FC1017 - 2026 - E - 1150
RECEIVED 2026 AUG 12 4:48 PM

pepco
AN EXELON COMPANY

Dennis P. Jamouneau
Assistant General Counsel

EP9628
701 Ninth Street NW
Washington, DC 20068-0001

Office 202.428.1122
Fax 202.331.6767
pepco.com
djamouneau@pepcoholdings.com

August 12, 2026

PUBLIC

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

Re:Formal Case No. 1017

Dear Ms. Westbrook-Sedgwick:

On August 14, 2025, the Public Service Commission of the District of Columbia (Commission) issued Order No. 22702, which approved a long-term renewable power purchase agreement (PPA) submitted by Potomac Electric Power Company (Pepco) for approximately 5% of Standard Offer Service (SOS) load. Order No. 22702, in approving the initial PPA, also directed Pepco to prepare and file an additional, revised Request for Proposals (RFP) and PPA to procure an additional 20% of the SOS load through a renewable PPA or PPAs. Pepco filed its revised RFP and PPA on September 15, 2025 and the Commission approved a modified RFP and PPA on November 19, 2025 in Order No. 22739. Since that time, Pepco filed monthly updates with the Commission regarding the status of negotiations and convened at least monthly updates to Commission Staff and their independent evaluator on the terms of the Agreement as it evolved through negotiations.

Pepco is pleased to report that these negotiations have concluded and Pepco attaches two final Agreements for the Commission's approval. In total, the two agreements represent approximately 15% of SOS load.[1] To aid the Commission's consideration, Pepco also submits a summary of the Agreements, which follows this letter and summarizes the key commercial terms and contractual requirements. The negotiated Agreements for "bundled" renewable energy and Tier One renewable energy credits from solar facilities fulfill the Commission's directives and relevant District policy goals. Both the Agreements[2] and summaries are considered Confidential because they contain sensitive commercial and financial information and disclosure of such information could cause

[1] Pepco received a proposal for a project that would have met the remaining 5% target, however the offer price and related price escalations would have caused a significant bill impact to customers.
[2] Please also note that these Agreements are a result of arms-length negotiations and their terms may differ in some respects from the contract approved by the Commission.

competitive harm to the counterparties to this transaction. The Commission should note that the agreements, if approved, are projected to increase supply costs borne by SOS customers when the facilities go into service. Specifically, the two Agreements are estimated to increase SOS costs by $2.73 and $0.85 respectively, per month, for the duration of the Agreements for the typical Residential customer. However, considering the Commission directives, the relative competitiveness of the prices compared to projected SOS prices, and District policy goals, Pepco submits these agreements for Commission approval.

A. Agreement A

The first Agreement is for a term of 25 years, for approximately 12.0% of total SOS load per the above-cited orders,[3] and incorporates a competitive contract price per MWh generated. The project is expected to come on-line in 2030. The project has a 195MW installed capacity and Pepco would be taking all generated energy and renewable energy credits (RECs) from this facility. The relative competitiveness of contract price can be measured in comparison to the estimated cost of SOS over the relevant 25-year period. While the Agreement does allow for an up to 20% price increase to address specific market risks, such as tariffs and other potential changes in law, which could impact the cost of the project, the Agreement negotiated by Pepco mitigates the potential price increases to customers by limiting any such increase to a "cap," as specified in the Agreement, and provides for damages in the event that the renewable generator does not provide the contracted-for supply during the term of the Agreement.

B. Agreement B

The second Agreement is for a term of 20 years, for approximately 3.0% of total SOS load per the above-cited orders,[4] and incorporates a competitive contract price per MWh generated. The project is being built in two phases with the first phase expected to come

---

[3] As seen in the following calculation, 401,650represents approximately 12% of Pepco DC SOS load.

Year	DC SOS MWh Sales*
2022	3,774,800
2023	3,362,002
2024	3,173,391
Average	3,436,731

401,650/3,436,731 = 12%
*Represents SOS sales data as reported in RPS filings

[4] As seen in the following calculation, 118,000 represents approximately 3% of Pepco DC SOS load.

Year	DC SOS MWh Sales*
2022	3,774,800
2023	3,362,002
2024	3,173,391
Average	3,436,731

118,000/3,436,731 = 3%
*Represents SOS sales data as reported in RPS filings

on-line in late 2027 and the second phase in 2029. Because of the tiered phases based on delivery, the project has been separated into two PPAs. The total project has a 60MW installed capacity (Phase 1 is 40MW and Phase 2 is 20MW) and Pepco would be taking all generated energy and renewable energy credits (RECs) from this facility. The relative competitiveness of contract price can be measured in comparison to the estimated cost of SOS over the relevant 20-year period. This agreement does allow the developer to curtail generation in times of negative PJM pricing to protect project economics, however it also provides for damages in the event that the renewable generator does not provide the contracted-for supply during the term of the Agreement.

C. Next Steps

As noted, Pepco is submitting Agreements for an additional 15% of SOS load although Order No. 22739 called for up to an additional 20%. As part of the approval of these agreements, Pepco proposes that the Commission find that any incremental percentage of SOS load served by a renewable PPA be discussed in the SOS Biennial Review process, which is beginning on August 18. This process should discuss, but not be limited to, topics including successful integration of the PPA(s) approved into the SOS process and management of the Renewable Energy Credits (RECs) produced by the PPA facilities with the goal of maintaining affordability while also supporting District policy.

D. Conclusion

The negotiated price, customer protection provisions, and increased renewable energy supply for Pepco SOS customers collectively demonstrate that these Agreements satisfy relevant Commission orders and regulations and advance the District of Columbia's goals of transitioning electric generation to renewable energy and Pepco respectfully requests Commission approval.

If you have any questions or concerns, please do not hesitate to contact me.

Sincerely,

/s/ *Dennis P. Jamouneau*

Dennis P. Jamouneau

cc: All Parties of Record

Attachments

CERTIFICATE OF SERVICE

I hereby certify a copy of Potomac Electric Power Company's Letter regarding the Long-Term Power Purchase Agreement (PPA) was served this August 12, 2026 on all parties in Formal Case No. 1017 by electronic mail.

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street N.W. Suite 800
Washington, DC 20005
bwestbrook@psc.dc.gov

Frann G. Francis, Esq.
Senior Vice President and General Counsel
Apartment and Office Building Association of Metropolitan Washington
1025 Connecticut Ave N.W. Suite 1005
Washington, DC 20036
ffrancis@aoba-metro.org

Clinton Vince, Esq.
Sonnenschein, Nath and Rosenthal
1301 K Street, NW
Suite 600 East Tower
Washington, DC 20005
cvince@sonnenschein.com

Leah Gibbons
Director of Regulatory Affairs
Reliant Energy
3711 Market Street, Suite 1000
Philadelphia, PA 19104
NEretailregulatory@reliantenergy.com

Brian R. Greene
GreeneHurlocker, PLC
1807 Libbie Avenue, Suite 102
Richmond, VA 23226
BGreene@GreeneHurlocker.com

Jerome S. Paige
Jerome S. Paige & Associates, LLC
1691 Tamarack Street, NW
Washington, DC 20012
jpaige@paigeandassociates.com

Brian W. Kalcic
Excel Consulting
225 S. Meramec Ave.
Suite 720T
St. Louis, MO 63105
excel.consulting@sbcglobal.net

Marc Hanks
Strategic Energy, LLC
1350 I Street, NW
Suite 300
Washington, DC 20005
marc.hanks@directenergy.com

Shawn P. Leyden
PSEG Energy Resources & Trade, LLC
80 Park Plaza, 19th Floor
Newark, NJ 07102
shawn.leyden@pseg.com

Richard L. Roberts
Steptoe & Johnson, LLP
1330 Connecticut Avenue, NW
Washington, DC 20036
rroberts@steptoe.com

Laurence Daniels, Esq.
Ade Adeniyi, Esq.
People's Counsel
Office of the People's Counsel
655 15th Street NW, Suite 200
Washington, DC 20005
ldaniels@opc-dc.gov
AAdeniyi@opc-dc.gov

Cathy Thurston-Seignious, Esq.
Washington Gas Light Company
1000 Maine Avenue, SW, Suite 700
Washington, DC 20024
Cthurston-seignious@washgas.com

Frank Mossburg
Commission Consultant
Bates White, LLC
1300 Eye Street, N.W. – Suite 600
Washington, D.C. 20005
Frank.mossburg@bateswhite.com

Richard A. Drom
Charles A. Zdebski
Eckert Seamans Gordon Cherin & Mellot, LLC
1717 Pennsylvania Avenue, Suite 1200
Washington, D.C. 20006
rdrom@eckertseamans.com
czdebski@eckertseamans.com

Brian Caldwell, Esq.
Office of the Attorney General
for the District of Columbia
441 Fourth Street, NW
Suite 450 North
Washington, DC 20001
brian.caldwell@dc.gov

/s/ *Dennis P. Jamouneau*
Dennis P. Jamouneau