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Formal Case No. 1130: Rate Design Working Group Third Meeting
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED SUSTAINABILITY

THIRD RATE DESIGN WORKING GROUP
MEETING MINUTES

Meeting Commencement

By Order No. 20286,[1] the Commission directed the Rate Design Working Group ("RDWG") to reconvene to review a holistic evaluation and assessment of current rate designs in the District of Columbia and other jurisdictions in order to propose best practice rate design solutions including a new residential Dynamic Pricing program. By Order No. 20609 in *Formal Case No. 1155*, the Commission also assigned the RDWG to review implementation of Pepco's Residential Whole-House EV Time-of-Use Rate (Schedule "R-PIV"), explore improvements to Pepco's TOU tariff methodology, and directed Pepco to file a progress report on behalf of the RDWG within six (6) months of the date of Order No. 20609. The Order also directed the RDWG to investigate the impacts of implementing higher on- and off-peak ratios based on DC-specific data and explore input/data issues raised by DOEE in its comments regarding Schedule "R-PIV".[2] The RDWG commenced its third working group meeting via conference call, on November 5, 2020, from 10am to approximately 12:30pm to discuss the Commission's directives.

Attendees

Sign-in Sheet (see Attachment No. 1)

Issues Discussed

Agenda (see Attachment No. 2)

[1] *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability*, Order No. 20286, ¶ 54, rel. January 24, 2020.

[2] *Formal Case No. 1155, In the Matter of the Application of the Potomac Electric Power Company for Approval of its Transportation Electrification Program*, Order No. 20609, ¶ 16, rel. August 14, 2020.

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<u>Synopsis of Issues Discussed</u>

- **Introduction and Scope of Working Group**
  - Commission staff commenced the RDWG by taking attendance. Staff informed the RDWG that Pepco will answer the questions that were circulated to Pepco on the TOU and Dynamic Pricing proposals, and thereafter Pepco will make its presentation on its Residential Whole-House EV Time-of-Use Rate. DOEE noted that, while the past RDWG meetings have been heavily focused on Pepco making a presentation on its proposals, there should be more opportunity for stakeholders to present their proposals on any recommended TOU and dynamic pricing programs. DOEE also suggested that if other working group members have information that they would like to share for education, there should be an opportunity to have that. DCCA noted that they concur with DOEE and that it might be helpful for stakeholders to look at how commingling of all the proposals can help in finding areas of similarity. Staff noted that they are open to the idea. Pepco noted that they are also open to the idea.

- **<u>Pepco's Response to Prior Meeting Dynamic Pricing Questions</u>**
  - Stakeholders asked whether Pepco's operations of dynamic pricing and critical peak pricing are in the existing billing system. Pepco noted that its existing billing system does not have the CPP capability built into it. Pepco stated that if they were to adopt CPP, there would be some cost. Staff asked, if we adopt CPR, will there be any IT cost? Pepco noted that they already have CPR built into the system so the IT cost would be very low. Staff asked, if there is a structure change, i.e. Delaware model, would there be a cost? Pepco noted not likely, there wouldn't be any incremental cost because the difference between the Maryland and Delaware mode is the customer eligibility. DCCA asked, does Exelon have CPP capability on any of their systems? Pepco noted that they have an hourly method with ComEd. DCCA noted that it would be helpful to get a budget to add a CPP capability as part of this working group. Pepco stated that knowing the version of CPP to be applied would be needed to provide a response for both cost and timing. DCCA noted that CPP can be effectively layered on hourly pricing, thus in terms of TOU, can one layer a CPP? Staff noted that previously Pepco proposed CPP as an opt-in alternative to CPR, that's one model presented. DCCA noted maybe Pepco can use the CPP model already piloted. Pepco noted that it would make sense to write up a CPP rate, to be reviewed by stakeholders before taking it back to Pepco IT staffers to do the cost analysis and time estimate because the specifics of the program will need to be known. DCCA noted that maybe the group can submit a proposal of CPP design it has in mind. OPC asked about general administrative cost for the program for CPR and CPP. Pepco noted that educational messaging could be shared with other parties to reduce costs. OPC recommended that there should be some partnering with other organizations to lower cost given the reality that dynamic pricing won't be effective unless the customer understands what to do. DCSUN asked, for net energy meter (NEM) customers, if they reduce during the qualifying time period, are there any negative credits? Pepco noted that there are no negative credits. Staff asked whether customer education cost will vary depending on what program is adopted? Pepco answered yes but CPR is easier. Pepco notes that a

model with opt-in requires education on understanding the rate, actions because of the lack of any risk of a higher electric bill. The more complicated the rate structure the more the cost for education. Staff asked, in pushing out dynamic pricing in MD, were there a lot of stakeholder meetings? Pepco answered yes. Staff asked, how many years did it take for the MD program? Pepco noted that the program was introduced as a phase-in beginning in 2012 and went system-wide in 2013 in Maryland. Staff asked were all default customers placed in the CPR? Pepco noted that all residential customers are placed in the program unless they specifically opt out. The critical peak rebate program was initially approved as part of the AMI case, and the true-up of PJM market earnings versus customer credits occurs through the Empower Maryland surcharge. The savings in Empower Maryland are submitted as a separate report by Pepco and are reported in separate AMI reports. OPC asked, is it possible to get a detailed breakdown of the education cost on how the utility runs the program? Pepco noted that they provided a rough estimate in their proposal based on Maryland experience, but that they can provide more details about the Pepco MD education plan.

- Stakeholders also asked Pepco about the methods the Company uses to notify customers of their performance after an event. Pepco noted that there are four (4) methods on how customers receive post event notifications and performance: 1) on the next bill; 2) access through the internet portal (My Account) the next day; (3) beginning in 2020 customers received text messages the next day containing information about performance and bill credits due to energy use; and (4) email. Customers must sign up for the last two forms of notification.

- **<u>Pepco's Response to Prior Meeting TOU Questions</u>**
  - Please see ***Attachment No. 3*** document which includes stakeholders pre-meeting questions for Pepco and Pepco's response to those questions.
  - Pepco noted that customers will be assigned a 1-1 ratio of control customers to treatment customers. OPC asked, how would you make sure a pilot customer characteristic can match with the control group? Pepco noted that ideally, they consider socioeconomic information, extensive testing to match them with load practice, and past participation in other programs. Staff asked, how do you incorporate low-income groups? Pepco noted that in the MD pilot, it was specifically required by Order to collect information for low-income, so the pilot had a separate low-income group. Staff asked, do you plan to use a similar model for the District? Pepco noted that they will analyze pilot results by zip code and income range, as provided through the pre-enrollment survey, but that Pepco is not currently proposing a separate subgroup of low-income- and/or moderate income for the District. Pepco noted that they are open to doing something similar to MD, with the caveat that adding a separate LMI population would increase the total customer recruitment target. DCCA asked, is there data already available about the lower income customers, i.e. LIHEAP, that can be used to better target the low-income group? Pepco noted that it will look into it. Answering a question raised by DCSUN, Pepco noted that control groups will be allowed to obtain electric vehicles or behind the meter-generation, but they will not receive pilot recruitment materials. OPC asked whether those who are enrolled in the program are restricted from enrolling in any other programs, and for the District, how many would

Pepco need from both groups to get a good set of statistics? Pepco replied that customers are not restricted from enrolling in other programs provided that those programs are consistent with the pilot eligibility criteria. Pepco's statistical power calculations indicate that the pilot will require a sample size of approximately 700 customers. Pepco has assumed a 20% attrition rate over the life of the pilot, and has therefore set the recruitment target at 835 customers.

- Staff asked, what is the sample size for MD? Pepco noted that it was 700 for LMI and non-LMI, so a total of 1,400. OPC asked, in determining the sample size, what are the fixed parameters? Pepco noted that it conducted a statistical power calculation which included parameters for minimum detectable difference, significance level of the test (Type I error), power of the test (Type II error), the number of repeat observations, correlation coefficients, and average peak hourly energy use. DCCA noted that, our confidence level is what matters here. OPC noted that they prefer a 5% error, with 95% confidence given that this program is heavily focused on customer behavior. Pepco noted that most programs use 5% but that the Company will report program results at various confidence levels to allow all stakeholders to better interpret the findings. Staff asked, what subgroups did MD have? Pepco responded that MD has NEM customers, consumption level (low, medium, high), LMI customers, and structural winners. A structural winner is a customer that realizes bill savings under the pilot rate without needing to shift or reduce additional load. Staff asked, with MD's 14% savings, what are the lessons learned? Pepco noted that these results are from the first year of the program, and that lessons learned will be identified in subsequent program evaluations which will include customer satisfaction survey results. Staff asked, were there any midcourse suggestions for second implementation? Pepco noted that changing the program midstream is not advisable so as to ensure uniform data collection over the term of the pilot. OPC asked, in terms of enrollment in other programs, while there is no restriction on the control group, what restrictions are there on the program itself? Pepco replied that they have an eligibility criterion, but that's the main restriction.
- DOEE asked a clarifying question to Slide 6 of the presentation regarding how Pepco determined the time and duration of on-peak and off-peak periods. Pepco noted that it considered hourly LMP prices and selected high-cost outlier ranges as the on-peak period. DOEE asked, if the on-peak period were shorter the peak and off-peak would be reduced to a 3 or 4 hour period, how would it impact the peak to off-peak ratio? Pepco noted that the proposed on-peak periods are already in the 3 to 4-hour range, but that further condensing on-peak hours would increase the on-to-off peak ratios. DOEE asked Pepco to clarify how the winter on-peak period for R-TOU-P was 6am-9am, but the winter on-peak period for R-PIV was 12pm-8pm – how can a period be on-peak for one rate schedule but off-peak for another rate schedule? Pepco noted that the 12pm-8pm is the on peak period for electric vehicle rates in each of its service territories. Pepco notes that in the District they specifically looked at the highest marginal cost hours to design the R-TOU-P on-peak periods. The R-PIV on-peak hours are a legacy rate design specific to PHI electric vehicle programs while DC R-TOU-P on-peak hours are more specific for the jurisdiction.
- DOEE asked, for any dynamic pricing, whether there should be an opportunity for customers through conservation or load shift, to reduce their utility bill. DOEE noted

that with R-PIV, the baseline is calibrated to residential customers after they are exposed to the rate and change their consumption behavior. Therefore, an average customer that enrolls in R-PIV and does not take any action to conserve or shift their load will see their bills go up. DOEE continued that an average customer that enrolls in R-PIV and adopts the expected load shift behavior will see no change in their utility bill. DOEE argues that there needs to be an incentive to opt-in to TOU rates, and there needs to be an upside for the average customer that takes action under TOU. Pepco noted the current R-PIV rate design minimizes interclass subsidization as bill savings realized under TOU rates would be paid for by other customers. Pepco's proposed R-TOU-P rate design is designed to minimize the bill impact for customers who enroll and do not conserve energy or shift load, consistent with DOEE's comments. Pepco acknowledged that if the intent is to drive higher off-peak energy usage, then there has to be some give and take, but they are open to hearing any preferred structure. DOEE noted that it understands, in the short term, there might be a need for interclass subsidization and allow reduction on customer bills based on load shift behavior, but that in the long term, as Pepco modifies its generation procurement strategy on updated customer load patterns, the intraclass subsidy will subside and there will be a resulting cost reduction for all customers. Staff indicated that this is to test the response of the customer to their rates and if they are responsive, the group should consider the distribution-side peak, off-peak as Maryland program includes both Generation and Distribution TOU. In *Formal Case No. 1139*, the Commission eliminated the TOU program given the narrow difference in peak and off-peak rates and the bidders decisions in filling out SOS bid form spreadsheets do not render an effective TOU rate structure there. Staff also mentioned other states in Mid-Atlantic region have adopted both generation and distribution TOU structure and Staff will provide some examples next time alongside a comparison of the current proposal with the Maryland pilot. Pepco noted that they are willing to consider a different structure and follow what Commission decides. Pepco noted that it would be helpful to get proposals from other stakeholders. DCCA stated that we should have some big picture discussion next time so that we understand the framework of the proposals we are considering. DCCA supports the idea to create a combined proposal.

- **<u>Meeting Action Items</u>**
  - Pepco to review Maryland dynamic pricing program and provide to the group a detailed breakdown of the education cost on how the utility runs the program.
  - Staff will provide a matrix of comparison between Pepco's TOU proposal with Maryland and others.

<u>Next Steps (Revised)</u>

- Draft Minutes Circulated to Participants: Monday, November 9, 2020
- Comments from Participants to PSC Staff: Wednesday, November 11, 2020
- Report Filed with Commission: Friday, November 13, 202

Rate Design Working Group (RDWG)

November 5, 2020

ATTENDANCE

Apartment and Office Building Association of Metropolitan Washington (AOBA)

Keith Townsend - ktownsend@aoba-metro.org

Excetral Caldwell – ecaldwell@aoba-metro.org

DC Climate Action

John Macgregor - beamup2@gmail.com

Nina Dodge - ndodge432@gmail.com

DC Consumer Utility Board (DC CUB)

Eugene Imhoff – eugene.imhoff@gmail.com

Department of Energy and Environment (DOEE)

Alex Lopez – alex.lopez@dc.gov

Brian Caldwell – brian.caldwell@dc.gov

Hussain Karim – Hussain.Karim@psc.dc

GRID2.0

Larisa Dobriansky - larisa.dobriansky@gmail.com

Office of Peoples Counsel (OPC)

Yohannes K.G. Mariam - ymariam@opc-dc.goc

Adrienne Mouton-Henderson - ahenderson@opc-dc.gov

Anjali Patel – apatel@opc-dc.gov

Potomac Electric Power Company (PEPCO)

Andrea Harper - ahharper@pepcoholdings.com

Tyler Wolverton - Tyler.Wolverton@pepcoholdings.com

Stephen Sunderhauf - slsunderhauf@pepco.com

Matthew Bonikowski – Matthew.Bonikowski@exeloncorp.com

Travoris Culpepper - TCulpepper@pepco.com

Dennis Jamouneau - djamouneau@pepcoholdings.com

Sanem Sergici - Sanem.Sergici@brattle.com

Solar United Neighbors of DC (DCSUN)

Chinyere Osuala - cosuala@earthjustice.org

Washington Gas Light Company

Robert C. Cain II - rcain@washgas.com

Commission Staff

Rick Herskovitz – rherskovitz@psc.dc.gov

Merancia Noelsaint – mnoelsaint@psc.dc.gov

Diamond Wade – dwade@psc.dc.gov

Grace Hu – ghu@psc.dc.gov

Roger Fujihara – rfujihara@psc.dc.gov

Matthew Mercogliano - mmercogliano@psc.dc.gov

Jason Cross – jcross@psc.dc.gov

Attachment No. 2

Power Path DC – Rate Design Working Group

1325 G Street, N.W., 8th Floor
Washington, D.C. 20005

Virtual RDWG Meeting
November 5, 2020
10am – 12pm

AGENDA

I. WG Members - Identification

II. Introduction

- **Housekeeping Rules**

III. Discussion

- **Additional Feedback to Pepco's dynamic pricing proposal and its TOU pilot rate proposal**
  - **Pepco responds to outstanding questions**

IV. Presentation (Q&A following the presentation)

- **Pepco – Residential Service Plug-in Vehicle Charging Schedule "R-PIV" (On-Peak and Off-Peak Generation Service Charges)**

V. Next Steps

A. Working Group Minutes

Draft Circulated to Participants:	**November 9, 2020**
Comments from Participants to PSC Staff:	**November 12, 2020**
Minutes filed with Commission:	**November 16, 2020**

B. Next Meeting (TBD)

ADJOURNMENT

DOEE Questions regarding the Pepco TOU Pilot Presentation
Schedule "R-TOU-P"

Questions reference slide numbers from Pepco's 9/24/20 presentation to the PSC Rate Design Working Group.

Pepco responses are provided in blue.

Slide 5

- How many customers will be targeted for pilot recruitment to meet the target pilot sample size of 835 customers?

The exact number of customers recruited will depend on customer response rate. Initial recruitment waves will range from 15,000 to 25,000 customers. Pepco will assess the response rate based on these initial waves and determine whether additional recruitment waves are necessary. Pepco's budget estimates currently assume that up to 120,000 customers could receive recruitment mailers. This estimate is based on the Maryland PC44 R-TOU-P customers acceptance rate, which ranged from 0.5% to 1.8% by utility.

- Will Pepco recruit new customers into the R-TOU-P pilot to replace customers that leave the pilot (attrition)?

Pepco does not currently intend to recruit new customers into the R-TOU-P pilot to replace customers who leave over the course of the pilot. The target pilot sample size of 835 customers was developed assuming a 20% a customer attrition rate over the life of the pilot.

- How many customers will be assigned to the control group?
  - Will control group customers be allowed to opt into Schedule "R-TOU-P"?
  - Will control group customers be allowed to opt into Schedule "R-PIV"?
  - Will control group customers be allowed to leave SOS to take energy supply from a third party provider?
  - Will control group customers be allowed to obtain electric vehicles or behind-the-meter generation?

Control group customers will be selected from the list of eligible customers who do not receive pilot recruitment materials. Customers from this group will be matched with treatment customers once the treatment group has been finalized. The number of matched control customers will be at least equal to the number of customers in the treatment group. Besides not receiving R-TOU-P marketing materials, control group customers will not be impacted in any way. These customers will still be able to opt into other Pepco rates, change their third-party supplier, and obtain EVs and BTM generation.

Slide 6

- How were the hours and duration of the on-peak pricing periods determined for Schedule "R-TOU-P"?

The on-peak pricing periods for Schedule "R-TOU-P" were determined by analyzing the average hourly Locational Marginal Prices ("LMPs") during summer and winter rate periods. The selected on-peak periods capture the hours with the highest average LMPs, and therefore reflect the highest marginal cost of generation (see Figure 1 in Pepco's March 9, 2020 R-TOU-P proposal filing).

- Why are the on-peak period hours and durations different between R-PIV and R-TOU-P?
    - R-PIV has a midday on-peak period (12-8pm, 8 hours) for all seasons
    - R-TOU-P has evening on-peak period (4-8pm, 4 hours) in the summer and morning on-peak peak (6-9am, 3 hours) in the winter

Schedule "R-PIV" rate periods are based on a legacy definition of on-peak hours. This legacy definition is used in electric vehicle TOU rates across the PHI utilities. For DC Schedule "R-TOU-P", Pepco conducted a DC-specific analysis of LMPs to determine hours with the highest marginal cost of generation.

- Why are the summer on-peak hours and durations different between the Pepco DC R-TOU-P and the Pepco Maryland R-TOU-P?
    - Pepco DC R-TOU-P summers season on-peak period are 4-8pm (4 hrs)
    - Pepco MD R-TOU-P summer season on-peak periods are 2-7pm (5 hrs)

For DC Schedule "R-TOU-P", Pepco conducted a DC-specific analysis of LMPs to determine hours with the highest marginal cost of generation.

Slide 7

- Please provide the methodology used to derive the on-peak and off-peak rates.

Pepco's Schedule "R-TOU-P" rate model is based on the rate model used to develop Pepco's Commission approved Schedule "R-PIV" rates. The "R-TOU-P" rate model utilizes DC Schedule "R" customer energy consumption data to derive a ratio of on-peak and off-peak unit costs during the proposed rate periods. These unit costs are based on underlying locational marginal prices, PJM generation obligations, and PJM ancillary services costs during on-peak and off-peak hours. The rate model applies the ratio of total on-peak and off-peak unit costs to the currently approved Schedule "R" SOS rates to develop proposed Schedule "R-TOU-P" on-peak and off-peak rates.

- Is the R-TOU-P rate designed to be revenue neutral (bill neutral) for the average Schedule "R" customer in the absence of conservation or load shift behavior?

Yes.

- The Schedule “R-TOU-P” on-peak and off-peak rates are based on average DC Schedule “R” customer consumption data prior to enrolling in the R-TOU-P rate. DC Schedule “R-PIV” rates are based on average Maryland Schedule “R-PIV” customer consumption data after enrolling in the MD R-PIV rate. Does Pepco support basing TOU rates on average customer consumption data prior to or after enrolling in TOU rates? Why?

Pepco supports utilizing the best available data to design revenue neutral TOU rates. In order to minimize intraclass subsidization, Pepco generally designs TOU rates to ensure revenue neutrality after customers have shifted their load in response to a given Schedule’s price signals, rather than prior to load shifting. As DOEE notes in its above questions referencing Slide 6, the proposed on-peak hours for DC Schedule “R-TOU-P” differ from those hours utilized by other DC and MD TOU rates. Pepco does not have any post-enrollment energy consumption data from TOU rates with on-peak and off-peak hours that match the proposed DC Schedule “R-TOU-P” rate periods. The Company therefore proposes to use DC Schedule “R” customer consumption data to design Schedule “R-TOU-P” rates.

- Why does Pepco propose to allow customers on Schedule “R-TOU-P” to enroll in the Green Rider (“Rider PIV-Green”), which was initially approved for Schedule “R-PIV” customers?
- Why will the Green Rider only be available for TOU customers (Schedule “R-PIV” and Schedule “R-TOU-P”) and not be available to non-TOU Schedule “R” customers?

The Green Rider is a voluntary program that allows customers to opt-in to a 100% renewable energy option and was approved as a component of Pepco’s EV portfolio. Under this Rider, customers pay an additional kWh charge based on the market price for incremental renewable energy credits required to offer a 100% renewable product. The Green Rider is currently available to Schedule “R-PIV” customers. Pepco’s proposed DC Schedule “R-TOU-P” pilot has similar characteristics to Schedule “R-PIV” (i.e., both are opt-in generation TOU rates). As such, Pepco believed that it would be appropriate to offer Schedule “R-TOU-P” customers the option to enroll in the Green Rider. Pepco has not considered expansion of the Green Rider tariff to other rate classes as part of its Schedule “R-TOU-P” pilot proposal.

Slide 8

- Why does Pepco require a customer to have resided at the same address for at least one year to enroll in Schedule “R-TOU-P”?

  Requiring customers to have resided at the same address for at least one year prior to enrollment in Schedule “R-TOU-P” ensures that there is sufficient baseline data available to determine the impact of Schedule “R-TOU-P” rates on a given customer’s energy consumption.

- Would it be possible to allow customers without one year of AMI data to enroll in Schedule "R-TOU-P" but exclude them from the treatment group for evaluation of rate impact?
- Would it be possible to allow customers that have not resided at the same address for at least one year to enroll in Schedule "R-TOU-P" but exclude them from the treatment group for evaluation of rate impact?

Yes, it would be possible to allow customers who do not have one year of AMI data, or who have not resided at the same address for at least one year, to enroll in Schedule "R-TOU-P". These customers would be excluded from the EM&V analyses.

- Putting aside the language from Order No. 20286, are there reasons why Pepco would need to exclude customers with electric vehicles (EVs) or behind-the-meter (BTM) generation? Would opening R-TOU-P to Schedule "R" customers with EVs and/or BTM generation make the experimental results more or less generalizable to Schedule "R" customers at large?
  - Could customers with EV or BTM be allowed to enroll in Schedule "R-TOU-P" but be excluded from the treatment group for evaluation of rate impact?
  - Note that Schedule R-PIV allows NEM customers to participate and be credited for excess generation at the R-PIV rate.

In designing its proposed Schedule "R-TOU-P" pilot program, Pepco relied on the guidance provided by the Commission in Order No. 20286, which stated that "To speed development of a TOU pilot rate, Pepco should assume participants are limited to Standard Offer Service customers, and do not have electric vehicles or behind-the-meter generation." Given the Commission's clear guidance in this area, Pepco is not proposing to allow EV or BTM customers to enroll in Schedule "R-TOU-P".

- PSC Order No. 20286 at ¶ 51 identifies goals that should be balanced for best practice rate design. Does the exclusion of customers with EVs and behind-the-meter generation from participating in R-TOU-P comport with these rate design rules? Specifically:
  - Assisting the transition of the industry to a clean energy future; and
  - Maximizing the value and effectiveness of new technologies as they become available and are deployed on, or alongside, the electric system.

Pepco has designed its proposed Schedule "R-TOU-P" pilot on the basis of Commission Order No. 20286, which states that "To speed development of a TOU pilot rate, Pepco should assume participants are limited to Standard Offer Service customers, and do not have electric vehicles or behind-the-meter generation."

- Will customers enrolled in community solar be eligible for Schedule "R-TOU-P"?

Yes.

- If so, will CNM credit rates be adjusted for R-TOU-P on-peak and off-peak periods?

No. Calculation of the Community Net Metering credit is defined in Rider "CNM" and is generally the product of the metered generation of the CREF, the subscription percentage, and the CREF Credit Rate less the CREF Administrative Charge. The CREF credit rate is defined as the full retail rate for the SOS General Service Low Voltage Non-Demand class

- Pepco MD Schedule "R-TOU-P" allows a maximum of 10% NEM customers to enroll.
    - Why did MD cap NEM customers? Why was 10% selected as the cap?

The NEM cap was the result of a Commission Order responding to a Work Group report. The Work Group initially proposed excluding NEM customers from participation, but the Commission instead opted to allow NEM customer enrollment subject to a 10% cap. Pepco does not have any insight into why the Commission opted to take this path, or why 10% was specifically selected as the cap. It is possible that the Commission was interested in evaluating how NEM customers fared under the proposed TOU rates.

- What is the rationale behind excluding customers with a medical needs flag from participating in the TOU pilot?

Pepco wishes to avoid establishing a financial incentive that has the potential to cause customers to compromise their medical needs. Customers with a medical needs flag were similarly excluded form Pepco's Maryland R-TOU-P pilot.

Slide 13

- Will customer education focus on energy efficiency and conservation (reducing total kWh consumption) or on load shift (moving discretionary loads from peak to off-peak periods)?

Customer education will focus on both energy efficiency/conservation and load shifting. Customers will receive tips to save energy that are relevant to the season (including references to available programs to help them save energy). Customers will also receive messaging on shifting load to avoid high energy use during peak times.

Slide 14

- What demographic data will be collected through the enrollment survey?
    - Will household income data be collected through this survey?

Demographic data to be collected include:

- Age
- Gender
- Number of household occupants
- Renter vs. homeowner status

- Housing type
- Income range
    - The enrollment survey will ask customers to select their household income range from a list of options.

Side 17

- Will the impact evaluation look at the treatment effect for low-income households in particular?

Household income range will be included in the demographic data collected from customers through the pre-enrollment survey. While Pepco has not proposed an explicit LMI population as part of this pilot, the Company will attempt to evaluate pilot results by household income level. Pepco's ability to derive statistically significant results by household income will depend on the demographic distribution of participating customers.

Slide 21

- Over what time period does Pepco propose amortizing the regulatory asset related to Schedule "R-TOU-P" costs?

Pepco will propose an amortization period for this regulatory asset when the Company seeks recovery in a future rate case. A 3-year amortization period may be appropriate for this regulatory asset given that the proposed pilot runs for 3 years; however, no final decision has been made at this time.

General Questions

- How would Schedule "R-TOU-P" interact with the proposed Critical Peak Rebates?

Customers will be allowed to participate in both Schedule "R-TOU-P" and Pepco's proposed Critical Peak Rebates. Critical Peak Rebate event days will be excluded from the Schedule "R-TOU-P" EM&V analysis.