

## PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF FINAL RULEMAKING**RM41-2015-1, IN MATTER OF 15 DCMR CHAPTER 41-DISTRICT OF COLUMBIA  
STANDARD OFFER SERVICE-COMMUNITY RENEWABLE ENERGY  
AMENDMENT ACT OF 2013**

1. The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice, pursuant to its authority under D.C. Official Code §§ 34-802, 34-1504, and 34-1509 (2012 Repl.) and in accordance with D.C. Official Code § 2-505, of its intent to amend to Chapter 41, “District of Columbia Standard Offer Service [‘SOS’] Rules,” of Title 15 (Public Utilities and Cable Television) of the District of Columbia Municipal Regulations (“DCMR”) effective upon publication of this Notice of Final Rulemaking (“NOFR”) in the *D.C. Register*.

2. On September 12, 2014, the Commission published a Notice of Proposed Rulemaking (“NOPR”) to amend Chapter 41, in accordance with the “Community Renewable Energy Amendment Act of 2013” (“CREA”) as well as make clarifying non-substantive changes to these rules.<sup>1</sup> Specifically, the September 12, 2014 NOPR proposed to amend the following sections and subsections of Chapter 41 of Title 15 of the DCMR to incorporate CREA related changes: §§ 4100.3, 4101.2, 4102.1, 4102.4, 4103.1, 4103.4, 4104.3, 4107.1, 4108.2, 4108.3, and 4199.1 and to add new §§ 4107.14, and 4109, while non-substantive changes are made in the following subsections: §§ 4100.5, 4102.3, 4103.2, 4103.3, 4105.1, 4105.5, 4105.6, 4105.7, 4105.9, 4107.5, 4107.11. The addition of a new Section 4109 resulted in the renumbering of Sections 4110 to 4111.<sup>2</sup>

3. In response to the September 12, 2014 NOPR, the Commission received comments from the Potomac Electric Power Company (“Pepco”); the Office of the People’s Counsel; the Vote Solar Initiative, DC Solar United Neighborhoods, and the Washington, D.C. Chapter of the Sierra Club (collectively “the VSGroup”); and U.S. Photovoltaics, Inc.<sup>3</sup> The Commission received reply comments from the Pepco and the VSGroup.<sup>4</sup>

<sup>1</sup> The Community Renewable Energy Amendment Act of 2013 (“CREA”) was enacted October 17, 2013. See D.C. Act 20-186. The CREA became effective December 13, 2013. See D.C. Law 20-47.

<sup>2</sup> 61 *D.C. Reg.* 9381-9394 (Sept. 12, 2014).

<sup>3</sup> *RM41-2014-1, In the Matter of 15 DCMR Chapter 41-District of Columbia Standard Offer Service-Community Renewable Energy Amendment Act of 2013 (“RM41-2014-1”)*, Comments of the Potomac Electric Power Company (“Pepco”) Regarding the Notice of the Proposed Rulemaking, filed Oct. 14, 2014; Comments of the Office of the People’s Counsel on the Proposed Rulemaking, filed Oct. 14, 2014; Comments in Response to Notice of Proposed Rulemaking of the Vote Solar Initiative, DC Solar United Neighborhoods, and the Washington, D.C. Chapter of the Sierra Club (collectively “the VSGroup”), filed Oct. 14, 2014; and Comments of U.S. Photovoltaics, Inc., filed Oct. 14, 2014.

<sup>4</sup> *RM41-2014-1, Reply Comments of the Pepco regarding the Notice of the Proposed Rulemaking*, filed October 27, 2014; and *Reply Comments of the VSGroup*, filed Oct. 27, 2014.

4. Based on the comments and reply comments from the interested persons, the Commission proposed to further amend the proposed rules for Chapter 41. Accordingly, a second, revised NOPR was published on January 30, 2015 in which the Commission proposed amendments to the following sections and subsections of Chapter 41 of Title 15 of the DCMR: §§ 4101.2, 4103.3, 4105.7, 4107.14, 4109.3, and 4199. In addition, the Commission proposed non-substantive changes to the following sections: 4100.4, 4100.5, 4101.1, 4101.3, 4101.4, 4101.5, 4102.1, 4102.2, 4102.3, 4102.4, 4102.5, 4102.6, 4103.1, 4103.2, 4103.3, 4103.4, 4103.5, 4103.6, 4103.7, 4103.8, 4104.1, 4104.2, 4104.3, 4104.6, 4104.7, 4105.1, 4105.2, 4105.3, 4105.4, 4105.5, 4105.6, 4105.7, 4105.8, 4105.9, 4106.1, 4106.2, 4106.3, 4106.4, 4106.5, 4106.6, 4106.7, 4107.1, 4107.2, 4107.3, 4107.4, 4107.5, 4107.6, 4107.7, 4107.8, 4107.9, 4107.10, 4107.11, 4107.13, 4107.14, 4108.1, 4108.2, 4108.3, 4109.1, 4109.2, 4109.3, 4109.4, 4109.5, 4110.1, 4111.1, 4111.2, 4111.3, 4111.4, and 4199.<sup>5</sup> The revised NOPR replaced the NOPR which was published in the *D.C. Register* on September 12, 2014.

5. Pepco filed comments in response to the January 30, 2015 revised NOPR.<sup>6</sup> After fully considering Pepco comments, by Order issued April 24, 2015, the Commission decided, *inter alia*, to replace “Pepco Zone” with “Pepco District of Columbia sub-Zone” in Subsections 4103.1(c) and 4109.3 and to correct a typographical error in Subsection 4110.1(d) in the final rules.<sup>7</sup> The final rules will become effective upon publication of this NOPR in the *D.C. Register*.

**Chapter 41, DISTRICT OF COLUMBIA STANDARD OFFER SERVICE [“SOS”] RULES, of Title 15 DCMR, PUBLIC UTILITIES AND CABLE TELEVISION, is amended as follows:**

**4100 GENERAL PROVISIONS; SCOPE, APPLICABILITY AND AVAILABILITY OF STANDARD OFFER SERVICE; ELIGIBILITY FOR STANDARD OFFER SERVICE**

**Subsection 4100.3 is amended to read as follows:**

4100.3 This chapter shall be applicable to the SOS Administrator to retail customers in the Electric Company’s distribution service territory. This chapter also establishes the rules by which the SOS Administrator shall obtain electric supply for SOS pursuant to a competitive wholesale procurement process and will apply to wholesale bidders who compete for the provision of wholesale full requirements services to the SOS Administrator. This chapter also establishes the rules by which the SOS Administrator shall obtain electric supply from

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<sup>5</sup> 62 *D.C. Reg.* 1407-1431 (Jan. 30, 2015).

<sup>6</sup> *RM41-2015-1, In the Matter of 15 DCMR Chapter 41-District of Columbia Standard Offer Service-Community Renewable Energy Amendment Act of 2013 (“RM41-2015-1”),* Pepco’s Comments, filed March 2, 2015.

<sup>7</sup> *Formal Case No. 1017, In The Matter of the Development and Designation of Standard Offer Service in the District of Columbia,* and *RM41-2015-1*, Order No. 17863, rel. April 24, 2015.

Community Renewable Energy Facilities ("CREFs") as defined in Subsection 4199.1 and as described in Subsections 4109.1 through 4109.3 pursuant to the Community Renewable Energy Amendment Act of 2013. The provisions of this chapter are promulgated pursuant to authority set forth in Sections 34-1509(c), 34-1518.01(b), 34-1518.01(c), and 34-1504(c)(7) of the D.C. Official Code.

**Subsection 4100.4 is amended to read as follows:**

- 4100.4 All Electric Company distribution customers are eligible for SOS from the SOS Administrator and are subject to the general terms and conditions of the Electric Company's tariffs and the Commission's regulations, as they may change from time to time subject to the Commission's approval or adoption of new regulations.

**Subsection 4100.5 is amended to read as follows:**

- 4100.5 SOS shall be available to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2) customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier; and (3) customers who do not choose a Competitive Electricity Supplier.

**4101 SELECTION OF WHOLESALE SOS PROVIDERS**

**Subsection 4101.1 is amended to read as follows:**

- 4101.1 The Electric Company shall continue as the SOS Administrator for retail customers in the Electric Company's distribution service territory until such time as the Commission directs otherwise.

**Subsection 4101.2 is amended to read as follows:**

- 4101.2 The SOS Administrator shall obtain electric supply for SOS pursuant to a competitive wholesale procurement process and pursuant to the CREA. The procurement process shall solicit all of the electric supply for SOS customers except for the electric supply that is provided by CREFs.

**Subsection 4101.3 is amended to read as follows:**

- 4101.3 The specific procurement format, form of request, process, timeline, and evaluation process, evaluation criteria and process and model contract for electricity supply shall be submitted for Commission approval by the SOS Administrator by August 1 of the previous year. The SOS Administrator shall coordinate with other jurisdictions to ensure that bidding days do not coincide for multiple jurisdictions in the Mid-Atlantic area.

**Subsection 4101.4 is amended to read as follows:**

- 4101.4 Subject to the review and approval of the Commission, the SOS Administrator shall solicit for wholesale full requirements service pursuant to a Wholesale Full Requirements Service Agreement ("WFRSA") with the Wholesale SOS Providers, which shall include the provision of electric energy, energy losses, generation capacity, ancillary services and any other PJM- or FERC-approved services associated with the SOS Administrator's load obligation, except for network integration transmission service, which will be obtained by the SOS Administrator. The Wholesale SOS Provider shall be responsible for all congestion costs up to the delivery point at which the SOS Administrator takes the power to serve its SOS load.

**Subsection 4101.5 is amended to read as follows:**

- 4101.5 The SOS Administrator shall solicit seasonally differentiated summer and winter prices.

**4102 COMPETITIVE WHOLESALE BID STRUCTURE****Subsection 4102.1 is amended to read as follows:**

- 4102.1 The SOS Administrator shall procure full requirements service to meet its SOS obligations using a competitive wholesale procurement process described in this chapter, as amended from time to time and as adjusted for offsetting electric supply procured from CREFs, for each SOS Customer Group (as those SOS Customer Groups are defined in Subsection 4102.3), until the Commission orders, following the major policy review outlined in Subsection 4102.2 below, that an alternative SOS procurement process shall be implemented.

**Subsection 4102.2 is amended to read as follows:**

- 4102.2 The Commission will conduct a review of the SOS Administrator's SOS program every other year, beginning in 2010, to make any appropriate adjustments to SOS as competitive developments in the District of Columbia change. All adjustments shall be prospective and all contracts entered into prior to these changes shall remain in full force and effect pursuant to the contract terms.

**Subsection 4102.3 is amended to read as follows:**

- 4102.3 The SOS Administrator shall establish three (3) groups of customers ("SOS Customer Groups"):
- (a) Residential Customers shall include customers served under Electric Company Rate Schedules: R, AE, R-TM, R-TM-EX, RAD, and Master

Metered Apartment customers, subject to any revisions made to those tariff sheets made by the Commission;

- (b) Small Commercial Customers shall include the customers served under Electric Company Rate Schedules: GS-LV non-demand, GS-3A non-demand, T, SL, TS, TN and SL-TN, subject to any revisions made to those tariff sheets made by the Commission; and
- (c) Large Commercial Customers shall include all commercial customers except those defined as Small Commercial Customers.

**Subsection 4102.4 is amended to read as follows:**

4102.4 The SOS Administrator shall issue Requests For Proposals (“RFPs”) to competitive wholesale bidders for contracts for the supply of SOS in order to maintain the following contract term balances for the various customer portfolios:

- (a) Residential Customers: The SOS Administrator shall solicit fixed-price offers for terms of one year, two years, or three or more years. The SOS Administrator’s portfolio shall contain contracts such that three or more year offers comprise at least forty percent (40%) of each year’s portfolio, unless the Commission has directed the SOS Administrator to solicit fixed-price offers based on a different mix of terms. The SOS Administrator and other parties may propose alternative portfolios of supply options for consideration by the Commission. The SOS Administrator shall compile a portfolio of conforming offers consistent with the mix of terms determined by the Commission. The SOS Administrator shall select conforming offers to meet the Commission’s percentage target(s) in accordance with the evaluation provision included in the RFP. Unless the Commission has directed otherwise, the final contract mix should include contracts of at least three years for no less than forty percent (40%) of the total load.
- (b) Small Commercial Customers: The SOS Administrator shall solicit fixed price offers for Wholesale Full Requirements Service for some combination of one, two, and three or more year terms. The SOS Administrator shall compile a portfolio of one, two, and three or more year terms conforming offers such that at least forty percent (40%) of the load will be served under contracts of three or more year terms. The SOS Administrator shall select one, two, and three or more year conforming offers to meet this percentage target in accordance with the evaluation provision included in the RFP. The SOS Administrator and other parties may propose an alternative portfolio of supply options for consideration by the Commission; and

- (c) Large Commercial Customers: The SOS Administrator shall solicit fixed price offers for Wholesale Full Requirements Service for one and/or two year terms.

The RFP shall alert the competitive wholesale bidders to the fact that final service requirements may be adjusted to accommodate offsetting electric supply obtained by the SOS Administrator from CREFs.

**Subsection 4102.5 is amended to read as follows:**

- 4102.5 The SOS Administrator shall continue to solicit offers for Wholesale Full Requirements Service for each SOS Customer Group until the Commission orders otherwise, subsequent to Commission review of the SOS procurement process.

**Subsection 4102.6 is amended to read as follows:**

- 4102.6 The SOS Administrator shall solicit wholesale bids for SOS supply using the existing rate structures of its existing rate classes. Nothing herein, however, precludes the SOS Administrator from filing for a different rate structure for any rate schedule or SOS Customer Group, subject to Commission review and approval, and provided that any such changes, adjustments, alterations, or modifications do not change or impact existing WFRSAs.

**4103 STANDARD OFFER SERVICE RETAIL RATES**

**Subsection 4103.1 is amended to read as follows:**

- 4103.1 The retail rates to SOS customers will consist of the sum of the following components:
- (a) The seasonally-differentiated and, if applicable, time-of-use differentiated load weighted average price of all awarded contracts for Wholesale Full Requirements Service for each SOS Customer Group;
  - (b) Retail charges designed to recover, on an aggregate basis, FERC-approved Network Integrated Transmission Service charges ("NITS") and related charges and any other PJM charges and costs incurred by the SOS Administrator directly related to the SOS Administrator's SOS load obligation for each SOS Customer Group;
  - (c) PJM Locational Marginal Price for energy in the Pepco District of Columbia sub-Zone, adjusted for ancillary service charges as specified in Subsection 906.4, for all unsubscribed electric supply purchased from CREFs;
  - (d) An administrative charge; and

- (e) Applicable taxes.

**Subsection 4103.2 is amended to read as follows:**

- 4103.2 When the winning wholesale bidder(s) are selected, the SOS Administrator shall submit to the Commission: (1) the names of the winning bidders, which shall remain confidential subject to Subsection 4111.5 of this chapter, and (2) the retail rates for all the customer classes according to the Commission pre-approved time schedule. Such rates shall consist of all the components included in Subsection 4103.1. The filing required herein shall also include: (1) a detailed calculation and explanation of an administrative charge and (2) administrative charge true-up provisions.

**Subsection 4103.3 is amended to read as follows:**

- 4103.3 Parties to the proceedings can file comments within seven (7) calendar days and reply comments within twelve (12) calendar days of the SOS Administrator's submission of the retail rates and administrative charge pursuant to Subsection 4103.2. The Commission shall thereafter issue an Order approving or rejecting the retail rates and/or administrative charge. The SOS Administrator shall file a revised tariff setting forth the new retail rates and/or administrative charges within seven (7) calendar days of the Commission's Order approving those rates and charge.

**Subsection 4103.4 is amended to read as follows:**

- 4103.4 The Administrative Charge will be designed to recover the SOS Administrator's incremental costs for procuring and providing the service. Actual incremental costs shall include, but not be limited to, a proportionate share of SOS customer uncollectibles for each SOS Customer Group, Commission Consultant expenses (as described in Subsection 4110.1), wholesale SOS bidding expenses, working capital expenses related to SOS for each SOS Customer Group, wholesale supply transaction costs related to Wholesale SOS Provider administration and transmission service administration, wholesale payment and invoice processing, incremental billing process expenses, customer education costs, incremental system costs, costs related to the purchases of electric supply from CREFs and legal and regulatory filing expenses related to SOS requirements.

**Subsection 4103.5 is amended to read as follows:**

- 4103.5 Prior to the submission of bids, the SOS Administrator shall file a request with the Commission (with notice to all the Parties) for determination of the appropriate amount of its Administrative Charge to be included in the retail rates to SOS customers. In calculating the Administrative Charge, any return component on the Administrative Charge, if the inclusion of a return component is approved by

the Commission, shall not be reflected for ratemaking purposes in the establishment of the Electric Company's distribution rates, including the determination of the Electric Company's return for providing distribution service.

**Subsection 4103.6 is amended to read as follows:**

- 4103.6 All customers eligible for SOS will be informed of the applicable SOS retail rates, to the extent practical, for the service at least two (2) months prior to the beginning of each service year. If it is not practicable to provide such notice, the SOS Administrator shall file with the Commission and serve upon the Parties notice of that fact, the reasons for the delay, and the expected date for the provision of such information.

**Subsection 4103.7 is amended to read as follows:**

- 4103.7 Retail prices to customers shall be adjusted at least twice a year to reflect seasonal pricing and other appropriate price changes. Prior to each year of SOS, the SOS Administrator shall file with the Commission, estimates of actual incremental costs for the upcoming year. Such costs will be collected from customers, on a load weighted average, subject to an annual adjustment to reflect actual costs.

**Subsection 4103.8 is amended to read as follows:**

- 4103.8 All investment, revenue and expenses associated with the provision of SOS by the Electric Company when serving as the SOS Administrator shall be separate from investment, revenues and expenses associated with the Electric Company's distribution service so that there will be no subsidization of the Electric Company's distribution rates.

**4104 COMPETITIVE WHOLESALE BIDDING AND CONTRACTING PROCESS**

**Subsection 4104.1 is amended to read as follows:**

- 4104.1 The SOS Administrator shall solicit offers for Wholesale Full Requirements Service via the RFP approved by the Commission. The SOS Administrator shall remain the NITS provider and shall be the designated PJM Load Serving Entity ("LSE") for all SOS. The SOS Administrator, as the PJM LSE, shall provide the rights to nomination and make available to the Wholesale SOS Providers all Firm Transmission Rights/Auction Revenue Rights ("FTR/ARRs") to which it has rights pursuant to the PJM procedures applicable to FTR and ARR.



**Subsection 4104.2 is amended to read as follows:**

- 4104.2 The SOS Administrator shall solicit seasonally differentiated and, if applicable, time-of-use differentiated prices. In the case of multi-year-term contracts, prices shall, in addition, be annually specified. The solicitation shall be conducted through as many as four bidding rounds, as specified in the RFP.

**Subsection 4104.3 is amended to read as follows:**

- 4104.3 The total load associated with each SOS Customer Group shall be divided into bid blocks of approximately 50 MW to promote diversity of supply and reliable supply contract performance. Each bid block shall represent a percentage of the total SOS load that each Wholesale SOS Provider will be obligated to supply for the term of the contract regardless of changes in the magnitude of the total load for that SOS Customer Group. The size of the total load may vary from the 50 MW guideline for a particular group if the total load associated with a specific SOS Customer Group indicates that such variation is warranted. One reason for a variation may be to accommodate electric supply acquired from CREFs as described in Subsection 4109.1. The SOS Administrator may alter the target size of the bid blocks by requesting permission to do so at the same time as it informs the Commission of its procurement plan, but only if it has reason to believe that the change would lead to more competitive offers.

**Subsection 4104.5 is amended to read as follows:**

- 4104.5 Potential Wholesale SOS Providers must demonstrate their qualifications to provide Wholesale Full Requirements Service by providing proof that they are qualified to participate in the PJM Markets and have all the necessary FERC authorizations to enter into wholesale energy contracts. Furthermore, the RFP and WFRSA shall specify the financial credit requirements that potential or actual Wholesale SOS Suppliers must demonstrate.

**Subsection 4104.6 is amended to read as follows:**

- 4104.6 The SOS Administrator's RFP will include specific forms of bid request, evaluation plan, and the WFRSA. The evaluation plan contained in the RFP will specify that all bids to serve the load associated with a specific SOS Customer Group and for a specific contract length will be compared on a discounted price basis to select the lowest cost winning bids.

**Subsection 4104.7 is amended to read as follows:**

- 4104.7 Upon completion of the bid evaluation process, the SOS Administrator will notify the winning bidders and execute a WFRSA with each winning bidder. Such contract execution will be contingent, however, on Commission approval of the bid awards, contracts and credit support provisions therein. The contract(s) will

be deemed approved by the Commission unless the Commission orders otherwise within two (2) business days following their submission. Winning bidders will receive the actual prices in their offers for each year of the term of their supply contract. Winning bidders will not be permitted to revise prices or any other terms and conditions of the WFRSA, except as provided for in the WFRSA.

**4105 ESTABLISHMENT AND RE-ESTABLISHMENT OF STANDARD OFFER SERVICE; CUSTOMER SWITCHING RESTRICTIONS**

**Subsection 4105.1 is amended to read as follows:**

- 4105.1 SOS shall be provided to any customer who purchases a new service within the District of Columbia and who does not obtain electric generation service from a Competitive Electricity Supplier at that time. There shall be no fee for a customer to establish SOS in this manner.

**Subsection 4105.2 is amended to read as follows:**

- 4105.2 Any customer taking service from a Competitive Electricity Supplier may terminate service with the Competitive Electricity Supplier and elect SOS upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.9.

**Subsection 4105.3 is amended to read as follows:**

- 4105.3 Any customer taking service from a Competitive Electricity Supplier who defaults may terminate service with the defaulting Competitive Electricity Supplier upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.9.

**Subsection 4105.4 is amended to read as follows:**

- 4105.4 Any customer who is slammed or switched to a Competitive Electricity Supplier by mistake can terminate service with the Competitive Electricity Supplier upon notice to the Electric Company and the SOS Administrator as required by Subsection 4105.9, and such customer shall be returned to the service that the customer was receiving prior to being slammed or the mistake occurring as if the slamming or the mistake had not occurred.

**Subsection 4105.5 is amended to read as follows:**

- 4105.5 All residential customers shall be eligible to switch from SOS to Competitive Electricity Suppliers and return to SOS without restrictions.

**Subsection 4105.6 is amended to read as follows:**

- 4105.6 If a non-residential customer who has elected to purchase generation services from a Competitive Electricity Supplier subsequently returns to SOS, such non-residential customer shall be obligated to remain on SOS for a minimum term of twelve (12) months, provided, that in the case of a non-residential customer who returns to SOS as a result of a default by that non-residential customer's Competitive Electricity Supplier, such non-residential customer may within a grace period of three full billing cycles thereafter elect to purchase or contract for generation services from another Competitive Electricity Supplier or elect to receive service from the SOS Administrator at Market Price Service rates in which event the minimum term of twelve (12) months does not apply. A Competitive Electricity Supplier default occurs when the PJM Interconnection L.L.C. notifies the PJM members that the Competitive Electricity Supplier is in default.

**Subsection 4105.7 is amended to read as follows:**

- 4105.7 A non-residential customer who ceases to receive generation services from a Competitive Electricity Supplier may elect to receive service from the SOS Administrator at Market Price Service rates rather than Standard Offer Service rates. The minimum stay provisions stated in Subsection 4105.6 shall not apply to customers receiving service under Market Price Service rates. The Market Price Service rates shall be set in accordance with a tariff previously filed and approved by the Commission. The tariff shall contain a formula that reflects only the following components, or their functional equivalents in the future: the PJM locational marginal price for energy for the Electric Company zone, the PJM posted and verifiable market capacity price, transmission, ancillary services, line losses, appropriate taxes and a fixed retail adder of x mills per kWh. (The amount of the retail adder will be determined in the administrative cost proceeding.) The Market Price Service rates may vary by customer class and reflect actual costs.

**Subsection 4105.8 is amended to read as follows:**

- 4105.8 The contract provisions and exit fees of the Competitive Electricity Supplier remain valid and shall be enforced before a customer will be permitted to switch to SOS or another Competitive Electricity Supplier.

**Subsection 4105.9 is amended to read as follows:**

- 4105.9 Notice of Transfers; Transfer of Service; Bill Calculation:
- (a) Notice of Transfer into SOS: A customer who intends to transfer into SOS shall do so by notifying the Electric Company and the SOS Administrator or by canceling service with its Competitive Electricity Supplier.

- (b) Transfer into SOS: If the customer notifies the Electric Company and the SOS Administrator no less than seventeen (17) days before the customer's next normally scheduled meter read date, the Electric Company and the SOS Administrator shall transfer the customer on the customer's next meter read date. Otherwise, transfer will occur on the following meter read date. The Electric Company and the SOS Administrator shall accommodate the request to the greatest extent practicable.
- (c) Notice of Transfer out of SOS: Notice that a SOS customer will terminate SOS and obtain service from a Competitive Electricity Supplier shall be provided to the Electric Company and the SOS Administrator by the customer's Competitive Electricity Supplier pursuant to Chapter 3 of Title 15 of the District of Columbia Municipal Regulations; and
- (d) Transfer out of SOS: If the Competitive Electricity Supplier notifies the Electric Company and the SOS Administrator no less than seventeen (17) days before the customer's next meter read date, the Electric Company and the SOS Administrator shall transfer the customer on the customer's next meter read date. Otherwise, transfer will occur on the subsequent meter read date.

#### **4106 FINANCIAL CAPABILITY REQUIREMENTS**

##### **Subsection 4106.1 is amended as follows:**

- 4106.1 Financial capability requirements shall be imposed on Wholesale SOS Providers and shall be consistent with provisions established herein.

##### **Subsection 4106.2 is amended as follows:**

- 4106.2 Each Wholesale SOS Provider shall obtain and file with the Commission a bond, a letter of credit, or a corporate guarantee that will provide assurances of financial integrity and funding for replacement service in the event that the Wholesale SOS Provider fails to provide for uninterrupted service. If a corporate guarantee is obtained, it must conform to the Commission-approved form.

##### **Subsection 4106.3 is amended as follows:**

- 4106.3 The amount of the financial capability requirement for the Wholesale SOS Provider in the Electric Company's service territory shall be equal to fifteen (15) percent of the Wholesale SOS Provider's bid obligation for the SOS class(es) the provider is awarded, and expected to serve, in the Electric Company's service territory.

##### **Subsection 4106.4 is amended as follows:**

- 4106.4 The amount of the financial capability requirement shall be commensurate with the remaining outstanding bid obligation of the Wholesale SOS Provider throughout the term of the Wholesale SOS Provider's awarded contract period, and reduced annually from the initial amount determined at the beginning of the term of the Wholesale SOS Provider's service.

**Subsection 4106.5 is amended to read as follows:**

- 4106.5 The proceeds of the bond, or letter of credit, or corporate guarantee, as necessary, shall be payable to the SOS Administrator to whom the wholesale bidder is obligated to provide service. The proceeds of the bond, letter of credit, or corporate guarantee shall be used only to defray the additional costs of replacement SOS in the event of interrupted service. For purposes of this provision, additional costs are all costs that are incurred or will be incurred to acquire replacement SOS, including supply and administrative costs, through the remaining SOS term that exceed the amounts paid or to be paid by SOS customers at the SOS rates in effect at the time of the Commission's declaration of a Wholesale SOS Provider's default.

**Subsection 4106.6 is amended to read as follows:**

- 4106.6 A corporate guarantee permitted by Subsections 4106.2, 4106.3, and 4106.4, may be issued by an affiliate of the Wholesale SOS Provider or a third party that meets the financial credit requirements set forth in Subsections 4106.2, 4106.3, and 4106.4.
- (a) The corporate guarantee must meet all of the requirements of Subsections 4106.2, 4106.3, and 4106.4, and shall be unconditional and irrevocable and provide for payment within five (5) business days for the period of the standard offer term.
  - (b) A corporate guarantee may be used to satisfy the requirement of Subsections 4106.2, 4106.3, and 4106.4, if the corporate guarantor meets the following financial qualifications and capabilities:
    - (1) The senior unsecured debt obligations of the guarantor are publicly rated, at a minimum, "BBB-" from S&P or Fitch, or "Baa3" from Moody's;
    - (2) The total assets of the guarantor are at least 5.0 times the amount of the corporate guarantee amount required by Subsections 4106.2, 4106.3, and 4106.4; and
    - (3) The total common equity of the guarantor is at least 2.5 times the amount of the corporate guarantee amount required by Subsections

4106.2, 4106.3, and 4106.4.

- (c) If a corporate guarantor's senior unsecured debt obligations are rated by:  
(i) two of the agencies listed in Subsection 4106.6(b)(1), the guarantor's rating will be determined by the lower assigned rating; or (ii) all three of the agencies listed in Subsection 4106.6(b)(1), two of those agencies must have assigned ratings equal to or higher than the required ratings described above.
- (d) If, at any time, the senior unsecured debt obligations of the corporate guarantor fail to meet the requirements of Subsection 4106.6(b), the corporate guarantor or the Wholesale SOS Provider shall immediately notify the Commission in writing.
- (e) If the corporate guarantor fails to meet any of the financial capability requirements, the Commission may, at its option, require the Wholesale SOS Provider to post a bond or file a letter of credit as described in Subsections 4106.2, 4106.3, and 4106.4.

**Subsection 4106.7 is amended to read as follows:**

- 4106.7 If at any time during the term of the supplier agreement between the Wholesale SOS Provider and the SOS Administrator, the SOS Administrator's credit rating is downgraded below investment grade, as defined in Section 4199, the Wholesale SOS Provider has the right to require the SOS Administrator to make payments to the Wholesale SOS Provider on an accelerated basis during the downgrade period. Payments made under the acceleration clause may be made on a weekly basis.

#### **4107 REPORTING REQUIREMENTS AND TRUE UP PROVISIONS**

**Subsection 4107.1 is amended to read as follows:**

- 4107.1 Within ninety (90) days of the conclusion of each year of SOS bidding, the SOS Administrator shall submit a report to the Commission on its wholesale electric supply procurement process and results, SOS retail prices produced, on the aggregated SOS enrollment activity for each service class (including the number of customers, megawatt peak load, megawatt hour energy and switching to and from the service), a report on the amount of electric supply acquired from CREFs during the previous year, and a report of all true-ups conducted for that year. This requirement is not intended to replace or supersede any other reporting requirements imposed by the Commission on the SOS Administrator.

**Subsection 4107.2 is amended to read as follows:**

- 4107.2 If the SOS Administrator conducts wholesale bidding for a type of service on the basis of aggregated rate classes, the SOS Administrator shall make any needed true-ups on an aggregated basis.

**Subsection 4107.3 is amended to read as follows:**

- 4107.3 In addition to the other true-ups described herein, the SOS Administrator shall true-up its total costs for providing each type of service (Residential, Small Commercial, and Large Commercial) with its total billed revenues for that service. If the service type is still being provided when the true-up is completed, rates will be adjusted to reflect any over- or under-recoveries established in the true-up. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a mechanism to be determined in accordance with the procedures set forth in Subsection 4107.13. All retail price changes resulting from the true-up filings shall be reviewed annually by the Commission.

**Subsection 4107.4 is amended to read as follows:**

- 4107.4 The SOS Administrator will conduct the true-ups described herein to reflect the start of summer rates and concurrent with the start of non-summer rates. The SOS Administrator may conduct more frequent true-ups if it so chooses. Any revisions to retail electric rates resulting from the application of the true-up provisions shall be reflected in the prices posted on the Electric Company's web page. The true-ups are subject to audit by the Commission.

**Subsection 4107.5 is amended to read as follows:**

- 4107.5 The SOS Administrator shall true-up its billings to retail customers for services provided pursuant to Subsection 4103.1 against its payments to Wholesale SOS Providers and CREFs. The SOS Administrator shall also true-up its billings to retail customers to reflect any net damages recovered by the SOS Administrator from a defaulting Wholesale SOS Provider in accordance with Subsection 4111.3. The Commission will audit true-ups annually. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a mechanism to be determined in accordance with the procedures set forth in Subsection 4107.13.

**Subsection 4107.6 is amended to read as follows:**

- 4107.6 For the purpose of determining such true-up, the SOS Administrator's payments to its Wholesale SOS Providers shall exclude payments made with respect to the upward adjustment in a Wholesale SOS Provider's load arising from the activation of the Electric Company's load response programs and shall exclude

any downward adjustment to a Wholesale SOS Provider's load arising from the SOS Administrator's acquisition of energy from a CREF.

**Subsection 4107.7 is amended to read as follows:**

- 4107.7      The retail price to Residential, Small Commercial, and Large Commercial customers posted pursuant to Subsection 4103.7 shall not change until after the first billing cycle following the start of service. Any difference between the SOS Administrator's incremental cost for serving SOS load and the SOS Administrator's revenue from serving SOS load based on the awarded bid prices shall be included as part of the retail rate true-up.

**Subsection 4107.8 is amended to read as follows:**

- 4107.8      Price Elements - Subsection 4103.1 shall include the additional costs (if any) that a Wholesale SOS Provider incurs in meeting any future statutory renewables requirements with respect to Residential, Small Commercial, and Large Commercial SOS. In the event that legislation is enacted that provides for a renewable energy resource requirement during the term of any WFRSA that has already been executed, Wholesale SOS Providers under the WFRSA may pass through their commercially reasonable additional costs, if any, associated with complying with the new requirement.

**Subsection 4107.9 is amended to read as follows:**

- 4107.9      If at any time any additional price elements resulting from a change in law and directly related to the SOS are identified by the SOS Administrator or a Wholesale SOS Provider, the SOS Administrator and/or the Wholesale SOS Provider may file a request with the Commission (with notice to all the Parties) for approval of recovery of those costs and, to the extent the costs are found to be incurred because of a change in law in connection with the provision of SOS and are prudently incurred as determined by the Commission, the costs will thereafter be included in the service price.

**Subsection 4107.10 is amended to read as follows:**

- 4107.10      The net costs included in retail prices pursuant to Subsection 4103.1(b) shall be recovered on a cents/kWh basis (energy basis) for non-demand tariff schedules and/or on a \$/kW basis (demand basis) for demand tariff schedules. However, the SOS Administrator may request Commission approval to use alternate rate designs to recover NITS-related costs. The SOS Administrator may true-up its billings to retail customers for transmission services provided pursuant to Subsection 4103.1(b) against its payments for these services to PJM. The Commission may audit these true-ups annually. In the event that there is any net over- or under-collection at the end of any type of service (Residential, Small Commercial, Large Commercial), the balance will be paid or collected through a



mechanism to be determined in accordance with the procedures set forth in Subsection 4107.13.

**Subsection 4107.11 is amended to read as follows:**

- 4107.11 To the extent not already recovered through the PJM Network Integration Transmission Service charges, any future surcharges assessed to network transmission customers for PJM-required transmission enhancements pursuant to the PJM Regional Transmission Expansion Plan, or for transition costs related to elimination of through-and-out transmission charges will be included in the charges under Subsection 4103.1(b). Pursuant to the WFRSA, the Wholesale SOS Providers bear the risk of any other changes in PJM products and pricing during the term of their WFRSAs. However, if there are any other new FERC-approved PJM transmission charges or other new PJM charges and costs charged to network transmission customers, the SOS Administrator may recover them through retail rates:
- (a) The SOS Administrator will file with the Commission, and provide notice to all parties to the proceeding, a request for approval to recover such new charges through the SOS Administrator's retail rates under Subsection 4103.1(b); and
  - (b) The Wholesale SOS Provider will charge the SOS Administrator only for those new costs that the Commission determines may be recovered in rates by the SOS Administrator. In no event will the SOS Administrator bear the risk of any changes in regulation or PJM rules related to such costs or charges. Also, in no event shall any PJM charges to other than network transmission customers be recovered through the SOS Administrator's retail transmission rates for SOS service, except to the extent (if any) provided in Subsection 4103.1.

**Subsection 4107.13 is amended to read as follows:**

- 4107.13 At the end of any SOS period for a Customer Group, and after actual costs incurred by the SOS Administrator pursuant to Subsection 4103.1 have been determined, the parties to the proceeding will agree upon a mechanism with respect to actual costs, to return any over-collection to, and to collect any under-collection from, all active customers who would have been eligible for the service type at the conclusion of any service type period. If the parties to the proceeding fail to agree within a reasonable period, the matter will be submitted to the Commission for decision.

**A new Subsection 4107.14 is added to read as follows:**

- 4107.14 Within ninety (90) days of the conclusion of each year's SOS bidding, the SOS Administrator shall submit a report to the Commission that details the value of the payments made to each Subscriber Organization for unsubscribed energy showing the price and the amount of unsubscribed energy underlying the payments for unsubscribed energy on a monthly basis.

**4108 BID DOCUMENTS AND INFORMATION PROVIDED BY THE SOS ADMINISTRATOR TO POTENTIAL BIDDERS**

**Subsection 4108.1 is amended to read as follows:**

- 4108.1 The Request For Proposal ("RFP") is the document pursuant to which the SOS Administrator shall solicit Wholesale Full Requirements Service to meet its SOS obligations. The RFP shall include the bid request process, the bid evaluation methodology, the timeline for the RFP process, and the following five appendices:

- (a) Expression of Interest Form;
- (b) Confidentiality Agreement;
- (c) Credit Application;
- (d) Bid Form Spreadsheets; and
- (e) Binding Bid Agreement.

**Subsection 4108.2 is amended to read as follows:**

- 4108.2 The SOS Administrator shall provide to potential wholesale SOS bidders the following actual and historical information for the thirty-six (36) months preceding the month in which the data is to be submitted to the Commission. The SOS Administrator shall provide such data on its RFP website on a date to be specified by the Commission.

- (a) Monthly and hourly demand, energy consumption and load profile data, as defined by the Commission, aggregated for each SOS customer class. For Large Commercial customers, if an individual customer's load data will be disclosed, customer written consent is required;
- (b) Number of customers in each SOS customer class and the number of customers taking SOS within each customer class;
- (c) Representative load shapes for each of the SOS Administrator's profile

group and sub-groups by month, provided that if an individual customer's load shape will be disclosed, written customer consent is required;

- (d) Hourly delivery data;
- (e) Billing determinants on electronic spreadsheets;
- (f) System losses;
- (g) The amount of electric supply acquired from CREFs and the total capacity of all authorized CREFs; and
- (h) Other information as determined by the Commission to be necessary or useful to wholesale SOS bidders.

**Subsection 4108.3 is amended to read as follows:**

4108.3 The general requirements and conditions for information submitted by the SOS Administrator to potential wholesale SOS bidders are as follows:

- (a) Aggregate data: All information required to be provided by Subsection 4108.2 shall be provided on an aggregate class basis. Individual customer information shall not be provided without the customer's written consent.
- (b) Historic Data Period: All information provided will reflect usage during the most recent thirty-six (36) month period, where available. Information describing factors that would cause the information to be unrepresentative of electricity usage during the SOS period shall also be provided.
- (c) Due Care; Corrections: The SOS Administrator shall use due care in compiling the required information with the understanding that bidders will be relying on the data to formulate SOS bids. The SOS Administrator shall have the duty to correct any inaccuracies promptly upon discovery.
- (d) Affiliated Interests: The SOS Administrator shall not provide any information to an affiliated wholesale SOS bidder that is not provided to all potential wholesale SOS bidders. The SOS Administrator must comply with the code(s) of conduct adopted by the Commission.
- (e) Electronic Form; Standard Software: The SOS Administrator shall provide all information in electronic form usable by standard personal computer software packages; and
- (f) Scope and Format: The Commission will determine the scope and detail of the information required by Subsections 4108.2, 4108.3(a), 4108.3(b), and 4108.3(e).

Add a new Section 4109, DISTRIBUTION LEVEL GENERATION, to read as follows:

**4109            DISTRIBUTION LEVEL GENERATION**

- 4109.1            Community Renewable Energy Facilities (“CREFs”) may provide electric supply to the SOS Administrator that shall be used to offset SOS purchases from Wholesale SOS Providers. All electric supply provided by CREFs shall become the property of the SOS Administrator, but shall not be counted toward the SOS Administrator’s total retail sales for purposes of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code §§ 34-1431 *et seq.*).
- 4109.2            If the electric production of a CREF is fully subscribed, the SOS Administrator shall pay the CREF through a CREF Community Net Metering (“CNM”) credit on the accounts of all of the CREF’s Subscribers. The SOS Administrator shall make no additional payment to the CREF.
- 4109.3            If the electrical production of a CREF is not fully subscribed, the SOS Administrator shall pay the CREF for the subscribed energy through a CNM credit on the accounts of all of the CREF’s Subscribers and shall purchase the unsubscribed energy produced by the CREF at the PJM Locational Marginal Price for energy in the PEPCO District of Columbia sub-Zone, adjusted for ancillary service charges as specified in Subsection 906.4. The SOS Administrator shall pay the Subscriber Organization for the purchased energy on a monthly basis consistent with Subsections 906.4 and 907.9.
- 4109.4            Transactions identified in Subsections 4109.1 through 4109.3 are outside of the WFRSA and not part of the Wholesale Full Requirement Service.
- 4109.5            The SOS Administrator shall file with the Commission for approval a draft of a contract to be used by the SOS Administrator to acquire energy generated by a CREF from a Subscriber Organization within forty-five days of the date this revised rule becomes effective as set out in the Notice of Final Rulemaking published in the *D.C. Register*.

The previous Section 4109 is renumbered 4110, MARKET MONITOR CONSULTANT and is amended to read as follows:

**4110 MARKET MONITOR CONSULTANT**

4110.1 The Consultant RFP is the document to be issued to hire the Commission's Market Monitoring Consultant ("Consultant"). The SOS Administrator shall procure and pay for an independent consultant hired pursuant to the Consultant RFP. The Consultant shall be responsible for monitoring all aspects of the procurement of the SOS services. Specifically:

- (a) The Consultant shall be selected by, shall take its direction from, and shall provide its consultation and work products to the Commission.
- (b) The costs incurred by the SOS Administrator in hiring the Consultant may be included in the SOS Administrator's incremental costs and may be recovered through the Administrative Charge, subject to Commission review and approval.
- (c) The Consultant shall provide the Commission and the Office of the People's Counsel with a final report as to each supply procurement and award.
- (d) The Commission shall determine the qualifications of and evaluate all bidders. The Commission shall further direct the SOS Administrator, in writing, as to which bidder to award a contract for consulting service and the terms and conditions of that contract with the exception of the terms and conditions specifically described in this Section. The SOS Administrator shall execute the contract with the Consultant no later than four (4) weeks prior to the date of the initial pre-bid conference. The SOS Administrator shall be required to pay only for work that the Consultant does in reviewing the SOS Administrator's compliance with Section 4104 and any other work that the Commission asks the Consultant to perform.
- (e) The contract term for the contract between the SOS Administrator and the Consultant shall be for one-year, with an option to extend the contract for two (2) additional one-year terms. The option(s) shall be exercised by the Commission in its sole discretion; and
- (f) Prior to the expiration of the initial contract awarded under this section, the second and subsequent consultant services contracts shall be awarded and administered consistent with Subsections 4110.1(a)-(e) herein.

The previous Section 4110 is renumbered 4111, MISCELLANEOUS PROVISIONS and is amended to read as follows:

**4111 MISCELLANEOUS PROVISIONS**

4111.1 The SOS Administrator may at any time request Commission approval to make changes in the Electric Company's tariffs. However, to the extent that those tariff changes would require conforming changes to either the RFP, the WFRSA generally, or any WFRSA that may be in effect from time to time:

- (a) No such tariff changes may alter the rights and obligations of any Wholesale SOS Provider with respect to any WFRSA for which an RFP has already been issued, unless the Wholesale SOS Provider consents to have its rights or obligations changed;
- (b) The SOS Administrator shall serve notice of the requested tariff change and copies of the proposed conforming changes to the RFP and/or WFRSA on all parties; and
- (c) Any such tariff changes must be consistent with the regulations, orders or other obligations to which the SOS Administrator is subject.

4111.2 If, after conducting the bid procedures in accordance with the RFP, the SOS Administrator still has SOS load that has not been awarded to a Wholesale SOS Provider and cannot be supplied by CREFs, then:

- (a) The SOS Administrator shall initially supply the unserved load by purchasing energy and all other necessary services through the PJM-administered markets, including but not limited to the PJM energy, capacity, and ancillary services markets, and any other service required by PJM to serve such unserved load, and shall include all the costs of such purchases in the retail rates charged for the service for which the purchases are made.
- (b) Within five (5) business days of it being determined by the SOS Administrator that the load is unserved, the SOS Administrator shall convene a meeting of all parties to the proceeding and Commission staff to discuss alternative ways to fill the unserved load, including but not limited to a rebid or a bilateral contract. The meeting process will conclude within ten (10) business days of the load being determined to be unserved, and within twenty (20) calendar days of it being determined that the load is unserved, the SOS Administrator shall file with the Commission, and serve upon the all parties to the proceeding, any proposal it has for serving the load in lieu of the procedure set forth in Subsection 4111.2(a); and

- (c) The Commission will resolve the SOS Administrator's filing on an expedited basis. Any alternative means that the Commission approves will expressly provide that the SOS Administrator's costs for filling the load will be recovered in retail rates in the same manner as all other charges pursuant to Subsection 4103.1. Until the Commission approves an alternate means of filling the load, Subsection 4111.2(a) will apply.

4111.3 If any load is left unserved after a Wholesale SOS Provider defaults:

- (a) The SOS Administrator shall initially supply the defaulted load by purchasing energy and all other necessary services through the PJM-administered markets, including but not limited to the PJM energy, capacity, and ancillary services markets, and any other service required by PJM to serve such defaulted load, and shall include all the costs of such purchases, net of any offsetting recovery from the defaulting Wholesale SOS Provider, in the retail rates charged for the service for which the purchases are made; and
- (b) As soon as practicable after it is determined by the SOS Administrator that the load is unserved, the SOS Administrator shall file with the Commission a plan to fill the remaining term of the defaulted WFRSA. Such a plan shall be submitted to the Commission within ten (10) business days after a Wholesale SOS Provider default. Until the Commission approves a plan to fill the remaining term of the defaulted WFRSA, Subsection 4111.3(a) will apply.

4111.4 Access to confidential information relating to the SOS Administrator's procurement of SOS power supply will be governed by the OPC Confidentiality Agreement, the Consultant's Confidentiality Agreement contained in the Bidder RFP, and the Confidentiality Agreement contained in the RFP and the confidentiality provisions of the WFRSA (collectively the "Confidentiality Agreements").

4111.5 Ninety (90) days following the Commission's approval of the selection of winning bidders for the final tranche, the Commission will disclose upon request (a) the total number of bidders, and (b) the names of the winning bidders.

#### **4199 DEFINITIONS**

**Subsection 4199.1 DEFINITIONS is amended by adding or modifying the following terms and definitions to read as follows:**

**"Availability of Standard Offer Service"** means the Standard Offer Service available on and after the initial implementation date to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2)

customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier ; and (3) customers who do not choose a Competitive Electricity Supplier.

**“Competitive Electricity Supplier” or “CES”** means a person, other than the SOS Administrator, including an aggregator, broker, or marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or, markets electricity for sale to customers, and shall have the same meaning as the term “Electricity Supplier” set forth Section 101 of the Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1501).

**“Community Renewable Energy Facility” or “CREF”** means an energy facility with a capacity no greater than five (5) megawatts that: (a) uses renewable resources defined as tier one renewable sources in accordance with Section 3(15) of the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431(15), as amended); (b) is located within the District of Columbia; (c) has at least two (2) Subscribers; and (d) has executed an Interconnection Agreement and CREF Rider with the Electric Company.

**“Electric Company”** 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.

**“Investment Grade”** means a BBB- or Baa3 credit rating with S&P or Moody’s respectively; provided, that if the SOS Administrator’s credit ratings by S&P and Moody’s are not equivalent, the lower of the credit ratings shall govern for purposes of these rules.

**“Retail Access”** means the right of Competitive Electricity Suppliers and consumers to use and interconnect with the electric distribution system on a nondiscriminatory basis in order to distribute electricity from any Competitive Electricity Supplier to any customer. Under this right, consumers shall have the opportunity to purchase electricity supply from their choice of licensed Competitive Electricity Suppliers.



**“Slamming”** means the unauthorized switching of a customer’s electricity service to a Competitive Electricity Supplier.

**“Standard Offer Service” or “SOS”** means electricity supply made available to: (1) customers who contract for electricity with a Competitive Electricity Supplier, but who fail to receive delivery of electricity under such contracts; (2) customers who cannot arrange to purchase electricity from a Competitive Electricity Supplier; and (3) customers who do not choose a Competitive Electricity Supplier.

**“SOS Administrator”** means the provider of Standard Offer Service mandated by Section 109 of the Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1509).

**“Subscriber”** means a retail customer of a Competitive Electricity Supplier or a SOS customer of the Electric Distribution Company in the District of Columbia who owns a subscription in a CREF and who has identified an individual billing meter within the District of Columbia to which the subscription shall be attributed.

**“Subscriber Organization”** means any individual or for-profit or nonprofit entity permitted by District of Columbia law that owns or operates one or more CREFs for the benefit of Subscribers.

**“Subscription”** means a percentage interest in a CREF’s electrical production.

**“Wholesale Full Requirements Service Agreement”** is the document that will specify the terms and conditions that govern the contractual relationship between the SOS Administrator and each of the Wholesale SOS Providers that is awarded a contract pursuant to the bidding procedures specified in the RFP.

**“Wholesale Standard Offer Service Provider(s)” or “Wholesale SOS Provider(s)”** means the entity(ies) selected pursuant to this chapter to provide all or a specified portion of electric generation service to consumers receiving Standard Offer Service.