

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1325 G STREET N.W., SUITE 800  
WASHINGTON, D.C. 20005**

**ORDER**

**November 19, 2025**

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA, Order No. 22739**

**I. INTRODUCTION**

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) grants the District of Columbia Government’s Unopposed Motion to File Out of Time its Comments on the Potomac Electric Power Company’s (“Pepco”) Redlined Request for Proposals and Renewable Power Purchase Agreement (“DCG’s Motion”). This Order also approves Pepco’s redlined Request for Proposals (“RFP”) and draft Power Purchase Agreement (“PPA”), with modifications, to try to procure a target quantity of twenty-five percent (25%) of the Standard Offer Service (“SOS”) load through renewable energy PPA(s).<sup>1</sup> Pepco is directed to issue the RFP and draft PPA within fifteen (15) days of the date of this Order. The Commission also directs Pepco to file the final PPA(s) with the Commission for approval upon execution.

**II. BACKGROUND**

2. By Order No. 19897, the Commission, inter alia, established “a pilot program to procure renewable energy through long-term power purchase agreements for electricity generated by solar or wind power facilities located within PJM with a target quantity of five (5) percent of the SOS load.”<sup>2</sup> By Order No. 21413, the Commission approved the executed renewable energy purchase agreement filed by Pepco on July 25, 2022, for the bundled sale of energy, renewable energy credits, and capacity.<sup>3</sup> On April 20, 2023, Pepco filed a letter informing the Commission that on February 21, 2023, it received a letter from the counterparty to the PPA, invoking its contractual right to terminate because it had failed to contract for the sale of ninety percent (90%) of the project.<sup>4</sup> Pepco proposed that the Commission issue an order directing Pepco to issue a new RFP with more flexible terms to attract more bidders.<sup>5</sup> On May 3, 2023, the Commission issued

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<sup>1</sup> *Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia (“Formal Case No. 1017”), Potomac Electric Power Company’s Redlined RFP and Draft PPA, filed September 15, 2025 (“Pepco’s Redlined RFP and Draft PPA”).*

<sup>2</sup> *Formal Case No. 1017, Order No. 19897, ¶ 1, rel. April 12, 2019.*

<sup>3</sup> *Formal Case No. 1017, Order No. 21413, ¶ 1, rel. August 3, 2022.*

<sup>4</sup> *Formal Case No. 1017, Potomac Electric Power Company’s Letter, filed April 20, 2023 (“Pepco’s April Letter”).*

<sup>5</sup> Pepco’s April Letter at 1.

a notice requesting comments on the terms Pepco proposed and/or proposing other terms the Commission could include in a new RFP.<sup>6</sup>

3. By Order No. 21918, the Commission directed Pepco to include several terms in the RFP and draft PPA.<sup>7</sup> On November 14, 2023, Pepco filed a motion requesting the Commission extend the deadline to file an updated draft RFP and PPA from November 27, 2023, to January 16, 2024.<sup>8</sup> By Order No. 21930, the Commission granted an enlargement of time for Pepco to file the updated draft RFP and PPA to January 16, 2024.<sup>9</sup> On January 16, 2024, Pepco filed the revised RFP and draft PPA.<sup>10</sup>

4. On January 17, 2024, the Commission issued a Public Notice inviting comments on Pepco's revised RFP and draft PPA.<sup>11</sup> By Order No. 21977, the Commission directed Pepco to issue the modified RFP and draft PPA fifteen (15) days following the filing date of the modified RFP and draft PPA and directed Pepco to file the final PPA with the Commission for approval once executed.<sup>12</sup> Pepco filed the modified RFP and draft PPA on April 11, 2024.<sup>13</sup>

5. Pepco filed the executed Renewable Energy Purchase Agreement on July 11, 2025.<sup>14</sup> By Order No. 22702, the Commission approved the executed Renewable Energy Purchase Agreement, removed the five percent (5%) SOS load cap, and directed Pepco to try to procure a target quantity of 25% of the SOS load through renewable energy PPAs.<sup>15</sup> On September 18,

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<sup>6</sup> *Formal Case No. 1017*, Notice, issued May 3, 2023.

<sup>7</sup> *Formal Case No. 1017*, Order No. 21918, ¶ 1, rel. October 26, 2023 (“Order No. 21918”).

<sup>8</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Motion for Enlargement of Time to Comply with Order No. 21918, filed November 14, 2023.

<sup>9</sup> *Formal Case No. 1017*, Order No. 21930, ¶ 1, rel. November 21, 2023.

<sup>10</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Revised Request for Proposals and Draft Power Purchase Agreement, filed January 16, 2024.

<sup>11</sup> *Formal Case No. 1017*, Public Notice, issued January 17, 2024.

<sup>12</sup> *Formal Case No. 1017*, Order No. 21977, rel. April 1, 2024.

<sup>13</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Modified Request for Proposals and Draft Power Purchase Agreement, filed April 11, 2024.

<sup>14</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Confidential Renewable Energy Purchase Agreement, filed July 11, 2025. On August 6, 2025, Pepco filed an Errata correcting an error in Pepco's July 11, 2025, cover letter, which stated that the Renewable Energy Purchase Agreement would account for approximately seven percent (7%) of the total SOS load, when in fact the Renewable Energy Purchase Agreement accounts for 5% of the SOS load. *Formal Case No. 1017*, Potomac Electric Power Company's Errata to July 11, 2025, Cover Letter, filed August 6, 2025.

<sup>15</sup> *Formal Case No. 1017*, Order No. 22702, rel. August 14, 2025 (“Order No. 22702”). The Commission clarifies that Pepco should integrate the executed Renewable Energy Purchase Agreement into the Wholesale Full Requirements Service Agreement and RFP for the 2026-2027 SOS solicitation (in which the first SOS delivery year is for 2027-2028). Thus, these changes should be discussed with the SOS Working Group at next year's SOS Post Bid Conference before they are filed with the Commission.

2025, the Commission issued a Public Notice inviting comments on Pepco's redlined RFP and draft PPA.<sup>16</sup> On October 10, 2025, DCG filed its Motion.<sup>17</sup> On October 14, 2025, Pepco filed a response letter to DCG's Motion.<sup>18</sup>

### III. DISCUSSION

6. **Pepco's Redlined RFP and Draft PPA.** Pepco notes that the redlined RFP is based on the RFP approved by the Commission in Order No. 21977.<sup>19</sup> According to Pepco, besides the quantity of the potential PPA, the only material changes in the redlined RFP are the RFP schedule, the proposal agreement to include twenty-five (25) years, and the removal of the pricing collar review. Additionally, the confidential redlined PPA is based on the PPA approved by Order No. 21977, and the proposed changes remove certain negotiated terms that were specific to the recently approved agreement.

7. **DCG's Motion.** DCG moves the Commission to accept the out-of-time filing of DCG's attached comments on Pepco's redlined RFP and draft PPA and states that no party to this proceeding registered an opposition to the Motion.<sup>20</sup> DCG argues good cause exists to accept DCG's comments out of time because DCG was unable to dedicate sufficient attention to this matter due to District of Columbia ("District") fiscal year close-out issues. DCG argues that the eight (8) additional days will not result in an inordinate delay in issuing a new RFP and that no prejudice will result from the Commission granting the relief requested because the Motion is unopposed.

8. First, DCG supports Pepco and the Commission's continued investigation of renewable PPAs as tools that can provide value to SOS customers and help the District achieve its clean energy goals. Second, DCG states that there may be value in the District of Columbia Department of Energy and Environment ("DOEE") and the Commission collaborating on a study to update DOEE's 2018 analysis of the value of renewable PPAs.

9. Finally, DCG provides several high-level comments to offer in response to the RFP and draft PPA. DCG supports Pepco's pursuit of an RFP for up to 25% of the SOS load and states that the evaluation of offers should include an analysis of the risk profiles associated with the offers Pepco receives in response to the RFP relative to the risk profiles associated with procurements through the SOS process. DCG also states that the Commission should direct Pepco to file any

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<sup>16</sup> *Formal Case No. 1017*, Public Notice, issued September 18, 2025.

<sup>17</sup> *Formal Case No. 1017*, District of Columbia Government's Unopposed Motion to File Out of Time its Comments on the Potomac Electric Power Company's Redlined Request for Proposals and Renewable Power Purchase Agreement, filed October 10, 2025 ("DCG's Motion").

<sup>18</sup> *Formal Case No. 1017*, Potomac Electric Power Company's Response to District of Columbia Government's Motion, filed October 14, 2025 ("Pepco's Response Letter").

<sup>19</sup> Pepco's Redlined RFP and Draft PPA. On September 18, 2025, Pepco filed a redlined public version of the draft PPA. *Formal Case No. 1017*, Potomac Electric Power Company's Redlined Public Draft PPA, filed September 18, 2025.

<sup>20</sup> DCG's Motion.

results of its analysis of the RFP responses and/or selected winner(s) in *Formal Case No. 1017*. DCG also notes that it is vital to ensure that Pepco's procurement proceeds swiftly to ensure that SOS customers do not miss out on savings that could erode over time. DCG states that the issue of renewable PPAs that lack capacity as one of the covered attributes remains an important area of inquiry and that they believe that there could be valid reasons to omit capacity from a renewable PPA. However, DCG argues that this issue warrants further inquiry and that 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.

10. **Pepco's Response Letter.** Pepco states that DCG's comments discuss and opine on a number of issues, including many that are far outside the scope of the Public Notice, such as convening a technical conference to discuss the results of an analysis of long-term contracting and hedging opportunities associated with the PJM capacity market.<sup>21</sup> Pepco argues that the Commission should approve Pepco's filed draft PPA and RFP and mentions that no comments have been filed that suggest otherwise. Pepco further contends that issues related to the PJM capacity market have been and are currently being discussed in *Formal Case No. 1183*. Thus, according to Pepco, in addition to being outside of the scope of the Public Notice, DCG's comments are best considered in a separate proceeding.

#### IV. **DECISION**

11. Generally, the Commission will grant a request of this nature if good cause exists.<sup>22</sup> In this instance, DCG indicated that DCG was unable to dedicate sufficient attention to this matter due to District fiscal year close-out issues. Because DCG's request is for a minimal duration and because no party was prejudiced, the Commission finds good cause to grant DCG's Motion and accept its comments.

12. DCG raises several high-level comments in response to the RFP and draft PPA. The Commission agrees with DCG on the importance of ensuring that this procurement process proceeds swiftly. DCG states that there may be value in the Commission and DOEE collaborating on a study to update DOEE's 2018 analysis of the value of renewable PPAs. The Commission supports a partnership with DOEE on continued efforts to pursue renewable PPAs and believes that the bids received in response to the RFP will provide market-based data on the financial benefits of renewable PPAs. Additionally, DCG argues that the Commission should direct Pepco to file any results of its analysis of the RFP responses and/or selected RFP winner(s). The Commission is mindful of the confidential and competitively sensitive nature of this procurement process and believes that the fourteen (14) day comment period provided by Order No. 22702 is adequate to provide stakeholders the ability to evaluate any proposed PPAs filed by Pepco. DCG also recommends that the Commission direct Pepco to prepare an analysis of long-term contracting and hedging opportunities associated with the PJM capacity market, and to convene a technical

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<sup>21</sup> Pepco's Response Letter at 1.

<sup>22</sup> *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*, Order No. 21630, ¶13, rel. May 31, 2023.

conference to discuss the results of its analysis. The Commission agrees with Pepco that these comments are outside the scope of this Public Notice and are best examined in either *Formal Case No. 1183* or through the *Formal Case No. 1017* SOS Biennial Review, which is expected to begin this year.

13. In its September 15, 2025, filing, Pepco made several material changes to the PPA RFP. First, Pepco added an option for a 25-year PPA contract to the RFP, allowing bidders to submit proposals for 15-, 20-, or 25-year terms. Although we stated in Order No. 21918 that a longer agreement adds more uncertainties to the SOS program in the future, we believe that these uncertainties are now outweighed by the potential benefits of better pricing for customers and agree with this change.<sup>23</sup> Second, Pepco removed the pricing collar review from the RFP, which allowed the seller and Pepco to reopen the contract and renegotiate the purchase price if the price at the time of review fell outside of fifteen percent (15%) of the prevailing market price.<sup>24</sup> The Commission is concerned about the removal of this provision from the RFP and believes that including the pricing collar review in the RFP would help ensure that the price remains in line with market conditions throughout the duration of the contract. Therefore, the Commission disagrees with this change and directs Pepco to include the pricing collar review, which was discussed in Order No. 21918, in the RFP.

14. Regarding the draft PPA, the Commission agrees with Pepco's removal of those terms as the draft PPA is intended as an example for potential bidders. The draft PPA is a draft, and the final version of the PPA is subject to negotiation between Pepco and the recommended bidder from the procurement process. Thus, the Commission approves the modified redlined RFP and draft PPA filed by Pepco and directs Pepco to issue the RFP and draft PPA within 15 days of the date of this Order. The Commission reiterates that it will only approve such PPAs that it determines to be in the public interest.<sup>25</sup>

**THEREFORE, IT IS ORDERED THAT:**

15. The District of Columbia Government's Unopposed Motion to File Out of Time its Comments on the Potomac Electric Power Company's Redlined Request for Proposals and Renewable Power Purchase Agreement is **GRANTED**;

16. The Potomac Electric Power Company's redlined Request for Proposals and draft Power Purchase Agreement, with modifications, are hereby **APPROVED**;

17. The Potomac Electric Power Company is **DIRECTED** to issue the Request for Proposals and draft Power Purchase Agreement within fifteen (15) days of the date of this Order; and

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<sup>23</sup> Order No. 21918, ¶ 14. A 25-year term was chosen in the last procurement as the pricing was better for customers than a 15- or 20-year term. Order No. 22702, ¶ 8, fn. 25.

<sup>24</sup> Pepco's Redlined RFP and Draft PPA, RFP at 5.

<sup>25</sup> Order No. 22702, ¶ 13.

18. The Potomac Electric Power Company is **DIRECTED** to file the final Power Purchase Agreement(s) with the Commission for approval upon execution.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive style with a large initial 'B' and a long, sweeping tail.

**CHIEF CLERK:**

**BRINDA WESTBROOK-SEDGWICK  
COMMISSION SECRETARY**

COMMISSION ACTION

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA,**

Date 11/19/25 Formal Case No. 1017 Tariff No. \_\_\_\_\_ Order No. 22739

	Approve Initial & Date	Dissent Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/DJ 11/19/25</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/DJ 11/19/25</u>	_____	_____
Commissioner Ted Trabue	<u>TT/DJ 11/19/25</u>	_____	_____

Certification of Action

*Dionne Joemah*  
General/Deputy General Counsel

Stephan Jaksch  
OGC Counsel/Staff