Timeline, has been revised by removing the date certain for the filing of updated tariffs.⁶ Therefore, the Commission, if it approves this proposed change, will now prescribe the date for filing the updated tariffs by Order consistent with 15 DCMR § 4103.3.⁷

Pepco also notes that the SOS Working Group had one non-consensus issue. The SOS Working Group could not come to an agreement regarding “a proposal to transfer the PJM Billing Line Items associated with Generation Deactivation from the Supplier’s responsibility to the Buyer (see clean copy of the WFRSA, Exhibit E, Billing Line Items 1930, 1932, 2930, and 2932) so that the Buyer will collect from ratepayers through a pass-through mechanism.” The proposal was supported by two suppliers.⁸ Generation Deactivation charges, also known as Reliability Must-Run charges, compensate owners of generation facilities who had planned to shut down these facilities, but whose facilities PJM required instead to remain online to maintain system reliability. In the context of SOS, these costs can be assumed by either Pepco, as the SOS Administrator, or the wholesale SOS suppliers. In the past and currently, these costs have been assumed by suppliers which is reflected in the WFRSA and, therefore, factored into the prices that suppliers bid in the annual SOS auctions. Two suppliers in the SOS Working Group asked that the WFRSA be revised for the 2017-2018 solicitation such that Pepco assumes the cost of the Generation Deactivation charges. The Commission requests that interested persons provide comments on the proposed WFRSA and RFP and provide comments, in particular, on the non-consensus issue.

All persons interested in commenting on the proposed WFRSA and RFP may submit written comments not later than seven (7) calendar days after the Commission’s issuance of this Notice. Comments are to be addressed to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005. Copies of the proposed WFRSA and RFP may be obtained by visiting the Commission’s website at www.dcpsc.org. Once at the website, open the “eDocket” tab, click on “Search database” and input “FC 1017” as the case number and “765” as the item number. Copies of the proposed WFRSA and RFP may also be purchased, at cost, by contacting the Commission Secretary at (202) 626-5150 or PSC-CommissionSecretary@dc.gov.

⁶ SOS Working Group’s Proposed WFRSA and RFP.

⁷ After Pepco, as SOS Administrator, files its proposed retail rates and parties have had an opportunity to file comments, the Commission issues an Order approving or rejecting the new retail rates. If the Commission approves the retail rates, Pepco shall file its revised tariffs setting forth the new retail rates within seven calendar days of the Commission’s Order. 15 DCMR § 4103.3 (2015).

⁸ SOS Working Group’s Proposed WFRSA and RFP.