

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

ORDER

October 7, 2026

**FORMAL CASE NO. 1017, IN THE MATTER OF THE DEVELOPMENT AND
DESIGNATION OF STANDARD OFFER SERVICE IN THE DISTRICT OF COLUMBIA,**
Order No. 23156

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) approves and adopts the Standard Offer Service (“SOS”) Working Group’s proposed Wholesale Full Requirements Service Agreement (“WFRSA”) and Request for Proposals (“RFP”) for the 2026-2027 SOS solicitation, as modified below by this Order. The Commission directs the SOS Working Group to file a revised final copy of the WFRSA and RFP for the 2026-2027 SOS solicitation by October 8, 2026.

II. BACKGROUND

2. On July 29, 2026, pursuant to 15 DCMR § 4101.3, the Potomac Electric Power Company (“Pepco” or “Company”) filed the proposed revised WFRSA and RFP for the 2026-2027 SOS solicitation on behalf of the SOS Working Group.¹ On September 22, 2026, the Commission issued a Public Notice inviting interested persons to file comments on the proposed WFRSA and RFP.² No comments were filed in response to the Public Notice.

III. DISCUSSION

3. Each year, by August 1, Pepco, as the SOS Administrator, must file a WFRSA and RFP for the upcoming SOS solicitation.³ Prior to submitting the RFP and WFRSA for the upcoming SOS solicitation, the Company convenes the SOS Working Group to consider whether and to what extent the WFRSA and RFP should be revised or updated. On June 30, 2026, Pepco, as the SOS Administrator, convened an SOS Working Group meeting to discuss changes to the 2026-2027 SOS RFP and WFRSA.

¹ *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*”), SOS Report, filed July 29, 2026 (“Proposed WFRSA and RFP”). Pepco titled the filing “SOS Report,” but it is referenced herein as the Proposed WFRSA and RFP, as that more accurately describes the filing.

² *Formal Case No. 1017*, Public Notice, issued September 22, 2026.

³ “The SOS Administrator shall submit to the Commission by August 1 of the previous year, specific procurement format, form of request, process, timeline, evaluation process, evaluation criteria, and model contract for Wholesale Full Requirements Service supply of SOS for Commission approval.” 15 DCMR § 4101.3.

4. In its July 30, 2026, SOS Working Group meeting, Pepco proposed three (3) changes to the RFP and five (5) changes to WFRSA.

5. Pepco proposes the following changes to the 2026-2027 RFP:

- a. Section 2.1 advises suppliers to incorporate a capacity proxy price of \$329.35 into their offers to supply Residential and Small Commercial full-requirements wholesale service for each month in the contract term that the Zonal Net Load Price for capacity resulting from the BRA is unknown at the time suppliers provide their offers in an SOS auction. For Tranche 1, suppliers will use the proxy price for 29/30. For Tranche 2, suppliers will not have a proxy price and will use 29/30 BRA results, only barring any changes to the Capacity auction schedule posted on PJM's website.⁴
- b. In Section 2.1, Pepco revised the below language to reflect that there will be no changes to the upcoming 2026-2027 SOS procurement as a result of Order No. 22702 approving Pepco's PPA. "On August 14, 2025, the Commission issued Order No. 22702 approving Pepco's proposed SOS Renewable energy power purchase agreement ("PPA") for 5 percent of SOS energy. Delivery of energy from the approved PPA project is expected to begin in December 2027. SOS auctions beginning in December 2027 for Delivery Years 2028-2029 and beyond will be adjusted accordingly. There will be no impact on the upcoming auctions scheduled for December 7, 2026, and January 4, 2027."⁵
- c. Appendix A, revised implementation timeline.⁶

6. Pepco proposes the following changes to the 2026-2027 WFRSA:

- a. Article 7.1 updated the proxy capacity price for suppliers to incorporate a price of \$329.35 per megawatt-day into their offers to supply full-requirements wholesale service.⁷
- b. Exhibits A, B1 & B2 Transaction Confirmations have been updated to include the Pnode Delivery Point for Pepco DC.⁸
- c. Exhibit C and Exhibit C-1 were updated to include the paragraph below in the Bid Assurance Letter of Credit and Performance Assurance Letter of Credit.

⁴ Formal Case No. 1017, Proposed WFRSA and RFP at 2.

⁵ Formal Case No. 1017, Proposed WFRSA and RFP at 2.

⁶ Formal Case No. 1017, Proposed WFRSA and RFP at 2.

⁷ Formal Case No. 1017, Proposed WFRSA and RFP at 2.

⁸ Formal Case No. 1017, Proposed WFRSA and RFP at 2.

- i. “IN ADDITION TO THE PROCEDURE DESCRIBED ABOVE FOR THE PHYSICAL PRESENTATION TO US OF YOUR DOCUMENT(S), YOU HAVE THE OPTION TO PRESENT SUCH DOCUMENTS TO US AS A PDF ATTACHMENT TO AN EMAIL SENT FROM BENEFICIARY’S EMAIL DOMAIN [INSERT BENEFICIARY EMAIL]. EACH PRESENTATION OF A PDF ATTACHMENT TO AN EMAIL TRANSMISSION SHALL BE MADE TO US AT [INSERT ISSUER EMAIL], AND SHALL ALSO INCLUDE THE FOLLOWING CERTIFICATION BY YOU TO US: “WE CERTIFY THAT (1) WE ARE THE BENEFICIARY OF THE LETTER OF CREDIT INDICATED IN THE PDF ATTACHMENT(S) AND (2) EACH DOCUMENT WE HAVE TRANSMITTED OR OTHERWISE PRESENTED TO YOU VIA ELECTRONIC MEANS RATHER THAN IN THE FORM OF AN ORIGINAL PAPER DOCUMENT ACCURATELY AND COMPLETELY REPRODUCES ALL DATA IN THE ORIGINAL DOCUMENT AND HAS NOT BEEN ALTERED TO ADD ADDITIONAL DATA.” ABSENCE OF SUCH ORIGINAL PAPER DOCUMENT SHALL NOT AFFECT OUR OBLIGATION TO HONOR ANY COMPLYING PRESENTATION MADE BY YOU TO US VIA PRESENTATION OF A PDF ATTACHMENT TO AN EMAIL TRANSMISSION.”⁹
- d. Exhibit E will be updated to reflect the current Billing Line Item list from PJM.¹⁰
- e. Pepco proposes to have Billing Line Item 1935 in Exhibit E be transferred to the utility, which would require suppliers who are currently serving load to obtain a new short name for future load.¹¹ There were no objections to these proposed changes during the SOS Working Group meeting, and as such, they were incorporated into the 2025-2026 WFRSA and RFP filed by Pepco on July 29, 2025.¹²

7. The SOS Working Group is examining additional potential revisions to the SOS procurement process beginning in 2027 or thereafter. The Working Group is expected to file a summary of the items it considered and its resulting recommendations prior to year-end 2026.

IV. **DECISION**

8. The Commission has reviewed the SOS Working Group’s proposed WFRSA and RFP and directs Pepco to make additional changes to reflect annual updates, fix typographical

⁹ Formal Case No. 1017, Proposed WFRSA and RFP at 2-3.

¹⁰ Formal Case No. 1017, Proposed WFRSA and RFP at 3.

¹¹ Formal Case No. 1017, Proposed WFRSA and RFP at 3.

¹² Formal Case No. 1017, Proposed WFRSA and RFP at 1.

errors, and provide some clarity where needed. The Commission, therefore, directs Pepco to revise the WFRSA and RFP as follows:

- a. In the RFP, update Section 2.1, “Supply Requirement Overview,” to set the proxy price at \$325.00/MW-day rather than the average price of the prior two BRA auctions or \$329.35/MW-day, consistent with the methodology employed last year.
 - b. In the RFP, remove extra paragraph spaces between the end of Section 3.8 “Bid Assurance Collateral and Alternative Letter of Credit Form” and Section 3.9 “Letter(s) of Credit.”
 - c. In the RFP, update Section 3.10, “Alternative Forms of Performance Assurance,” to remove “Bonds” as an acceptable form of collateral and add “Cash.”
 - d. In the RFP, under Appendix A, “2026-2027 Implementation Timeline,” change the due date from “October 5, 2026” to “October 8, 2026” for “RFP Website goes active with due diligence information.”
 - e. In the RFP, under Appendix A, “2026-2027 Implementation Timeline,” change the due date from “October 5” to “October 8” for “Solicitation for Expressions of Interest”
 - f. In the RFP, under Appendix A, “2026-2027 Implementation Timeline,” change the due date to “January 4, 2027” from “January 4” for “2nd Tranche price proposals.”
 - g. In the RFP, under Appendix H, “Pepco Bid Plan Information,” update the 27/28 and 28/29 Proxy price values included under “Note” from \$329.35/MW-day to \$325.00/MW-day.
 - h. In the WFRSA, under Article 1, “Definitions”, under Letter(s) of Credit, remove the extra “-” sign after the parenthesis.
 - i. In the WFRSA, update Article 7.1 (j), “Billing,” to set the proxy price at \$325.00/MW-day rather than the average price of the prior two BRA auctions or \$329.35/MW-day, consistent with the methodology used last year.
9. The Commission finds that heightened financial requirements and tighter liquidity management align with established regulatory standards in Maryland and Delaware. We believe that eliminating the bond option, among other financial requirements, provides a robust, standardized framework that ensures regional consistency.
10. The Commission approves and adopts the SOS Working Group’s proposed WFRSA and RFP for the 2026-2027 SOS solicitation, as modified herein. The SOS Working Group shall file a revised final copy of the WFRSA and RFP by October 8, 2026.
11. Following the Working Group’s recommendations later this year, the Commission will continue to carefully consider all recommended modifications, including potential cost impacts for the ratepayers, before approving and adopting any changes.

THEREFORE, IT IS ORDERED THAT:

12. The Standard Offer Service Working Group's proposed Wholesale Full Requirements Service Agreement and Request for Proposals for the 2026-2027 Standard Offer Service solicitation, as modified by this Order in paragraph 7, are hereby **APPROVED** and **ADOPTED**; and

13. The Standard Offer Service Administrator is **DIRECTED** to file a revised final copy of the Wholesale Full Requirements Service Agreement and Request for Proposals for the 2026-2027 Standard Offer Service solicitation by October 8, 2026.

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, flowing style.

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 10/7/26 Formal Case No. 1017 Tariff No. _____ Order No. 23156

	Approve Initial & Date	Dissent Initial & Date	Abstain Initial & Date
Interim Chairman Ted Trabue	<u>TT/DJ 10/7/26</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/DJ 10/7/26</u>	_____	_____

Certification of Action

Dionne Joemah
General/Deputy General Counsel

Alex Woodward
OGC Counsel/Staff