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pepco
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August 15, 2019

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, N.W.
Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1017

Pepco, as Standard Offer Service (SOS) Administrator, held an SOS Working Group and Supplier meeting on August 8, 2019 to discuss procurement options available for the 2022-2023 Residential and Small Commercial (RSC) SOS term due to the delay in PJM's 2019 Base Residual Auction (BRA). Participants were made aware of the meeting by sending the invitation to all parties listed on the service list for Formal Case No. 1017 and to SOS suppliers. The purpose of the meeting was to inform the Commission as it evaluates whether there is a need to alter the SOS process given the delay in the BRA.

The participants agreed on the following presented options for consideration:.

1. Option 1: Status quo
2. Option 2: Change RSC 3-year term to 2-year term (June 1, 2020 through May 31, 2022). Hold an auction for remaining year (June 2022 through May 31, 2023) in the 2019 procurement cycle (contingency tranche or later).
3. Option 3: Change RSC 3-year term to 2-year term. Hold an auction for remaining year during the 2020 procurement cycle or subsequent cycle.
4. Option 4: Suppliers to incorporate a capacity price of $0/MW-day into their bids for deliver year 2022/2023. Pepco will reimburse SOS suppliers the final Pepco zone capacity price for delivery year 2022/23 times the daily UCAP obligation.

During the meeting, the participants did not agree on eliminating any options or come to a consensus on a preferred option. In addition, participants did not promote additional options for consideration. Following the meeting, Pepco sent out a poll with the 4 options and requested respondents rank the options in terms of preference. A total of eight suppliers responded to the poll. Option 4 was preferred by four suppliers, Option 3 was preferred by three suppliers and Option 1 was preferred by one supplier.

Pepco, in its role as SOS Administrator, takes no formal position on the 4 options discussed at the working group meeting.

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

Sincerely,

Dennis P. Jamouneau /HHH

Dennis P. Jamouneau

Enclosures

cc: All Parties in Formal Case No. 1017

CERTIFICATE OF SERVICE

I hereby certify on behalf of that a copy of Potomac Electric Power Company's District of Columbia Standard Offer Service Working Group letter was served this August 15, 2019 on all parties in Formal Case No. 1017 by electronic mail to:

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