

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

NOTICE

May 3, 2023

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

1. By Order No. 19897, the Public Service Commission for the District of Columbia (“Commission”) established “... a pilot program to procure renewable energy through long-term power purchase agreements (‘PPA’) for electricity generated by solar or wind power facilities located within the PJM Interconnection region (‘PJM’) with a target quantity of five (5) percent of the [Standard Offer Service (‘SOS’)] load.”¹ By Order No. 20715, the Commission amended Chapter 41 of Title 15 of the District of Columbia Municipal Regulations to integrate long-term renewable energy PPAs into the District’s SOS procurement portfolio.² The Commission noted that this introduction of long-term renewable energy PPAs into the SOS procurement portfolio would preserve “... the environmental quality, including effects on global climate change and the District’s public climate commitments.”³ Moreover, the Commission observed that, while the Commission was starting small with a target quantity of five percent (5%) of SOS load, it was taking direct action to reduce greenhouse gas emissions by promoting the construction of new renewable energy generation within PJM.⁴ To facilitate the establishment of this pilot program, the Commission directed that a planning meeting be scheduled and that the SOS Working Group produce, by July 31, 2019, a draft request for proposals (“RFP”) for long-term renewable energy PPAs, including the Renewable Energy Credits associated with the energy and draft revised SOS rules, if required, to accommodate this change in the SOS procurement portfolio.⁵

2. By Order No. 20327, the Commission directed the Potomac Electric Power Company (“Pepco”), as the SOS Administrator, to act as the counterparty to the long-term

¹ *Formal Case No. 1017*, Order No. 19897, ¶ 1, rel. April 12, 2019.

² *See* RM41-2020-02, *In the Matter of 15 DCMR Chapter 41-District of Columbia Standard Offer Service Rules*, Order No. 20715, rel. March 23, 2021.

³ Order No. 19897, ¶ 22. Under the District of Columbia Official Code, “[i]n supervising and regulating utility or energy companies, the Commission shall consider the public safety, the economy of the District, the conservation of natural resources, and *the preservation of environmental quality, including effects on global climate change and the District’s public climate commitments.*” D.C. Code § 34-808.02 (2019) (emphasis added).

⁴ Order No. 19897, ¶ 33. The Commission indicated that it wanted to monitor the impact of the five percent (5%) SOS PPA on ratepayers before increasing the target quantity.

⁵ Order No. 19897, ¶ 35.

renewable energy PPA and file a revised RFP and draft PPA to procure the renewable energy.⁶ By Order No. 20636, the Commission approved Pepco's RFP and draft PPA.⁷

3. The RFP required initial proposals to provide the following: (1) a facility located in the PJM region; (2) a facility at least ten megawatts (10 MW) in size; (3) a fifteen (15)- or twenty (20)-year term; (4) evidence of the bidders' (or their affiliates') experience in the operation or development of onshore wind or solar electricity generating assets; (5) a delivery schedule of onshore wind or solar energy generation; (6) the current status of site control efforts and a detailed plan to achieve full site control; (7) the proposed interconnection of the facility and what rights the bidder has acquired for interconnection; (8) identities of the parties that will have the responsibility to develop, finance, construct, and operate the facility; (9) a single, fixed price for the entire term or a price with a fixed annual escalation through the entire term; (10) pricing that is not contingent on future receipt of any state and/or federal tax credits or other incentives; (11) for solar facilities, an availability guarantee of ninety percent (90%) during the first contract year and ninety-five percent (95%) in all other contract years; and (12) for onshore wind facilities, an availability guarantee of ninety percent (90%) for the entire term.⁸

4. On July 25, 2022, Pepco filed a letter informing the Commission that it had finalized negotiations regarding the PPA required by Order Nos. 20636 and 20327.⁹ By Order No. 21413, the Commission approved the executed PPA.¹⁰

5. On April 21, 2023, Pepco filed a letter informing the Commission that on February 21, 2023, it received a letter from the counterparty to the PPA invoking its contractual right to terminate because it had failed to contract for the sale of ninety percent (90%) of the project. Pepco proposes that the Commission issue an order directing Pepco to issue a new RFP with more flexible terms (e.g., more than five percent (5%) of the SOS load and/or longer contract duration and allow for bidding by existing renewable projects) to attract more bidders.¹¹

6. The Commission requests that interested persons file comments on the terms Pepco proposed and/or propose other terms the Commission could include in a new RFP on or before June 5, 2023. Comments should be filed with the Commission Secretary at psc-commissionsecretary@dc.gov – subject “Formal Case No. 1017.” Copies of Pepco's proposal can

⁶ *Formal Case No. 1017*, Order No. 20327, ¶¶ 1, 39, 44, 48, 50, rel. April 9, 2020.

⁷ *Formal Case No. 1017*, Order No. 20636, ¶¶ 1, 5, rel. October 1, 2020.

⁸ *Formal Case No. 1017*, Potomac Electric Power Company's 2020 Solicitation for New Photovoltaic Solar and Onshore Wind Power Supply Generation and Renewable Energy Purchase Agreement, filed September 23, 2020 (“Pepco's RFP”).

⁹ *Formal Case No. 1017*, Potomac Electric Power Company's Confidential Summary of Renewable Energy Purchase Agreement at 1, filed July 25, 2022.

¹⁰ *Formal Case No. 1017*, Order No. 21413, rel. August 3, 2022.

¹¹ *Formal Case No. 1017*, Potomac Electric Power Letter, filed April 21, 2023.

be accessed by visiting the Commission's website at www.dcpsec.org. Once at the website, open the "eDocket" tab, click on "Search Current Dockets," and input "FC1017" as the case number.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**