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July 25, 2025

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

Re: Formal Case Nos. 1167 and 874

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing is the Potomac Electric Power Company's Initial Comments on Notice of Inquiry.

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 of Record

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

IN THE MATTER OF)	
)	
THE IMPLEMENTATION OF)	Formal Case No. 1167
THE CLIMATE BUSINESS PLAN)	
)	
And)	
)	
IN THE MATTER OF THE GAS)	Formal Case No. 874
ACQUISITION STRATEGIES OF)	
THE DISTRICT OF COLUMBIA)	
NATURAL GAS, A DIVISION OF)	
THE WASHINGTON GAS)	
LIGHT COMPANY)	

**POTOMAC ELECTRIC POWER COMPANY’S
INITIAL COMMENTS ON THE NOTICE OF INQUIRY**

On March 27, 2025, the Public Service Commission of the District of Columbia (Commission) issued a Notice of Inquiry (NOI) that requested input from stakeholders about recommended minimum filing requirements to track greenhouse gas (GHG) emissions in Washington Gas Light Company’s (WGL) gas procurement reporting. The NOI also addresses reporting requirements for Potomac Electric Power Company (Pepco or the Company) regarding GHG emissions across the electric generation, transmission and distribution lifecycle. By Order No. 22407, the Commission extended the deadline for comments to June 27, 2025 and reply comments to July 23, 2025. Order No. 22447 extended the deadlines again to July 25 and August 22, 2025, respectively, for comments and reply comments. The following are Pepco’s Initial Comments.

I. INTRODUCTION AND BACKGROUND

The Company has a unique role and interest in this NOI as both the administrator of the Standard Offer Service (SOS) program – the default electric service supply for District customers – and the incumbent electric distribution company and appreciates the Commission soliciting comments on this important subject.

As background, Pepco currently files data related to emissions in two separate dockets. First, Pepco provides semi-annual fuel mix reports, as required by Commission Order No. 13589. These reports are due to be filed by December 1 and June 1 annually in Docket FMAER and relate to Pepco's role as SOS administrator. These reports provide data concerning the PJM fuel mix with emissions rates for sulfur dioxide, nitrogen oxides, and carbon dioxide. Given that Pepco is the SOS administrator, and because the data relates to PJM's overall fuel mix, Pepco has no direct control over the data included in that report.

Second, files quarterly reports in Formal Case No. 1156 on several "Performance Tracking Mechanisms" (PTMs). For the purpose of these comments, Pepco notes that one PTM is related to GHG emissions.¹ Regarding this GHG PTM, Pepco reports on GHG emissions related to its District operations in tons of carbon dioxide equivalents (CO₂e). "District operations" has been defined as (1) building electricity use; (2) sulfur hexafluoride ("SF₆") emissions from Pepco's operational equipment; and (3) fuel consumed by vehicles owned by Pepco. In addition, and as required by the Commission, Pepco includes estimated emissions from vehicles operated by Pepco contractors. Finally, Pepco reports CO₂ emissions data related to energy supply both for SOS and

¹ The most recent PTM report filed by Pepco can be found at: <https://edocket.dcpsec.org/apis/api/Filing/download?attachId=218698&guidFileName=25f81288-e331-483b-bf05-10650ef846d8.pdf>. Formal Case No. 1156 (Feb. 26, 2025).

non-SOS customers in the District.² As Pepco has explained in its PTM reporting, Pepco provides these data as a result of Commission directives but has no control over the SOS and non-SOS emissions.

The following initial comments address the questions that bear on Pepco's electric distribution operations in the District of Columbia.³ Pepco does not own generation. In most cases, and as provided below, Pepco is already providing the information addressed in the NOI questions and looks forward to continued dialogue as to how it can partner with the Commission and the District to lower GHG emissions and meet District goals.

II. COMMENTS ON QUESTIONS DIRECTED TO OR ABOUT PEPSCO

b. What are industry best practices and regulatory best practices from other jurisdictions for tracking GHG emissions associated with power generation, transmission, and energy distribution to the District? Provide supporting work papers, documents, decisions and other relevant information as applicable.

PEPCO COMMENTS:

As stated above in the Background and Introduction, Pepco currently reports, tracks, and files a comprehensive suite of information concerning DC operations in its quarterly PTM reporting. As such, it is unclear what additional information may be required. However, Pepco further clarifies – as it has in Formal Case No. 1156 through the Performance Incentive Tracking Working Group (PIM WG) - that:⁴

Pepco reported that it has been tracking overall operational (controlled) GHG emissions since 2015 for internal performance reporting and compliance-

² In the February 2025 PTM report, for example, the data included by Pepco for the SOS and non-SOS represents the data for Q4 2024 using the grid average CO2 emissions rate as published by PJM.

³ Please note that the failure to address any of the other topics of the NOI is not meant to connote agreement or consent.

⁴ *Office of the People's Counsel for the District of Columbia's Phase Two of the Second Performance Incentive Mechanism Working Group Report*, Formal Case No. 1156, at pages 13, 15 (Oct. 31, 2023).

driven (EPA) or voluntary disclosures. There are two types of controlled emission sources—Scope 1 and Scope 2. Scope 1 includes GHGs from sulfur hexafluoride (“SF6”) and fleet fuel while Scope 2 relates to building and substation energy consumption. In addition to the controlled emission sources, there are non-controlled emission sources. This includes delivery of electricity to Standard Offer Service (“SOS”) and non-SOS customers and contractor vehicle emissions.

Pepco further stated that:

The Company did not include Scope 3 in the proposed PIM because it said these items are beyond its direct control; rather, SOS-related emissions, for example, are part of a Commission process whereby the Commission and OPC monitor a competitive auction and Pepco administers the SOS program. SOS generators must abide by DC Renewables Portfolio Standards (“RPS”) laws, but Pepco only administers the bidding or procurement process.

As such, and while Pepco will continue to file the PTM data, which include Scope 3 emissions, in its required reporting, Pepco continues to stress that any requirement that could lead to the imposition of standards or penalties regarding Scope 3 would be inappropriate. To reiterate, Pepco’s role as SOS administrator is limited and the Company does not have control of the process or suppliers sufficient to impose such a requirement. Finally, as noted in the first quotation, above, Pepco currently provides voluntary disclosures but is below the reporting standard based on Environmental Protection Agency (EPA) requirements. It is these EPA reporting requirements that would be “best practices” among the various jurisdictions for the reporting of GHG emissions.

f. Do intervenors support a requirement for PEPCO to provide detailed reports on both upstream and downstream GHG emissions quantifying the specific volumes and sources of GHG emissions across the entire electric generation, transmission and distribution? If intervenors would recommend changes to this reporting metric, what are they?

PEPCO COMMENTS:

It is unclear what is meant by the term “metric” in this question because the Company currently has no standards or metrics in place in the District. Rather, Pepco continues to report as required under the quarterly PTM directives and in Docket FMAER. However, as discussed

above, Pepco objects to the imposition of additional reporting, standards, or metrics with respect to Scope 3 sources over which it has no control.

i. Do intervenors have any recommendations to require PEPCO to provide documentation on the proportion of renewable sources blended within the overall electric supply including generation source, total electric generation in megawatt-hours (MWh), the percentage of renewable energy contribution and emission intensities? What additional metrics should be included?

PEPCO COMMENTS:

As stated above, Pepco administers the SOS program and, as part of that role, files semi-annual Fuel Mix reports in Docket FMAER. As a reminder, it is the wholesale suppliers – and not Pepco – that must meet the relevant RPS standards and procure the energy required to supply SOS customers. In contrast, Pepco’s role is limited to the billing and reporting function, and the relevant reporting already captures the information sought in this question. *See also* Pepco’s response to NOI Questions (b) and (f) regarding Pepco’s position on the imposition of any standards or penalties in the Company’s role as SOS administrator.

k. Do intervenors have recommendations on how PEPCO should provide comprehensive reporting that tracks losses or inefficiencies that during the production, transmission and distribution of electricity? What metrics should be included in that documentation?

PEPCO COMMENTS:

Pepco first notes that it does not have generation (production), so could not report on that data. For transmission and at the distribution substation level, the Company already provides (1)

annual system losses (Table 4, 2024 Annual Consolidated Report) and (2) the power factor for its 4kV and 13 kV substations in the District.⁵

m. Do intervenors have any recommendations requiring PEPCO provide a clear and analytical comparison of PEPCO’s electric procurement strategies and resulting GHG emissions against the District’s climate targets with references to the benchmarks established in local climate action laws and plans (e.g., Climate Commitment Amendment Act of 2022, Sustainable DC, Clean Energy DC)? If intervenors would recommend changes to this metric, what are they?

PEPCO COMMENTS:

As stated throughout these comments, Pepco is the SOS administrator and, as such, does not directly control the procurement of electric supply in the District. Rather, along with Commission Staff, Commission Staff’s consultant, and OPC, Pepco oversees the supply auction, and Pepco then performs various administrative functions related to the default supply for Pepco’s District distribution customers, including reporting through its PTM reports and in Docket FMAER. Pepco has also been directed to enter into a bilateral Power Purchase Agreement (PPA), which would be a long-term renewable product to supplement SOS load. However, the PPA and its attributes are subject to Commission oversight and regulation.

o. Do intervenors have recommendation(s) to require PEPCO to provide “materials that showcase PEPCO’s stakeholder engagement efforts aimed at soliciting and incorporating input on procurement practices and environmental impacts?” If intervenors would recommend changes to this metric, what are they?

⁵ See Potomac Electric Power Company’s 2024 Annual Consolidated Report, PEPACR-2024-01, at 15-17 (Apr. 15, 2024)

PEPCO COMMENTS:

Pepco requests clarification on the intent of this question, which appears to be related to stakeholder engagement regarding its SOS procurement and the Company is unaware of any “metric” currently in place. Pepco has no comment in this regard except to state that there is an annual process whereby stakeholders – including former and potential SOS suppliers – can discuss and recommend potential improvements to the SOS process.

r. Do intervenors have any recommendations to require PEPCO to provide year-on-year comparative metrics to facilitate tracking of PEPCO’s progress in aligning its electric procurement with climate objectives? If intervenors would recommend changes to this metric, what are they?

PEPCO COMMENTS:

See Pepco’s comments for NOI question (m), above.

s. Please describe any additional metrics or reporting requirements that intervenors believe are necessary to track GHG emissions in the natural gas and electric supply chains.

PEPCO COMMENTS:

The Company has no further comments at this time, but reserves its rights to respond to other stakeholders’ comments, issues, and concerns.

III. CONCLUSION

Pepco respectfully requests that the Commission consider these comments and looks forward to continued engagement on this important topic.

Respectfully submitted,

POTOMAC ELECTRIC POWER COMPANY

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Counsel for Potomac Electric Power Company

July 25, 2025

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Initial Comments on Notice of Inquiry in Formal Case Nos. 1167 and 874 has been served this July 25, 2025 to:

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