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People's Counsel

October 22, 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. 1183, IN THE MATTER OF THE INVESTIGATION INTO
THE IMPACT OF THE PJM CAPACITY AUCTION AND THE
ESTABLISHMENT OF THE PJM CAPACITY AUCTION TASK FORCE**

Dear Ms. Westbrook-Sedgwick:

The PJM Capacity Auction Task Force held a meeting on October 8, 2025. Attached are the *Meeting Minutes* from this meeting, a copy of the agenda, and presentation materials from Pepco.

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

Sincerely,

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

Meeting Minutes for Formal Case No. 1183 – PJM Capacity Auction Task Force

Date: 10.8.2025

Time: 11:00 am – 12:30 am

The PJM Capacity Auction Task Force met on October 8, 2025, to discuss issues related to Formal Case No. 1183.

Introduction/Attendance

Attendance was taken by Staff for the Public Service Commission (Staff). In attendance were Pepco, the Office of People’s Counsel (OPC), Apartment and Office Building Association of Metropolitan Washington (AOBA), District of Columbia Government (DCG), the City Administrator, and the DC Sustainable Energy Utility (DCSEU). PJM notified the Task Force ahead of time that they could not be in attendance for this meeting.

An agenda had been circulated ahead of the meeting and is attached. Topics for discussion of this meeting included: (1) Meeting Minutes; (2) Presentation on demand-side solutions by Pepco and discussion; (3) Any other Presentations; (4) Preparation of Second Report; (5) Next meeting and Misc.

Demand-Side Solutions Presentation & Discussion

Pepco gave a power-point presentation titled “FC1183 PJM Task Force Pepco Demand-Side Solutions.” Slides would be circulated after the meeting, and the presentation is attached. The topics presented included different TOU rates, managed charging, thermostat demand response, the Energy Wise Rewards Refresh program, behavioral and technical solutions, efficient products incentives, prescriptive and custom incentives, behind-the-meter battery energy storage incentives.

With respect to TOU rates, there were several different subcategories the parties discussed including whole-house TOU rates, EV-only TOU Rate, technology-neutral general service rates, and general service EV Rate.

AOBA

AOBA noted that while the presentation included the word “solutions” in the title, the presentation provided general ideas that had not been fleshed out in requisite detail. AOBA believed the presentation as a whole was premature. The discussion on TOU rates, for example, was still being developed in the Rate Design Working Group in FC 1176. AOBA also expressed concerns as to the cost of these programs and sought clarity as to whether those would be passed on to customers in distribution rates. AOBA noted the costs should be part of the SOS rates.

With respect to certain TOU rates, AOBA also expressed concern about the lack of participation in certain TOU Rates administered in Maryland.

Pepco

Pepco reiterated that the presentation was covering ideas at high-level, some of the TOU rates in the presentation were still being developed in other working groups, and that there are a variety of different TOU programs implemented across the country with different characteristics such as those that are opt-in versus opt-out. Pepco noted they were asked to bring ideas and that is what they were trying to do with this presentation.

DCG

DCG noted it had interest in learning more about technology specific demand response programs. It was interested in further discussion between general demand response versus energy specific demand response programs.

DCG also noted that the Department of Energy and the Environment (DOEE) was working on developing its TOU rate proposal in the Rate Design Working Group, and the discussion on cost recovery is something it is noting and may address in its TOU proposal with respect to cost allocation and cost recovery between distribution and supply.

AOBA

AOBA noted that commercial buildings have charging facilities within their parking garages and suggested/asked whether it would be worthwhile to see what's been done to manage these loads, and the interest of such commercial customers in EV charging programs.

OPC

OPC noted that it was interested in discussions on two areas of demand response: (1) there are demand response programs that allow customers to act as a supply resource and receive compensation; and (2) there are demand response programs that can allow customers to reduce demand at certain times, reducing the capacity obligation and wholesale capacity costs for customers. OPC also reiterated that it is important to understand what kinds of reduction are necessary to make a meaningful impact on capacity costs in pursuing solutions. OPC noted that further insight from PJM on the relationship between reductions in demand from demand side programs and the impact on wholesale capacity costs for the District is needed. OPC also noted that it also asked for additional information on AMI meters from Pepco, which it believed could aid in developing ideas related to demand response.

Other Presentations

OPC noted that it had discussions with PJM and hoped that PJM could schedule speakers to present on demand side programs for retail customers, forecasting, and how demand response programs could provide either direct compensation to end use customers or

reduce the capacity obligation within the District. Parties including AOBA and DOEE expressed interest in further discussion with PJM.

Preparation of Second Report

Parties discussed the preparation of the second report, which is due on October 31, 2025. Parties agreed that completing a report by October 31st was not possible. Additionally, further information from PJM would be helpful. Parties also noted other topics such as transparency within PJM and its overall structure were ideas worth discussing.

Staff suggested OPC file a report requesting an extension. OPC noted that parties were interested in at least two more meetings and possibly two presentations from PJM. This would mean that a report would likely not be complete by the end of the year.

Parties were amenable to an extension in which a deadline of no later than early February be circulated. OPC will complete a draft for an enlargement of time, circulate it, and confirm if there are any objections from Task Force Members.

Next Meeting and Misc.

A time for the next meeting has not been scheduled yet. And Task Force members need to coordinate and confirm that PJM can provide speakers at the next meeting.



**FORMAL CASE NO. 1183, IN THE MATTER OF THE INVESTIGATION INTO THE
IMPACT OF THE PJM CAPACITY AUCTION AND THE ESTABLISHMENT OF
THE PJM CAPACITY AUCTION TASK FORCE**

PJM CAPACITY AUCTION TASK FORCE MEETING

**October 8, 2025
2:00 PM**

AGENDA

- I. Attendance
- II. Meeting Minutes
- III. Demand-Side Solutions Presentation by Pepco and Discussion
- IV. Any Other Presentations
- V. Preparation of Second Report
- VI. Next Meeting and Misc.



October 8, 2025

FC1183 PJM Task Force Pepco Demand-Side Solutions

Whole-House TOU Rate

Description:	Whole-house TOU rate for residential customers
Details:	Per forthcoming Rate Design Working Group Report: <ul style="list-style-type: none">• Three periods: on-peak, intermediate, and off-peak• Distribution and supply charges• Seasonal rate component: higher summer charges, lower winter charges
How does this address Demand?	Customers are incentivized to shift demand from peak periods to off-peak and shoulder periods, lowering peak demand
Examples from other Jurisdictions:	Pepco MD Residential TOU Rate

EV-Only TOU Rate

Description:	Rate offered to residential customers interested in a TOU rate only for their EV charger but not for their whole house. Utilize EV charger submetering or separate metering to measure EV load.
Details:	<ul style="list-style-type: none">Initially provides a credit of \$0.03/kWh to EV charging load that occurs during off-peak hours.After IT upgrades are complete, transitions to a TOU rate, rather than bill credit.R-PIV closed to new customers, existing customer transitioned to new rate (whole-house or EV).Similar rate proposed in Maryland
How does this address Demand?	<p>EV load is more easily controlled than general household electric usage, appealing to customers reluctant to switch to whole-house TOU rate.</p> <p>Incentivizing off-peak charging; encourages customers to shift their demand, lowering peak demand.</p>
Examples from other Jurisdictions:	Formal Case No. 1130/1155 approved R-PIV Formal Case No. 1155 Pepco DC EV Phase 1 and Phase 2 filings Pepco MD EV Phase II EV Time-of-Use Dominion Energy Virginia Off-Peak Plan

Technology-Neutral General Service Rates

Description:	Opt-in TOU rates for GS-LV and MGT-LV customers
Details:	Per forthcoming Rate Design Working Group Report: <ul style="list-style-type: none">• Three periods: on-peak, intermediate, and off-peak• Distribution and supply charges• Seasonal rate component: higher summer charges, lower winter charges• Reduce non-coincident demand charge, add on-peak demand charge.
How does this address Demand?	Would reduce demand during peak periods, which could help reduce Pepco's capacity obligations.

General Service EV Rate

Description:	EV-charging TOU rate for GS-LV customers with EV charging load exceeding 1,000 kW
Details:	<p>Per forthcoming Rate Design Working Group Report:</p> <ul style="list-style-type: none">• Three periods: on-peak, intermediate, and off-peak• Introduce time-differentiated volumetric rates for distribution• Enhance differential for supply• Seasonal rate component: higher summer charges, lower winter charges• Reduce non-coincident demand charge, add on-peak demand charge.
How does this address Demand?	Would reduce demand during peak periods, which could help reduce Pepco's capacity obligations.

Managed Charging

Description:	Program for residential and commercial customers that provides participants with an incentive to reduce their EV charging demands during peak periods.
Details:	<ul style="list-style-type: none">• Active load management solution that would include:<ul style="list-style-type: none">• Enrollment Credit: one-time bill credit for customers enrolling their EV(s) to Pepco’s online Managed Charging platform• Ongoing Participation Credit: monthly bill credit for participating customers with majority charging during off-peak• Demand Response Credit: supplemental annual bill credit for participation in a certain number of Demand Response events per season• Goal of 80% off-peak charging
How does this address Demand?	Reduces demand during periods of peak demand, reducing the District’s capacity obligation.
Examples from other Jurisdictions:	Formal Case No. 1130 Demand Response Pepco DC EV Phase 2 filing Pepco MD EV Phase II Smart Charge Management

Thermostat-Based Demand Response

Description:	Smart thermostats temporarily reduce HVAC usage during certain events, reducing peak demand.
Details:	<ul style="list-style-type: none">• Two participation options: BYOD for customers with existing devices, and rebates to encourage new customers to participate• Participants earn performance-based bill credits.• Thermostats respond to Pepco-initiated events, but participants retain control and can choose to opt out.• Residential and commercial customers
How does this address Demand?	Allows Pepco to lower demand during periods of peak demand. Gives customers a tool that helps lower their demand and compensates them for grid services they provide.
Examples from other Jurisdictions:	FC 1130 Demand Response Pepco MD Energy Wise Rewards Baltimore Gas and Electric Connected Rewards

Energy Wise Rewards Refresh

Description:	Replace residential customer-sited direct load control devices with modern equipment and reopen program to new enrollment
Details:	<ul style="list-style-type: none">• Participating customers receive bill credits in return for installing direct load control devices on HVAC systems• Contrast to DR program: customers can't opt out of events but can unenroll from program at any time.• Includes enrollment incentive and monthly bill credit for participating in program• Propose to replace existing, outdated equipment with new devices and allow new customers to enroll
How does this address Demand?	New devices and more participating customers increases load reduction potential, helping Pepco reduce demand during peak periods.
Examples from other Jurisdictions:	Pepco DC Energy Wise Rewards Pepco MD Energy Wise Rewards

Behavioral and Technical Solutions

Description:	A variety of solutions to help customers understand and lower their energy usage.
Details:	<ul style="list-style-type: none">• Solutions include:<ul style="list-style-type: none">• Educational materials• Commercial customer portal with energy reports and coaching• Home energy reports• Quick home energy check-up• Home performance audit and improvements• New construction code support
How does this address Demand?	Low-cost solutions to help customers be more energy efficient, lowering overall demand and giving customers tools to lower their bills.
Examples from other Jurisdictions:	FC 1160 Energy Efficiency Pepco MD Energize Education Program Pepco Business Energy Manager Pepco MD QHEC Program Pepco MD Home Performance with ENERGY STAR Program

Efficient Products Incentives

Description:	Midstream rebates and incentives for high-efficiency appliances and other devices
Details:	<ul style="list-style-type: none">• Eligible appliances would include heat pumps, HVAC, and smart thermostats, among others• Would be complementary to existing SEU programs and incentives• Residential and commercial customers
How does this address Demand?	Replacing old electric appliances with new, more efficient appliances will help customers lower their electric usage and lower demand overall.
Examples from other Jurisdictions:	FC 1160 Energy Efficiency Pepco MD Marketplace Pepco MD Business Instant Discounts

Prescriptive & Custom Incentives

Description:	Downstream prescriptive, custom, and retro-commissioning incentives aimed at retrofitting existing commercial buildings.
Details:	<ul style="list-style-type: none">• Customized approach to reducing energy usage that includes additional high-efficiency equipment options• Commercial customers• Incentives based on calculations of expected energy savings• Additional small business component includes quick energy check-up and direct install services.• Would be complementary to existing SEU programs and incentives.
How does this address Demand?	Additional opportunities for commercial customers to manage and lower their energy usage helps them lower their bills and lower demand overall.
Examples from other Jurisdictions:	FC 1160 Energy Efficiency Pepco MD Medium and Large Businesses Program Pepco MD Small Business Program

Behind-the-Meter Battery Energy Storage Incentives

Description:	Offer customers incentives to purchase behind-the-meter (BTM) battery energy storage systems (BESS) or lease systems from Pepco
Details:	<ul style="list-style-type: none">• Could include some or all of the following:<ul style="list-style-type: none">• Incentives for purchase and installation of customer-hosted BTM BESS• Tariffs for customers with BTM BESS to participate in energy arbitrage and peak shaving.
How does this address Demand?	Batteries allow customers to shift their demand from peak periods to off-peak. Paired with a rate that incentivizes battery charging during off-peak periods and discharging during grid peaks, customers are encouraged to offset their demand during peak periods and are compensated for doing so.
Examples from other Jurisdictions:	Green Mountain Power BYOD Program Green Mountain Power Tesla Powerwall Program



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CERTIFICATE OF SERVICE

Formal Case No. 1183, In The Matter Of The Investigation Into The Impact Of The PJM Capacity Auction And The Establishment Of The PJM Capacity Auction Task Force

I certify that on October 22, 2025, a copy of the PJM Capacity Auction Task Force *Meeting Minutes* for the meeting held on October 8, 2025, was served on the following by hand delivery, first class mail, postage prepaid or electronic mail:

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