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July 31, 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. 1017, Order No. 21986

Dear Ms. Westbrook-Sedgwick

In compliance with Order No. 21986 in Formal Case No. 1017, Potomac Electric Power Company (“Pepco or the “Company”) hereby files detailed calculations and explanations of the estimated Community Renewable Energy Facility (“CREF”) costs for period June 1, 2024 through May 31, 2025.

Specifically, Order No. 21986, paragraph 11, directed Pepco to file:

detailed work papers, calculations, and explanations of all forecasted CREF costs from June 1, 2024, to May 31, 2025, by July 31, 2024, to quantify the benefits to the distribution system from CREFs, and to demonstrate that actual incurred CREF costs contained in the administrative charge do not include costs related to reading, billing, or removal of Pepco’s installed meters at the CREF locations for June 1, 2022, until the present.

Included as Attachment 1 are the documents supporting calculation and explanations of the forecasted CREF costs from June 1, 2024 through May 31, 2025.

Please note that while Pepco has not formally quantified the benefits to the distribution system from CREFs, Pepco does include an explanation of potential benefits in Pepco’s semi-annual reports in the Commission’s RM09 docket.

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Finally, with regard to the demonstration that the costs provided do not include costs related to reading, billing or removal of Pepco's meters at CREF locations for June 1, 2022 to present, attachment 1 provides the detail supporting that Pepco's proposed costs are not related to reading, billing, or removing Pepco's meters.

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

Sincerely,

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau

Enclosure

cc: All parties

Forecasted CREF Incremental Administrative Costs June 2024 - May 2025

CREF Program Administration	\$	775,000	A
CREF Billing System Implementation			
Internal labor costs for development, testing, and move to production of all CREF meters	\$	172,009	
Kevala - Contractor costs for development, testing, and move to production of all CREF meters	\$	26,250	
Kevala - 2024 license fee	\$	13,125	
Kevala - Work related to requirements, design, and implementation of the Kevala Platform for static data reporting on data collected	\$	21,875	
Itron - Core application subject matter expert consulting	\$	2,625	
Azure - Technical cost for potential implementation needs for data ingestion	\$	4,375	
Contingency for possible project unknowns	\$	41,437	
Ongoing Maintenance	\$	22,833	
Ongoing Vendor Operations	\$	110,417	
Kevala - Ongoing Licensing	\$	85,000	
Total Amount Forecasted	<u>\$</u>	<u>1,274,946</u>	

Footnotes:

A - These costs are included per Order No. 21099 directing incremental administrative costs associated with procuring CREF generated supply to be recovered through SOS. This estimate was determined based on actual costs incurred June 2022 through May 2023 of \$763,372.24 (see Attachment 1-2 for supporting calculation) and currently recovered through SOS Administrative Charge per order 21099. The actual costs were an allocation of labor incurred by the Green Power Connection team for time spent on administrative responsibilities for DC CREF including program oversight, subscription and subscriber organization management, billing support, and reporting. These costs do not include incremental costs associated with reading and billing, and removal of Pepco CREF meters. The costs to remove Pepco CREF meters are tracked separately and totaled \$2,822,028.26.

Step 1 - Determine appropriate allocation factors based on Forecasted CREF Incremental Administrative Costs

Allocation Factors for June 2022 - December 2022 *			
	A	B	A x B = C
	Employee Full Year Labor Cost	% of time spent on CREF Administrative	Full Year CREF Labor Cost
Employee 1	\$ 288,182.00	50%	\$ 144,091.00
Employee 2	\$ 185,252.00	50%	\$ 92,626.00
Employee 3	\$ 185,252.00	50%	\$ 92,626.00
Employee 4	\$ 143,289.00	75%	\$ 107,466.75
Employee 5	\$ 143,289.00	75%	\$ 107,466.75
	\$ 945,264.00		\$ 544,276.50

*Labor Cost provided by Financial Operations team and % Time Spent on CREF provided by GPC team

C / A = D
 CREF Labor % June 2022 - December 2022 57.6%

E
 Productive Labor % provided by Financial Operations team 82.4%

Allocation Factors for January 2023 - May 2023 *			
	A	B	A x B = C
	Employee Full Year Labor Cost	% of time spent on CREF Administrative	Full Year CREF Labor Cost
Employee 1	\$ 282,564.00	25%	\$ 70,641.00
Employee 2	\$ 173,297.00	25%	\$ 43,324.25
Employee 3	\$ 201,346.08	25%	\$ 50,336.52
Employee 4	\$ 148,444.00	50%	\$ 74,222.00
Employee 5	\$ 148,444.00	25%	\$ 37,111.00
	\$ 954,095.08		\$ 275,634.77

C / A = D
 CREF Labor % January 2023 - May 2023 28.9%

E
 Productive Labor % 82.4%

Step 2 - Use CREF Labor % and Productive Labor % from Step 1 to Allocate Actual Gross Labor Costs

June 2022 - December 2022 Gross Labor Costs 1,120,685.58
 x CREF Labor % (D) and Productive Labor % (E) \$ 531,713.22

January 2023 - May 2023 Gross Labor Costs 973,149.71
 x CREF Labor % (D) and Productive Labor % (E) \$ 231,659.02

Step 3 - Sum and Total CREF Costs

Total DC CREF Actual Cost for Period June 2022 - May 2023 \$ 763,372.24

CERTIFICATE OF SERVICE

I hereby certify a copy of Potomac Electric Power Company's Community Renewable Energy Facility ("CREF") costs was served this July 31, 2024 on all parties in Formal Case No. 1017 by electronic mail.

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