



Sandra Mattavous-Frye, Esq.
People's Counsel

August 20, 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. 1176, In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing in the above-referenced proceeding please find the *Meeting Minutes for the Rate Design Working Group Meeting – August 7, 2025*.

If there are any questions regarding this matter, please contact me at 202.261.1192.

Sincerely,

/s/ Ankush Nayar
Ankush Nayar
Assistant People's Counsel

Enclosure

cc: Parties of Record

**DC Public Service Commission
Rate Design Working Group
Meeting Minutes – August 7, 2025**

Introductions & Ground Rules

Staff began the meeting and stated that OPC would be responsible for the meeting minutes. Ground rules for how the meeting will be conducted and how group members should behave was reiterated. The agenda was also discussed briefly and is attached. In attendance for this meeting were Staff, OPC, Pepco, DOEE, and Grid 2.0.

Pepco Presentation

The meeting then transitioned to a presentation by Pepco on the interplay between TOU Rates and the PJM Capacity Market. The presentation is attached. The presentation discussed potential impacts and savings that could be achieved through a TOU rate. The presentation provided hypothetical savings on the last slide.

A discussion then followed in which parties had the opportunity to ask questions. OPC asked how PJM determines the amount of capacity that must be purchased by the District. The working group members had continued questions regarding how PJM allocates the amount of capacity that must be purchased by the District. Pepco noted that PJM uses a load forecast that incorporates 15-years of historic data. DOEE suggested that it may be worth confirming with PJM the full methodology for how capacity costs are allocated to the District. DOEE explained that its understanding, based in conversations with experts from Pacific Northwest National Laboratories, is that the allocation of capacity supply obligations is based on the five peak hours of usage for different load service entities. But DOEE has not yet gotten confirmation whether those five peak hours used for allocating capacity costs are based on the most recent year or some longer historic period.

Pepco also noted that there are filings that could be submitted to indicate a shift and that such a filing would have to be supported with substantial data to PJM.

Grid 2.0 asked about the potential benefits or range of gains from a TOU rate related to energy storage.

Future Presentations

DOEE offered to make a presentation on an evaluation framework for the proposed TOU rates. DOEE explained that for other elements of the implementation plan, it would look to Pepco to take the lead in developing those implementation steps. Pepco indicated it could make a presentation on customer outreach and other implementation steps as well. Pepco also noted that if DOEE was proposing a TOU Rate that was not revenue neutral this would represent a significant change to Pepco's proposal and the timeline for implementation would also change.

Working Group Report

DOEE presented a potential schedule for the completion of the Report and also indicated it would circulate a revised copy to working group members after the meeting. The schedule provides deadlines for contributions to the report and circulation of draft copies prior to submitting the final version, which is due at the end of October.

Next Steps

The next meeting will be on August 25, 2025. OPC will circulate the minutes for edits and file them prior to the next meeting, on or about August 15, 2025.

Estimated Capacity Savings with TOU Rate

PJM Load Forecast Model

- The PJM Load Forecast Model produces a 15-year monthly forecast of unrestricted peaks
- The model uses trends in equipment and appliance usage, anticipated economic growth, distributed solar generation and battery storage, plug-in electric vehicle, and historical weather patterns to estimate growth in peak load and energy use
- The model is used to set the peak loads for capacity obligations, for reliability studies, and to support the Regional Transmission Expansion Plan
- The forecast is produced by PJM and released prior to each Planning Period, typically in January

| Residential | Capacity Price (\$/MW) | PLCs (MWs) | Annual | Capacity Cost | Price Reduction |
|---------------------------------|-------------------------------|-------------------|---------------|----------------------|------------------------|
| Current Capacity PLCs | \$ 329.43 | 519.60 | 365 | \$ 62,477,717.22 | |
| 2.5% Reduction to Capacity PLCs | \$ 329.43 | 506.61 | 365 | \$ 60,915,774.29 | \$ (1,561,943) |
| 5% Reduction to Capacity PLCs | \$ 329.43 | 493.62 | 365 | \$ 59,353,831.36 | \$ (3,123,886) |
| | | | | | |
| Small Commercial | Capacity Price (\$/MW) | PLCs (MWs) | Annual | Capacity Cost | Price Reduction |
| Current Capacity PLCs | \$ 329.43 | 35.80 | 365 | \$ 4,304,661.81 | |
| 2.5% Reduction to Capacity PLCs | \$ 329.43 | 34.91 | 365 | \$ 4,197,045.26 | \$ (107,617) |
| 5% Reduction to Capacity PLCs | \$ 329.43 | 34.01 | 365 | \$ 4,089,428.72 | \$ (215,233) |
| | | | | | |
| Large Commercial | Capacity Price (\$/MW) | PLCs (MWs) | Annual | Capacity Cost | Price Reduction |
| Current Capacity PLCs | \$ 329.43 | 194.50 | 365 | \$ 23,387,059.28 | |
| 2.5% Reduction to Capacity PLCs | \$ 329.43 | 189.64 | 365 | \$ 22,802,382.79 | \$ (584,676) |
| 5% Reduction to Capacity PLCs | \$ 329.43 | 184.78 | 365 | \$ 22,217,706.31 | \$ (1,169,353) |
| | | | | | |
| Total | Capacity Price (\$/MW) | PLCs (MWs) | Annual | Capacity Cost | Price Reduction |
| Current Capacity PLCs | \$ 329.43 | 749.90 | 365 | \$ 90,169,438.31 | |
| 2.5% Reduction to Capacity PLCs | \$ 329.43 | 731.15 | 365 | \$ 87,915,202.35 | \$ (2,254,236) |
| 5% Reduction to Capacity PLCs | \$ 329.43 | 712.41 | 365 | \$ 85,660,966.39 | \$ (4,508,472) |

CERTIFICATE OF SERVICE

Formal Case No. 1176, In the Matter of Pepco’s Application for Approval to Increase Rates Through the Implementation of a Multiyear Rate Plan (“MYP”), also referred to as the “Climate Ready Pathway” for its Electric Distribution Service

I certify that on August 20, 2025, a copy of the *Meeting Minutes for the Rate Design Working Group Meeting – August 7, 2025*, was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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