

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

ORDER

December 9, 2024

GENERAL DOCKET NO. 2024-02-M, IN THE MATTER OF THE PETITION FOR AN INVESTIGATION INTO THE IMPACT OF THE PJM CAPACITY AUCTION AND A REQUEST FOR THE ESTABLISHMENT OF A TASK FORCE TO DEVELOP SOLUTIONS, and

FORMAL CASE NO. 1183, IN THE MATTER OF THE INVESTIGATION INTO THE IMPACT OF THE PJM CAPACITY AUCTION AND THE ESTABLISHMENT OF THE PJM CAPACITY AUCTION TASK FORCE, Order No. 22334

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) grants the Office of the People’s Counsel for the District of Columbia’s (“OPC”) Petition for an Investigation into the Impact of the PJM Capacity Auction (“Petition” or “Petition for Investigation”) and grants OPC’s request for the establishment of a PJM Capacity Auction Task Force. Interested parties are directed to file a request to be appointed to the PJM Capacity Auction Task Force within 30 days of the date of this Order.

II. DISCUSSION

2. On October 15, 2024, OPC filed its Petition for Investigation.¹ In its Petition, OPC explained that “[o]n July 30, 2024, PJM released the results of the capacity auction for the 2025/2026 delivery year, which determines prices beginning on June 1, 2025, until May 31, 2026.”² According to OPC, the results of that auction will exponentially increase prices across all PJM states, including the District of Columbia, which will have a disproportionate effect on our lower-income and financially vulnerable populations as well as potentially impact the District’s climate goals. OPC requests that the Commission open an investigation and establish a task force to: “(1) study the immediate and long-term financial impact of the July PJM capacity auction, (2) develop a robust education and outreach plan to assist consumers in understanding and preparing for the new charges set to take effect in June 2025 and (3) learn what changes Pepco will make to

¹ *General Docket No. 2024-20-M, In the Matter of the Petition for an Investigation into the Impact of the PJM Capacity Auction and a Request for the Establishment of a Task Force to Develop Solutions*, (“GD-2024-02-M”), Office of the People’s Counsel for the District of Columbia’s Petition for an Investigation into the Impact of the PJM Capacity Auction and a Request for the Establishment of a Task Force to Develop Solutions, filed October 15, 2024 (“OPC Petition”).

² OPC Petition at 2.

its business strategy in light of the capacity auctions.”³ OPC recommends that the Task Force include, at a minimum: OPC, the Commission, the Potomac Electric Power Company (“Pepco”), the Washington Gas Light Company, the District of Columbia Department of Energy and the Environment, the Council of the District of Columbia, and the Mayor’s Office.⁴

3. Pepco filed a response to OPC’s Petition on November 20, 2024.⁵ Pepco “agrees with OPC that the July 2024 PJM Capacity Auction will have an effect on Pepco customers’ bills and further agrees that collaboration among key stakeholders would be beneficial.”⁶ While Pepco “does not take a position regarding the precise composition or form of process that OPC advocates for in its Petition, Pepco does support a thoughtful and robust engagement among key stakeholders, such as OPC and the Commission to educate customers.”⁷ If the Commission forms a task force, Pepco suggests the inclusion of a representative of PJM.⁸

III. DECISION

4. OPC’s concern over the impact of the PJM auction is well-founded and warrants immediate action. In response to the July 2024 Base Residual Auction results, the Commission filed comments through the Organization of PJM States, Inc. (“OPSI”) regarding the rules that govern the auction to ensure that future auctions produce just and reasonable rates.⁹ Even with proposed rule changes, it is projected that capacity auction prices are expected to increase in each of the subsequent three auctions (June 2025, December 2025, and June 2026).¹⁰ The Commission recognizes the need for a coherent local strategy to address these rising costs, especially since the Commission lacks regulatory control over the capacity auction. Therefore, we grant OPC’s Petition to open a three-part investigation and grant OPC’s request to establish the PJM Capacity Auction Task Force, with the intention of receiving the Task Force’s recommendation report. We direct interested stakeholders to file a request to be appointed to the PJM Capacity Auction Task Force within 30 days of the date of this Order describing their involvement and interest.

³ OPC Petition at 1.

⁴ OPC Petition at 3-4.

⁵ *GD-2024-02-M*, Potomac Electric Power Company’s Response to the Office of the People’s Counsel of the District of Columbia’s Petition for Investigation into the Impact of the PJM Capacity Auction, filed November 20, 2024 (“Pepco Response”).

⁶ Pepco Response at 1.

⁷ Pepco Response at 1-2.

⁸ Pepco Response at 2.

⁹ *Organization of PJM States, Inc.*, FERC Docket No. EL24-148-000, (October 8, 2024) (“OPSI Comments”).

¹⁰ *See* OPSI Comments at Attachment A.

THEREFORE, IT IS ORDERED THAT:

5. The Office of the People’s Counsel’s request for an investigation is **GRANTED**, and the Commission opens *Formal Case No. 1183*;

6. The Commission **ESTABLISHES** the PJM Capacity Auction Task Force; and

7. Interested stakeholders are **DIRECTED** to file requests to be appointed to the PJM Capacity Auction Task Force within 30 days of the date of this Order in accordance with paragraph 4 of this Order.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

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

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

COMMISSION ACTION

GENERAL DOCKET NO. 2024-02-M, IN THE MATTER OF THE PETITION FOR AN INVESTIGATION INTO THE IMPACT OF THE PJM CAPACITY AUCTION AND A REQUEST FOR THE ESTABLISHMENT OF A TASK FORCE TO DEVELOP SOLUTIONS, and

FORMAL CASE NO. 1183, IN THE MATTER OF THE INVESTIGATION INTO THE IMPACT OF THE PJM CAPACITY AUCTION AND THE ESTABLISHMENT OF THE PJM CAPACITY AUCTION TASK FORCE,

Date 12/9/24 Formal Case No. 1183 & GD-2024-02-M Tariff No. _____ Order No. 22334

	Approved by Voice Vote	Dissent Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/CL 12/9/24</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/CL 12/9/24</u>	_____	_____
Commissioner Ted Trabue	<u>TT/CL 12/9/24</u>	_____	_____

Certification of Action

C. Lipscombe
General/Deputy General Counsel

Stephan Jaksch
OGC Counsel/Staff