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July 11, 2025

**PUBLIC**

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**

Dear Ms. Westbrook-Sedgwick:

On October 26, 2023, the Public Service Commission of the District of Columbia (Commission) issued Order No. 21918. Order No. 21918, among other things, directed Potomac Electric Power Company (Pepco) to prepare and file a revised Request for Proposals (RFP) and Power Purchase Agreement (PPA) to procure approximately 5% of the Standard Offer Service (SOS) load through a renewable PPA. Pepco filed its revised RFP and PPA on January 16, 2024 and the Commission approved a modified RFP and PPA, with additional terms as directed, on April 1, 2024 in Order No. 21977. Order No. 21977 required Pepco submit an additional RFP and PPA consistent with the order and file monthly updates with the Commission until a PPA is executed. Order No. 21977 also directed Pepco to file the final PPA with the Commission for approval once executed. Since that time, Pepco filed monthly updates with the Commission regarding the status of negotiations and convened at least monthly updates to Commission Staff and their independent evaluator on the terms of the Agreement as it evolved through negotiations.

Pepco is pleased to report that these negotiations have concluded and Pepco attaches the final Agreement for the Commission's approval. To aid the Commission's consideration, Pepco also submits a summary of the Agreement, which follows this letter and summarizes the key commercial terms and contractual requirements. The negotiated Agreement for "bundled" renewable energy and Tier One renewable energy credits from a solar facility is in the public interest and should be approved, as it satisfies relevant Commission orders and regulations, advances the District of Columbia's goals of transitioning electric generation to renewable energy, and furthers Pepco's commitment to support the Commission and the District in the clean energy future. Both the Agreement and summary are considered Confidential because they contain sensitive commercial and

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financial information and disclosure of such information could cause competitive harm to the counterparty to this transaction. As such, both the summary and Agreement will be filed confidentially.

The Agreement is for a term of 25 years, for approximately 7% of total SOS load per the above-cited orders,<sup>1</sup> and incorporates a competitive contract price per MWh generated. The project is expected to come on-line in late 2027. The project has a 75MW installed capacity and Pepco would be taking all generated energy and renewable energy credits (RECs) from this facility, which mitigates the issues experienced in 2022, which occurred because the counterparty could not find a buyer for the remaining output of the facility preventing it from getting financed.<sup>2</sup> The competitiveness of contract price can be measured in comparison to the estimated cost of SOS over the relevant 25-year period.<sup>3</sup> While the Agreement does allow for an up to 20% price increase to address specific market risks, such as tariffs and other potential changes in law, which could impact the cost of the project, the Agreement negotiated by Pepco mitigates the potential price increases to customers by limiting any such increase to a “cap,” as specified in the Agreement, and provides for damages in the event that the renewable generator does not provide the contracted-for supply during the term of the Agreement. Please also note that the Agreement is as a result of an arms-length negotiation and its terms may differ in some respects from the form contract approved by the Commission in Order No. 21977.

The negotiated price, customer protection provisions, and increased renewable energy supply for Pepco SOS customers collectively demonstrate that this Agreement is in the public interest and Pepco respectfully requests Commission approval.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

*/s/ Dennis P. Jamouneau*

Dennis P. Jamouneau

cc: All Parties of Record

Attachments

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<sup>1</sup> 7% of SOS load equates to approximately 172,000 MWhs per year based on approximately 2.3 million MHs sold by Pepco through SOS annually.

<sup>2</sup> Because Pepco will be buying all of the renewable energy and RECs generated by the Facility, the Agreement does not include any developer right to terminate the PPA if the facility is undersubscribed (which led to the termination of Pepco’s earlier proposed PPA).

<sup>3</sup> As explained to Staff, Pepco selected the 25-year duration contract given the materially positive price as compared to shorter durations and taking the full output of the Facility, which is approximately 7% of estimated SOS load, mitigates developer right to terminate.

## CERTIFICATE OF SERVICE

I hereby certify a copy of Potomac Electric Power Company's Letter regarding the Power Purchase Agreement (PPA) was served this July 11, 2025 on all parties in Formal Case No. 1017 by electronic mail.

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/s/ Dennis P. Jamouneau  
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