

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL



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**ATTORNEY GENERAL**

**Public Advocacy Division**  
**Housing and Environmental Justice Section**

**ELECTRONIC FILING**

October 10, 2025

Brinda Westbrook-Sedgewick  
Commission Secretary  
DC Public Service Commission  
1325 G Street N.W., Suite 800  
Washington, D.C. 20001

**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-Sedgewick:

On behalf of the District of Columbia Government (DCG), I attach its Unopposed Motion to File Out of Time Comments on Pepco's RFP & Renewable PPA. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

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Attorney General

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versions of these documents with the Commission containing any proposed changes Pepco wanted to make to the RFP and PPA (other than quantity) from the version that the Commission previously approved for Pepco to supply five percent (5%) of the Company's SOS load from renewable energy resources.<sup>4</sup>

On September 15, 2025, Pepco filed its redline version of the RFP and renewable energy PPA for 25% of SOS load. On September 18, 2025, a copy of the Commission's Public Notice of Pepco's redlined filings of the RFP and PPA appeared in the District of Columbia Register. Pursuant to that Public Notice, comments on the redline documents were due within fourteen (14) days of publication of the Public Notice – i.e. by October 2, 2025. But the District was unable to meet this comment deadline.

However, good cause exists to accept the District's comments out of time. Due to fiscal year close out issues, the District – in particular the Department of Energy and Environment, the District's lead agency for energy-related policy – was unable to dedicate sufficient attention to this matter. As the Commission is well aware, the District's fiscal year ends on September 30<sup>th</sup> and considerable effort must be exerted to ensure that, to the extent possible, funds under existing contracts have been expended.

Because the District would like the opportunity to provide thoughtful comments on this matter of importance to its clean energy goals, the District moves the Commission to accept these comments eight (8) calendar days out of time. The District submits that 8 additional days will not result in an inordinate delay in ultimately issuing any new RFP(s) and Renewable PPA(s).

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<sup>3</sup> Formal Case No. 1017, *In the Matter of the Designation and Development of Standard Offer Service in the District of Columbia* (F.C. 1017).

<sup>4</sup> F.C. 1017, Commission's Public Notice issued September 19, 2025, ¶ 2 (referring to Order No. 22702).

Moreover, as evidenced by the fact that this motion is unopposed, no prejudice will result from the Commission granting the relief requested herein.

WHEREFORE, for the above-stated reasons, the District moves the Commission to accept the attached comments on Pepco's proposed redlines to the Company's RFP and renewable energy PPA out of time.

Respectfully submitted,

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*/s/ Brian Caldwell*

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October 10, 2025

*Attorney for the District of Columbia Government*

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

**IN THE MATTER OF:**

**THE DESIGNATION AND DEVELOPMENT )  
OF STANDARD OFFER SERVICE IN THE )      **Formal Case No. 1017**  
DISTRICT OF COLUMBIA                    )**

**COMMENTS OF THE DISTRICT OF COLUMBIA GOVERNMENT  
IN RESPONSE TO SEPTEMBER 18, 2025 PUBLIC NOTICE**

Pursuant to the Public Service Commission of the District of Columbia’s (Commission) Public Notice, appearing in the September 18, 2025 District Register, the District of Columbia Government (DCG or the District), through the Office of the Attorney General and Department of Energy and Environment (DOEE), respectfully submits the following comments on the Potomac Electric Power Company’s (Pepco) redlined drafts of a Request for Proposals (RFP) and Renewable Energy Purchase Power Agreement (Renewable PPA) with a cumulative procurement target of twenty-five percent (25%) of Pepco’s total Standard Offer Service (SOS) load.<sup>1</sup>

**I.      BACKGROUND**

On April 12, 2019, the Commission issued Order No. 19897, which, *inter alia*, established a pilot program authorizing Pepco to procure an initial five percent (5%) of its SOS Load through Renewable PPAs with either wind or solar developers located within the PJM region. On April 1, 2024 -- almost five (5) years later with no Renewable PPA yet executed --the Commission directed Pepco to issue a revised version of an RFP and Renewable PPA that loosened some of the restrictions the PSC had previously placed on

the RFP / PPA in an effort to attract responses from potential bidders.<sup>2</sup> However, on February 7, 2025, still with no Renewable PPA in place, Commissioner Beverly filed a letter in this docket inquiring of DOEE, the Office of People’s Counsel, and any other interested party whether the 5% target cap was too low and, therefore, a contributing factor to the dearth of RFP responses.

But finally, on July 11, 2025, Pepco notified the Commission that it had executed a Renewable PPA with a solar developer within PJM’s territory to deliver around 5% of Pepco’s SOS load. Attached to Pepco’s notice to the Commission were a series of confidential attachments, including the Renewable PPA itself. In response to Pepco’s notice, the Commission approved the PPA as set forth in Order No. 22702 filed on August 11, 2025.<sup>3</sup> Not only did the Commission approve the Renewable PPA for 5% of SOS load, but it further directed Pepco to procure an additional twenty 20% of SOS load via a Renewable PPA(s) for a cumulative total of 25% of SOS load coming from renewable energy sources. The Commission also directed Pepco to file redlined versions of the RFP and Renewable PPA showing any changes from the modified versions of these documents the Commission approved in April 2024 (other than the percentage amount of SOS load). On September 15, 2025, Pepco submitted the required redlined documents.

In response, the Commission promptly issued a public notice on September 18, 2025, soliciting comments on the foregoing. DCG submits these comments in response.

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<sup>1</sup> See Formal Case No. 1017, *In the Matter of the Designation and Development of Standard Offer Service in the District of Columbia* (F.C. 1017), Order No 22702, ¶13 (rel. August 14, 2025). The target 25% would be inclusive of any existing Renewable PPAs,

<sup>2</sup> F.C. 1017, Order No. 21977, ¶ 24 (rel. April 1, 2025).

<sup>3</sup> At ¶ 15.

In addition, the District will (belatedly) respond to Commissioner Beverly's February 7, 2025 Letter inquiring about any changes to a recommendation DCG proffered in 2018, supported by an analysis / study from its contractor in this matter, Center for Renewables Integration. Specifically, Commissioner Beverly asked whether there are any:

plans to update any modeling or whether DOEE still supports a 70-90% renewable PPA, albeit with the level of flexibility in procurement that DOEE also requested. I also would like to know whether DOEE is updating this recommendation as part of its second iteration of the Clean Energy DC Plan.<sup>4</sup>

## II. COMMENTS

DCG appreciates this opportunity to share a few perspectives on the current and future use of Renewable PPAs.

First, DCG supports Pepco and the Commission's continued investigation of Renewable PPAs as tools that can provide significant value to SOS customers and help the District achieve its clean energy goals. DOEE's 2018 study on the value of PPAs came in the wake of a series of successful Renewable PPAs for the D.C. Department of General Services and other public agencies who were able to lock in high-volumes of low-cost, renewable electricity through the use of Renewable PPAs. DCG supports the continued investigation of these tools, including through the direction to Pepco to release an RFP for the purposes of soliciting additional offers and prices that could advance SOS procurement goals. DCG does believe it is important to evaluate the offers that come in through the final version of the Draft RFP.

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<sup>4</sup> F.C. 1017 & Formal Case No. 1183, *In the Matter of the Investigation Into the Impact of the PJM Capacity Auction and the Establishment of the PJM Auction Task Force*, Letter from Commissioner Beverly, at pg. 1 (Feb. 7, 2025).

Second, there may be value in DOEE and the PSC collaborating on a study to update DOEE's 2018 analysis of the value of Renewable PPAs. Much has changed since DOEE's 2018 study came out. Within the PJM region, interconnection and transmission planning challenges have grown in importance as a major barrier for new generation in general, and renewable energy in particular. At the same time, wholesale electricity prices and the prices for regional renewable energy credits (RECs) have climbed substantially, and may continue to rise. These factors indicate that there may still be substantial value for SOS customers in continuing to pursue long-term PPAs. An updated analysis by DOEE and the PSC of the value of Renewable PPAs and key elements of their design and execution would be beneficial. DOEE welcomes the opportunity to partner with the PSC on this analysis.

Finally, with respect to the Draft PPA, DCG notes that in the past, it has contracted with expert consultants to advise on the contractual terms behind proposed Renewable PPAs for the SOS. DCG has not done so at this time for a variety of reasons, including funding and timing of the Draft RFP vis-à-vis Order No. 22702. For that reason, DCG does not have specific, detailed comments on the terms of the RFP and Draft PPA at this time. DCG does, however, have several high-level comments to offer in response to the Draft PPA:

- As noted above, DCG supports Pepco's pursuit of an RFP for up to 25% of the SOS load, though notes it will be important to evaluate thoroughly the offers received through the RFP. This should include an analysis of the risk profiles associated with the offers Pepco receives in response to the Renewable PPA RFP relative to the risk profiles associated with procurements through the standard SOS process.
- The Commission should direct Pepco to file any results of its analysis of the RFP responses and/or selected RFP winner(s) in Formal Case 1017. Pepco's filing of

the first Renewable PPA for 5% of the SOS load indicated that it did undertake such an analysis, as is proper. These analyses should be filed with the RFP, which would assist in the ability for other stakeholders to understand and fully evaluate the Company's recommendation to approve the executed PPA.

- A timely procurement process is essential. Business opportunities have windows that open and close and value propositions can improve or decrease over time. Between the time DOEE released its 2018 study and the time the Commission approved Pepco's executed Renewable PPA, prices for Renewable PPAs in the PJM region rose substantially. Pepco's comments filed with its PPA indicates that the Company believes the executed PPA remains valuable in light of further expected increases in electricity prices. That may hold true as well for the RFP responses Pepco receives after it finalizes the current draft RFP. But in all case, it is vital to ensure that Pepco's procurement proceeds swiftly to ensure that SOS customers do not miss out on meaningful savings that could erode over time.
  
- The issue of Renewable PPAs that lack capacity as one of the covered attributes remains an important area of inquiry. In the wake of rising capacity market prices, a number of experts have highlighted the missed opportunities that Load Serving Entities (LSEs) such as Pepco forewent when they did not hedge against future capacity price increases during the period of favorably low capacity prices that the PJM region saw prior to 2024. In a recent data request, DCG asked Pepco why it omitted capacity from its recent Renewable PPA and whether it intended to do so again in the future. Pepco responded that "Decisions concerning whether or not to include capacity in the negotiated agreement were part of a holistic assessment but were largely focused on potential negative impacts to SOS customers. No future decisions have been made as to whether or not future PPAs will procure capacity."
  
- o DCG believes that there could be valid reasons to omit capacity from a Renewable PPA, including regarding uncertainties for how PJM intends to value capacity from renewable sources. PJM's approach to capacity accreditation has varied wildly in recent years, with significant changes in particular for the capacity values attributable to renewable sources.
  
- o That said, the issue of exposing SOS customers to PJM capacity prices – without hedging at least part of that exposure – warrants further inquiry. It may be that a Renewable PPA is not the optimal vehicle for hedging against capacity price increases. It may also be true that given how high current PJM capacity prices are, long-term contracting around capacity may not be advantageous at this time, though DCG notes that other regions and utilities do have higher capacity prices and PJM capacity prices may yet climb higher. Long-term contracting can also

provide value through hedging part but not all of the SOS load, smoothing out risk profiles given uncertainties for whether capacity prices will rise or fall.

- o The Commission should direct Pepco to prepare an analysis of long-term contracting and hedging opportunities associated with the PJM capacity market, and convene a technical conference to discuss the results of its analysis.

### **III. CONCLUSION**

DCG appreciates the opportunities to provide these comments, and notes that this area in particular is one where collaboration between the utilities and public agencies in DC is critical. DCG looks forward to partnering with Pepco and the Commission on any next steps that would be beneficial to advance understandings of opportunities to improve SOS procurement through use of long-term contracting and hedging, including through the use of Renewable PPAs.

## CERTIFICATE OF SERVICE

I hereby certify on behalf of the District of Columbia Government that a copy of its Unopposed Motion to File Comments on Pepco's RFP and PPA Out of Time was electronically delivered on this 10<sup>th</sup> day of October 2025, on the following parties:

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