

**4100 GENERAL PROVISIONS; SCOPE, APPLICABILITY AND AVAILABILITY OF STANDARD OFFER SERVICE; ELIGIBILITY FOR STANDARD OFFER SERVICE**

- 4100.1 The purpose of this chapter is to set forth the policies and procedures for the implementation of the Standard Offer Service (“SOS”) provisions of the “Retail Electric Competition and Consumer Protection Act of 1999,” as amended, and the “Community Renewable Energy Amendment Act of 2013” (“CREA”).
- 4100.2 This chapter establishes the Public Service Commission of the District of Columbia (“Commission”) Rules and Regulations Governing the Provision of Standard Offer Service (“SOS”), the terms and conditions for wholesale electric power supply procurement for SOS, reporting and monitoring procedures, pricing and true-up procedures, other services, and miscellaneous provisions and reservations. The procurement processes are for Wholesale Full Requirements Services and for a Long-Term Renewable Energy Power Purchase Agreement (“PPA”) or multiple PPAs to meet the SOS retail load. The energy to be procured pursuant to Long-Term Renewable Energy PPA(s) is initially targeted to serve (5) percent of SOS load with delivery expected to begin on June 1, 2024. This chapter shall be cited as the “District of Columbia Standard Offer Service Rules.”
- 4100.3 This chapter shall be applicable to the SOS Administrator and to retail customers in the Electric Company’s distribution service territory. This chapter also establishes the rules by which the SOS Administrator shall obtain electric supply for SOS and applies to wholesale bidders who compete for the provision of Wholesale Full Requirements Services. In addition, this chapter establishes the rules by which the SOS Administrator shall obtain renewable energy for SOS and will apply to Renewable Energy Generators who compete for the provision of electric supply pursuant to a Long-Term Renewable Energy PPA or multiple PPAs initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024. Finally, this chapter establishes the rules by which the SOS Administrator shall obtain electric supply from Community Renewable Energy Facilities (“CREFs”) as defined in Subsection 4199.1 and as described in Subsections 4109.1 through 4109.3 pursuant to the CREA. The provisions of this chapter are promulgated pursuant to authority set forth in Sections 34-1509(c), 34-1518.01(i), and 34-1504(c)(7) of the D.C. Official Code.
- 4100.4 All Electric Company distribution customers are eligible for SOS from the SOS Administrator and are subject to the general terms and conditions of the Electric Company’s tariffs and the Commission’s regulations, as they may change from time to time subject to the Commission’s approval or adoption of new regulations.
- 4100.5 SOS shall be available to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2) customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier; and (3) customers who do not choose a Competitive Electricity Supplier.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

**4101 SELECTION OF WHOLESALE SOS PROVIDERS OF FULL REQUIREMENTS SERVICE SUPPLY OF SOS AND RENEWABLE ENERGY GENERATORS OF LONG-TERM RENEWABLE ENERGY POWER PURCHASE AGREEMENTS**

- 4101.1 The Electric Company shall continue as the SOS Administrator for retail customers in the Electric Company's distribution service territory until such time as the Commission directs otherwise.
- 4101.2 The SOS Administrator shall obtain electric supply for SOS pursuant to a competitive wholesale procurement process for the provision of Wholesale Full Requirements Service supply of SOS as well as pursuant to a competitive procurement process for the provision of Long-Term Renewable Energy PPA supply of SOS (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024). In addition, pursuant to the CREA, the SOS Administrator is required to purchase the energy associated with the unsubscribed capacity of CREFs. The procurement processes for Wholesale Full Requirements Service and Long-Term Renewable Energy PPA supply of SOS shall solicit all of the electric supply for SOS customers except for the electric supply that is provided through the unsubscribed capacity of CREFs purchased by the SOS Administrator and the additional energy needed to make up for the nonload following nature of the renewable energy procured pursuant to Long-Term Renewable Energy PPAs.
- 4101.3 The SOS Administrator shall submit to the Commission by August 1 of the previous year, specific procurement format, form of request, process, timeline, evaluation process, evaluation criteria, and model contract for Wholesale Full Requirements Service supply of SOS for Commission approval. The SOS Administrator shall coordinate with other jurisdictions to ensure that bidding days for Wholesale Full Requirements Service supply of SOS do not coincide with multiple jurisdictions in the Mid-Atlantic area. The specific procurement format, form of request, process, timeline, evaluation process, evaluation criteria, and model contract for Long-Term Renewable Energy PPA supply of SOS shall be defined by the terms of the Requests For Proposals ("RFPs") for the Long-Term Renewable Energy PPA or PPAs.
- 4101.4 Subject to the review and approval of the Commission, the SOS Administrator shall solicit for Wholesale Full Requirements Service pursuant to a Wholesale Full Requirements Service Agreement ("WFRSA") with the Wholesale SOS Providers, which shall include the provision of electric energy, energy losses, generation capacity, ancillary services, and any other PJM- or FERC-approved services associated with the SOS Administrator's load obligation, except for network integration transmission service, which will be obtained by the SOS Administrator. Subject to the review and approval of the Commission, the SOS Administrator shall also solicit for renewable energy pursuant to a Long-Term Renewable Energy PPA or PPAs with Renewable Energy Generators. The Wholesale SOS Providers of Wholesale Full Requirements Service supply of SOS selected pursuant to a WFRSA shall be responsible for all congestion costs up to the delivery point at which the SOS Administrator takes the power to serve its SOS load.
- 4101.5 The SOS Administrator shall solicit seasonally differentiated summer and winter prices for electric supply procured through a competitive wholesale procurement process for the provision of Wholesale Full Requirements Service.

4101.6            Contracts for electricity supply may be of varied duration, as approved by the Commission, to stabilize prices for customers.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); As amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

## **4102 COMPETITIVE BID STRUCTURES**

- 4102.1 The SOS Administrator shall procure electric supply to meet its SOS obligations using competitive wholesale procurement processes to obtain Wholesale Full Requirements Service and to obtain renewable energy through a Long-Term Renewable Energy PPA or PPA(s) (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024) as described in this chapter as amended from time to time, and as adjusted for offsetting electric supply procured from CREFs, for each SOS Customer Group (as those SOS Customer Groups are defined in Subsection 4102.3), until the Commission directs the implementation of an alternative SOS procurement process.
- 4102.2 The Commission will conduct a review of the SOS Administrator's SOS program every other year, beginning in 2010, to make any appropriate adjustments to SOS as competitive developments in the District of Columbia change. All adjustments shall be prospective and all contracts entered into prior to these changes shall remain in full force and effect pursuant to the contract terms.
- 4102.3 The SOS Administrator shall establish three (3) groups of customers ("SOS Customer Groups"):
- (a) Residential Customers shall include customers served under Electric Company Rate Schedules: R and Master Metered Apartment customers, subject to any revisions made to the tariff sheets from time to time;
  - (b) Small Commercial Customers shall consist of the customers served under Electric Company Rate Schedules: GS-Non-Demand, T, TS, TN, and SL subject to any revisions made to the tariff sheets from time to time; and
  - (c) Large Commercial Customers shall include all commercial customers except those defined as Small Commercial Customers.
- 4102.4 The SOS Administrator shall issue Requests For Proposals ("RFPs") to competitive wholesale bidders for contracts for the supply of SOS in order to maintain the following contract term balances for the various customer portfolios:
- (a) Residential Customers: The SOS Administrator shall solicit fixed-price offers for terms of one year, two years, or three or more years. Alternative portfolios of supply options may be presented to the Commission for consideration. The SOS Administrator shall compile a portfolio of conforming offers consistent with the mix of terms determined by the Commission. The SOS Administrator shall select conforming offers to meet the Commission's percentage target(s) in accordance with the evaluation provision included in the RFP;
  - (b) Small Commercial Customers: The SOS Administrator shall solicit fixed price offers for Wholesale Full Requirements Service for some combination of one-, two-, and three- or more year terms. Alternative portfolios of supply options may be presented to the Commission for consideration; and
  - (c) Large Commercial Customers: The SOS Administrator shall solicit fixed price offers for Wholesale Full Requirements Service for one and/or two year terms.

The RFP for the Wholesale Full Requirements Service supply of SOS shall alert the competitive wholesale bidders to the fact that final service requirements may be adjusted to accommodate offsetting electric supply obtained by the SOS Administrator from CREFs.

4102.5 The SOS Administrator shall solicit wholesale bids for the Wholesale Full Requirements Service supply of SOS using the existing rate structures of its existing rate classes. Nothing herein, however, precludes the SOS Administrator from filing for a different rate structure for any rate schedule or SOS Customer Group, subject to Commission review and approval, provided that any such changes, adjustments, alterations, or modifications do not change or impact existing Wholesale Full Requirements Service Agreements.

4102.6 The SOS Administrator shall solicit wholesale bids for SOS supply using the existing rate structures of its existing rate classes. Nothing herein, however, precludes the SOS Administrator from filing for a different rate structure for any rate schedule or SOS Customer Group, subject to Commission review and approval, and provided that any such changes, adjustments, alterations, or modifications do not change or impact existing WFRSAs.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 62 DCR 3534 (April 2, 2021).

## **4103            STANDARD OFFER SERVICE RETAIL RATES**

- 4103.1            The retail rates to SOS customers will consist of the sum of the following components:
- (a)            The seasonally-differentiated and, if applicable, time-of-use differentiated load weighted average price of all awarded contracts for Wholesale Full Requirements Service for each SOS Customer Group;
  - (b)            The load weighted average price of all awarded contracts for Long-Term Renewable Energy PPA(s) supply of SOS;
  - (c)            Retail charges designed to recover, on an aggregate basis, FERC-approved Network Integrated Transmission Service charges (“NITS”) and related charges and any other PJM charges and costs incurred by the SOS Administrator directly related to the SOS Administrator’s SOS load obligation for each SOS Customer Group;
  - (d)            PJM Locational Marginal Price for energy in the Pepco District of Columbia sub-Zone, adjusted for ancillary service charges as specified in Subsection 906.4, for all unsubscribed electric supply purchased from CREFs;
  - (e)            The costs of any components not provided by the Long-Term Renewable Energy PPA(s), including but are not limited to, the cost of energy (needed to make up for the non-load following nature of renewable energy); capacity; the cost of meeting the District’s Renewable Energy Portfolio Standard; credit and risk; losses and congestion; and ancillary services;
  - (f)            An administrative charge; and
  - (g)            Applicable taxes.
- 4103.2            When the winning wholesale bidder(s) are selected for the Wholesale Full Requirements Service supply of SOS, the SOS Administrator shall submit to the Commission:
- (a)            The names of the winning bidders, which shall remain confidential subject to Subsection 4111.5 of this chapter;
  - (b)            The retail rates for all the customer classes according to the Commission pre-approved time schedule. Such rates shall consist of all the components included in Subsection 4103.1;
  - (c)            A detailed calculation and explanation of an administrative charge; and
  - (d)            Administrative charge true-up provisions.
- 4103.3            There shall be a period of seven (7) and twelve (12) calendar days for comments and reply comments after the SOS Administrator’s submission to the Commission of the retail rates and administrative charge for the Wholesale Full Requirements Service supply of SOS, pursuant to Subsection 4103.2. The Commission shall thereafter issue an Order approving or rejecting the retail rates and/or administrative charge. The SOS

Administrator shall file a revised tariff setting forth the new retail rates and/or administrative charges within seven (7) calendar days of the Commission's Order approving the rates and charges.

- 4103.4 The administrative charge is designed to recover the SOS Administrator's incremental costs for procuring and providing the service. Actual incremental costs shall include, but not be limited to, a proportionate share of SOS customer uncollectibles for each SOS Customer Group, Commission Consultant expenses (as described in Subsection 4110.1), SOS bidding expenses for both the Wholesale Full Requirements Service supply of SOS and Long-Term Renewable Energy PPA or PPAs (including all incremental expenses associated with the development and execution of Long-Term Renewable Energy PPAs), working capital expenses related to SOS for each SOS Customer Group, wholesale supply transaction costs related to Wholesale SOS Provider administration and transmission service administration, wholesale payment and invoice processing, incremental billing process expenses, customer education costs, incremental system costs, costs related to the purchases of electric supply from CREFs, and legal and regulatory filing expenses related to SOS requirements.
- 4103.5 Prior to the submission of bids for the Wholesale Full Requirements Service supply of SOS, the SOS Administrator shall file a request with the Commission (with notice to all the Parties) for determination of the appropriate amount of its administrative charge to be included in the retail rates to SOS customers. In calculating the Administrative Charge, the return component on the administrative charge, for the Wholesale Full Requirements Service supply of SOS as prescribed in Order No. 18829 issued July 7, 2017, and for the supply of SOS provided by the Long-Term Renewable Energy PPA or multiple PPAs as prescribed in Order No. 20327 issued April 9, 2020, as modified by any subsequent Commission Order or Orders, shall not be reflected for rate-making purposes in the establishment of the Electric Company's distribution rates, including the determination of the Electric Company's return for providing distribution service.
- 4103.6 All customers eligible for SOS will be informed of the applicable SOS retail rates, to the extent practical, for the service at least two (2) months prior to the beginning of each service year. If it is not practicable to provide such notice, the SOS Administrator shall file with the Commission and serve upon the Parties notice of that fact, the reasons for the delay, and the expected date for the provision of such information.
- 4103.7 Retail prices to customers shall be adjusted at least twice a year to reflect seasonal pricing and other appropriate price changes. Prior to each year of SOS, the SOS Administrator shall file with the Commission, estimates of actual incremental costs for the upcoming year. Such costs will be collected from customers, on a load weighted average, subject to an annual adjustment to reflect actual costs.
- 4103.8 All investment, revenue and expenses associated with the provision of SOS by the Electric Company when serving as the SOS Administrator shall be separate from investment, revenues and expenses associated with the Electric Company's distribution service so that there will be no subsidization of the Electric Company's distribution rates.
- 4103.9 All SOS Customer Groups, as defined in Subsection 4102.3 of these rules, are responsible for the costs associated with any and all Long-Term Renewable Energy PPAs.

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SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).



## **4104                    COMPETITIVE                    WHOLESALE                    BIDDING                    AND CONTRACTING PROCESSES**

- 4104.1                    The SOS Administrator shall solicit offers for Wholesale Full Requirements Service supply of SOS and Long-Term Renewable Energy PPA supply of SOS (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024) via the RFPs approved by the Commission. The SOS Administrator shall remain the NITS provider and shall be the designated PJM Load Serving Entity (“LSE”) for all SOS. The SOS Administrator, as the PJM LSE, shall provide the rights to nomination and make available to the Wholesale SOS Providers all Firm Transmission Rights/Auction Revenue Rights (“FTR/ARRs”) to which it has rights pursuant to the PJM procedures applicable to FTR and ARR.
- 4104.2                    The SOS Administrator shall solicit seasonally differentiated and, if applicable, time-of-use differentiated prices. In the case of multi-year-term contracts, prices shall, in addition, be annually specified. The solicitation shall be conducted through as many as four bidding rounds, as specified in the RFP.
- 4104.3                    The total load associated with each SOS Customer Group shall be divided into bid blocks of approximately 50 MW to promote diversity of supply and reliable supply contract performance. Each bid block shall represent a percentage of the total SOS load that each Wholesale SOS Provider will be obligated to supply for the term of the contract regardless of changes in the magnitude of the total load for that SOS Customer Group. The size of the total load may vary from the 50 MW guideline for a particular group if the total load associated with a specific SOS Customer Group indicates that such variation is warranted. One reason for a variation may be to accommodate electric supply acquired from CREFs as described in Subsection 4109.1. The SOS Administrator may alter the target size of the bid blocks by requesting permission to do so at the same time as it informs the Commission of its procurement plan, but only if it has reason to believe that the change would lead to more competitive offers.
- 4104.4                    SOS service years shall continue annually beginning on June 1 of each year and ending on May 31 of the following year, consistent with PJM planning periods, until modified by Commission Order.
- 4104.5                    Potential Wholesale SOS Providers must demonstrate their qualifications to provide Wholesale Full Requirements Service by providing proof that they are qualified to participate in the PJM Markets and have all the necessary FERC authorizations to enter into wholesale energy contracts. Furthermore, the RFP and WFRSA shall specify the financial credit requirements that potential or actual Wholesale SOS Suppliers must demonstrate. Renewable Energy Generators must demonstrate their qualifications to provide renewable energy through a long-term PPA by providing proof that they are qualified to participate in the PJM Markets and have or will obtain all the necessary FERC authorizations to enter into wholesale energy contracts as required by the terms of the RFP for the Long-Term Renewable Energy PPA.
- 4104.6                    For Wholesale Full Requirements Service supply of SOS, the SOS Administrator’s RFP will include specific forms of bid request, evaluation plan, and the WFRSA. The evaluation plan contained in the RFP will specify that all bids to serve the load associated

with a specific SOS Customer Group and for a specific contract length will be compared on a discounted price basis to select the lowest cost winning bids.

- 4104.7 For Wholesale Full Requirements Service supply of SOS, upon completion of the bid evaluation process, the SOS Administrator will notify the winning bidders and execute a WFRSA with each winning bidder. Such contract execution will be contingent, however, on Commission approval of the bid awards, contracts and credit support provisions therein. The contract(s) will be deemed approved by the Commission unless the Commission orders otherwise within two (2) business days following their submission. Winning bidders will receive the actual prices in their offers for each year of the term of their supply contract. Winning bidders will not be permitted to revise prices or any other terms and conditions of the WFRSA, except as provided for in the WFRSA.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

## **4105 ESTABLISHMENT AND RE-ESTABLISHMENT OF STANDARD OFFER SERVICE**

- 4105.1 SOS shall be provided to any customer who purchases a new service within the District of Columbia and who does not obtain electric generation service from a Competitive Electricity Supplier at that time. There shall be no fee for a customer to establish SOS in this manner.
- 4105.2 Any customer taking service from a Competitive Electricity Supplier may terminate service with the Competitive Electricity Supplier and elect SOS upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.8.
- 4105.3 Any customer taking service from a Competitive Electricity Supplier who defaults may terminate service with the defaulting Competitive Electricity Supplier upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.8.
- 4105.4 Any customer who is slammed or switched to a Competitive Electricity Supplier by mistake can terminate service with the Competitive Electricity Supplier upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.8, and such customer shall be returned to the service that the customer was receiving prior to being slammed or the mistake occurring as if the slamming or the mistake had not occurred.
- 4105.5 All customers shall be eligible to switch from SOS to Competitive Electricity Suppliers and return to SOS without restrictions.
- 4105.6 The contract provisions and exit fees of the Competitive Electricity Supplier remain valid and shall be enforced before a customer will be permitted to switch to SOS or another Competitive Electricity Supplier.
- 4105.7 Notice of Transfers; Transfer of Service; Bill Calculation:
- (a) Notice of Transfer into SOS: A Customer who intends to transfer into SOS shall do so by notifying (by telephone, in writing, Internet or other technological means), both the Electric Company and the SOS Administrator, or by canceling service with its Competitive Electricity Supplier;
  - (b) Notice of Transfer out of SOS: Notice (by telephone, in writing, Internet or other technological means) that a SOS Customer will terminate SOS and obtain service from a Competitive Electricity Supplier shall be provided to the Electric Company and the SOS Administrator by the Customer's Competitive Electricity Supplier pursuant to Chapter 3 of Title 15 of the District of Columbia Municipal Regulations; and
  - (c) The Electric Company shall transfer a Customer to a Competitive Electricity Supplier in no later than three (3) business days after the receipt of the notice of an enrollment transaction from the Competitive Electricity Supplier. The Electric Company shall transfer a Customer to SOS in no later than three (3) business days after receiving the customer's request. The Electric Company will accept the last enrollment received at the relevant day's end.

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SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 65 DCR 13537 (December 14, 2018); as amended by Final Rulemaking published at 66 DCR 15255 (November 15, 2019); as amended by Final Rulemaking published at 68 DCR 7766 (August 6, 2021).

**4106 FINANCIAL CAPABILITY REQUIREMENTS FOR WHOLESALE SOS PROVIDERS OF THE WHOLESALE FULL REQUIREMENTS SERVICE SUPPLY OF SOS AND RENEWABLE ENERGY PROVIDERS OF RENEWABLE ENERGY THROUGH A LONG-TERM POWER PURCHASE AGREEMENT(S)**

- 4106.1 Financial capability requirements shall be imposed on Wholesale SOS Providers of the Wholesale Full Requirements Service supply of SOS and shall be consistent with provisions established in this Section. The financial capability requirements for renewable energy providers shall be defined by the terms of the RFP for the Long-Term Renewable Energy PPA or PPAs (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024).
- 4106.2 Each Wholesale SOS Provider shall obtain and file with the Commission a bond, a letter of credit, or a corporate guarantee that will provide assurances of financial integrity and funding for replacement service in the event that the Wholesale SOS Provider fails to provide for uninterrupted service. If a corporate guarantee is obtained, it must conform to the Commission-approved form.
- 4106.3 The amount of the financial capability requirement for the Wholesale SOS Provider in the Electric Company's service territory shall be equal to fifteen (15) percent of the Wholesale SOS Provider's bid obligation for the SOS class(es) the provider is awarded, and expected to serve, in the Electric Company's service territory.
- 4106.4 The amount of the financial capability requirement shall be commensurate with the remaining outstanding bid obligation of the Wholesale SOS Provider throughout the term of the Wholesale SOS Provider's awarded contract period, and reduced annually from the initial amount determined at the beginning of the term of the Wholesale SOS Provider's service.
- 4106.5 The proceeds of the bond, or letter of credit, or corporate guarantee, as necessary, shall be payable to the SOS Administrator to whom the wholesale bidder is obligated to provide service. The proceeds of the bond, letter of credit, or corporate guarantee shall be used only to defray the additional costs of replacement SOS in the event of interrupted service. For purposes of this provision, additional costs are all costs that are incurred or will be incurred to acquire replacement SOS, including supply and administrative costs, through the remaining SOS term that exceed the amounts paid or to be paid by SOS customers at the SOS rates in effect at the time of the Commission's declaration of a Wholesale SOS Provider's default.
- 4106.6 A corporate guarantee permitted by Subsections 4106.2, 4106.3, and 4106.4, may be issued by an affiliate of the Wholesale SOS Provider or a third party that meets the financial credit requirements set forth in Subsections 4106.2, 4106.3, and 4106.4.
- (a) The corporate guarantee must meet all of the requirements of Subsections 4106.2, 4106.3, and 4106.4, and shall be unconditional and irrevocable and provide for payment within five (5) business days for the period of the standard offer term.

- (b) A corporate guarantee may be used to satisfy the requirement of Subsections 4106.2, 4106.3, and 4106.4, if the corporate guarantor meets the following financial qualifications and capabilities:
  - (1) The senior unsecured debt obligations of the guarantor are publicly rated, at a minimum, "BBB-" from S&P or Fitch, or "Baa3" from Moody's;
  - (2) The total assets of the guarantor are at least 5.0 times the amount of the corporate guarantee amount required by Subsections 4106.2, 4106.3, and 4106.4; and
  - (3) The total common equity of the guarantor is at least 2.5 times the amount of the corporate guarantee amount required by Subsections 4106.2, 4106.3, and 4106.4.
- (c) If a corporate guarantor's senior unsecured debt obligations are rated by: (i) two of the agencies listed in Subsection 4106.6(b)(1), the guarantor's rating will be determined by the lower assigned rating; or (ii) all three of the agencies listed in Subsection 4106.6(b)(1), two of those agencies must have assigned ratings equal to or higher than the required ratings described above.
- (d) If, at any time, the senior unsecured debt obligations of the corporate guarantor fail to meet the requirements of Subsection 4106.6(b), the corporate guarantor or the Wholesale SOS Provider shall immediately notify the Commission in writing.
- (e) If the corporate guarantor fails to meet any of the financial capability requirements, the Commission may, at its option, require the Wholesale SOS Provider to post a bond or file a letter of credit as described in Subsections 4106.2, 4106.3, and 4106.4.

4106.7 If at any time during the term of the supplier agreement between the Wholesale SOS Provider and the SOS Administrator, the SOS Administrator's credit rating is downgraded below investment grade, as defined in Section 4199, the Wholesale SOS Provider has the right to require the SOS Administrator to make payments to the Wholesale SOS Provider on an accelerated basis during the downgrade period. Payments made under the acceleration clause may be made on a weekly basis.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

## **4107 REPORTING REQUIREMENTS AND TRUE UP PROVISIONS**

- 4107.1 Within ninety (90) days of the conclusion of each year of SOS bidding, the Electric Company shall submit a report to the Commission on its wholesale electric supply procurement process and results, SOS retail prices produced, the aggregated SOS enrollment activity for each service class (including the number of customers, megawatt peak load, megawatt hour energy and switching to and from the service) ); a report on the amount of electric supply acquired from CREFs during the previous year; and a report of all true-ups conducted for that year. This requirement is not intended to replace or supersede any other reporting requirements imposed by the Commission on the SOS Administrator.
- 4107.2 If the SOS Administrator conducts wholesale bidding for a type of service on the basis of aggregated rate classes for the Wholesale Full Requirements Service supply of SOS or for the Long-Term Renewable Energy PPA supply of SOS (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024), the SOS Administrator shall make any needed true-ups on an aggregated basis.
- 4107.3 In addition to the other true-ups described herein, the Electric Company shall true-up its total costs for providing each type of service (Residential, Small Commercial, and Large Commercial) with its total billed revenues for that service. If the service type is still being provided when the true-up is completed, rates will be adjusted to reflect any over- or under-recoveries established in the true-up. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a mechanism to be determined in accordance with the procedures set forth in Section 4107.13. All retail price changes resulting from the true-up filings shall be reviewed annually by the Commission.
- 4107.4 The SOS Administrator will conduct the true-ups described herein to reflect the start of summer rates and concurrent with the start of non-summer rates. The SOS Administrator may conduct more frequent true-ups if it so chooses. Any revisions to retail electric rates resulting from the application of the true-up provisions shall be reflected in the prices posted on the Electric Company's web page. The true-ups are subject to audit by the Commission.
- 4107.5 The SOS Administrator shall true-up its billings to retail customers for services provided pursuant to Subsection 4103.1 against its payments to Wholesale SOS Providers for the Wholesale Full Requirements Service supply of SOS, to Renewable Energy Generators for the Long-Term Renewable Energy PPA(s) supply of SOS, and to CREFs. The SOS Administrator shall also true-up its billings to retail customers to reflect any net damages recovered by the SOS Administrator from a defaulting Wholesale SOS Provider for the Wholesale Full Requirements Service supply of SOS or a Renewable Energy Generator for the Long-Term Renewable Energy PPA supply of SOS in accordance with Subsection 4111.3. The Commission will audit true-ups annually. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a mechanism to be determined in accordance with the procedures set forth in Subsection 4107.13.

- 4107.6 For the Wholesale Full Requirements Service supply of SOS, for the purpose of determining such true-up, the SOS Administrator's payments to its Wholesale SOS Providers shall exclude payments made with respect to the upward adjustment in a Wholesale SOS Provider's load arising from the activation of the Electric Company's load response programs and shall exclude any downward adjustment to a Wholesale SOS Provider's load arising from the SOS Administrator's acquisition of energy from a CREF.
- 4107.7 The retail price to Residential, Small Commercial, and Large Commercial customers posted pursuant to Section 4103.7 shall not change until after the first billing cycle following the start of service. Any difference between the Electric Company's incremental cost for serving SOS load and the Electric Company's revenue from serving SOS load based on the awarded bid prices shall be included as part of the retail rate true-up.
- 4107.8 Price Elements – Section 4103.1(a) shall include the additional costs (if any) that a wholesale supplier incurs in meeting any future statutory renewables requirements with respect to Residential, Small Commercial, and Large Commercial SOS. In the event that legislation is enacted that provides for a renewable energy resource requirement during the term of any WFRSA that has already been executed, wholesale suppliers under the WFRSA may pass through their commercially reasonable additional costs, if any, associated with complying with the new requirement.
- 4107.9 If at any time any additional price elements resulting from a change in law and directly related to the SOS are identified by the Electric Company or a wholesale supplier, the Electric Company and/or the wholesale supplier may file a request with the Commission (with notice to all the Parties) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a change in law in connection with the provision of SOS and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price.
- 4107.10 The net costs included in retail prices pursuant to Subsection 4103.1(c) shall be recovered on a \$/kW basis (energy basis) for non-demand tariff schedules and/or on a \$/kW basis (demand basis) for demand tariff schedules. However, the SOS Administrator may request Commission approval to use alternate rate designs to recover NITS-related costs. The SOS Administrator may true-up its billings to retail customers for transmission services provided pursuant to Subsection 4103.1(c) against its payments for these services to PJM. The Commission may audit these true-ups annually. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a mechanism to be determined in accordance with the procedures set forth in Subsection 4107.13
- 4107.11 To the extent not already recovered through the PJM Network Integration Transmission Service charges, any future surcharges assessed to network transmission customers for PJM-required transmission enhancements pursuant to the PJM Regional Transmission Expansion Plan, or for transition costs related to elimination of through-and-out transmission charges will be included in the charges under Subsection 4103.1(c). Pursuant to the WFRSA, the Wholesale SOS Providers bear the risk of any other changes in PJM products and pricing during the term of their WFRSAs. However, if there are any



other new FERC approved PJM transmission charges or other new PJM charges and costs charged to network transmission customers, the SOS Administrator may recover them through retail rates:

- (a) The SOS Administrator will file with the Commission, and provide notice to all parties to the proceeding, a request for approval to recover such new charges through the SOS Administrator's retail rates under Subsection 4103.1(c); and
- (b) The Wholesale SOS Provider will charge the SOS Administrator only for those new costs that the Commission determines may be recovered in rates by the SOS Administrator. In no event will the SOS Administrator bear the risk of any changes in regulation or PJM rules related to such costs or charges. Also, in no event shall any PJM charges to other than network transmission customers be recovered through the SOS Administrator's retail transmission rates for SOS service, except to the extent (if any) provided in Subsection 4103.1.

4107.12 The actual administrative costs for a given SOS year shall be used to true-up the estimated administrative costs for that same year, and any over- or under-collection of costs shall be applied to the estimated administrative costs for the next SOS program year for each SOS Customer Group. The Commission may audit such true-ups annually.

4107.13 At the end of any SOS period for a Customer Group, and after actual costs incurred by the SOS Administrator pursuant to Subsection 4103.1 have been determined, the parties to the proceeding will agree upon a mechanism with respect to actual costs, to return any over-collection to, and to collect any under-collection from, all active customers who would have been eligible for the service type at the conclusion of any service type period. If the parties to the proceeding fail to agree within a reasonable period, the matter will be submitted to the Commission for decision.

4107.14 Within ninety (90) days of the conclusion of each year's SOS bidding, the SOS Administrator shall submit a report to the Commission that details the value of the payments made to each Subscriber Organization for unsubscribed energy showing the price and the amount of unsubscribed energy underlying the payments for unsubscribed energy on a monthly basis.

Source: Final Rulemaking published at 56 DCR 5404, 5415 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); As amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

**4108 BID DOCUMENTS AND INFORMATION PROVIDED BY THE SOS ADMINISTRATOR TO POTENTIAL BIDDERS FOR WHOLESALE FULL REQUIREMENTS SERVICE SUPPLY OF SOS**

4108.1 The Request For Proposal (“RFP”) is the document pursuant to which the Electric Company shall solicit Wholesale Full Requirements Service to meet its SOS obligations that are not met by the Long-Term Renewable Energy PPA(s). (The SOS Administrator also solicits the Long-Term Renewable Energy PPA(s) supply of SOS through one or more RFPs.) The RFP shall include the bid request process, the bid evaluation methodology, the timeline for the RFP process, and the following five appendices:

- (a) Expression of Interest Form;
- (b) Confidentiality Agreement;
- (c) Credit Application;
- (d) Bid Form Spreadsheets; and
- (e) Binding Bid Agreement.

4108.2 The SOS Administrator shall provide to potential wholesale SOS bidders the following actual and historical information for the thirty-six (36) months preceding the month in which the data is to be submitted to the Commission. The SOS Administrator shall provide such data on its RFP website on a date to be specified by the Commission.

- (a) Monthly and hourly demand, energy consumption and load profile data, as defined by the Commission, aggregated for each SOS customer class. For Large Commercial customers, if an individual customer’s load data will be disclosed, customer written consent is required;
- (b) Number of customers in each SOS customer class and the number of customers taking SOS within each customer class;
- (c) Representative load shapes for each of the SOS Administrator’s profile group and sub-groups by month, provided that if an individual customer’s load shape will be disclosed, written customer consent is required;
- (d) Hourly delivery data;
- (e) Billing determinants on electronic spreadsheets;
- (f) System losses;
- (g) The amount of electric supply acquired from CREFs and the total capacity of all authorized CREFs; and
- (h) Other information as determined by the Commission to be necessary or useful to

wholesale SOS bidders.

- 4108.3      The general requirements and conditions for information submitted by the SOS Administrator to potential wholesale SOS bidders are as follows:
- (a)      Aggregate data: All information required to be provided by Subsection 4108.2 shall be provided on an aggregate class basis. Individual customer information shall not be provided without the customer's written consent.
  - (b)      Historic Data Period: All information provided will reflect usage during the most recent thirty-six (36) month period, where available. Information describing factors that would cause the information to be unrepresentative of electricity usage during the SOS period shall also be provided.
  - (c)      Due Care; Corrections: The SOS Administrator shall use due care in compiling the required information with the understanding that bidders will be relying on the data to formulate SOS bids. The SOS Administrator shall have the duty to correct any inaccuracies promptly upon discovery.
  - (d)      Affiliated Interests: The SOS Administrator shall not provide any information to an affiliated wholesale SOS bidder that is not provided to all potential wholesale SOS bidders. The SOS Administrator must comply with the code(s) of conduct adopted by the Commission.
  - (e)      Electronic Form; Standard Software: The SOS Administrator shall provide all information in electronic form usable by standard personal computer software packages; and
  - (f)      Scope and Format: The Commission will determine the scope and detail of the information required by Subsections 4108.2, 4108.3(a), 4108.3(b), and 4108.3(e).

Source: Final Rulemaking published at 56 DCR 5404, 5417 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); As amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

## **4109 DISTRIBUTION LEVEL GENERATION**

- 4109.1 Community Renewable Energy Facilities (“CREFs”) may provide electric supply to the SOS Administrator that shall be used to offset SOS purchases from Wholesale SOS Providers. All electric supply provided by CREFs shall become the property of the SOS Administrator, but shall not be counted toward the SOS Administrator’s total retail sales for purposes of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code §§ 34-1431 et seq.).
- 4109.2 If the electric production of a CREF is fully subscribed, the SOS Administrator shall pay the CREF through a CREF Community Net Metering (“CNM”) credit on the accounts of all of the CREF’s Subscribers. The SOS Administrator shall make no additional payment to the CREF.
- 4109.3 If the electrical production of a CREF is not fully subscribed, the SOS Administrator shall pay the CREF for the subscribed energy through a CNM credit on the accounts of all of the CREF’s Subscribers and shall purchase the unsubscribed energy produced by the CREF at the PJM Locational Marginal Price for energy in the PEPCO District of Columbia sub-Zone, adjusted for ancillary service charges as specified in Subsection 906.4. The SOS Administrator shall pay the Subscriber Organization for the purchased energy on a monthly basis consistent with Subsections 906.4 and 907.9.
- 4109.4 Transactions identified in Subsections 4109.1 through 4109.3 are outside of the WFRSA and not part of the Wholesale Full Requirement Service.
- 4109.5 The SOS Administrator shall file with the Commission for approval a draft of a contract to be used by the SOS Administrator to acquire energy generated by a CREF from a Subscriber Organization within forty-five days of the date this revised rule becomes effective as set out in the Notice of Final Rulemaking published in the *D.C. Register*.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015).

**4110 MARKET MONITOR CONSULTANT**

- 4110.1 The Consultant RFP is the document to be issued to hire the Commission’s Market Monitoring Consultant (“Consultant”). The SOS Administrator shall procure and pay for an independent consultant hired pursuant to the Consultant RFP. The Consultant shall be responsible for monitoring all aspects of the procurement of the SOS services. Specifically:
- (a) The Consultant shall be selected by, shall take its direction from, and shall provide its consultation and work products to the Commission.
  - (b) The costs incurred by the SOS Administrator in hiring the Consultant may be included in the SOS Administrator’s incremental costs and may be recovered through the Administrative Charge, subject to Commission review and approval.
  - (c) The Consultant shall provide the Commission and the Office of the People’s Counsel with a final report as to each supply procurement and award.
  - (d) The Commission shall determine the qualifications of and evaluate all bidders. The Commission shall further direct the SOS Administrator, in writing, as to which bidder to award a contract for consulting service and the terms and conditions of that contract with the exception of the terms and conditions specifically described in this Section. The SOS Administrator shall execute the contract with the Consultant no later than four (4) weeks prior to the date of the initial pre-bid conference. The SOS Administrator shall be required to pay only for work that the Consultant does in reviewing the SOS Administrator’s compliance with Section 4104 and any other work that the Commission asks the Consultant to perform.
  - (e) The contract term for the contract between the SOS Administrator and the Consultant shall be for one-year, with an option to extend the contract for two (2) additional one-year terms. The option(s) shall be exercised by the Commission in its sole discretion; and
  - (f) Prior to the expiration of the initial contract awarded under this section, the second and subsequent consultant services contracts shall be awarded and administered consistent with Subsections 4110.1(a)-(e) herein.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015).

## **4111 MISCELLANEOUS PROVISIONS**

- 4111.1 The SOS Administrator may at any time request Commission approval to make changes in the Electric Company's tariffs. However, to the extent that those tariff changes would require conforming changes to either the RFP for Wholesale Full Requirements Service supply of SOS, the WFRSA generally, or any WFRSA that may be in effect from time to time, or any Long-Term Renewable Energy PPA(s):
- (a) No such tariff changes may alter the rights and obligations of any Wholesale SOS Provider with respect to any WFRSA or any Renewable Energy Generator with respect to any Long-Term Renewable Energy PPA(s) for which an RFP has already been issued, unless the Wholesale SOS Provider or Renewable Energy Generator consents to have its rights or obligations changed;
  - (b) The SOS Administrator shall serve notice of the requested tariff change and copies of the proposed conforming changes to the RFP and/or WFRSA on all parties; and
  - (c) Any such tariff changes must be consistent with the regulations, orders or other obligations to which the SOS Administrator is subject.
- 4111.2 If, after conducting the bid procedures in accordance with the RFP, the SOS Administrator still has SOS load that has not been awarded to a Wholesale SOS Provider and cannot be supplied by CREFs, then:
- (a) The SOS Administrator shall initially supply the unserved load by purchasing energy and all other necessary services through the PJM-administered markets, including but not limited to the PJM energy, capacity, and ancillary services markets, and any other service required by PJM to serve such unserved load, and shall include all the costs of such purchases in the retail rates charged for the service for which the purchases are made.
  - (b) Within five (5) business days of it being determined by the SOS Administrator that the load is unserved, the SOS Administrator shall convene a meeting of all parties to the proceeding and Commission staff to discuss alternative ways to fill the unserved load, including but not limited to a rebid or a bilateral contract. The meeting process will conclude within ten (10) business days of the load being determined to be unserved, and within twenty (20) calendar days of it being determined that the load is unserved, the SOS Administrator shall file with the Commission, and serve upon the all parties to the proceeding, any proposal it has for serving the load in lieu of the procedure set forth in Subsection 4111.2(a); and
  - (c) The Commission will resolve the SOS Administrator's filing on an expedited basis. Any alternative means that the Commission approves will expressly provide that the SOS Administrator's costs for filling the load will be recovered in retail rates in the same manner as all other charges pursuant to Subsection 4103.1. Until the Commission approves an alternate means of filling the load, Subsection 4111.2(a) will apply.

- 4111.3 If any load is left unserved after a Wholesale SOS Provider of Wholesale Full Requirements Service or a Renewable Energy Generator pursuant to a Long-Term Renewable Energy PPA(s) defaults:
- (a) The SOS Administrator shall initially supply the unserved load by purchasing energy and all other necessary services through the PJM-administered markets, including but not limited to the PJM energy, capacity, and ancillary services markets, and any other service required by PJM to serve such unserved load, and shall include all the costs of such purchases in the retail rates charged for the service for which the purchases are made; and
  - (b) As soon as practicable after it is determined by the SOS Administrator that the load is unserved, the SOS Administrator shall file with the Commission a plan to fill the remaining term of the defaulted WFRSA or Long-Term Renewable Energy PPA(s). Such a plan shall be submitted to the Commission within ten (10) business days after a Wholesale SOS Provider or a Renewable Energy Generator default. Until the Commission approves a plan to fill the remaining term of the defaulted WFRSA, Subsection 4111.3(a) will apply.
- 4111.4 Access to confidential information relating to the SOS Administrator's procurement of SOS power supply will be governed by the OPC Confidentiality Agreement, the Consultant's Confidentiality Agreement contained in the Bidder RFP, and the Confidentiality Agreement contained in the RFP and the confidentiality provisions of the WFRSA (collectively the "Confidentiality Agreements").
- 4111.5 Ninety (90) days following the Commission's approval of the selection of winning bidders for the final tranche, the Commission will disclose upon request (a) the total number of bidders, and (b) the names of the winning bidders.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); ); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

**4112 LONG-TERM RENEWABLE ENERGY POWER PURCHASE AGREEMENT(S):**

- 4112.1 The SOS Administrator may supply a portion of Standard Offer Service with the Long-Term Renewable Energy PPA(s) (initially targeted to serve five (5) percent of SOS load with delivery expected to begin on June 1, 2024). The portion of SOS supplied by the Long-Term Renewable Energy PPA(s) will be determined by the Commission and procured by the SOS Administrator.
- 4112.2 The SOS Administrator may supply any components for the portion of the SOS load served by the Long-Term Renewable Energy PPA(s) not provided by the PPA(s) by purchasing such components from PJM wholesale markets. Such components may include, but are not limited to:
- (a) The cost of energy needed to account for the non-load following nature of renewable energy;
  - (b) Capacity;
  - (c) The cost of meeting the District's Renewable Energy Portfolio Standard (RPS);
  - (d) Losses and congestion; and
  - (e) Ancillary services
- 4112.3 Pursuant to Commission Order(s), the SOS Administrator will conduct a procurement to acquire electric supply through the Long-Term Renewable Energy PPA(s). The form of the procurement, quantity to be procured, and procurement documents will be reviewed and approved by the Commission prior to issuance by the SOS Administrator.
- 4112.4 The SOS Administrator shall present the results of any such procurements to the Commission for approval.
- 4112.5 The SOS Administrator will serve as the counter-party to any Long-Term Renewable Energy PPA(s).
- 4112.6 In the event of a default by a Renewable Energy Generator in the provision of Long-Term Renewable Energy PPA supply of SOS or in the event that there are any stranded costs associated with any such PPA(s), the SOS Administrator, as the counter-party to the PPA, will in no way be held liable for any costs associated with the default or any such stranded costs. In the event that such a default occurs or if such stranded costs result, all SOS Customer Groups, as defined in Subsection 4102.3 of these rules, will be responsible for the costs associated with any default or stranded costs.
- 4112.7 The SOS Administrator will be reimbursed for its costs associated with the procurement and administration of electric supply for SOS through the Long-Term Renewable Energy PPA(s) and receive a margin for the procurement and administration of any such PPA(s) consistent with Commission Order No. 20327, issued April 9, 2020, or as modified by any subsequent Commission Order.



- 4112.8 All Tier One Renewable Energy Credits (REC) generated pursuant to Long-Term Renewable Energy PPA supply of SOS shall be retired to meet the annual RPS obligations of all SOS suppliers, both Wholesale Standard Offer Service Providers and Renewable Energy Generators. Wholesale Standard Offer Service Providers or Renewable Energy Generators will be credited for a percentage of these RECs in accordance with the percentage of the year's SOS load that they served. Thus, for example, if a Wholesale Standard Offer Service Provider or Renewable Energy Generator served ten (10) percent of SOS load, this provider or generator would receive ten (10) percent of the RECs.
- 4112.9 In the event that a Renewable Energy Generator is providing energy generated by a solar energy system that is located within the District and in a location served by a distribution feeder serving the District pursuant to a Long-Term Renewable Energy PPA(s), the solar RECs produced by that solar energy system shall be distributed in the same manner as Tier One RECs are to be distributed in Subsection 4112.8.

SOURCE: Final Rulemaking published at 56 DCR 5404, 5422 (July 3, 2009); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).

**4113 – 4197            RESERVED**

Source: Final Rulemaking published at 56 DCR 5404, 5422 (July 3, 2009).

**4198 WAIVER OR EXEMPTION**

- 4198.1 Upon the request of any person subject to the provisions of these regulations or upon its own motion, the Commission, for good cause, may waive any of the requirements of these regulations that are not required by statute. No waiver granted pursuant to this provision shall apply retroactively to any wholesale supply agreement.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009).

## 4199 DEFINITIONS

4199.1 When used in this chapter, the following terms and phrases shall have the following meaning:

**Aggregator** – means a person who acts on behalf of customers to purchase electricity by organizing customers into a single purchasing unit.

**Availability of Standard Offer Service** – means the Standard Offer Service available on and after the initial implementation date to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2) customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier; and (3) customers who do not choose a Competitive Electricity Supplier.

**Behind-the-meter generator** – an on-site generator that is located behind a retail customer's meter such that no Electric Company-owned transmission or distribution facilities are used to deliver the energy from the generating unit to the on-site load.

**Commission** – means the Public Service Commission of the District of Columbia.

**Competitive Electricity Supplier or CES** – means a person, other than the SOS Administrator, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or, markets electricity for sale to customers, and shall have the same meaning as the term "Electricity Supplier" set forth Section 101 of the Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1501).

**Community Renewable Energy Facility or CREF** – means an energy facility with a capacity no greater than five (5) megawatts that: (a) uses renewable resources defined as tier one renewable sources in accordance with Section 3(15) of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431(15), as amended); (b) is located within the District of Columbia; (c) has at least two (2) Subscribers; and (d) has executed an Interconnection Agreement and CREF Rider with the Electric Company.

**Distribution Customer Class** – means the tariffed rate class under which a customer takes distribution delivery service from the Electric Company.

**Electric company** – includes every corporation, company, association, joint-stock company or association, partnership, or person doing business in the District of Columbia, their lessees, trustees, or receivers appointed by any court whatsoever, physically transmitting or distributing electricity in the District of Columbia to retail electric customers, excluding any person or entity distributing electricity from a behind-the-meter generator to a single retail customer behind the same meter and located on the same premise as the customer's meter. In addition, the term excludes any building owner, lessee, or manager who, respectively, owns, leases, or manages, the internal distribution system serving the building and who supplies electricity and other electricity related services solely to the occupants of the building for use by the occupants. The

term also excludes a Person or entity that does not sell or distribute electricity and that owns or operates equipment used exclusively for the charging of electric vehicles.

**Electricity supplier** – means a person, including an Aggregator, Broker, or Marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or markets electricity for sale to customers. The term excludes the following:

- (A) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to the occupants of the building for use by the occupants;
- (B) Any Person who purchases electricity for its own use or for the use of its subsidiaries or affiliates;
- (C) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, and who does not: (i) Take title to electricity; (ii) Market electric services to the individually-metered tenants of his or her building; or (iii) Engage in the resale of electric services to others;
- (D) Property owners who supply small amounts of power, at cost, as an accommodation to lessors or licensees of the property;
- (E) Consolidators;
- (F) Community Renewable Energy Facilities (CREFs) as defined in Section 4199.1 and as described in Sections 4109.1 through 4109.3 of Title 15, pursuant to the Community Renewable Energy Amendment Act of 2013 (D.C. Law 20-47; D.C. Official Code §§ 34-1518 *et seq.*);
- (G) An Electric Company; and
- (H) Any Person or entity that owns a behind-the-meter generator and sells or supplies the electricity from that generator to a single retail customer or customers behind the same meter located on the same premise.

**Fitch** – means Fitch Ratings.

**Investment Grade** – means a BBB- or Baa3 credit rating with S&P or Moody's respectively; provided, that if the SOS Administrator's credit ratings by S&P and Moody's are not equivalent, the lower of the credit ratings shall govern for purposes of these rules.

**Long-Term Renewable Energy Power Purchase Agreement** – an Agreement to purchase electric supply from renewable resources procured pursuant to this chapter.

**Moody's** – means Moody's Investor Services, Inc.

**Network Integrated Transmission Service or NITS** – is the transmission service provided pursuant to the rates, terms, and conditions set forth in the PJM tariff.

**PJM** – means the Pennsylvania-New Jersey-Maryland Interconnection, LLC, or any successor thereto.

**Renewable Energy Credit or REC** – a credit representing one megawatt hour (1 MWh) of energy produced by Tier One or Tier Two renewable source located within the PJM Interconnection region; or until January 1, 2029, a Tier One or Tier Two renewable source located within an Adjacent PJM State that was certified by the Commission as of March 22, 2019, the effective date of the CleanEnergy DC Omnibus Amendment Act of 2018 (D.C. Law 22-257).

**Renewable Energy Generator** – the entity that provides the renewable energy pursuant to a Long-Term Renewable Energy Power Purchase Agreement who is a party to such a contract.

**Retail Access** – means the right of Competitive Electricity Suppliers and consumers to use and interconnect with the electric distribution system on a nondiscriminatory basis in order to distribute electricity from any Competitive Electricity Supplier to any customer. Under this right, consumers shall have the opportunity to purchase electricity supply from their choice of licensed Competitive Electricity Suppliers.

**S&P** – means the Standard & Poor’s Rating Group (a division of McGraw-Hill, Inc.).

**Slamming** – means the unauthorized switching of a customer’s electricity service to a Competitive Electricity Supplier.

**SOS Administrator** – means the provider of Standard Offer Service mandated by Section 109 of the Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1509).

**Standard Offer Service or SOS** – means electricity supply made available to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2) customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier; and (3) customers who do not choose a Competitive Electricity Supplier.

**Standard Offer Classes** – means the customer groupings within the Electric Company’s utility service territory as specified in Section 4102.3 of this chapter.

**Subscriber** – means a retail customer of a Competitive Electricity Supplier or a SOS customer of the Electric Distribution Company in the District of Columbia who owns a subscription in a CREF and who has identified an individual billing meter within the District of Columbia to which the subscription shall be attributed.

**Subscriber Organization** – means any individual or for-profit or nonprofit entity permitted by District of Columbia law that owns or operates one or more CREFs for the benefit of Subscribers.

**Subscription** – means a percentage interest in a CREF’s electrical production.

**Tranche** – means a round of bidding for a set of bid blocks for each customer group—Residential, Small Commercial, and Large Commercial.

**Wholesale Full Requirements Service** – means all necessary energy delivered to the PJM grid, capacity, transmission other than Network Integrated Transmission Service, ancillary services, energy losses from transmission and distribution, and congestion management, as all these services are defined pursuant to the PJM tariffs and procedures.

**Wholesale Full Requirements Service Agreement** – is the document that will specify the terms and conditions that govern the contractual relationship between the SOS Administrator and each of the Wholesale SOS Providers that is awarded a contract pursuant to the bidding procedures specified in the RFP.

**Wholesale Standard Offer Service Provider(s) or Wholesale SOS Provider(s)** – the entities selected pursuant to this chapter to provide Wholesale Full Requirements Service supply of SOS.

SOURCE: Final Rulemaking published at 56 DCR 5404 (July 3, 2009); as amended by Final Rulemaking published at 62 DCR 5707 (May 8, 2015); as amended by Final Rulemaking published at 65 DCR 11025 (October 5, 2018); as amended by Final Rulemaking published at 68 DCR 3534 (April 2, 2021).