

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

**ORDER**

**April 5, 2019**

**FORMAL CASE NO. 1144, IN THE MATTER OF THE POTOMAC ELECTRIC  
POWER COMPANY'S NOTICE TO CONSTRUCT TWO 230kV  
UNDERGROUND CIRCUITS FROM THE TAKOMA SUBSTATION TO THE  
REBUILT HARVARD SUBSTATION, AND FROM THE REBUILT HARVARD  
SUBSTATION TO THE REBUILT CHAMPLAIN SUBSTATION (CAPITAL GRID  
PROJECT), Order No. 19886**

**I. INTRODUCTION**

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) determines that it will review and make separate findings of fact on the Potomac Electric Power Company’s (“Pepco” or “Company”) June 29, 2018, Notice of Construction (“Capital Grid Application”) in two phases, by addressing first Pepco’s plans for the Harvard and Champlain Substations work including the 230kV underground transmission lines (“Phase I”), and thereafter Pepco’s Mt. Vernon Substation (“Mt. Vernon Substation” or “Mt. Vernon”) proposal (“Phase II”). In accordance with the CleanEnergy DC Omnibus Act of 2018, the Commission will also consider the preservation of environmental quality, including effects on global climate change and the District’s public climate commitments in our decisions.<sup>1</sup>

**II. CAPITAL GRID PROJECT**

2. On June 29, 2018, Pepco filed its new comprehensive Capital Grid Application in response to Commission Order No. 19274.<sup>2</sup> Interested persons were invited to provide comments and reply comments within 90 and 120 days, respectively.<sup>3</sup> The Commission later extended the deadline for reply comments to November 20, 2018.<sup>4</sup>

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<sup>1</sup> D.C. Law 22-257, “CleanEnergy DC Omnibus Amendment Act of 2018,” effective March 22, 2019.

<sup>2</sup> *Formal Case No. 1144, In the Matter of the Potomac Electric Power Company’s Notice to Construct Two 230kV Underground Circuits from the Takoma Substation to the Rebuilt Harvard Substation, and from the Rebuilt Harvard Substation to the Rebuilt Champlain Substation (Capital Grid Project)* (“*Formal Case No. 1144*”), The Potomac Electric Power Company’s Formal Notice of Construction of the Capital Grid Project, filed June 29, 2018.

<sup>3</sup> 65 D.C. Reg. 007618-007621 (July 20, 2018). The initial Comments due on September 27, 2018, replies due on October 29, 2018.

<sup>4</sup> *Formal Case No. 1144*, Uncontested Motion of the District of Columbia Government for Enlargement of Time to File Reply Comments, filed October 16, 2018; *See* Order No. 19727, rel. October 24, 2018.

Subsequently, Pepco filed a confidential Errata to the Quanta Report, explaining that it had incorrectly included some deferral costs in its calculation of the Mt. Vernon Substation cost that should not have been included.<sup>5</sup> By Order No. 19738, the Commission allowed supplemental initial comments on Pepco's Capital Grid Application until December 10, 2018, and extended the deadline for all reply comments to December 28, 2018.<sup>6</sup>

### **III. DECISION**

3. The Capital Grid Application contains voluminous information regarding Pepco's plans to install transmission lines, upgrade substations and construct a new substation. The Commission has been diligently reviewing the Application and the comments made by interested persons as well as obtaining relevant information through discovery, as we investigate the reasonableness, safety and need for the underground transmission lines and substation proposed by Pepco. After considering the extensive record before us, the Commission believes a more efficient way to move forward is to, pursuant to 15 DCMR § 2109.1, direct that the Capital Grid Application be reviewed in two phases. Phase I is focused on the portion of Pepco's Capital Grid Application that addresses the proposed modifications to the existing Harvard and Champlain Substations including the 230kV underground transmission lines. Phase II of the Commission's review is focused on the proposed construction of the Mt. Vernon Substation.<sup>7</sup>

4. In Phase I, the Commission is currently completing its technical analysis of Pepco's proposal regarding: (1) the aging infrastructure dimension as it relates to Champlain Substation, Harvard Substation, and associated self-contained fluid-filled cables; (2) 10 miles of 230 kV underground transmission; (3) interdependencies of overall project related to the downtown resupply project; (4) status of all necessary permits; (5) Electric and magnetic field levels; (6) Quality Safety Environmental Plan for construction; (7) Waterfront Substation conversion from its existing 138 kV radial supply configuration to a 230 kV network supply configuration; (8) rate impacts; and (9) all other pertinent filings with respect to incremental resiliency benefits, and the preservation of environmental quality, including effects on global climate change and the District's public climate commitments. The Commission will render separate findings on Phase I after concluding its technical analysis, which is anticipated to be completed in the summer of 2019.

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<sup>5</sup> *Formal Case No. 1144*, Potomac Electric Power Company's Errata to the Study Performed by Quanta Technology filed as Appendix F to the Notice of Construction ("Errata"), filed October 30, 2018. This document is Confidential.

<sup>6</sup> *Formal Case No. 1144*, Order No. 19738, rel. November 7, 2018.

<sup>7</sup> 15 DCMR § 2109.1 (2004) states: "... [The] Commission may on its own initiative direct, that the project be reviewed in two (2) or more phases."

5. The Commission is simultaneously analyzing in Phase II, the Mt. Vernon Substation construction plans, the corresponding non-wires alternatives to that substation proposed by the District Department of Energy & Environment, information obtained through discovery, and the many comments filed by interested persons. The Commission notes that there is a Non-wires Alternatives (“NWAs”) to Grid Investments Working Group created in the *Formal Case No. 1130* MEDSIS initiative that has been meeting since October 2018, to address and make recommendations on the process, tools and information requirements needed to evaluate non-wires alternatives to conventional grid infrastructure investments for meeting system needs. An objective of this working group includes identifying when, where and how – in the distribution system planning process – the utility and third-party providers can propose NWAs and the risks and compensations for NWAs.<sup>8</sup> The working group’s recommendations are expected to provide guidance for the Commission on how to proceed by considering the viability of non-wires alternatives to that substation. Those recommendations are expected to be submitted to the Commission later this summer after which the Commission will complete its technical analysis on the Mt. Vernon Substation construction plans and corresponding non-wires alternatives to that substation. Once that analysis has concluded, the Commission will render separate findings on Phase II.

**THEREFORE, IT IS ORDERED THAT:**

6. The Commission hereby **DIRECTS** that the Capital Grid Application filed by the Potomac Electric Power Company be reviewed in two phases as discussed in this Order.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**



**CHIEF CLERK:**

**BRINDA WESTBROOK-SEDGWICK  
COMMISSION SECRETARY**

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<sup>8</sup> Non-wires Alternatives (NWA) to Grid Investments Working Group Community Page, available at [https://dcgridmod.com/?page\\_id=40](https://dcgridmod.com/?page_id=40).