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April 17, 2024

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington DC, 20005

Re: Formal Case No. 1130

Dear Ms. Westbrook-Sedgwick:

Potomac Electric Power Company (“Pepco”) respectfully submits this letter to provide an update on the distribution system planning and non-wires alternative (“DSP/NWA”) Process.¹ Pepco is committed to powering a cleaner and brighter future for our customers and communities in the District of Columbia. Our commitment includes helping to drive deep decarbonization and advance greater levels of efficient electrification, including through the deployment of more local distributed energy resources (“DER”), such as solar and storage, as well as greater levels of energy efficiency and demand response. The Company will continue to seek non-wires solutions to use in its planning process and will inform vendors of their opportunity to propose and develop such solutions.

I. Background on First Two Cycles of DSP/NWA Process

Since initiating the DSP/NWA Process in 2020, Pepco has identified two system constraints appropriate for the process. During the inaugural cycle, which occurred in 2020 and 2021, Pepco evaluated solutions appropriate to resolve a constraint at the Waterfront Substation. This inaugural DSP/NWA Process cycle did not conclude with the use of a Locational Constraint Solution as the proposals submitted were not cost-beneficial compared to the Utility Proposed Solution.

For the second DSP/NWA cycle, in 2022, the Company identified a constraint in Ward 8. Pepco initiated this second cycle of the DSP/NWA Process by engaging stakeholders in workshops and surveys to identify opportunities for process improvements. As standard practice, the Company issued the Load Impacting Factors Survey on October 26, 2022, and shared the results of the Locational Constraints Report during the third DSP/NWA stakeholder workshop on October 26, 2022. As discussed below, the Company concluded the second DSP/NWA Process cycle with a final stakeholder workshop on May 24, 2023. On October 23, 2023, Pepco filed a letter with the Commission and in that letter Pepco explained that, in 2023, the Company updated its load forecast

¹ As directed by the District of Columbia Public Service Commission in January 2020, Order No. 20286.

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as part of its standard planning process. Through this process, the Company's load forecast for the identified constraint was reduced from 170 MVA to 141.8 MVA. Thus, the standard planning process successfully realigned the forecast with changes in growth, and neither a traditional utility solution nor a third-party solution is required. Having removed the identified constraint that would have required additional investment in the system, Pepco halted its efforts to release a request for proposal ("RFP") for the second cycle of the DSP/NWA Process.²

II. Annual Updates to the Load Forecast Mitigated the System Constraint Identified

Following the second cycle of the DSP/NWA Process, Pepco continues to assess the overall DSP/NWA Process for refinements that can be implemented. In doing so, Pepco will continue to strive for the transparency that has defined this process since it was first negotiated in the PowerPath DC Non-Wires Alternative Working Group and has defined the first two cycles of the DSP/NWA Process. Based on the most recent load forecast published in Pepco's 2024 Annual Consolidated Report, Pepco is currently not forecasting a constraint over the next 3 years that meets the criteria to be included in the DSP/NWA Process. The Company will continue to utilize its standard planning process to update its load forecast and identify constraints that are appropriate for the DSP/NWA Process. Beyond the DSP/NWA Process, Pepco continues to pursue a variety of use cases for DER solutions that will enhance the customer experience, bolster system reliability and/or resilience and reduce greenhouse gas emissions. Non-wires solutions are one use case, and Pepco will continue to look for cost-beneficial opportunities to incorporate them into the system.

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

/s/ Dennis P. Jamouneau

Dennis Jamouneau

cc: All Parties of Record

² The Company informed the District of Columbia Public Service Commission Staff ("Staff") of the load forecast change and subsequently hosted a fourth and final stakeholder meeting on May 24, 2023, to inform stakeholders of the updated forecast. Fifteen organizations and businesses were represented during the meeting. During the workshop, the Company discussed the forecasting change and implications for the second DSP/NWA Process cycle. To remain engaged with future opportunities in the District of Columbia, Pepco recommended that vendors register on the Company's sourcing website for more information. The vendor stakeholders expressed appreciation for the information as to why an RFP would not be released. One vendor stated that often these activities come to an end without explanation, and Pepco's efforts to communicate the changes and decision to stop the process was appreciated.

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's update on the distribution system planning and non-wires alternative ("DSP/NWA") Process was served this April 17, 2024 on all parties in Formal Case No. 1130 by electronic mail.

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