

Andrea H. Harper  
Associate General Counsel

Office 202 331 6649  
Fax 202 331 6767  
pepco.com  
ahharper pepcoholdings.com

EP9628  
701 Ninth Street NW  
Washington, DC 20068-0001

February 24, 2020

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. 1130**

Dear Ms. Westbrook-Sedgwick:

Pursuant to Order No. 20286 at Paragraphs 38 and 85, enclosed, please find Potomac Electric Power Company's ("Pepco") revised timing for the Distribution System Planning ("DSP") Process incorporating Non-Wires Alternatives ("NWA") (or "DSP/NWA Process").

Please feel free to contact me if you have any questions regarding this matter.

Sincerely,

A handwritten signature in blue ink that reads "Andrea H. Harper".

Andrea H. Harper

Enclosures

Cc: All Parties of Record

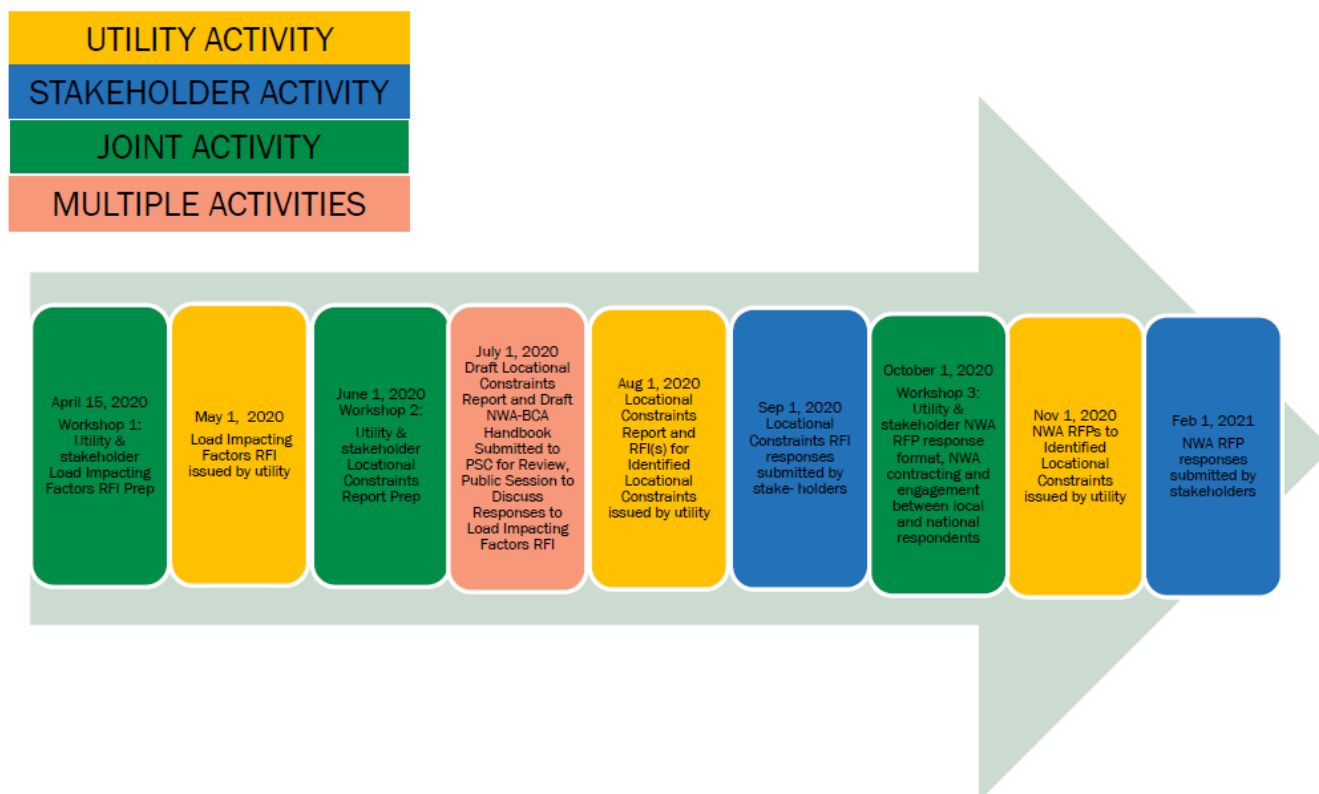
Pursuant to Order No. 20286 at Paragraphs 38 and 85, Pepco submits the following revised timing for the Distribution System Planning (“DSP”) Process incorporating Non-Wires Alternatives (“NWA”) (or “DSP/NWA Process”).

Pepco agrees with the Public Service Commission of the District of Columbia (“Commission”) that establishing a stakeholder-informed DSP/NWA Process as soon as possible is necessary to support the District’s clean energy goals. In order to maintain system reliability and safety, locational capacity constraints must be fully addressed by the in-service date by using: (1) traditional solutions alone; (2) NWAs alone; or (3) a combination of traditional solutions and NWAs. NWA solutions can be deployed to address a part of the capacity constraint well in advance of the in-service date. In so doing, the full traditional solution may be subject to deferral or resizing, as appropriate, based on the materialization of load and the efficacy of NWAs applied.

Pursuant to the Commission’s directive in Order No. 20286, Pepco proposes a revised schedule for the DSP/NWA Process for assets to be put in service as early as 2023. In order to take tangible, near-term steps to establish the process and carry out the Commission’s intent, Pepco proposes minimal modifications to the schedule for implementing the DSP/NWA Process proposed in the PowerPath DC proceeding. This revised schedule maintains the original proposed date for issuing RFPs for NWA solutions of Nov. 1, 2020. In addition, the revised schedule spreads the stakeholder engagement workshops through the first year in order to give Pepco and District stakeholders sufficient time to collaborate and exchange information.

The following timeline will be enacted by Pepco with no further action requested from the Commission:

## Revised Distribution System Planning Process – Round 1 Dates



As mentioned above, the first year of the DSP/NWA Process includes three stakeholder engagement workshops which frame the key milestones of the process. These three open and collaborative workshops will create a dialogue between stakeholders involved in the DSP/NWA Process and Pepco and will inform stakeholders about how they can participate in each stage:

1. The April 15 Load Impacting Factors RFI Prep Workshop will be an opportunity for Pepco to explain to District real estate and DER developers how upcoming projects they have planned or proposed may be incorporated into Pepco's load forecast and to collaborate on an RFI format that the developers can use to inform Pepco of their future plans. This workshop will also be an opportunity for District agencies to share data they collect, such as energy efficiency data or permit applications, that could further inform the Pepco load forecast.
2. At the June 1 Locational Constraints Report Prep Workshop, Pepco will explain hypothetical locational capacity constraint situations on the system, explain what traditional solutions would be normally used to address constraints, and present Pepco's proposed format for informing District stakeholders about upcoming locational capacity constraints predicted on its system for 2023 or later through the load forecast that may be addressed by NWA solutions placed in service in 2023 or later may address.
3. Finally, during the October 1 NWA RFP Prep Workshop, Pepco will prepare stakeholders for responding to the RFPs issued in 2020 through the DSP/NWA Process and will present an opportunity for District Certified Business Enterprises to partner and collaborate with larger, national DER developers in order to build their capacity to respond to future RFPs.

The first iteration of the DSP/NWA Process will take place starting in April 2020 after the completion of Pepco's load forecasting process for the 2020 planning cycle in the first quarter of 2020. As a result, while data from the load impacting factors RFI responses will be collected during 2020, the data will not be able to be incorporated into the load forecast until the 2021 planning cycle. Pepco anticipates that the data stakeholders will supply in response to the first Load Impacting Factors RFI will be received in a variety of formats that may take time to adequately incorporate in the load forecasting tools currently used by Pepco. For 2020, Pepco intends to use the results of the load impacting factors RFI to assess the format of stakeholder data and adjust load forecasting tools accordingly to allow for successful incorporation in the 2021 load forecast. Pepco believes that these measures are necessary to align this first cycle with ongoing planning activities and data collected through the DSP/NWA Process.

In line with Order No. 20286, the DSP/NWA Process is iterative, enabling Pepco and stakeholders to pursue multiple actions to address existing load constraints. This iterative process will allow Pepco to issue new RFPs addressing identified locational capacity constraints until the constraint is eliminated or a traditional solution is required. Therefore, Pepco anticipates that there could be more than one RFP issued for a single large capacity constraint. For example, for a substation with an in-service date six to eight years from the initial RFP(s), Pepco expects that there will be successive RFPs issued in future years to address the same capacity constraint that the substation would otherwise address, to the extent that the capacity constraint has not been fully addressed by prior NWA solutions. At the same time Pepco issues iterative RFPs for existing constraints, Pepco will also issue RFPs to address new constraints as they are identified through Pepco's load forecasting process, as further informed by responses to the Load Impacting Factors RFI. As a result, there will be multiple paths to address existing and newly identified

capacity constraints through the RFP process. In this way, Pepco will ensure that system planning continues seamlessly while also integrating outcomes from the DSP/NWA Process as they emerge.

In order to maintain the flexibility necessary to ensure that Pepco's system can meet customer demand and maintain safety standards, the DSP/NWA Process will be guided by several assumptions and baseline conditions:

1. Consideration of NWAs must allow for the simultaneous design of traditional solutions to ensure continued reliability, should no competitive NWA be identified or the NWA solution(s) fails to relieve the capacity constraint to the extent expected.
2. The costs incurred during traditional solution design and, if necessary, implementation must be recoverable. Because the traditional design must go forward whether or not the NWA solutions materialize and those costs will be recoverable, Pepco will not incorporate the design costs into the BCA analysis.
3. Finally, in order to facilitate review, these ongoing design costs will be recorded in a regulatory asset and recoverable by the Company.

To further ensure Pepco's system can meet customer demand, Pepco will develop contingency measures, as necessary, to allow for load to be met should an NWA not be available as contracted. The costs associated with these contingency plans must also be recoverable should they be required to meet customer demand and maintain the overall safety and integrity of the system.

Based on its current long-range plan and the locational capacity constraints identified by the load forecast, Pepco is currently developing a list of projects for consideration under the DSP/NWA Process. To the extent that any capacity projects are excluded from consideration under the process (e.g., a construction contract has already been awarded), Pepco will provide an explanation to the Commission and stakeholders.

Pepco looks forward to working with stakeholders to establish the process developed in this critical first year and cycle. Pepco believes that the proposed modified timeline maintains a near-term launch of tangible actions and establishes practices that will ensure a durable working product with maximum participation and transparency while meeting the District's electricity demands and clean energy goals.

## **CERTIFICATE OF SERVICE**

I hereby certify that a copy of Potomac Electric Power Company's revised DSP/NWA Process was served this February 24, 2020 on all parties in Formal Case No. 1130 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](mailto:bwestbrook@psc.dc.gov)

Christopher Lipscombe, Esq.  
General Counsel  
Public Service Commission  
of the District of Columbia  
1325 G Street N.W. Suite 800  
Washington, DC 20005  
[clipscombe@psc.dc.gov](mailto:clipscombe@psc.dc.gov)

Brian R. Caldwell  
Assistant Attorney General  
Public Advocacy Section  
Office of the Attorney General for D.C.  
441 Fourth Street, N.W., Suite 600-S  
Washington, D.C. 20001  
[Brian.caldwell@dc.gov](mailto:Brian.caldwell@dc.gov)

Meena Gowda, Esq.  
Deputy General Counsel  
DC Water and Sewer Authority  
5000 Overlook Avenue, S.W.  
Washington, DC 20032  
[Meena.gowda@dcwater.com](mailto:Meena.gowda@dcwater.com)

Sandra Mattavous-Frye, Esq.  
Office of People's Counsel  
1133 15<sup>th</sup> Street, N.W.  
Suite 500  
Washington, DC 20005  
[smfrye@opc-dc.gov](mailto:smfrye@opc-dc.gov)

Kristi Singleton, Esq.  
Assistant General Counsel  
Real Property Division  
U.S. General Services Administration  
1800 F Street, NW Room 2016  
Washington, DC 20405  
[Kristi.singleton@gsa.gov](mailto:Kristi.singleton@gsa.gov)

Robert Cain, Esq.  
Washington Gas  
1000 Maine Avenue, S.W., 6<sup>th</sup> Floor  
Washington, DC 20024  
[RCain@washgas.com](mailto:RCain@washgas.com)

Brian R. Greene, Esq.  
GreeneHurlocker, PLC  
1807 Libbie Avenue, Suite 102  
Richmond, VA 23226  
[BGreene@GreeneHurlocker.com](mailto:BGreene@GreeneHurlocker.com)

Nina Dodge  
DC Climate Action  
6004 34<sup>th</sup> Place, NW  
Washington, DC 20015  
[Ndodge432@gmail.com](mailto:Ndodge432@gmail.com)

Kevin Auerbacher, Esq.  
Telsa, Inc.  
1050 K. Street NW  
Suite 101  
Washington, DC 20001  
[kauerbacher@telsa.com](mailto:kauerbacher@telsa.com)



Andrea H. Harper