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September 15, 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. 1163

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's ("Pepco") Reply Comments on Microgrid in the above referenced proceeding.

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

Sincerely,

/s/ *Andrea H. Harper*

Andrea H. Harper

Enclosure:

cc: All Parties of Record

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF	**)**	
THE INVESTIGATION INTO THE	**)**	
REGULATORY FRAMEWORK OF	**)**	**Formal Case No. 1163**
MICROGRIDS IN THE	**)**	
DISTRICT OF COLUMBIA	**)**	

REPLY COMMENTS OF POTOMAC ELECTRIC POWER COMPANY

Pursuant to the Notice of Inquiry issued in Formal Case No. 1163 on July 17, 2020 ("NOI"), Potomac Electric Power Company ("Pepco" or the "Company"), the District Department of Energy and Environment ("DOEE"), the Office of the People's Counsel for the District of Columbia ("OPC"), Shalom Flank ("Dr. Flank"), PennState, and GRID2.0 Working Group ("GRID2.0") filed comments responding to certain Public Service Commission of the District of Columbia ("Commission") inquiries regarding microgrids. Pepco files its reply comments ("Reply Comments") herein.

I. Introduction

Pepco is committed to advancing the resiliency of the District and to taking actions that support the clean energy goals articulated in the CleanEnergy DC Act[1] and DOEE's CleanEnergy DC Plan.[2] The Commission's PowerPath DC process has demonstrated that both Pepco and District stakeholders share a common vision for the future—one in which the utility's distribution system and related infrastructure serves as a platform for DERs that creates greater connectivity,

[1] DC Law 22-257, CleanEnergy Omnibus Amendment Act of 2018, https://code.dccouncil.us/dc/council/laws/22-257.html, accessed on September 14, 2020.

[2] https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Clean%20Energy%20DC%20-%20Full%20Report_0.pdf , accessed on September 14, 2020.

advances innovation, maintains affordability, and supports continued high levels of reliability and resiliency. To enable these goals, the Company continues to invest in initiatives that enable clean energy resources, reduce greenhouse gas ("GHG") emissions, and enhance community resilience efforts.

The Company's focus remains squarely on achieving the identified clean energy, GHG reduction, and resilience goals in a manner that ensures safe, reliable, and affordable service for its District of Columbia customers. In doing so, the Company relies on the many tools in its planning toolkit and evaluates opportunities to expand that toolkit. After Pepco has had the opportunity to study, test, and prove that a particular technology—or combination of technologies—provides safe and reliable grid services, it becomes part of Pepco's planning toolkit.

Pepco is currently implementing the pilot year of the distribution system planning for non-wires alternatives process ("DSP/NWA Process"). In addition, Pepco continues to evaluate distributed energy resource ("DER") demonstration projects in the Mount Vernon area and in Ward 8. These initiatives demonstrate that the regulatory regime in place in the District allows for development of innovative solutions and processes to integrate new technologies into the distribution system, supporting the District in meeting its clean energy, climate, and resilience goals while maintaining customer protections. The standards and processes embedded in the Commission's regulatory approach represent decades of learning regarding how to meet the needs of customers within a constantly evolving electric system.

In summary, (1) the current toolkit and the regulatory approach to incorporate new tools such as microgrids are robust, appropriate, and protect customers; (2) new regulatory approaches for microgrids are fundamentally unnecessary; and (3) if considered, a new regulatory regime specific to microgrids would require rewriting and litigating the numerous issues already resolved

within the existing regulatory approach and would have broad and uncertain implications for grid technology investment in the District.

II. Customer Protections Should Apply to All Customers

A. Customer protections are important and apply to all Electric Utilities

Customers deserve the protections afforded to them in District law and Commission regulations. Those protections are particularly important as the District transitions from known, well-established processes to grid modernization, which will introduce services and technologies that are less proven and established. Current customer protections, which range from those found in the Customer Bill of Rights ("CBOR") for residential customers to the service-level requirements in the Commission's Electricity Quality of Service Standards ("EQSS") apply to all customers[3] and ensure that end-use customers enjoy a certain quality of service and have adequate recourse in the event that the relevant standards are not met. Moreover, the critical role the Commission and the OPC fulfill—as defined by statute—ensures appropriate oversight and responsibility that customers have come to expect. Pepco is committed to continue to play an integral role in grid modernization. However, District customers' rights need not be rolled back in order to establish and maintain a modernized grid.

As OPC states in the OPC Comments, robust customer protections, including preserving retail choice options and customer complaint procedures, are important rights currently enjoyed by all customers.[4] Pepco's initial comments similarly advocate for strong customer protections, including the right to select the supplier of their choice and the importance of the backstop supply service provided by SOS. However, and expanding on OPC's comments, the Commission should

[3] 15 D.C.M.R. Chapter 36.
[4] OPC Comments at 8.

not exempt multi-customer microgrids from any regulations—including those from which customers benefit—currently in place that apply to electric companies. The reason is simple: microgrids that serve multiple end-users[5] are acting as electric companies under 34 D.C. Code §207.[6] Therefore, these microgrids are, by definition, subject to the same laws and regulations as Pepco. Customers, or microgrids, cannot simply "opt out" of statutory requirements, as Grid 2.0 suggests.[7]

Moreover, as OPC suggests, it is "difficult to opine on the exact form regulatory support for microgrids should take without more experience with microgrids in the District because the varied potential ownership structures."[8] Accordingly, even if the Commission were to find the authority to "exempt" what would otherwise be an electric utility from certain requirements,[9] it is not prudent to inject serious risk in assuming that the protections the Commission enforces on

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5 34 D.C. Code §1501 (12) states that "'Consumer' or 'customer' each means a purchaser of electricity for end use in the District of Columbia. The term excludes an occupant of a building where the owner, lessee, or manager manages the internal distribution system serving the building and supplies electricity solely to occupants of the building for use by the occupants."

6 34 D.C. Code §207: The term "electric company" when used in this subtitle includes every corporation, company, association, joint-stock company or association, partnership, or person and doing business in the District of Columbia, their lessees, trustees, or receivers, appointed by any court whatsoever, physically transmitting or distributing electricity in the District of Columbia to retail electric customers. The term excludes any building owner, lessee, or manager who, respectively, owns, leases, or manages, the internal distribution system serving the building and who supplies electricity and other related electricity services solely to occupants of the building for use by the occupants. The term also excludes a person or entity that does not sell or distribute electricity and that owns or operates equipment used exclusively for the charging of electric vehicles.

7 Grid2.0 Comments at 10.

8 OPC Comments at 4.

9 At page 5 of the Grid2.0 Comments, GRID2.0 suggests that the Commission can consider "alternative" forms of regulation under 34 D.C. Code §1504(d). The cited section would allow for "alternative" regulation; however, it only applies to the Electric Company, as shown in Section 1504(d)(1) (" Notwithstanding any other provision of law, the Commission may regulate the regulated services of the electric company through alternative forms of regulation."). Accordingly, this comment and citation appear to be a recognition that multi-customer microgrids are, in fact, electric companies. In addition, it is noteworthy that DOEE cites to "passive" regulation of DERs, as adopted by the New York Public Service Commission ("NY PSC"). However, that order does not address microgrids, as envisioned in this NOI, even though (as DOEE suggests) the NY PSC did develop some customer protections for DER providers in New York.

these new entities will benefit customers, as some commenters suggest.[10] Rather, it makes more sense and is more efficient to operate under the current rules until additional experience is gained and ample evidence shows what rules work and what rules can be modified.

In addition, if the Commission were to adopt different rules, such as allowing for "safe harbor" treatment or "light touch" regulation, it would add to, rather than subtract from, the regulatory burden of the Commission, OPC, and microgrid developers by requiring, at least, the adoption of new rules and a new regulatory and oversight structure for an evolving technology, while almost certainly diluting current customer protections.

B. Current laws and regulations adequately distinguish between residential and other customers

As explained above, several commenters recommend that "light touch" regulation could mean different rules for certain (or possibly all) microgrids and their customers as compared to others. For example, Dr. Flank introduces the concept of "sophisticated users," which he defines as customers that are over 500kW peak electricity demand, have over 100 master-metered residential units, or consist of over 100,000 square foot gross building area.[11] These comments suggest that these certain larger end-use customers do not need all the protections afforded to other customers.[12] The Commission should reject this proposal.

At the outset, it should be obvious that the categories that are proposed to constitute a "sophisticated user" are, at best, arbitrary. Any proposal that would diminish customer protections would have to undergo rigorous examination to ensure the appropriateness of the new requirements—a process that would be lengthy and likely contentious. Moreover, the premise that

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[10] *See, e.g.,* OPC Comments at 8, Grid 2.0 Comments at 7-8. For its part, OPC suggests that "light touch" regulation could apply to microgrids where customers can avail themselves of the choice in supply and the microgrid operator has sufficient "capitalization," although it is unclear why capitalization in and of itself "protects" customers.

[11] Flank Comments at 4.

[12] This approach does not recognize that larger end-use customers, such as an apartment building, may represent many smaller customers.

certain customers "need" more protection may well be true, or it may not, but there is no demonstration of a need to make new definitions when such distinctions already exist and current regulations already set baseline protections and service-level guarantees for customers. It is unclear whether these existing and well-established standards, such as the EQSS, would apply under Dr. Flank's proposal, however, it is hard to envision a scenario where the Commission and OPC would permit an entity that distributes electricity to end-use customers not to meet important customer requirements, such as service and billing standards.

More importantly, relevant Commission regulations already distinguish between commercial customers and residential customers, given that the CBOR only applies to the residential class. In addition, Pepco's General Terms and Conditions—reviewed and approved by the Commission—similarly has different standards and service guarantees for commercial and residential customers as well as different levels for different commercial customers (e.g., small customers). In sum, there is no demonstrated need to further separate certain customers from others in the context of microgrids and no support for the proposition that larger commercial customers should have less protection than they already have.

III. Developing New Regulatory Regimes is Unnecessary and Creates Arbitrary Classifications

The comments from DOEE,[13] GRID2.0,[14] and Dr. Flank[15] propose the development of complex, duplicative, and, at times, arbitrary regulatory regimes to replace the known, trusted, and tested regulatory framework developed by the D.C. Council, Commission, and intervenors over decades. DOEE, for example, provided 15 different combinations of microgrid configurations

[13] DOEE Comments at 8-13
[14] GRID2.0 Comments at 3, 6-9.
[15] Flank Comments at 3-8.

based on customer number, power export capability, grid services, and ownership to determine appropriate Commission regulation, which includes seven different regulatory characteristics.[16] DOEE goes on to note that these combinations are "a starting point" for the development and that, in addition, other microgrids may need to be evaluated on a case-by-case basis.[17] Dr. Flank provides five different categories of microgrids that are "compatible with different regulatory elements,"[18] which include arbitrary definitions, such as the definition of "large sophisticated users."[19]

DOEE,[20] GRID2.0,[21] and OPC[22] all recognize that the creation of a "light touch" regulatory approach would require that the Commission develop new regulations already included in the current regulatory framework, including customer protection, safety, and enforcement of renewable portfolio standards. GRID2.0 goes further, recommending that the Commission consider additional protections related to, *inter alia*, governance, competitive market options, and the development of a dispute resolution process.[23] While the Company agrees with commenters that regulation will likely vary based on microgrid type, the current regulatory framework already provides this differentiation as well as the customer protection, safety requirements, and other regulations that parties propose re-inventing. As discussed in the Company's initial comments, the definition of "electric company" is part of the D.C. Code. If a party, microgrid or otherwise, acts as an electric company, then it should be subject to the same full set of Commission regulations as an electric utility.

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16 DOEE Comments at 11and 22
17 DOEE Comments at 14.
18 Flank Comments at 3-8.
19 Flank Comments at 3-4.
20 DOEE Comments at 9 and 13.
21 GRID2.0 Comments at 9.
22 OPC Comments at 10-1.
23 GRID2.0 Comments at 9.

Finally, Pepco agrees with the DOEE Comments that "[m]icrogrids, as a form of DER, are already covered by Commission regulation through their interaction with the utility."[24] The current Small Generator Interconnection Rules address interconnection for complex projects such as DERs, microgrids, and resilience hubs, and the rules are currently in use for a proposed microgrid at Gallaudet University. There are four levels of study available within those rules that provide the Company the appropriate amount of flexibility to work with applicants and study the impact of projects interconnecting with Pepco's distribution system. This process was discussed in depth during the PowerPath DC Working Groups, and "it was concluded the existing interconnection standards are adequate [for interconnection of Resilience Hubs], but that Pepco should be brought in on the planning process earlier for resilience hub applications."[25]

Rather than upending the current regulatory regime for a single technology—microgrids—the Commission should take advantage of the flexibility of the existing regulatory regime and abide by the statutory requirements in regulating microgrids, just as it has done with DERs. A measured approach based on facts rather than speculative optimism will result in a regulatory scheme that advances all technologies while still ensuring that Pepco can provide its customers safe and reliable electric distribution service.

IV. The Current Regulatory Framework Supports Increasing Resilience in the District

A. Pepco Supports and Advances Grid Modernization Initiatives to Increase Resilience

As evidenced by the Commission's approval of Pepco's initiatives, a fundamental change in the regulatory framework is not required to promote resilience, a core benefit of microgrids cited

[24] DOEE Comments at 6.

[25] *Modernizing the Energy Delivery System for Increased Sustainability Final Report*, Formal Case No. 1130 (May 31, 2019) ("PowerPath DC Final Report") at 163-164.

by DOEE,[26] GRID2.0,[27] and Dr. Flank.[28] The Company agrees with DOEE[29] and GRID 2.0[30] that grid modernization is a foundation of building a more reliable and more resilient distribution system. Over the past 10 years, the Company has invested in technologies that modernize the District's distribution system. These technologies include core investments, such as the implementation of advanced metering and distribution automation, as well as interconnection and innovative use of DERs. The Company's modernization investments enable a reliable distribution system with fewer customer outages and lower energy use and have been subject to scrutiny by intervenors and the Commission to ensure they provide value to customers.

The Company agrees with DOEE that adapting the system to more extreme weather resulting from climate change is a necessary form of resilience.[31] The DC PLUG initiative and the Capital Grid Project are Commission-approved programs that allow Pepco to build resilience into its planning and investments. In addition, in 2019, Exelon launched a new $20 million Climate Change Investment Initiative ("2c2i") to cultivate startups working on new technologies to reduce GHGs and mitigate climate change. The initiative includes funding for innovations that boost the resiliency of urban infrastructure against threats, such as floods, stormwater and rising temperatures. Last year, 2c2i funded a District-based startup—Amidus Resilience—that designs, develops and delivers solar and battery storage solutions for affordable housing communities. As of July 2020, Amidus Resilience had already completed 25 installations within the District, including at the Maycroft Apartments affordable housing complex—the Jubilee resilience center—in partnership with Pepco. This November, District startups again will have the

26 DOEE Comments at 4.
27 GRID2.0 Comments at 2.
28 Flank Comments at 3.
29 DOEE Comments at 7.
30 Grid 2.0 Comments at 8.
31 DOEE Comments at 3-4.

opportunity to seek funding through 2c2i, and Pepco looks forward to looking for ways to partner with recipients.

As a cross-cutting and complex issue, any effort to quantify the benefits of resilience is not appropriate in this proceeding, which is focused on the regulatory treatment of microgrids. In 2019 the National Association of Regulatory Utility Commissions established a report that highlighted the difficulty in quantifying resilience, concluding that Commissions have not been able to identify and utilize a value of resilience based on a review of recent regulatory proceedings.[32] The paper further states that:

> there are no standardized approaches for policy makers or energy project developers to identify and value energy resilience investments at the state, local, or individual facility levels.[33]

Due to the complexity of quantification and numerous approaches to building resilience, the Commission should not use this microgrid proceeding as a venue to attempt such quantification and should reject DOEE's proposed arbitrary quantification of resilience value.[34] Further, while some claim that the potential benefits of microgrids are "voluminous"[35] and other jurisdictions are looking to adapt microgrid regulations to their unique geographic and regulatory circumstances,[36] recent examples of resilience projects are already moving forward in the District under the current regulatory construct.

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32 The Value of Resilience for Distributed Energy Resources: An Overview of Current Analytical Practices, April 2019, p. 8.

33 *Id.*

34 DOEE Comments at 13.

35 Flank Comments at 1.

36 For example, DOEE cites a size threshold of 2 miles for light-touch regulation, which is clearly inapplicable to the District that measures, at most, 10 miles by 10 miles. DOEE Comments at 12.

B. Pepco Supports Deploying Resilience Hubs or Centers to Advance Community Resilience

Community- and stakeholder-identified resilience goals can also be met under the current regulatory framework, and the Company will continue to support District resilience goals by identifying opportunities to build resilient communities that align with the District goals and provide customer protections. For example, Pepco strongly supports the Mayor's vision for the development of Resilience Hubs "in trusted community facilities in areas with high climate risk that can act as a place of refuge and hub for resources and information in the event of a disaster."[37] The Mayor's Resilience DC Plan promotes Resilience Hubs as facilities to "[h]elp[] prepare for shocks and build[] a more connected community."[38] According to the Resilient DC Plan, Resilience Hubs provide essential resources to the communities they serve, such as fresh water, food, ice, refrigeration, basic medical supplies, charging stations, heating and cooling, and fuel.[39] They are centered in an existing, well-used building that communities trust and that are built to withstand shocks.[40] When islanded from the grid, reliable energy systems, such as solar and storage, power the Resilience Hubs.[41]

In 2019, Pepco partnered with Jubilee Housing and New Partners Community Solar Corporation to launch the District's first affordable housing resilience center, based on the Resilience Hub concept. The Jubilee resiliency center consists of a 70.2 kilowatt (kw) rooftop solar array combined with battery storage capable of powering a community space for three days—providing refrigeration for medication and perishables, lighting, outlets for charging cell phones

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37 Government of the District of Columbia, Muriel Bowser, Mayor, Resilient DC: A Strategy to thrive in the Face of Change ("Resilient DC Plan") at 102. Pepco notes that Resilience Hubs are also directly aligned with DOEE's definition of urban resilience. DOEE Comments at 3.

38 Resilient DC Plan at 103.

39 *Id.*

40 *Id.*

41 *Id*.

and other communication devices, and a television. The Jubilee resiliency center is an innovative program that, for the first time in the District of Columbia, channels the benefits of solar power and storage batteries to provide refuge to affordable housing residents during power outages. Pepco looks forward to continuing to partner with community-based organizations, solar and storage developers, DOEE, and others to advance this vision.

Resilience Hubs were roundly supported by almost all stakeholders in PowerPath DC, and the Company supports expanding this vision.[42] Expansion of resilience centers would be a collaborative approach for resilience planning, allowing for the integration of community, DC agencies, and developer input and maintaining existing consumer protections and regulatory structure. The process would leverage the seven qualities of a "resilient city."[43] This process is similar to other sectors' approaches to resilience, which use stakeholder planning and collaboration to develop broadly accepted activities that are prioritized for access to power in the event of natural or man-made disaster.[44]

V. Clean Resources, Not Microgrids, are Key to Meeting District Climate and Clean Energy Goals

A. Clean Resources Do Not Require Microgrids for Deployment

Pepco is committed to enabling clean DERs through grid modernization and the implementation of demonstration projects and pilot programs to field-test new technology, including a range of DER solutions, in order to support the District's climate and clean energy goals. Contrary to DOEE's suggestion,[45] microgrids are not necessary to aggregate DER. Pepco

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42 Final Recommendations at 164-165.

43 Resilient DC Plan at 11.

44 For example, the Department of Defense has implemented resilience initiatives, including single-customer microgrids, with planning and consultation with stakeholders as first steps.

45 DOEE Comments at 2.

has identified and responded to barriers to increased DER penetration, including the need to tailor technical analysis to project scope, increasing the visibility and integration of coordinated management of DER resources within existing utility operational systems and creating clear communication channels with developers. The Company is lowering those barriers by creating hosting capacity and solar heat maps and employing new software to track DER integration and produce timely, accurate analysis to developers. Pepco is also continuing collaboration with the Department of Energy ("DOE"), the National Renewable Energy Lab, and other organizations on DER studies that will allow greater penetration and maintain cybersecurity. For example, Pepco is a participant in the DOE Solar Energy Technologies Office project that looks to combine modeling and simulation with real-time operational data to better predict operational abnormalities caused by high percentages of DER integration.[46]

In its comments, Grid 2.0 explicitly provides examples of DER aggregation, such as Virtual Power Plants, that are separate from microgrid functionality.[47] Virtual power plants or distributed energy resource management systems ("DERMS") involve the remote control and connection (or aggregation) of multiple DERs through the integration of communication devices to allow for coordinated control and dispatch of the aggregated resources. The deployment of DERMS is nascent but has been demonstrated in wholesale markets with high penetrations of DERs, such as Pacific Gas & Electric (PG&E) in California.[48] While Pepco does not yet have DERMS, it is in the process of implementing its Advanced Distribution Management System ("ADMS"), which is a software platform that supports the full suite of distribution management and optimization.

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46 https://www.tdworld.com/distributed-energy-resources/article/21139902/using-modeling-and-simulation-to-support-grid-resiliency, accessed on September 9, 2020.

47 "Unlike a 'Virtual Power Plant,' or a Portfolio of 'aggregated' Distributed Energy Resources (DER), a microgrid is a small-scale energy 'system'…" Grid 2.0 Comments at 3.

48 https://www.pge.com/pge_global/common/pdfs/about-pge/environment/what-we-are-doing/electric-program-investment-charge/PGE-EPIC-2.02.pdf, accessed on September 9, 2020.

ADMS includes functions that automate outage restoration, optimize the performance of the distribution grid, and allow for DER management on the distribution system.[49] Finally, there are tariff solutions that allow for aggregation of DERs, as demonstrated in Maryland through Pepco Maryland's tariff that allows for multiple DERs to be aggregated.[50]

B. The Climate and Clean Energy Benefits of DERs Do Not Depend on Microgrids

The climate and clean energy benefits of DERs are based solely on their deployment and are not contingent on being embedded in a microgrid. Clean DERs further the District's climate and clean energy goals by offsetting GHG emitting fossil generation. A microgrid operates in a defined boundary and allows a DER to operate in a network designed to island. Therefore, from a GHG-reduction perspective, it is immaterial if clean DERs are integrated into the distribution system or into a microgrid embedded within the distribution system.

Microgrids, however, are only as clean as the DERs they use for generation, and microgrids can work against climate goals by enabling GHG-emitting fossil-based DERs, as highlighted by the Sierra Club[51] and DOEE[52] in their comments. As described by PennState,[53] many microgrids rely on baseload generation, such as combined heat and power ("CHP") systems, and, as a result, these microgrids predominantly rely on GHG-emitting fossil generation. Enabling the additional use of fossil fuel-based DER in microgrids moves the District farther from a carbon-neutral future.

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49 The first phase of ADMS will be deployed in 2023.

50 Aggregate Net Energy Metering Rider "ANEM", p. 16, https://www.pepco.com/MyAccount/MyBillUsage/Documents/pepco%20new.pdf, accessed on September 9, 2020.

51 Sierra Club Comments at 1.

52 DOEE Comments at 10.

53 PennState Comments at 1.

C. Additional Planning Exercises are Duplicative and Unnecessary to Deploy Clean Resources.

Pepco's system planning reflects a transparent, data-driven integration of DERs with opportunities for third-party participation. The Integrated Distribution Plan ("IDP"), as recommended by DOEE[54] and GRID2.0,[55] is unnecessary and duplicative of planning tools and reporting already in use or soon to be deployed in the District of Columbia.

As the Commission well knows, load forecasting is a foundational component of system planning. The Company is implementing state-of-the-art load forecasting processes that incorporate new data analytics for projecting DER and energy efficiency ("EE") impacts and provide greater insight into system operations through the development of hourly load forecasts. This enhanced load forecasting approach allows the Company to separate load forecasting into customer demand and DER components (*e.g.*, base load, customer-owned generation, storage, Demand-Side Management, and electric vehicle ("EV") charging), and this separation of components allows the Company to better project DER and EE trends into the future. The inclusion of hourly (i.e., 8760) load forecasts enables the Company to incorporate the impact of hourly impacts, such as EV charging, and identify constraints.[56] In the Company's Annual Consolidated Report ("ACR"), Pepco already provides its planned substation construction schedule, load forecasting methodology, planned feeder upgrades, and other information reflecting Pepco's future plans for the distribution system.[57] This comprehensive report already provides much of the data that DOEE and GRID2.0 assert are needed through an IDP.

Using the data from these planning processes, Pepco makes available on its website

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54 DOEE Comments at 9.

55 GRID2.0 Comments at 9.

56 This methodology builds upon the methodology accepted by the Commission in Formal Case No. 1144.

57 In addition, Pepco files a Construction Plan with every rate case filing. The Construction Plan reflects detailed descriptions and justifications for every capital construction project planned for the next five years.

planning tools for customers, DER developers, and other stakeholders to facilitate deployment of DERs in the District. A hosting capacity map explains how much solar a feeder can accommodate before violations occur and allows the user to navigate directly to specific addresses and analyze that location for interconnection feasibility and sizing. To aid interconnection customers, a Cross-Border Feeder Map, the first of its kind in the industry, helps customers identify potential project locations in Maryland that may be eligible for Solar Renewable Energy Credits in the District of Columbia. Finally, a Solar Heat Map provides more information to customers and developers regarding how much solar generation is currently installed and pending install on circuits.

The Company's enhanced load forecasting informs the DSP/NWA Process, which provides an opportunity for clean DER developers to provide transparent, quantifiable, and system-wide benefits that potentially defer the need for utility investments. As part of the DSP/NWA Process Requests for Proposal ("RFP") evaluation, Pepco will incorporate the valuation of GHG emissions, aligning it with District climate and clean energy goals. The Company is executing its pilot DSP/NWA Process this year, including the first RFP for locational constraint solutions for capacity constraints,[58] and contingent on benefit-cost analysis results, the Company intends to award the first RFP for a locational constraint solution in 2021. Pepco has already held its first two workshops on load impacting factors and the locational constraints report, issued the RFI for locational constraint solutions, and will hold the workshop to review the RFP process in early October.

The DSP/NWA Process and load forecasting will be further supported in the future by a new tool that Pepco is in the process of developing with Quanta Technology. The tool, which Quanta Technology discussed at the April 30, 2020 Technical Conference in Docket No. GD-

[58] The RFP process will close in early 2021, and, subsequently, the Company expects to award the first RFP for a locational constraint solution in 2021.

2019-04, will allow Pepco to assess the locational value of DER relative to a specific system constraint and factor this value in the cost-benefit analysis.

The combination of the new planning processes, reporting, and tools discussed make an IDP duplicative and an unnecessary burden on Commission resources and an unnecessary expense to customers. The Commission should reject the request to have Pepco create an IDP.

VI. Conclusion

Pepco appreciates the opportunity to provide these reply comments on the NOI and looks forward to continued engagement with the Commission and stakeholders on the development of microgrids within the District.

Respectfully submitted,
POTOMAC ELECTRIC POWER COMPANY

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September 15, 2020

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Pepco's Reply Comments on Microgrid has been served this September 15, 2020 on:

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