

**DETERMINATION AND FINDINGS
FOR
SOLE SOURCE PROCUREMENT**

1. **Authorization**¹

- D.C. Code § 34-801
- D.C. Code § 34-804
- 15 D.C.M.R. § 3700

2. **Minimum Need**

The Office of the People’s Counsel requests the services of Wilson Energy Economics in two tasks or tracks. The first task or track is jointly funded with other consumer advocates (“Participating Consumer Advocates”) pertaining to the PJM markets, and regulatory proceedings before the FERC. The second task or track involves projects specifically requested by OPC, as needed.

3. **Estimated Fair and Reasonable Price**

The total contract not –to-exceed price is \$30,000. This contract price is allocated for two tasks. The not-to-exceed budget for work under task 1 of this contract is \$20,000. The not-to-exceed budget for work under task 2 of this contract is \$10,000.

4. **Facts That Justify a Sole Source Procurement**

- A. The Office of the People’s Counsel (“OPC” or “Office”) is an independent agency of the District of Columbia government. By law, it is the advocate for consumers of natural gas, electric and telephone services in the District. District of Columbia law designates the Office as a party to all utility-related proceedings before the Public Service Commission. The Office also represents the interests of District ratepayers before federal regulatory agencies. The Office is authorized to investigate the operation and valuation of utility companies independently of any pending proceedings.

Wilson Energy Economics provides consulting services to OPC and other Consumer Advocates Offices on issues related to the PJM Interconnection, LLC – by participating in stakeholder meetings on their behalf and advising consumer advocates on policy positions beneficial to retail electric ratepayers at PJM and the FERC. The technical tasks covered in this procurement will include:

- Prepare white papers on emerging issues
- Submit affidavits in FERC proceedings
- Provide quick turnaround consulting on issues that arise
- Estimate impacts of proposed changes in PJM rules or procedures
- Evaluate and report on results of major PJM events such as RPM auctions
- Review and comment on key reports by PJM or its independent market monitor
- Review and comment on draft regulatory filings
- Evaluate issues and recommend positions for upcoming PJM committee votes
- Provide updates on key issues of concern
- Work with other stakeholders and experts to coordinate development of positions and strategies
- Efforts are coordinated with Consumer Advocates of the PJM States (“CAPS”) as appropriate

Specific topic areas that Wilson Energy Economics will cover on behalf of OPC and other Consumer Advocates Offices will include:

RPM capacity market, resource adequacy:

- Changes to PJM’s RPM capacity construct: Capacity Performance rules, VRR curve, CONE, LDA definitions, multi-year commitments, capacity imports, market power mitigation, APIR, E&AS offset, incremental auctions, MOPR, etc.
- PJM’s load forecast, installed reserve margin, zonal capacity requirements, CETL, reliability criteria (“1-in-10”, “1-in-25”)
- Policies regarding state initiatives to bring forth new or retain existing capacity

Demand response related issues:

- Treatment of demand response, energy efficiency and price-responsive demand in the PJM markets
- Wholesale/retail coordination issues; markets, pricing, programs

Energy market issues:

- Energy market design; uplift and uplift allocation rules.
- Shortage pricing rules

Transmission issues:

- Transmission planning, cost allocation
- Issues related to RTO realignments (into or out of PJM) or zone definitions

Other PJM markets and issues:

- Winter reliability issues

- Policies for encouraging long-term contracting, baseload capacity

- B. Given Wilson Energy Economics' expertise in PJM and FERC electric matters, this consultant is uniquely qualified to assist the Office of the People's Counsel with identifying and analyzing wholesale market and transmission planning issues and present strategies to help achieve just and reasonable electric rates for retail electric customers in the District of Columbia.
- C. It is for the reasons outlined herein that it is recommended that a sole source contract be awarded to Wilson Energy Economics.

5. **Certification by the Contracting Officer**

I hereby certify that the above facts are accurate and complete.

Christopher K. Sellers
Contracting Officer

Date

DETERMINATION

Based on the above findings and in accordance with the District of Columbia procurement regulations: *DC Law: 34-804*; *DC Law: 34-801*; and *15 DCMR §3700*, I hereby determine that the award of a sole source contract for the services described herein is in the best interest of the Office of the People's Counsel.

Sandra Mattavous-Frye
People's Counsel

Date

ⁱ Procurement authority is vested in the Commission pursuant to § 13(c) (2) of the Residential Real Property Seller Disclosure, Funeral Services Date Charge, and Public service Commission Independent Procurement Authority Act of 1998 (D.C. Law 12-263). The Commission is statutorily exempt from the D.C. procurement rules as set forth in D.C. Official Code § 1-1181 et seq.

D.C. Code § 34-804, hereby established within the Public Service Commission of the District of Columbia, as established by D.C. Code § 34-801, as Office to be known as the "Office of the People's Counsel." The Office shall be a party, as of right, in any investigation, valuation, revaluation, or proceeding of any nature by the Public Service Commission of or concerning a public utility operating in the District of Columbia.

15 D.C.M.R. § 3700: Public Utilities and Cable Television – Public Service Commission Rules of Practice and Procedure.