

**DETERMINATION AND FINDINGS
FOR
SHORT- TERM SOLE SOURCE CONTRACT**

Agency: DC Public Service Commission

Contract No.: PSC-21-01

Caption: Technical Consultant to Advise the Commission on Energy Related Issues in *Formal Case No. 1017, IN THE MATTER OF THE DEVELOPMENT AND DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA* (Peppo's Standard Offer Service ("SOS") in the District of Columbia)

Contractor: Bates White, LLC ("Bates White")

FINDINGS

1. Authorization

15 DCMR §2202.23 (c)

2. Minimum Need

The Public Service Commission ("Commission") has an immediate need for the current Contractor, Bates White, LLC ("Bates White") to provide technical services for a period of up to six (6) months, through March 31, 2021 or until the Commission awards a new contract. This short-term contract will assure the continuance of technical consulting services needed regarding Standard Offer Service ("SOS") procurement, including the Commission's regulatory oversight of the SOS Administrator's procurement of renewable energy through long-term renewable power purchase agreement(s) ("PPA") with a target quantify of 5% of the SOS load, and any other related matters during the impending period while a new solicitation and contract award for these services can be completed.

3. ESTIMATED FAIR AND REASONABLE PRICE:

The estimated fair and reasonable price is not to exceed Eighty Thousand Dollars (\$80,000.00).

4. FACTS WHICH JUSTIFY A SHORT- TERM SOLE SOURCE CONTRACT:

The purpose of this short-term sole source contract is to prevent a delay in the

Commission's mission critical regulatory oversight of the procurement of electricity supply services to District of Columbia customers that receive Standard Offer Services pursuant to D.C. Code §34-1509. Furthermore, the contract will facilitate the Commission in its implementation of a pilot program for the SOS Administrator to procure renewable energy through long-term power purchase agreements for electricity generated by solar or wind power facilities located within the PJM Interconnection region. This pilot program is significant in supporting the clean energy goals set forth in the CleanEnergy DC Omnibus Amendment Act of 2018 which requires the renewable energy to reach 100% of the energy supply by 2032. (See D.C. Code §34-1432 (c)(22)).

- 1) On September 29, 2017, the Contractor, Bates White, LLC ("Bates White"), was awarded the contract to provide technical consulting services to the Commission for a twelve (12)-month base year period and two additional, one-year option periods. The last option year expired on September 29, 2020.
- 2) The Commission has determined that it is in the best interest of the District to enter into a short term contract with Bates White for a period of six months or until a new contract is awarded, whichever comes first, where Bates White will continue providing technical consulting services to the Commission as delineated under the original contractual agreement.
- 3) The Contractor is currently providing technical consulting services to the Commission in its review and consideration of SOS procurement matters, including but not limited to: a) the SOS Administrator's (presently the "Potomac Electric Power Company" or "Pepco") annual Wholesale Full Requirements Service Agreement ("WFRSA") and Request for Proposals ("RFP"); b) Annual SOS auctions in December and January; c) long-term renewable energy power purchase agreement(s) for electricity generated by solar or wind power facilities located within the PJM Interconnection region with a target quantity of 5% of the SOS load; d) Pepco's tariff amendments updating the retail transmission rates included in SOS to reflect the current Federal Energy Regulatory Commission (FERC) approved wholesale transmission rates; and e) the Commission's biennial review of the provision of SOS in the District. The continuation of this critical technical advice will assist the Commission in its deliberation of issues impacting the procurement of electricity supply services to District SOS customers.
- 4) The continuation of services with the incumbent Contractor is the most advantageous method to assure continuity of highly technical advisory services for the SOS procurement process that is already in progress. Moreover, the Contractor is currently advising the Commission on its implementation of a pilot program to procure renewable energy through long-term power purchase agreements for electricity generated by solar or wind power facilities located within the PJM Interconnection region. The Contractor is currently reviewing an RFP filed by Pepco for the long-term renewable PPA and is advising the Commission on technical issues before the Commission takes action. This procurement is significant in supporting the clean energy goals set forth in the CleanEnergy DC Omnibus Amendment Act of 2018 which requires renewable energy to reach 100% of the energy supply by 2032. (See D.C. Code §34-1432 (c)(22)).
- 5) Bates White, LLC is providing exceptional technical consulting services as the current Contractor and therefore is uniquely positioned to ensure continuity of such services.

6) Inasmuch as the District is presently under a public emergency and public health emergency, (See Mayor's Orders 2020-045, 2020-046, 2020-050, 2020-063, 2020-066, and 2020-067), a short-term contract with the incumbent Contractor will provide more time for the Commission to adequately pursue a competitive solicitation process.

5. CERTIFICATION BY THE CONTRACT ADMINISTRATOR:

I hereby certify that the above findings are correct and complete to the best of my knowledge.

Dr. Grace Hu
Chief, Office of Economics

Date

Stephen A. Mormann
Director, Office of Technical & Regulatory Analysis

Date

6. CERTIFICATION BY THE DEPUTY EXECUTIVE DIRECTOR:

I hereby certify that the above findings are correct and complete to the best of my knowledge.

Kirsten B. Williams, Esq.
Deputy Executive Director

Date

DETERMINATION:

Based on the findings, I hereby determine that it is in the best interest of the Commission to award a sole source contract for the provision of acquiring technical consulting services using consultant procurement procedures in accordance with Title 15 DCMR §§ 2202.23 (a) & (d), 2202.29 and 2202.30.

Willie L. Phillips, Chairman
Contracting Officer

Date