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People's Counsel

September 20, 2021

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. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals*

Dear Ms. Westbrook-Sedgwick:

Attached for filing in the above-referenced proceeding please find the *Office of the People's Counsel for the District of Columbia's Comments on Pepco's Climate Solutions Plan*.

If there are any questions regarding this matter, please contact me at 202.727.3071.

Sincerely,

/s/ Sarah Kogel-Smucker

Sarah Kogel-Smucker
Environmental and Climate Attorney

Enclosure

cc: Parties of Record

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

In the Matter of

**the Implementation of
Electric and Natural Gas Climate
Change Proposals**

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Formal Case No. 1167

**THE OFFICE OF THE PEOPLE’S COUNSEL FOR THE
DISTRICT OF COLUMBIA’S COMMENTS ON PEPSCO’S
CLIMATE SOLUTIONS PLAN**

Pursuant to Order No. 20754, the Office of the People’s Counsel for the District of Columbia (“OPC” or “Office”), the statutory representative of the District of Columbia utility ratepayers and consumers,¹ hereby respectfully submits comments on Potomac Electric Power Company’s (“Pepco”) DC Climate Solutions Plan.

As required by Order No. 20754 as modified,² Pepco filed its Climate Solutions Plan on July 20, 2021 in this proceeding.³ This proceeding addresses how the District’s regulated utilities will support the District’s public climate change commitments. These commitments include reducing greenhouse gas (“GHG”) emissions 50% by 2032 and becoming carbon neutral by 2050.⁴

¹ D.C. Code § 34-804 (Lexis 2021).

² *Formal Case No. 1167, In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals* (“*Formal Case No. 1167*”), Order No. 20754, Rel. June 4, 2020 (“Order No. 20754”), ¶ 47 as modified by *Formal Case No. 1167*, Order No. 20763, Rel. June 28, 2021 (“Order No. 20763”), ¶¶ 6, 9.

³ *Formal Case No. 1167*, Potomac Electric Power Company’s DC Climate Solutions Plan, filed July 20, 2021 (“Pepco Climate Solutions Plan”).

⁴ Sustainable DC, at 7, <http://www.sustainabledc.org/wp-content/uploads/2017/02/Web-Ready-File-2.6.17.pdf>; Press Release: Mayor Bowser Commits to Make Washington, DC Carbon-

Order No. 20754 directs a series of filings that combined will set forth utility plans, projects, and proposals for decarbonization—achieving GHG neutrality—in the District over the next 30 years. As an initial step, Pepco’s Climate Solutions Plan is required to be its “high-level strategy.”⁵ Pepco has also filed an electrification study and will be filing a list of proposed programs and initiatives that Pepco has already filed or intends to file, as part of its overall climate change plan over a short term (five-year) horizon and a long term (30-year) horizon, as well as a detailed implementation plan.⁶

OPC commends Pepco for moving in the right direction as urged by OPC and stakeholders and submitting a plan that aims to align with the District’s public climate change commitments and plans, but finds that some key topics are missing and should be addressed in a revised plan. It is essential that Pepco put forth actionable, equitable, just, affordable, and achievable climate change plans. With the climate crisis upon us, and the District’s most vulnerable residents disproportionately affected,⁷ time is of the essence to minimize greenhouse gas pollution. And, with the high energy burden in the District⁸ exacerbated by the COVID-19 pandemic, District consumers cannot afford to invest in utility proposals unless they are determined to be the best possible plans to achieve the District’s climate change goals. Proposals must be cost-effective, equitable, reliable, and implementable. Specifically, as described herein, Pepco’s plan should be

Neutral and Climate Resilient by 2050, Dep’t of Energy & Env’t (Dec. 4, 2017), <https://doee.dc.gov/release/mayor-bowser-commits-make-washington-dc-carbon-neutral-andclimate-resilient-2050>.

5 *Formal Case No. 1167*, Order No. 20754, ¶ 47; Order No. 20763, ¶¶ 6, 9.

6 *Formal Case No. 1167*, Order No. 20754, ¶ 48; Order No. 20763, ¶¶ 6, 9.

7 *See, e.g.*, EPA, Climate Change and Social Vulnerability in the U.S. (Sept. 2021) *available at* <https://www.epa.gov/cira/social-vulnerability-report>.

8 APPRISE Incorporated, Energy Affordability Study Population Characterization Report at 31 (Dec. 2020) *available at* <https://opc-dc.gov/news-events/news/alerts/opc-releases-findings-of-energy-affordability-study>.

strengthened by an additional focus on: (1) equity; (2) competition; (3) support of vulnerable communities; (4) public health; (5) jobs; and (6) public participation.

I. SUMMARY OF THE PLAN

Pepco's Climate Solutions Plan establishes the five core guiding principles that inform Pepco's program designs and provide a foundation for its actions: Sustainability, Equity & Inclusion, Interactivity, Reliability and Affordability.⁹ Pepco asserts it developed these guiding principles to be consistent with Commission and District guidance in the PowerPath DC Revised Vision Statement, Clean Energy DC, Climate Ready DC, and statutory guidelines.¹⁰ The plan lays out four market segments to achieve the District's specific goals: 1) Electrifying Transportation; 2) Decarbonizing Buildings; 3) Activating the Local Energy Ecosystem; and 4) Enhancing Infrastructure for Climate Solutions.¹¹ At a high level, the plan adopts an electrification-based approach to decarbonization in the District.¹² The plan also proposes an interactive grid model.¹³

II. COMMENTS

OPC commends Pepco for setting forth a plan that aligns with the District's climate change goals and plans as an effective way to achieve decarbonization in the District. OPC supports the general principles set forth by Pepco and agrees that the market segments which the plan highlights should be the focus of Pepco's climate change planning. OPC notes that the plan details, data, information, analysis, and specific proposals required in subsequent filings will be critically important in evaluating the efficacy, affordability, and equity of Pepco's climate change-focused

⁹ *Formal Case No. 1167*, Pepco Climate Solutions Plan at 2.

¹⁰ *See id.*

¹¹ *Id.* at 3.

¹² *Id.* at 5.

¹³ *Id.* at 12.

planning. Pepco should also expeditiously move forward with initiatives that are already underway like streamlining interconnection and maximizing the use of Advanced Metering Infrastructure (“AMI”). OPC further notes the importance of both Pepco and the Commission specifying which entity(ies) are best poised to perform each of these solutions as Pepco’s role in offering climate solutions or supporting another party’s climate solutions should likely differ depending on the offering. Parties must be able to thoroughly review and provide input on these plans and Pepco must, with direction from the Commission, revise these plans to incorporate stakeholder input. OPC makes the following suggestions to strengthen the Climate Solutions Plan:

1) Equitable distribution of costs and benefits: *Costs of transitioning to a clean energy economy should be equitably distributed among consumer classes and market participants (costs should not be disproportionately borne by low- and moderate-income customers). Likewise, all programs should be developed to ensure that benefits are equitably distributed among customer classes and District communities.*

Pepco’s Climate Solutions Plan should address equitable distribution of costs and benefits. OPC appreciates that “equity and inclusion” will be one of Pepco’s four guiding principles, but Pepco needs to lay out a broad-based vision of how that principle will be incorporated into developing programs that equitably distribute costs and benefits both among customer classes and geographically such as wards. Consumers should see the full benefit of grid modernization without having to shoulder inequitable costs from unnecessary regulatory barriers, insufficient competition, failure to plan sufficiently far in advance to optimize the benefits of new technologies, or investment in a utility’s proposed decarbonization strategy when other solutions would be more cost-effective. Moreover, consumers in all eight wards must equitably benefit from access to and adoption of new clean energy technologies.

2) *Provide Robust Opportunity for Competitive Markets:* *Avoiding monopolies and promoting competition reduces barriers to entry and lowers customer costs; utility companies should be subject to third-party competition in implementing climate policies.*

Pepco's Climate Solutions Plan does not discuss how third-party competition will be incorporated in its plans to transition the District's electric supply to clean energy resources by increasing distributed energy resources or entering into long-term power purchase agreements.¹⁴ Pepco should more clearly specify the role it proposes to play in a decarbonized grid so that parties can comment on that proposal. Pepco should also explicitly describe how it will foster competitive markets for clean energy technologies in each market segment highlighted in the plan related to transportation, expansion of DER, and an interactive grid. Advanced planning is needed to enable and foster competitive markets while maintaining Pepco's appropriately circumscribed role as the District's regulated electric distribution utility. Furthermore, the plan should explicitly consider and examine climate change solutions by adopting partnerships with third party market participants in the supply, enhancing distribution system planning and creating an environment that will allow end-users of energy to play a vital role in climate change solution plans.

3) *Investing in climate-vulnerable communities:* *The District must mitigate emissions and invest in resilient communities to avoid the worst impacts of climate change, and these most climate-vulnerable communities should not disproportionately fund mitigation and resiliency measures.*

¹⁴ *Id.* at 26.

Pepco's Climate Solutions Plan does not state whether or how much of its proposed investments in resilience and energy infrastructure will be made in the most climate-vulnerable communities in the District. Nor does it discuss distribution across wards. Projections are available that detail which communities will experience increased flooding, damage from extreme weather events, and the most extreme heat from climate change.¹⁵ Decarbonization strategies that increase resiliency should be prioritized to the locations projected to be most vulnerable to the effects of climate change.

Such targeting should also incorporate an understanding of a community's vulnerability from societal inequities. District neighborhoods with high levels of unemployment, poverty, obesity, and asthma, as well as those with a large elderly population, are most vulnerable to climate change.¹⁶ And, due to societal inequities, communities most affected by climate change are disproportionately low-income and communities of color.¹⁷ For example, a heat mapping project found that in the District, a map of neighborhoods facing the most extreme heat closely matches up with the city's social and economic disparities.¹⁸ Solutions to improve community resiliency

¹⁵ See, e.g., Jason Samenow, *The Weather of Washington's Future: Hellish Heat and High Water, says Trump Administration Climate Report*, Washington Post (Nov. 27, 2018) <https://www.washingtonpost.com/weather/2018/11/27/weather-washingtons-future-hellish-heat-high-water-says-trump-administration-climate-report/> (summarizing and linking to Nat'l Oceanic and Atmospheric Admin. predictions for the District's future weather conditions due to climate change); Dep't of Energy & Env't., Climate Adaptation and Preparedness, <https://doee.dc.gov/climateready> (last visited Sept. 19, 2021) (including a technical report of climate projections and resiliency assessment tools).

¹⁶ Sustainable DC, Climate Ready DC, at 7 available at <http://www.sustainabledc.org/climatereadydc/>.

¹⁷ EPA, Climate Change and Social Vulnerability in the U.S. (Sept. 2021) available at <https://www.epa.gov/cira/social-vulnerability-report> (finding, for example, that nationwide Black Americans are 40% more likely to currently live in areas with the highest projected increases in extreme temperature related deaths from climate change and Hispanic and Latino individuals are about 50% more likely to currently live in areas with the highest estimated increases in traffic delays due to increases in coastal flooding).

¹⁸ See Nadjia Popovich & Christopher Flavelle, *Summer in the City Is Hot, but Some Neighborhoods Suffer More*, NY Times (Aug. 9, 2019), <https://www.nytimes.com/interactive/2019/08/09/climate/city-heat-islands.html>.

such as microgrids or appliance upgrades, where possible, should prioritize communities most vulnerable to extreme weather, and thus most in need of that resiliency. Solutions to resiliency could also be presented as a hierarchy of options so that vulnerable communities have a menu of choices from which to select the most affordable alternative.

4) *Reduce local air pollution:* *Local pollutants have the greatest impacts on communities with disproportionately high rates of asthma and other health issues linked to air quality; the District must prioritize public health by reducing air pollution in communities with the worst air quality.*

The District and Pepco's proposed plans to decarbonize buildings, electrify transportation options, and increase procurement of renewable resources will collectively reduce local air pollution. Pepco suggests that about 55 percent of housing units in the District will require transitioning to electricity in order to meet the District's long-term electrification goal that 70 percent of homes be all-electric by 2040.¹⁹ Similarly, EVs and chargers, distributed renewable generation, and battery storage can improve public health by displacing emissions from gas-powered vehicles and backup generators in the DC Metro area. OPC urges Pepco to coordinate with the District and regional governments to consider whether beneficial electrification could be enacted with a prioritization of areas that could most benefit from localized air pollution reductions (e.g., prioritizing electrifying a fleet of vehicles that serve a neighborhood that is overburdened by air pollution). Analysis of housing stock that are susceptible to outdoor air pollution should also

¹⁹ *Formal Case No. 1167*, Pepco Climate Solutions Plan at 23.

be performed in order to find solutions that will improve outdoor-indoor air quality especially in wards where we have vulnerable communities.

5) *Green jobs:* *The transition to a clean energy economy should bring quality green jobs to District residents.*

Pepco's Climate Solutions Plan should include a discussion of jobs numbers, types, or quality related to electrification and clean energy enhancement programs in the District so that interested parties can consider that aspect of the plan and comment on it.

6) *Inclusive planning process:* *In building partnerships and collaborating with governmental and private-sector organizations, consumers must be involved in the planning process for the District's climate plans from start-to-finish to meaningfully weigh in on consumer interests. Inclusive practices also require communication in multiple languages and non-technical presentations easily understood by lay consumers.*

Pepco's Climate Solutions Plan should provide an overview of its process for stakeholder involvement in developing plans to advance clean energy technologies and promote electrification in the District. The plan should include a discussion of how customers will be involved in the planning process from start-to-finish in a meaningful and inclusive way. Climate plans will only be successful if they are developed with meaningful input from a broad array of District residents, businesses, and community organizations. A revised plan should address participation including language access.

III. CONCLUSION

WHEREFORE, the Office of the People's Counsel respectfully requests the Commission consider and adopt the recommendations discussed herein.

Respectfully Submitted,

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Dated: September 20, 2021

CERTIFICATE OF SERVICE

Formal Case No. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals*

I certify that on September 20, 2021 a copy of the *Office of the People's Counsel for the District of Columbia's Comments on Pepco's Climate Solutions Plan* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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