

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

PUBLIC NOTICE

August 19, 2020

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

1. The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice that on August 3, 2020, the Potomac Electric Power Company (“Pepco” or “Company”), acting in its role as the Standard Offer Service (“SOS”) Administrator, filed, on behalf of the SOS Working Group, the proposed Wholesale Full Requirements Service Agreement (“WFRSA”) and Request for Proposals (“RFP”) for the 2020-2021 SOS Solicitation pursuant to 15 DCMR § 4101.3.¹

2. Each year by August 1, the SOS Administrator is required to file a WFRSA and RFP for the upcoming SOS solicitation.² Prior to that submission, the Company convenes the SOS Working Group to consider whether and to what extent the WFRSA and RFP should be revised or updated. In its August 3, 2020, filing, Pepco states that the Company proposed five (5) changes to the 2020-2021 RFP and three (3) changes to the 2020-2021 WFRSA at the Working Group meeting.³ Pepco notes that, as there were no objections to any of Pepco’s proposed changes during the SOS Working Group meeting, Pepco incorporated these changes into the 2020-2021 WFRSA and RFP filed August 3, 2020.⁴

3. On July 10, 2020, Pepco, as the SOS Administrator, convened an SOS Working Group meeting to discuss changes to the 2020-2021 WFRSA and RFP. At that meeting, Pepco proposed two options to address capacity uncertainty due to the delay in PJM’s Base Residual Auction for delivery years 2022-2023 and 2023-2024, resulting from the Federal Energy Regulatory Commission-ordered changes to PJM’s Minimum Offer Price Rule. The first option would maintain the zero-proxy price that was used for 2019-2020 solicitation. The second option would use a positive-proxy price as was used in Delaware, Maryland, and New Jersey. As there

¹ *Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia*, Standard Offer Service Working Group’s Proposed Wholesale Full Requirements Service Agreement and Request for Proposals for the 2020 to 2021 SOS Solicitation, filed August 3, 2020 (“SOS Working Group’s Proposed WFRSA and RFP”).

² The specific procurement format, process, timeline, evaluation process, evaluation criteria, and model contract for the procurement of electricity supply shall be submitted to the Commission for its approval by the SOS Administrator by August 1 of the year prior to delivery. 15 DCMR § 4101.3 (2015). As August 1 fell on a Saturday this year, Pepco filed on the next business day.

³ SOS Working Group’s Proposed WFRSA and RFP.

⁴ SOS Working Group’s Proposed WFRSA and RFP.

was minimal feedback regarding this issue from participants at the Working Group meeting, Pepco proposes to maintain the zero-proxy price for this SOS procurement cycle.⁵

4. Also, at the July Working Group meeting, Pepco proposed to move the bid submittal window from Monday, 3:00 p.m. to 4:30 p.m. Eastern Time, to Monday, 10:00 a.m. to 11:30 a.m. Eastern Time. Prior to the Working Group meeting, the Company surveyed suppliers to solicit their preference for a bid submittal window. Pepco provided three options: 1) maintain the Monday afternoon window; 2) change to the Monday morning option as Pepco proposes; or 3) change to a Tuesday morning option. Eight (8) out of 11 suppliers chose Option 3 and two (2) chose Option 2 as their first preference. Pepco proposes changing the bid window to Monday morning in order to give the Company time to prepare the WFRSAs and transaction confirmations and to give suppliers more time to submit their contracts, WFRSAs, by 9:30 a.m. Eastern Time, Wednesday. Pepco notes that it is amenable to moving the bid day to Tuesday if the Commission wants to change the bid week timeline of events.⁶

5. Pepco proposes the following changes to the RFP:

- (1) Section 2.1, “Supply Requirement Overview”, advise suppliers to incorporate a capacity price component of zero dollars per megawatt-day (zero proxy price) into their offers to supply Residential and Small Commercial full requirements wholesale service for the June 1, 2022, through May 31, 2023, and June 1, 2023, through May 31, 2024, delivery years;
- (2) Section 4.2, “Submittal of Proposals”, change the bid submittal window change from Monday afternoon to Monday morning;
- (3) Section 6, “Schedule for RFP Process”, change the bid submittal window from Monday afternoon to Monday morning and the day bid assurance collateral is due; and
- (4) Appendix A, “District of Columbia SOS 2020-2021 Implementation Timeline”, revise the timeline.⁷

6. Pepco proposes the following changes to the WFRSA:

- (1) Article 3.3(c), “Information Sharing”, delete the requirement to provide the estimated SOS load for each of the Buyer’s Service Types two weeks prior to the beginning of the Delivery Period;

⁵ SOS Working Group’s Proposed WFRSA and RFP.

⁶ SOS Working Group’s Proposed WFRSA and RFP.

⁷ SOS Working Group’s Proposed WFRSA and RFP.

- (2) Article 7.1(j), “Billing”, increase the term for suppliers to incorporate a capacity price component of zero per megawatt-day into their offers to supply full requirements wholesale service; and
- (3) Exhibit E, “Billing Line Item Transfers/Sample PJM Invoice”, delete PJM billing line items 1730 (Expansion Cost Recovery Charge) and 2730 (Expansion Cost Recovery Credit) as they have been eliminated.⁸

7. All persons interested in commenting on the proposed WFRSA and RFP may submit written comments not later than seven (7) calendar days after the Commission’s issuance of this Notice. Comments are to be sent electronically and addressed to Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005. Copies of the proposed WFRSA and RFP may be obtained by visiting the Commission’s website at www.dcpsc.org. Once at the website, open the “eDocket” tab, click on “Search Database” and input “FC1017” as the case number and “874” as the item numbers. Copies of the documents may also be purchased, at cost, by contacting the Commission Secretary at (202) 626-5150 or psc-commissionsecretary@dc.gov.

⁸ SOS Working Group’s Proposed WFRSA and RFP.