



Sandra Mattavous-Frye, Esq.
People's Counsel

May 19, 2025

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

Re: Formal Case No. 1017, *In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia.*

Dear Ms. Westbrook-Sedgwick:

Pursuant to the Public Notice issued by the Public Service Commission of the District of Columbia's ("Commission") on April 17, 2025,¹ the Office of the People's Counsel ("OPC" or "Office"), the statutory representative of District of Columbia ratepayers and consumers,² hereby submits this comment letter on Atrium Economics, LLC's ("Atrium") Pepco DC SOS Administrative Charge Audit Report ("Atrium Report").³

OPC generally supports the findings and recommendations of the Atrium Report and requests that the Commission facilitate regular audits of all components of the Standard Offer Service ("SOS"). The Office urges the Commission to direct Pepco to align its SOS Administrative Charge processes with Commission guidance and Pepco's previous statements regarding the mechanics of the SOS Administrative Charge, as outlined in the Atrium Report.⁴ Specifically, OPC requests that the Commission adopt Atrium's proposed: (1) enhancement to Pepco's SOS process so that the SOS Administrative Charge and Adder are tied to or verified against competitive third-party supply pricing, ensuring that the Adder does not undercut competition;⁵ (2) remittance of the Administrative Credit to customers on a dollar-for-dollar contemporaneous basis, ensuring immediate pass through to distribution customers as a volumetric credit, set annually, on distribution customers' bills at the same time it is charged to SOS customers;⁶ and (3) requirement for a written conformance memo to document Pepco's procedure for properly

¹ *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")*, Public Notice rel. April 17, 2025.

² D.C. Code § 34-804 Lexis 2020.

³ *Formal Case No. 1017*, Pepco DC SOS Administrative Charge Audit Report, filed April 15, 2025.

⁴ Atrium Report at 26.

⁵ Atrium Report at 29.

⁶ Atrium Report at 31.

capturing allowable Community Renewable Energy Facility-related incremental expenses as part of the SOS Administrative Charge.⁷

The Atrium Report notes that over a one-year period, Pepco incurred costs of about \$300,000 in the SOS for long-term renewable energy power purchase agreements (“PPA”) negotiations.⁸ In October 2020, the Commission stated that it “anticipate[d] that energy from the PPA w[ould] begin to serve the target quantity of 5% of SOS load on June 1, 2024.”⁹ In April 2024, despite stakeholders’ requests for a target increase, the Commission reiterated that Pepco is limited to procuring 5% of the SOS retail load via PPA because “starting small in this manner would help minimize price risks to ratepayers.”¹⁰ In its most recent status update, Pepco claims it received bids on its filed PPAs. The most recent PPA was filed on April 11, 2024, but there is yet to be an executed contract or delivery of renewable energy.¹¹ In the absence of a contract delivering renewable energy, it is contrary to the public interest that District consumers receive zero benefits while paying Pepco’s nearly \$300,000 costs for a year of PPA negotiations. Accordingly, in addition to the other requests, the Office urges the Commission to reasonably increase the target quantity of SOS load that Pepco can procure through a PPA.¹²

Sincerely,

Sandra Mattavous-Frye

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People’s Counsel for the District of Columbia

⁷ Atrium Report at 33.

⁸ Atrium Report at 36.

⁹ *Formal Case No. 1017*, Order No. 20636 ¶1, October 1, 2020.

¹⁰ *Formal Case No. 1017*, Order No. 21977 ¶14, April 1, 2024. *See also*, Order No. 21918, ¶13; Order No. 19897, ¶32.

¹¹ *Formal Case No. 1017, Pepco's Letter regarding the Long-Term Power Purchase Agreement*, April 30, 2025.

¹² The Office expects that a target increase will facilitate the execution of a PPA and ensure renewable energy is delivered to the District’s SOS customers.

CERTIFICATE OF SERVICE

Formal Case 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia

I hereby certify that on May 19, 2025, a copy of the Office of the People's Counsel for the District of Columbia's Letter Regarding Atrium Economics, LLC's Administrative Charge Audit Report was served on the following parties of record by hand delivery, electronic mail, or first-class mail, postage prepaid:

Honorable Richard Beverly
Commissioner
Public Service Commission of the
District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005
rbeverly@psc.dc.gov

John Dodge
Washington Gas Light
Company
101 Constitution Ave., N.W.
Washington, D.C. 20080
jdodge@washgas.com

Josh Berman
Sierra Club 50 F St, NW
8th Floor
Washington, DC 20001
josh.berman@sierraclub.org

Dennis P. Jamouneau,
Assistant General Counsel
Pepco
EP9628
701 Ninth Street, N.W. Washington, D.C.
20068-0001
djamouneau@pepcoholdings.com

Richard L. Roberts
Steptoe & Johnson, LLP 1330
Connecticut Ave., NW
Washington, D.C. 20036
rroberts@steptoe.com

Shawn Leyden
PSEG Energy Resources & Trade,
LLC
80 Park Plaza, 19th Floor,
Newark, NJ 7102
shawn.leyden@pseg.com

Brian R. Greene, Esq.
Greene Hurlocker, PLC
1807 Libbie Avenue, Suite 102,
Richmond, VA 23226
bgreene@greenehurlocker.com

Jerome S. Paige
1691 Tamarack Street, NW,
Washington, DC 20012
jpaige@paigeandassociates.com

Bates White, LLC - F.
Mossburg/Commission Consultant
1300 Eye Street, NW - Suite 600,
Washington, DC 20005
frank.mossburg@bateswhite.com

Fran Francis
Apartment and Office Building
Association of Metropolitan
1050 17th Street, NW, Suite 300,
Washington, DC 20036
ffrancis@aoba-metro.org

Bates White, LLC - K.
1300 Eye Street, NW - Suite 600,
Washington, DC 20005
katherine.gottshall@bateswhite.com

Brian Caldwell
441 Fourth Street, N.W., Suite 650-S
Washington, DC 20001
Brian.caldwell@dc.gov

Clinton Vince, Esq.
Sonnenschein, Nath and Rosental
1301 K Street, NW., Suite 600 East Tower
Washington, DC 20005
cvince@sonnenschein.com

Leah B. Gibson, Esq.
Reliant Energy, Inc.
324 Cedar Lane,
Rockville, MD 20851

Gregory Lawrence, Esq.
McDermott, Will & Emery, LLP
600 13th Street, NW
Washington, DC 20011

/s/ Ade Adeniyi
Ade Adeniyi
Assistant people's Counsel