

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

**ORDER**

**April 1, 2024**

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA, Order No. 21977**

**I. INTRODUCTION**

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) grants the Potomac Electric Power Company’s (“Pepco”) Motion for Leave to Reply and directs Pepco to file the Request for Proposals (“RFP”) and the draft power purchase agreement (“PPA”) as modified for the pilot program to procure renewable energy through a long-term PPA for electricity for a target quantity of five percent (5%) of the Standard Offer Service (“SOS”) load within ten (10) days of the date of this Order. Pepco is directed to issue the modified RFP and draft PPA 15 days following the filing date of the modified RFP and draft PPA unless the Commission directs otherwise within that period. The Commission also directs Pepco to file a monthly update until a PPA is executed and directs Pepco to file the final PPA(s) with the Commission for approval once executed.

**II. BACKGROUND**

2. By Order No. 19897, the Commission, inter alia, established “a pilot program to procure renewable energy through long-term power purchase agreements for electricity generated by solar or wind power facilities located within PJM with a target quantity of five (5) percent of the SOS load.”<sup>1</sup> By Order No. 20327, issued April 9, 2020, the Commission, inter alia, directed Pepco to file a revised version of the RFP and draft PPA to procure this renewable energy.<sup>2</sup> By Order No. 20636, the Commission approved Pepco’s RFP and draft PPA.<sup>3</sup> 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.<sup>4</sup> By Order No. 21413, the Commission approved the

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<sup>1</sup> *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”), Order No. 19897, ¶ 1, rel. April 12, 2019.*

<sup>2</sup> *Formal Case No. 1017, Order No. 20327, ¶¶ 1, 44, and 50, rel. April 9, 2020.*

<sup>3</sup> *Formal Case No. 1017, Order No. 20636, ¶ 1, rel. October 1, 2020.*

<sup>4</sup> *Formal Case No. 1017, Potomac Electric Power Company’s Confidential Summary of Renewable Energy Purchase Agreement at 1, filed July 25, 2022.*

executed Renewable Energy Purchase Agreement filed by Pepco on July 25, 2022, for the bundled sale of energy, RECs, and capacity.<sup>5</sup>

3. On April 20, 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 90% of the project.<sup>6</sup> Pepco proposed that the Commission issue an order directing Pepco to issue a new RFP with more flexible terms (e.g., more than 5% of the SOS load and/or longer contract duration and allow for bidding by existing renewable projects) to attract more bidders.<sup>7</sup> By Order No. 21918, the Commission directed Pepco to: add existing and expanding facilities to the types of facilities that can bid, include a pricing collar review, add offshore wind facilities to the types of facilities that can bid, lower the size threshold of facilities that can bid to five (5) MW, include a termination payment, retain a contract duration of 15 to 20 years, retain the agreement at 5% of the SOS load, and retain Pepco as the counterparty to the PPA.<sup>8</sup>

4. On November 14, 2023, Pepco filed a Motion requesting the Commission extend the deadline to file an updated draft RFP and PPA from November 27, 2023, to January 16, 2024.<sup>9</sup> By Order No. 21930, the Commission granted an enlargement of time for Pepco to file the updated draft RFP and PPA to January 16, 2024.<sup>10</sup> On January 16, 2024, Pepco filed the revised RFP and draft PPA.<sup>11</sup>

5. On January 17, 2024, the Commission issued a Public Notice inviting comments on Pepco's revised RFP and draft PPA.<sup>12</sup> On January 26, 2024, the Office of the People's Counsel for the District of Columbia ("OPC") filed comments.<sup>13</sup> On January 26, 2024, the Department of Energy and Environment of the District of Columbia, on behalf of the District of Columbia

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<sup>5</sup> *Formal Case No. 1017*, Order No. 21413, ¶ 1, rel. August 3, 2022.

<sup>6</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Letter, filed April 20, 2023 ("Pepco's April Letter").

<sup>7</sup> Pepco's April Letter at 1.

<sup>8</sup> *Formal Case No. 1017*, Order No. 21918, ¶ 1, rel. October 26, 2023 ("Order No. 21918").

<sup>9</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Motion for Enlargement of Time to Comply with Order No. 21918, filed November 14, 2023 ("Motion").

<sup>10</sup> *Formal Case No. 1017*, Order No. 21930, ¶ 1, rel. November 21, 2023.

<sup>11</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Revised Request for Proposals and Draft Power Purchase Agreement, filed January 16, 2024 ("Revised RFP and Draft PPA").

<sup>12</sup> *Formal Case No. 1017*, Public Notice, issued January 17, 2024.

<sup>13</sup> *Formal Case No. 1017*, Office of the People's Counsel for the District of Columbia's Comments on Pepco's Proposed Request for Proposals and Power Purchase Agreement, filed January 26, 2024 ("OPC's Comments").

Government (“DOEE”), filed comments.<sup>14</sup> On February 2, 2024, Pepco filed a Motion for Leave to Reply and Limited Reply Comments (“Motion”).<sup>15</sup>

### III. DISCUSSION

6. **OPC’s Comments.** First, OPC recommends that the Commission review the availability guarantee requirement to ensure that it will not be unduly prohibitive and limit the participation of potential bidders.<sup>16</sup> OPC states alternatively, the Commission can consider changes to the RFP by including energy storage to enhance availability.<sup>17</sup> If that is not possible, OPC recommends that the availability guarantees be reduced in the initial years of the contract with a provision to review the power supply agreement should the supplier be unable to maintain availability requirements.<sup>18</sup> Second, OPC would like Pepco to provide the basis and calculation for the decreased capacity damages value because this transparency would aid stakeholder review to ensure that the decreased capacity damages will neither be too high to attract qualified bidders nor so low that it adversely impacts ratepayers in the event of supplier default.<sup>19</sup> Third, OPC recommends that Pepco provide the basis and calculation for the performance assurance values because such transparency will aid stakeholder review to ensure that the performance assurance will neither be too high nor too low.<sup>20</sup> OPC also recommends that: (1) the performance assurance could be the greater of either (i) \$90 per MWh for a 15-year contract and \$120 for a 20-year contract, or (ii) the prevailing retail market price of electricity per MWh plus a 10% administrative charge; (2) Pepco specify the measure by which the performance assurance would decline annually; and (3) Pepco state the acceptable form of a letter of credit and add that it will not unreasonably refuse letters of credit issued in its favor.<sup>21</sup> Fourth, OPC recommends that the escalation factor in the pricing not be fixed but rather reviewed every five (5) years and be used as a basis for contract re-negotiation in a manner that will not harm ratepayers.<sup>22</sup>

7. **DOEE’s Comments.** First, DOEE does not recommend changing the target quantity sought under the RFP but believes Pepco should be allowed to enter into a contract for more than five percent (5%) of the SOS load.<sup>23</sup> Second, DOEE requests that the term length be

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<sup>14</sup> *Formal Case No. 1017*, Response to January 17, 2024, Public Notice by the Department of Energy and Environment on behalf of the District of Columbia Government, filed January 26, 2024 (“DOEE’s Comments”).

<sup>15</sup> *Formal Case No. 1017*, Potomac Electric Power Company’s Motion for Leave to Reply and Limited Reply Comments, filed February 2, 2024 (“Pepco’s Reply Comments”).

<sup>16</sup> OPC’s Comments at 2.

<sup>17</sup> OPC’s Comments at 2.

<sup>18</sup> OPC’s Comments at 2.

<sup>19</sup> OPC’s Comments at 2.

<sup>20</sup> OPC’s Comments at 4-5.

<sup>21</sup> OPC’s Comments at 5.

<sup>22</sup> OPC’s Comments at 5-6.

<sup>23</sup> DOEE’s Comments at 2.

modified to “at least fifteen years” to allow Pepco the flexibility it had previously indicated was necessary to secure a successful agreement.<sup>24</sup> Third, DOEE believes that the requirement that “[b]idders (or their Affiliates) must have participated in the operation or development of wind or solar electricity–generating assets that have a nameplate capacity of not less than three hundred (300) MW in the aggregate in the United States (excluding the Facility)...” should be a scoring criterion and not a requirement to bid for the PPA.<sup>25</sup> Fourth, DOEE states that existing facilities should be scored lower than new facilities in the procurement.<sup>26</sup> Fifth, DOEE recommends the removal of Section 4.6, Delivered RECs, from the RFP because the section is vague and its purpose is separate from the goals of the RFP process.<sup>27</sup> Sixth, DOEE believes the RFP should have definitions or references for terms used in the RFP, such as the term “availability guarantee.”<sup>28</sup> Seventh, DOEE requests that Pepco amend the proposed RFP to include numeric scores for each scoring criterion to be evaluated by Pepco in its bidder selection process.<sup>29</sup>

**8. Pepco’s Motion for Leave to Reply and Limited Reply Comments.** Pepco asks for leave to reply to OPC’s and DOEE’s comments. According to Pepco, leave is necessary because the January 17, 2024, Public Notice did not explicitly provide for reply comments but that reply comments will provide the Commission with an explanation of certain contract terms discussed by OPC and DOEE and will not prejudice any party.<sup>30</sup>

9. In response to OPC’s comments, Pepco explains that the availability requirement is meant to ensure that Pepco gets the benefit of the product they are contracting and availability is meant to ensure that the given resource is available and functioning for a certain percentage of time.<sup>31</sup> Pepco states that OPC seems to misunderstand the availability requirement, which is not the same as requiring a resource to produce a specific percentage of energy.<sup>32</sup> Pepco also explains that the decreased capacity damages provide an established mechanism for adjustment of a project’s capacity as a result of construction before commercial operation and will not inhibit

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<sup>24</sup> DOEE’s Comments at 2.

<sup>25</sup> DOEE’s Comments at 3.

<sup>26</sup> DOEE’s Comments at 3.

<sup>27</sup> DOEE’s Comments at 3.

<sup>28</sup> DOEE’s Comments at 4.

<sup>29</sup> DOEE’s Comments at 4.

<sup>30</sup> Pepco’s Reply Comments at 1-2. The Commission has broad authority in managing its docket. Generally, the Commission will grant a request of this nature if good cause is shown. *Formal Case No. 1175, In the Matter of Washington Gas Light Company’s Application for Approval of PROJECTpipes 3 Plan*, Order No. 21573, n.16, rel. February 17, 2023. In this instance, Pepco has presented good cause, as while the Public Notice did not explicitly provide for reply comments, Pepco’s reply comments will provide the Commission with an explanation of certain contract terms discussed by OPC and DOEE. No party would be prejudiced by Commission approval of the Company’s Motion. Thus, the Commission grants Pepco’s Motion.

<sup>31</sup> Pepco’s Reply Comments at 2.

<sup>32</sup> Pepco’s Reply Comments at 2.

bidding.<sup>33</sup> Pepco states that because the reduction in capacity can result in Pepco receiving less output than anticipated, damages are appropriate and liquidated to avoid disputes.<sup>34</sup> Pepco contends that if a developer believes the capacity damages are too high, then the developer can propose an alternative amount.<sup>35</sup> According to Pepco, the performance assurance provisions are based on what the Company has calculated it requires as adequate assurance, and these provisions are the same as what was included in the initial approved PPA.<sup>36</sup> Similar to the other terms of the draft PPA, Pepco states that these provisions and amounts are subject to negotiation and Commission approval.<sup>37</sup> Lastly, Pepco replies to OPC that to the extent a project with an escalating price is selected and results in an out-of-market price over time, the provisions for price re-negotiation required by the Commission provide a price adjustment if the Commission's 15% threshold requirement is satisfied.<sup>38</sup>

10. In response to DOEE's comments, Pepco first notes that the system sizing and target quantity proposed in the RFP and PPA were directed by Order 21918.<sup>39</sup> Pepco states they take no issue with DOEE's recommendation that the PPA term be modified to "at least 15 years."<sup>40</sup> Pepco believes that the proposed bidder requirements are meant to attract bidding from experienced entities that can deliver on the contract and operate the project over the entire contract term.<sup>41</sup> Pepco notes that the 300 MW requirement for a qualified operator is a reduction from the 1,000 MW requirement in the original PPA and reflects lessons learned.<sup>42</sup> Pepco states that the issue of including existing facilities in the procurement process was decided in Order No. 21918.<sup>43</sup> Lastly, Pepco states that it appears DOEE believes that the generation associated with the PPA will be incremental to the RPS requirements that Pepco must ensure are met through its administration of SOS. However, Pepco states that is incorrect nor is any such "incremental" requirement included in the current SOS or RPS regulations or Commission orders requiring this procurement to meet SOS load requirements.<sup>44</sup> Pepco explains that the PPA will provide

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<sup>33</sup> Pepco's Reply Comments at 2-3.

<sup>34</sup> Pepco's Reply Comments at 3.

<sup>35</sup> Pepco's Reply Comments at 3.

<sup>36</sup> Pepco's Reply Comments at 3.

<sup>37</sup> Pepco's Reply Comments at 3.

<sup>38</sup> Pepco's Reply Comments at 3.

<sup>39</sup> Pepco's Reply Comments at 4.

<sup>40</sup> Pepco's Reply Comments at 4, n.6.

<sup>41</sup> Pepco's Reply Comments at 4.

<sup>42</sup> Pepco's Reply Comments at 4.

<sup>43</sup> Pepco's Reply Comments at 4.

<sup>44</sup> Pepco's Reply Comments at 5.

renewable energy that will be used to meet Pepco's SOS requirements and help ensure that the SOS supply as a whole meets applicable annual RPS obligations.<sup>45</sup>

#### IV. DECISION

11. OPC recommends that the Commission review the "availability guarantee" to ensure that it will not be unduly prohibitive and limit the participation of bidders. The Commission has reviewed the availability guarantee percentages and supports the current percentages because they are standard within PPAs.<sup>46</sup> To ensure clarity for potential bidders, the Commission directs Pepco to include an example calculation of the availability guarantee for both a solar facility and wind facility in the RFP. Additionally, Pepco, in the draft PPA, shall provide a draft Schedule 6.11 Availability Calculations dedicated to wind facilities in addition to the current Schedule 6.11, which is dedicated to solar facilities.

12. Similarly, DOEE requests that the RFP contain definitions or references for terms used in the text and states that availability guarantee is not defined in the RFP. The Commission directs Pepco to include the appropriate reference or definition of "availability guarantee" in Section 5.7 of the RFP to avoid confusion between the RFP and the draft PPA.

13. OPC asks that the Commission review whether the decreased capacity damages should be reduced and recommends two ways to structure the performance assurance provision. As stated by Pepco, these provisions and amounts are a starting point in negotiations with the eventual seller(s).<sup>47</sup> The Commission grants Pepco the flexibility to negotiate these provisions to reach an agreement with potential sellers. Therefore, we will not mandate an exact number or structure for these provisions. However, these provisions will ultimately be subject to Commission review and approval when Pepco submits a final contract.

14. OPC recommends that Pepco's RFP and draft PPA state the acceptable form of a letter of credit and direct that Pepco will not unreasonably refuse letters of credit issued in the Company's favor. The Commission believes the revised RFP and draft PPA contain sufficient detail on the required form of credit as demonstrated by Schedule 14.4(b) Form of Letter of Credit in the draft PPA.

15. OPC recommends that the escalation factor in pricing not be fixed but rather reviewed every five years and be used as a basis for contract re-negotiation in a manner that will not harm ratepayers. The Commission disagrees with OPC and believes that adding another contract re-negotiation point between Pepco and the seller may dissuade interest from potential bidders. Also, as Pepco notes, there is already a pricing collar review that will ensure the PPA price stays in line with the prevailing market price.

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<sup>45</sup> Pepco's Reply Comments at 5.

<sup>46</sup> See LevelTen Energy, *Glossary of Renewable Energy Procurement Terms*, March 8, 2019, <https://www.leveltenenergy.com/post/power-purchase-agreement-glossary>.

<sup>47</sup> See Pepco's Reply Comments at 3.

16. DOEE requests that the cap on the total contractable amount be removed but that the target be kept at 5% of the SOS load. As Pepco notes,<sup>48</sup> the Commission, in Order No. 21918, retained the target quantity at 5% of the SOS load.<sup>49</sup> The Commission disagrees with DOEE as the cap for the PPA is equivalent to approximately 5% of the SOS load and expressly limits the PPA from going beyond 5%. As the Commission previously noted, starting small in this manner would help minimize risks to ratepayers since the price risk would be significantly reduced as the impact of procuring 5% of SOS load in this manner on SOS prices is very slight.<sup>50</sup> DOEE also believes the term length should be modified to “at least 15 years.”<sup>51</sup> In Order No. 21918, the Commission limited the term to 15 to 20 years.<sup>52</sup> Thus, the contract term is at least 15 years as DOEE recommends.

17. DOEE requests that the requirement that bidders must have participated in the operation or development of the facility that has a nameplate capacity of not less than 300 MW in the aggregate be removed.<sup>53</sup> Pepco responds that the provision is meant to attract bidding from experienced entities that can deliver on the contract and operate the project over the entire term and that the 300 MW requirement is a reduction from the 1000 MW requirement in the original PPA. We are persuaded by DOEE that the current threshold for bidders is overly restrictive and should be lower than what was in the original PPA. The Commission directs Pepco to change the amount so that bidders (or their affiliates) must have participated in the operation or development of the asset with an aggregate nameplate capacity of not less than 100 MW for new projects and 10 MW for existing projects or projects that are nearing completion by the time of bid. We believe this change will help to increase the number of qualified bidders while also ensuring that these bidders are experienced entities. The threshold for existing projects is lower because there is less risk with existing projects than for new projects.

18. DOEE requests that the Commission score existing facilities lower than new facilities in procurement because existing facilities do not support the additionality goals in the District of Columbia’s (“District”) renewable energy policies. The Commission believes that all facilities, regardless of whether they are existing, new, or expanded, should be scored the same because, as stated in Order No. 21918, new, expanded, and existing renewable energy projects will all increase the market demand for PJM-located renewable generation projects.<sup>54</sup> Moreover, all such projects will help the District achieve its climate and energy goals.

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<sup>48</sup> Pepco’s Reply Comments at 4.

<sup>49</sup> Order No. 21918, ¶ 1.

<sup>50</sup> Order No. 21918, ¶13. *See also*, Order No. 19897, ¶32.

<sup>51</sup> DOEE’s Comments at 2.

<sup>52</sup> Order No. 21918, ¶ 14.

<sup>53</sup> Revised RFP and Draft PPA, Section 4.2. “Bidders (or their Affiliates) must have participated in the operation or development of wind or solar electricity–generating assets that have a nameplate capacity of not less than three hundred (300) MW in the aggregate in the United States (excluding the Facility).”

<sup>54</sup> Order No. 21918, ¶ 15.

19. DOEE requests that Pepco remove Section 4.6 of the RFP because Pepco may use it to lower its RPS requirements, the section is vague, and its purpose is separate from the goals of the RFP process.<sup>55</sup> Pepco responds that the PPA will provide renewable energy that will be used to meet Pepco's SOS requirements and help ensure that SOS supply as a whole meets applicable annual RPS obligations. Rule 4112.8 requires that Pepco retire the RECs generated from the PPA to meet the RPS obligations of all SOS suppliers.<sup>56</sup> Therefore, for clarity, the Commission directs Pepco to reword the following sentence: "Any benefits derived from the RECs after delivery to Pepco shall be assigned by Pepco to SOS suppliers, and not to the seller" to ensure it complies with Rule 4112.8.

20. DOEE requests specific numeric scores for each scoring criterion to be evaluated by Pepco in its bidder selection process. The Commission directs Pepco to add the following scoring weights to price and non-price criteria for additional clarity for potential bidders: 70% of points will be for the price factor evaluation, and 30% of points will be for non-price factor evaluation. Additionally, the Commission directs Pepco to change the term Independent Evaluator to PPA Independent Monitor ("PPA IM") in the RFP because the term PPA Independent Monitor better represents the tasks of the consultant and better matches the terminology used for the Market Monitor for the SOS program.

21. The Commission has reviewed Pepco's RFP and draft PPA, and based on this review, we have determined that the RFP and draft PPA are consistent with the Commission's directives in Order No. 21918. We note that the draft PPA is just that, a draft, and the final version of the PPA is subject to negotiation between Pepco and the winner(s) of the procurement process. Based on the directives in paragraphs 11, 12, 17, 19, and 20, the Commission directs Pepco to file a modified RFP and a draft PPA within ten (10) days of the date of this Order. Pepco is then directed to issue the modified RFP and draft PPA 15 days following the filing date of the modified RFP and draft PPA unless the Commission directs otherwise within that period.

22. Starting June 2024, the Commission directs Pepco to file a monthly update until there is an executed PPA. This update should discuss the status of the responses to the RFP and any subsequent PPA negotiations. Additionally, after Pepco contracts for the PPA(s), Pepco is directed to file the executed PPA(s) with the Commission for approval.

**THEREFORE, IT IS ORDERED THAT:**

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<sup>55</sup> Revised RFP and Draft PPA, Section 4.6. "Pepco is seeking to purchase RECs attributable to the output of one or more identified facilities. The RECs attributable to the output of the Facility or Facilities must be tracked through the PJM-EIS Generation Attributes Tracking System ('GATS'). Any benefits derived from the RECs after delivery to Pepco shall inure solely to the benefit of Pepco and not to the seller."

<sup>56</sup> 15 DCMR § 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 of generator would receive ten (10) percent of the RECs."

23. The Potomac Electric Power Company's Motion for Leave to Reply is **GRANTED**;

24. The Potomac Electric Power Company is **DIRECTED** to file the modified Request for Proposals and draft power purchase agreement consistent with the directives in paragraphs 11, 12, 17, 19, and 20 of this Order within ten (10) days of the date of this Order;

25. The Potomac Electric Power Company is **DIRECTED** to issue the modified Request for Proposals and draft power purchase agreement 15 days following the filing date of the modified RFP and draft PPA unless the Commission directs otherwise within that period;

26. The Potomac Electric Power Company is **DIRECTED** to file a monthly update consistent with paragraph 23 that discusses the status of the responses to the Request for Proposals and any subsequent power purchase agreement negotiations; and

27. The Potomac Electric Power Company is **DIRECTED** to file the final power purchase agreement(s) with the Commission for approval upon execution.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**



**CHIEF CLERK:**

**BRINDA WESTBROOK-SEDGWICK  
COMMISSION SECRETARY**

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

**April 1, 2024**

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

**CONCURRING STATEMENT OF COMMISSIONER BEVERLY**

As noted in the majority opinion, when the Commission initially approved this arrangement in 2019, we decided to move cautiously on the percentage of renewable PPA until we had gathered enough information to determine whether an increase above the 5% cap would be in the public interest. Last year, after Pepco's counterparty pulled out of the PPA contract, Pepco requested additional flexibility to increase the cap, so that it would have less difficulty attracting new bidders. We declined that request. DOEE, back when we made the original decision in 2019, had provided us the opinion of its contractor that the percentage of renewable PPA could be as high as 70-90% and that the increase would benefit ratepayers with reduced costs. DOEE has now reiterated its request to us to raise the cap. The result is that we now have both DOEE and Pepco agreeing that 5% should be a floor rather than a ceiling even if they may not agree on what the ceiling should be or if we even need one. Although I'm not going to dissent from this Order to move the RFP forward, I think it's time to revisit raising the 5% cap or reconsider giving Pepco more flexibility to exceed the 5% cap so that we don't inadvertently frustrate Pepco's ability to attract bidders while simultaneously undermining the City's climate plans. A possible option worth exploring is OPC's original proposal from back in 2019 that we increase the amount of the PPA by 5% annually.

COMMISSION ACTION

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

Date 4/1/24 Formal Case No. 1017 Tariff No. \_\_\_\_\_ Order No. 21977

	Approve Initial & Date	Disapprove Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/CL 4/1/24</u>	_____	_____
Commissioner Richard A. Beverly	<u>RAB/CL 4/1/24</u>	_____	_____
Commissioner Ted Trabue	<u>TT/CL 4/1/24</u>	_____	_____

Certification of Action

*C. Lipscombe*  
General/Deputy General Counsel

Stephan Jaksch  
OGC Counsel/Staff