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pepco holdings
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PUBLIC

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

Re: Formal Case No. GD-2022-01-E

Dear Ms. Westbrook-Sedgwick:

Enclosed please find Potomac Electric Power Company's response to the Office of the People's Counsel of the District of Columbia's and the District of Columbia Government's ("Joint Petitioners") joint complaint in the above-referenced proceeding. The confidential portion of the response is being provided under separate cover.

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

Sincerely,

/s/ *Kimberly A. Curry*

Kimberly A. Curry

Enclosures

cc: All Parties of Record

PUBLIC VERSION

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF THE COMPLAINT	**)**	
AND INVESTIGATION INTO POTOMAC	**)**	
ELECTRIC POWER COMPANY'S	**)**	**GD-2022-01-E-1**
COMMUNITY RENEWABLE ENERGY	**)**	
FACILITY PRACTICES	**)**	

RESPONSE OF POTOMAC ELECTRIC POWER COMPANY TO THE OFFICE OF THE PEOPLE'S COUNSEL FOR THE DISTRICT OF COLUMBIA AND THE DISTRICT OF COLUMBIA GOVERNMENT'S JOINT COMPLAINT AND PETITION FOR INVESTIGATION INTO POTOMAC ELECTRIC POWER COMPANY'S COMMUNITY RENEWABLE ENERGY FACILITY PRACTICES

Pursuant to Rule 105.1 of the Rules of Practice and Procedure of the Public Service Commission of the District of Columbia ("Commission"),[1] Potomac Electric Power Company ("Pepco" or the "Company") hereby submits its response to the Office of the People's Counsel of the District of Columbia's and the District of Columbia Government's ("Joint Petitioners") joint complaint and petition for an investigation into Pepco's practices regarding Community Renewable Energy Facilities ("CREFs") ("Petition") filed on March 23, 2022. As explained below, the Commission should deny the Petition and request for an investigation because: 1) Pepco is currently operating in compliance with the District of Columbia Official Code ("D.C. Code") and the Commission's regulations governing CREFs; 2) the issues raised in the Petition either have been resolved, or are on a path to resolution in the case of certain aspects of unsubscribed energy; or 3) the complications experienced with the administration of the CREF program raised in the Petition were often the unforeseen result of stakeholder requests that were not required by

[1] 15 D.C.M.R. §105.1.

law or Commission regulation but that the Company sought to accommodate nonetheless. Moreover, contrary to the Petition's claims, these efforts show that Pepco has worked diligently and collaboratively to accommodate stakeholders' requests in support of the CREF program and to assist the District and the Commission in achieving important clean energy and climate change goals, which Pepco is committed to and is a key partner in achieving.

I. Pepco Supports District Climate Policies and the Solar for All Program

The District of Columbia is a leader in taking on the challenges of climate change and ensuring that its residents, businesses, agencies, and utilities embrace climate change initiatives at every opportunity. As was recently recognized in *The Washington Informer*,

> The District of Columbia became a national leader around climate action with the passage of the Clean Energy Omnibus Amendment Act, spearheaded by Mayor Bowser and the Council of DC, in 2018. The legislation represents one of the most aggressive clean energy policies in the nation. One of the major facets of the Act was to significantly increase the amount of renewable energy residents produce and use, setting the city on a path to 100% renewable energy by 2032, a 50% reduction in greenhouse gas emissions by 2032, and 100% carbon neutrality by 2050.
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> * * *
>
> As the local utility regulator, the Public Service Commission of the District of Columbia (DCPSC) plays an integral role in meeting those goals.[2]

Pepco supports and is an integral partner in achieving the District's leading climate and clean energy goals, and the Commission's initiatives to advance these essential goals. Pepco recognizes the importance of CREFs and programs such as Solar for All, or "SFA", to enable the District to achieve its decarbonization and clean energy goals.[3] The Company is a strong supporter of these programs as well as other innovative solutions to help customers interconnect clean

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[2] https://www.washingtoninformer.com/how-the-district-of-columbia-is-taking-the-lead-to-address-climate-change/

[3] CleanEnergy DC Omnibus Act of 2018.

distributed energy resources ("DERs") with Pepco's system. For example, the Company recently partnered with NHT Ingenuity Power to establish a CREF at the Benning Service Center that is part of the Solar for All program. That CREF will benefit up to 330 income-qualified households.[4] Pepco also supported the Commission's recent change in regulations to lower barriers to CREF implementation by allowing the Company to share in the costs of distribution system upgrades necessary to allow a CREF to interconnect.[5]

Pepco has made a concerted effort to help support the success of CREFs and the Solar for All program, including undertaking actions the District Department of Energy and Environment ("DOEE") or Subscriber Organizations requested that were not required by the *Public Utilities Act* or the Commission's regulations, but that DOEE thought would improve their services. For example, as discussed below, though aggregation introduced a far greater level of complexity for Pepco's billing and reporting processes, in 2020 the Company agreed to accommodate DOEE's request to aggregate CREFs in the Solar for All program into 12 SFA Groups to better serve DOEE. DOEE also requested that the Company realign DOEE-managed CREFs by changing ownership and billing of all Subscriber Organizations in Solar for All to make DOEE the sole Subscriber Organization. This undertaking, as discussed below, was significant and led to the need to rebill customers.[6]

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4 *See* https://www.pepco.com/News/Pages/PepcoandNHTIngenuityPowerPartnertoExpandAccesstoClean EnergyandtoHelpLocalSolarThriveintheDistrict.aspx. "The project includes a new community solar facility that is owned and operated by NHT Ingenuity power at Pepco's Benning Service Center and will provide both clean energy and financial benefits to Pepco customers through the District Department of Energy and Environment's (DOEE) Solar for All program."

5 *See* RM40-2020-01 and Formal Case No. 1050 Pepco Comments (Jul. 15, 2020). The Commission approved the cost sharing. RM40-2020-01 and Formal Case No. 1050, Order No. 20991 at ¶30 (Aug. 11, 2021).

6 Pepco has also created solar collaboratives that bring together stakeholders, developers and Company

The District's clean energy goals and programs, including Solar for All, have positively contributed to the significant development of CREFs. As of December 31, 2021, there were 298 CREFs that received Authorization to Operate in the District, with approximately 71 new CREF applications submitted in the first quarter of 2022. DOEE's Solar for All program currently has over 5,500 accounts across 19 different aggregated SFA Groups[7] that contain 166 CREFs.[8] Over the last two years and despite the challenges of the COVID-19 pandemic, the CREF program in the District has seen a significant increase in the number of projects in the District. Calendar year 2020 saw a 266% increase in CREF authorizations over 2019 and 188% increase over all years, and calendar year 2021 added another 117 CREFs, a 101% increase over 2020 and a 66% increase over all the years that the program has been in place.[9]

Pepco's efforts to support the District's leading clean energy and climate goals extend beyond the support of CREFs and the Solar for All program. Last year, in Formal Case No. 1160, Pepco submitted a three-year Energy Efficiency and Demand Response ("EEDR") Program tailored to deliver energy savings in the District of Columbia, in consultation with the District of Columbia Sustainable Energy Utility with an emphasis on low- and moderate-income residential customers. This EEDR Program will have a central role in reducing overall energy usage and the resulting greenhouse gas emissions in the District. In Formal Case No. 1167, the Company also developed more than 60 programs to support the District's climate and clean energy goals in its 5-

representatives to discuss interconnection process and other opportunities for enhancing the solar customer experience. In addition, the Company has worked with DOEE representatives on a collaborative approach to expand Solar for All awareness through social media, earned media, and direct customer engagement actions performed by Pepco.

7 SFA19 holds VCREF. SFA 12 is held in reserve and has not been used.

8 Petition at Exhibit A, ¶13.

9 These numbers include both Solar for All and non-Solar for All CREFs.

Year Action Plan.[10] These programs leverage the unique nature of the grid, which is that of a "platform" or "connector," and the Company's 5-Year Action Plan included more than 10 programs to facilitate DER expansion through enhanced DER pilots, DER management tools, streamlined interconnection processes, and accelerated adoption of renewable generation. These strategies are designed to develop the hard and soft infrastructure to support the District's clean energy and decarbonization goals by supporting DER deployment.

Pepco recognizes that it serves a critical role in supporting the District's decarbonization and climate change goals. The Company takes seriously its responsibility in creating a distribution system that acts as a platform to enable optimization of grid operations so as to provide safe, reliable, resilient and affordable service to customers, while also driving deep decarbonization across the District. Pepco is committed to assisting the District and the Commission achieve their clean energy and climate goals and maximize the value of DERs, including CREFs, to customers and the grid.

II. CREFs and the Associated Billing Are Complicated and Have Evolved Over Time.

The evolution of the CREF market and the Solar for All program is important context for understanding the Petition. While the crediting of subscribers has had pinch points in the history of the program, these are a result of Pepco evolving the billing system to accommodate changes in the CREF program and the Solar for All program rather than neglect or mismanagement, as the Petition suggests.[11] Indeed, as discussed below, some of the issues are the result of changes made

[10] Pepco's Climate Solutions Plan was presented in a series of filings to the Commission and outlined a diverse portfolio of actions and programs in four key areas (Electrifying Transportation, Decarbonizing Buildings, Activating the Local Energy Ecosystem, Enhancing Infrastructure for Climate Solutions) that align with the goals of the District.

[11] *See, e.g.*, Petition at ¶101.

by others that were not required by law or regulation and greatly increased the complexity of determining Community Net Metering ("CNM") credits, preparing bills and reports and making payments. Pepco has managed the evolution of a complex process in a way that is supportive of the growth of the CREF program and the District's broader decarbonization and renewable energy goals and Pepco will continue to evolve the process to accommodate changes to the Solar for All program.

A. The CREF Program Introduced a Fundamental Change to Billing

When the District passed the *Community Renewable Energy Amendment Act of 2013* ("CREA"),[12] for which the Commission subsequently issued regulations,[13] community solar did not exist in any of Pepco Holdings Inc.'s ("PHI") jurisdictions. Pepco was a major partner supporting the legislation and worked with numerous stakeholders throughout the legislative and regulatory process, which resulted in the creation of community solar in the District. Even now, the District's community solar program is leading all PHI jurisdictions in terms of its expansiveness and complexity, particularly in light of the unique attributes of the distribution system in the District. As a result, the evolution of the overall program, including the billing, and the learnings associated with being a first mover have been and continue to be occurring primarily in the District.

Figuring out how to incorporate this new program into a billing system and the traditional billing process was—and continues to be as the structure of the CREF program changes—complex and time consuming. When the CREF program first was implemented, the Company's traditional

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[12] D.C. Law 20-47, effective December 13, 2013.

[13] 15 D.C.M.R §§906, 907, 908.

billing processes and platforms were not designed to accommodate this new customer model. Historically, billing transactions generally required pairing information from one meter with one individual customer. The implementation of the CREF program required Pepco to figure out how to code the billing system to take readings from a single meter and allocate the information from that meter to multiple (sometimes hundreds of) customers who subscribe to the CREFs. This conversion of the billing system to integrate the complexities introduced by the CREF program has taken time and continues today given the additional demands the Solar for All program has imposed due to its rapid expansion and aggregation across multiple CREFs.

B. In Years 1 and 2 (2017-2018), Pepco Relied on Manual Processes as It Sought to Understand the Size and Scope of the CREF Program

The first community solar project in all of PHI came online in the District in March 2017. From March to December of that year, only four CREFs received Authorization to Operate. As a result, at that time, given the limitations of the existing billing system to accommodate the complexities of the CREF program, Pepco used a manual process to determine each subscriber's CNM credit. The manual process required Pepco to take subscriber allocation data individually for each account from spreadsheets and enter it into the billing system. This process worked well given the small number of CREFs that were operational and allowed Pepco time to better understand and plan for what was needed in terms of billing system changes and automation.

In 2018, only 15 new CREFs were approved to go into service in the District. Due to the low number of CREFs operating and requiring credit allocations to subscribers in the District, the manual billing process was still feasible. Recognizing the likely growth of CREF in the District, Pepco used 2018 to plan improvements that would streamline and begin the process of automating the CREF program's administration and billing processes.

C. In Year Three (2019), Pepco Introduced Improvements that Streamlined the Process and Pepco Began the Process of Automating CREF Billing

In 2019, with the initiation of the Solar for All program, the CREF program more than doubled in size, with 44 new CREFs being approved to go into service.[14] Pepco began converting its billing to a more automated process to keep pace with the growth. In March 2019, Pepco implemented a program in the billing system that automatically uploaded data from spreadsheets into subscriber accounts in the Company's billing system, eliminating the need for Pepco to manually enter the subscriber allocation data that form the basis for the CNM credit into the billing system. In November 2019, Pepco implemented the Community Solar Portal. The Community Solar Portal allowed Subscriber Organizations to add their subscription lists and allocation percentages as well as modify the subscriber information directly in the Community Solar Portal. This enhancement simplified the Subscriber Organizations' process to add and remove subscribers and increased the efficiency of the subscription management process. Pepco continued to plan for additional necessary subscription management process improvements and automation.

D. In Year 4 (2020), Pepco Continued to Enhance and Streamline the Subscriber Credit Allocation Process Despite Challenges Introduced through Reorganization of the Solar for All Program

In 2020, 117 CREFs were approved to go into service, representing a significant expansion of the CREF program. Also in 2020, DOEE restructured the Solar for All program. Instead of relying on individual Subscriber Organizations associated with the individual CREFs, DOEE

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[14] https://www.dcseu.com/solar-for-all-cref ("From 2019-2021, the DCSEU worked with developers to install enough more than 160 CREF projects that will provide bill credits to 6,000 income-qualified families over the next 15 years, saving families more than $40 million on their electricity bills over that timeline."). DCEFF DCSolarStories Trailer at :38 (Director Wells "[Solar for All provision of solar to 100,00 people] has never really been done before – anywhere.")

consolidated all CREFs in the Solar for All program under itself as the sole Subscriber Organization. DOEE then aggregated the CREFs into 12 SFA Groups.[15] While this aggregated structure simplified DOEE's subscription management, it significantly complicated the billing process, as this new aggregated structure now required Pepco to aggregate the generation from many CREF production meters and then allocate the associated CNM credits to a single SFA Group consisting of hundreds of subscribers.[16] This was a significant departure from the prior practice and introduced complications that the Company simply did not foresee. As a current example of this complicated structure, SFA Group 1 (SFA01) contains 47 CREF production meters and 1,145 subscribers. Thus, the generation data from each of those 47 CREF production meters must be aggregated and then the credits associated with all 47 CREF production meters must be allocated to each of the 1,145 subscribers in accordance with each subscriber's allocation percentage.[17]

Pepco planned and coded the new aggregation scheme into the system in the first quarter of 2020. In the remainder of the year, Pepco began experiencing difficulties allocating CNM credits due to the new aggregation scheme. The Company spent the remainder of 2020 identifying and fixing the issues caused by the Solar for All program CREF aggregation. In December 2020,

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[15] SFA Group 12 (SFA12) was and continues to be held in reserve and does not contain any CREFs. In 2021, DOEE added SFA Groups 13-18 (SFA13-SFA18). Later in 2021, SFA Group 19 (SFA19) was created to house a virtual CREF ("VCREF").

[16] This structure was not contemplated in CREA, which speaks of allocating the value of credits from a single CREF to each of the subscribers rather than the value of SFA Groups of aggregated CREFs to subscribers ("[t]he determination of the monetary value of credits allocated to each subscriber *to a particular community renewable energy facility* shall be based on each subscriber's percentage interest of the total production *of the community renewable energy facility*"). 15 D.C.M.R. §907.5 (emphasis added).

[17] To complicate the billing further, some subscribers have subscriptions in multiple SFA Groups. Currently, subscribers in SFA06 are also subscribers in SFA14 and SFA19. Thus, an issue with a single CREF production meter reading in any one of those three SFA Groups impacts all the subscribers.

Pepco began remediating subscriber CNM credit allocations that were impacted by the aggregation of the Solar for All program CREFs, a task that was completed in April 2021. Under this new aggregation scheme, if there is a customer-side issue or a Pepco issue with the generation reading for any one of the CREFs in an SFA Group that delays a meter reading, it will impact the credit allocations for all the subscribers in the SFA Group. Specifically, in 2020 when there was a delayed or missing meter reading for a single CREF that is part of an SFA Group, all the subscribers in that SFA Group received a revised bill ("cancel/rebill") to redistribute the generation allocation once the missing CREF generation reading was available. Thus, from December 2020 through April 2021, all the impacted subscribers received a one-time cancel/rebill to fix their CNM credit allocations for the impacted months.

In sum, the new DOEE SFA Group structure required the Pepco billing system to manage a complex allocation of thousands of credits for thousands of subscriptions that resulted from readings from hundreds of CREF production meters. As is discussed further below, including in Section III.B, the volume of data and complexity of the calculations required by this new structure exceeded the functional limitations of some of Pepco's systems and required that new approaches be developed, tested, and implemented.

Moreover, in conjunction with the new CREF aggregation structure DOEE chose to implement for the Solar for All program, DOEE requested to transfer hundreds of the Solar for All CREF accounts, which were initially set up in the name of the original CREF owner/Subscriber Organization, into DOEE's name. This transfer was far from a simple process and required transferring almost 1,000 subscriptions from 43 CREF generator accounts to DOEE and then matching each subscription, including the correct allocation, with its appropriate SFA Group (1-

11).[18] This issue was further complicated by the fact that subscribers continued to move into and out of SFA Groups during the coding period. The aggregation of CREFs as well as the Subscriber Organization name changes that DOEE requested caused issues with matching subscriptions to SFA Groups in the Solar for All program in 2020 and required Pepco to re-think how to appropriately automate its CREF program processes.[19]

Although there were complications in 2020, there were also some innovations from Pepco. In February 2020, Pepco implemented an enhanced program that enabled Pepco to download from the Community Solar Portal the subscribers' allocation percentages into a spreadsheet and then upload that spreadsheet into the billing system, which automatically populates those allocations into customer accounts. This Community Solar Portal download enhancement eliminated the administrative burden of manually calculating the allocations.

Pepco further enhanced the billing system in April 2020 to automatically update the CREF Credit Rate[20] for all CREFs simultaneously, which standardized and streamlined the calculation of the CNM credit for subscriber bills.[21] In May 2020, Pepco enhanced the process further by pulling the downloads from the Community Solar Portal twice a month, providing two opportunities each month to incorporate Subscriber Organization's changes to subscription

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[18] SFA12 was held in reserve.

[19] This issue is addressed further under Count 3 below.

[20] 15 D.C.M.R. §999.1: "**CREF Credit Rate** – means a credit rate applied to subscribers of community renewable energy facilities, which shall be equal to: (a) For residential subscribers, the full retail rate, which includes generation, transmission, and distribution charges for the standard offer service General Service Low Voltage Non-Demand Customer class or its successor, as determined by the Commission, based upon Section 118 of the CREA; and (b) For commercial subscribers, the standard offer service rate – including generation and transmission charges for the General Service Low Voltage Non-Demand Customer class or its successor, as determined by the Commission, based upon Section 118 of the CREA.

[21] As reported in the Company's September 14, 2020 billing error report, this enhancement was complicated due to the DOEE SFA Group structure and name change.

information (subscriber's account information and allocation percentages). Because the Community Solar Portal will not allow Subscriber Organizations to enter total subscription allocations for a given CREF or SFA Group that exceed 100%, two uploads a month allows the Subscriber Organizations first to delete subscribers who have dropped out of the program or decrease percentage allocations (bringing the total subscription percentage below 100%) and then later to add the new subscribers or increase percentage allocations (bringing the total back up near or to 100%).

E. In Year 5 (2021), Pepco Assessed the CREF Billing Processes to Identify Enhancements

In 2021, Pepco underwent a major billing system upgrade that necessitated a freeze on billing system changes that were unrelated to the system upgrade for most of the year. Also in 2021, 118 CREFs were approved to go into service. Pepco used the time during this billing system change to work through issues that Subscriber Organizations had reported or were reporting to identify problems in the CREF processes. To the extent that those problems had not already been remediated, Pepco worked to address them. This effort required Pepco to issue a revised bill to subscribers or place a one-time credit on subscribers' bills to the extent that the required changes impacted their allocations.

F. Pepco Continues to Evolve and Enhance CREF Billing and Allocation Reports

In 2022, the CREF program continues to grow in both size and complexity. Pepco continues to enhance its billing system and billing processes to adapt to the increasing complexity of the program. Pepco has planned enhancements to the CREF billing process starting in 2022. Pepco plans to redesign the CNM crediting process to provide greater bill transparency around CNM credits. Specifically, subscribers would be able to see the total CNM credit amount for the month in a summary box on the bill as well as the carryover credits in the form of kWh. This level of transparency will help customers better understand their CNM credits and make it easier for customers to find this information on their bills, reducing the need for them to call the Customer Service Representatives. In addition, the Company is enhancing the allocation reports so that they will pull data from the same source used to allocate CNM credits to subscribers. This enhancement will enable the Company to revise the allocation reports accurately regardless of whether Pepco adjusts CNM credits through a cancel/rebill or a one-time credit.

Further, Pepco will integrate the Community Solar Portal into the billing system so that the two systems seamlessly interact. Integrating the Community Solar Portal into the billing system will improve the Subscriber Organization experience with respect to managing the subscriptions and will remove the current manual process of downloading data from the Community Solar Portal and uploading it into the billing system.

Finally, Pepco will update the allocation reports based on feedback received from stakeholders. Specifically, Pepco will update the allocation report process to allow the report to pull CREF production meter data prior to invoicing subscribers to remove the timing differences that sometimes occur in the later bill cycles and can result in those subscribers' data not being included in allocation reports.

While the billing process enhancements have at times resulted in delayed credits being allocated to subscribers to the Solar for All program, Pepco has been diligent about enhancing the CREF subscription billing process and will continue to enhance the process to align it with the increasing complexity of the Solar for All and broader CREF program.

III. The Petition Should be Denied

Against the foregoing backdrop and for the reasons discussed herein, Counts 1-7 of the Petition should be denied. [22]

A. Pepco's Use of Pepco Production Meters Is in Compliance with the *Public Utilities Act* (Count 1)

Count 1 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[23] Pepco uses Commission-approved Pepco production meters for the CREF program. There are no other CREF production meters that meet this statutory requirement. Pepco's use of Commission-approved AMI production meters complies with the *Public Utilities Act* and provides the necessary customer protections contemplated in the *Public Utilities Act* and the Commission's regulations.

1. *Using Pepco Production Meters Appropriately Follows the Dictates of the Public Utilities Act and Does Not Delay Interconnection*

While the Petition's focus is solely on DC Code §34-1518(b) and 15 D.C.M.R. §907.4, DC Code §34-1518(b) cannot be read in isolation from the other applicable requirements of the Public Utilities Act.[24] Count 1 of the Petition, however, flatly ignores another long-standing customer protection within the *Public Utilities Act* designed to ensure that meters are safe and accurate.[25] DC Code § 34-303(c) mandates that: "[n]o corporation or person shall furnish, set, or put in use any electric meter the type of which shall not have been approved by the Commission or any meter

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[22] Pepco takes no position on the "Introduction" and "Factual and Legal Background" (Petition at ¶¶ 1-29) because they set forth conclusions of law and/or argument. The Petition cites statements from the affidavits regarding billing, crediting, customer service, and the provision of allocation reports (Petition at ¶¶ 30-32), which Pepco addresses in Section III.C.1, 2, and 4, Section D, and Section G below as argumentative, inaccurate, or unsupported.

[23] Petition at ¶¶ 36-40 and 42-51. Pepco takes no position on the allegations in Count 1 of the Petition at ¶¶ 33-35 and 41 because they set forth statements of law.

[24] The Petition (at ¶ 23) mis-states the law, which is silent as to ownership of CREF production meters. D.C. Code §34-1518(b)(5)(H).

[25] Petition at ¶¶ 33-51.

not approved by an inspector of the Commission."[26] This provision ensures that the Commission has oversight over all meters that are used for any end-user, including the meters that are used on Pepco's system and are relied upon for billing purposes. Pepco is unaware of the Commission receiving and/or granting any request to approve any third-party CREF production meters that can be used on Pepco's system. Pepco is following the law by using its Commission-approved AMI meters to record generation used for determining CNM credits that appear on subscriber bills.

The Commission has explained that D.C. Code §34-303 prohibits using meters that the Commission has not approved to ensure that only accurate meters are used on Pepco's system.[27] In its approval process, the Commission must determine if the accuracy of the meters meets American National Standards Institute ("ANSI") standards before the meters can be put into use.[28] The Commission's oversight under these requirements is meaningful. For example, to approve Pepco AMI meters, the Commission directed Pepco to file not only test results for the meters but also "any additional information describing the functionality of the software and communications system and meters and how they conform with any interoperability standards already established or proposed by [National Institute of Standards and Technology ("NIST")]."[29] The Commission must continue to exercise this important oversight function, including with any third-party meters, to protect District customers.

All Pepco meters, including CREF production meters, are Commission approved and fully

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[26] Because the meters are required by law, use of the meters cannot be seen as a delay in the process, as the Petition claims (at ¶ 42).

[27] FC 1019 Order No. 12989 at Para 7 (Nov. 13, 2003).

[28] FC 1056 Order 15721 at 1.

[29] FC 1056 Order 15721 at 1.

compliant with ANSI standards for accuracy and testing. Indeed, all meters Pepco uses meet ANSI C12 standards and are accuracy tested with a standard tracible to NIST prior to shipment from the factory. Pepco meters are sample tested according to ANSI Z1.4 statistical sampling plans once the shipment is received, and all in-service Pepco meters are part of in-service sampling test plans and periodic test plans. In addition, customers may request a witness test. All Pepco meters are tested, whether in the field or shop, with industry standard test equipment traceable to NIST and using established ANSI standard C12.1. Pepco's meters are accurate within 0.3%, in compliance with ANSI standard C12.20.[30] The current Commission-approved Pepco meters support all integrated processes, including wireless meter reading, billing, and existing meter accuracy verification, maintenance, and safety programs. The need for safe and accurate meters only becomes more important as meters and billing systems have become more sophisticated and interconnected.

While Pepco can control the testing, maintenance, accuracy, and operations of Pepco meters, it cannot control the maintenance, testing, accuracy or operations of third-party meters. There is no way for Pepco to require or enforce proper maintenance and operation of the generation meters of third parties or to review or enforce the accuracy of such meters. Moreover, Pepco is not aware of any approved test equipment for embedded third-party meters or any established industry standards.

The importance of meter accuracy is bolstered in DC Code §34-1552(c)(2), which, in the context of the provisions for allowing submetering, states that "[a]ll submetering equipment shall

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[30] ANSI standards note that "ANSI C12.20 was adopted and is approved for use by the Department of Defense (DoD)."

be subject to the same rules, including standards, established by the Commission for accuracy, testing, and recordkeeping of meters installed by electric . . . utilities and shall be subject to the meter requirements of § 34-303." Thus, even those third-party meters that are allowed to meter behind Pepco AMI meters and used "solely to allocate the costs of electric or gas service fairly among the tenants using the building"[31] must be as accurate and undergo the same testing rigor as Pepco's meters.

Moreover, only Pepco AMI meters can connect with Pepco's AMI communications systems. Due to cybersecurity and technical barriers, the Company cannot interconnect third parties with its AMI communications system. The AMI mesh networks are built on proprietary communications using patented technologies, and each network device and meter are created with unique identifiers and keys from the factory. Making this sensitive cryptographic information available to third parties could lead to compromising the entire network. In addition, Pepco has hardened its AMI communications systems against cybersecurity threats, and part of that hardening is the use of a proprietary communications system for Pepco's meters. Attaching third-party meters to Pepco's closed communications system would provide entrée to not only the local distribution system but also the broader grid and would increase the number of attack vectors into the AMI network.

Further, third parties are not required to have as strong security controls, monitoring or defense tools as critical infrastructure, such as Pepco's grid. These third-party systems could become a target for adversaries to gain access into Pepco's grid, allowing access to customer

[31] DC Code § 34-1552(d).

information, causing network disruption and possibly corrupting or wiping the device firmware. The threat of disruption is not an idle one. Such an attack could lead to long-term grid outage since the network is spread over hundreds of square miles and millions of devices that may require replacement or remediation. Finally, misuse, misconfiguration or failure of third-party devices could cause a denial of service.

Due to the technical and cyber issues discussed above, even if third-party CREF production meters were approved for use on Pepco's system, those meters would have to be read manually and the information then manually entered into the Company's billing software. Such a manual process would make an already complex process even more so, extending the time to complete billings and introducing an increased potential for error. As is discussed in Section II above, the Company has worked on automating the meter reading and subscription management process used for CREF billing. Allowing unapproved meters that are not connected to Pepco's AMI system platform to be used for the CREF billing process would undermine many of these billing process enhancement and automation efforts the Company has pursued at the Commission's urging.

Finally, the law and the Commission's regulations require the use of revenue-grade meters for the CREF program.[32] Further, DOEE concedes that the meters that read the generation are required to be revenue-grade meters.[33] However, the Petition's claim that all CREFs have revenue-grade meters is demonstrably false.[34] As the recent RM29 Final Rulemaking made clear there are many existing systems that do not include revenue-grade meters or that have no meter at

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[32] Petition at ¶¶33, 35, 40, 41.

[33] Fisher Affidavit at ¶8.

[34] Petition at ¶37 (claiming that Pepco's revenue-grade meters are installed in addition to "the revenue grade production meter on CREFs").

all and rely on generation estimates the developers provided.[35] Currently, all of those systems, including those that do not have their own meter, have a Pepco CREF production meter, accurate within 0.3%, that is used to determine the amount of generation used for billing purposes. Allowing systems to interact with Pepco's billing system using either meters that are not revenue grade or meters that rely on developer estimates would undercut the important customer protections that create the foundation for statutory and Commission meter requirements, such as those set forth in DC Code §34-303, §34-1522 15 D.C.M.R §907.4. They could also provide a pathway for fraudulent activity that would undermine customer confidence in the CREF program.[36]

Pepco is following the statutory provisions enacted to protect customers and should not be penalized for doing so.

2. *The Petition's Claims of Errors in Pepco's Meter Readings Demonstrate a Misunderstanding of the Billing Process*

The Petition's claims of errors in the meter recording generation evince a fundamental misunderstanding of the billing process.[37] The Petition first asserts "Pepco's meters often undercount generation because Pepco's meters do not start recording generation immediately upon issuance of an ATO." It further asserts that "recording often does not start until the second month

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[35] *In the Matter of 15 DCMR Chapter 29 – Renewable Energy Portfolio Standard*, RM29-2021-01 (Apr. 1, 2022) ("RM29 Final Rulemaking") at ¶¶ 2-3; *See also, Dep't of Energy and Environment's Comments in Response to Proposed Rulemaking RM29-2021-01*, RM29-2021-01 (Oct. 13, 2021)(encouraging the Commission to remove language from the NOPR that would require existing systems to install revenue-grade meters); *Dep't of Energy and Environment's Comments in Response to Second Notice of Proposed Rulemaking RM29-2021-01*, RM29-2021-01 (Feb. 28, 2022)(thanking the Commission for removing language that required "retrofitting previously installed small solar systems with revenue grade metrology").

[36] *See, e.g., District of Columbia, et al v. Solar Solution DC, LLC, et al*, 2019 CA 000165 B.

[37] Petition at ¶¶48-51.

after the CREF becomes operational." The Petition concludes that "the first month or more of power is not appropriately credited to customers and subscribers." Finally, the Petition asserts that "Pepco continues to credit Solar for All subscribers on a (at least) one-month delay." The Petition concludes that "'Pepco's meters may be undercounting generation attributable to CREFs with regularity.'" Contrary to the Petition's assertions, the meters record generation properly and with tested accuracy, as explained above, and the normal course of business billing process accounts for the alleged erroneous delay.

The CREF production meter begins recording generation upon ATO. However, there will always be a lag between recording and transmitting the CREF's generation and the reflection of the CNM credit on a subscriber's bill. Specifically, after ATO is issued, the full month of generation must first be recorded in the meter and transmitted into the billing system. In the District of Columbia, all the generation for all CREF generators is incorporated into the billing cycle in Cycle 17, which is later in the month, to allow time for Pepco to obtain recorded generation from all CREFs in the District before billing customers. Once that month of generation is recorded and incorporated into the billing cycle, that generation will be reflected as a CNM credit on the subscribers' bills in the next full billing cycle. This is standard billing management, which accounts for the one- to two-month delay from ATO that the Petition alleges is an error.   Lag persists for as long as the customer is a subscriber because Pepco will always need to record a month's worth of generation and incorporate it into the billing system before it can use that generation to apply CNM credits to a subscriber's bill. Importantly, although there may be a lag in a subscriber's receipt of CNM credits, contrary to the Petition's assertion, the CREF production meter is recording all the generation, and the subscriber will receive the associated CNM credits, just not in the same month in which the generation is recorded in the meter.

Finally, the Petition misstates the law regarding when the CNM credits are to be applied to a subscriber's bill. While the Petition claims that CNM credits are required to be applied "in the same month that the energy was generated,"[38] the law actually states that "the monetary value of electric energy generated by a community renewable energy facility and delivered to the electric company's local distribution facilities is used to offset electric energy charges accrued *during a subscriber's applicable billing period*."[39] The wording is important because it acknowledges that there is a billing process required to get the CNM credits to a customer's bill, a process that does not result in the credits being applied to the bill in the same month in which the meter records the generation. Pepco is, in fact, applying CNM credits to offset electric energy charges accrued during a subscriber's applicable billing period. However, that application will never be during the month in which the generation is recorded due to the normal-course-of-business billing process for Pepco customers. Each subscriber does receive the benefit of each month's generation in the form of a CNM credit during the applicable billing period. The alleged delay is part of the standard business process and does not violate the law. The Petition's allegations to the contrary should be rejected.

B. Pepco Has Successfully Updated the Process by which Unsubscribed Energy Credits Are Computed (Count 2).

Count 2 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[40] Pepco has been consistently evolving its processes to calculate unsubscribed

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38 Petition at ¶65; Petition at ¶¶ 48-51.

39 D.C. Code §34-1501(9A) (emphasis added).

40 Petition at ¶¶56-60. Pepco takes no position on the allegations in Count 2 of the Petition at ¶¶52-55 and 61 because they set forth conclusions of law and/or argument.

energy. Unsubscribed energy is any portion of the electrical production of a CREF that is not allocated to a subscriber.[41] Within the District, the SOS Administrator, in this case Pepco, must purchase that unsubscribed energy at the PJM Locational Marginal Price ("LMP") in the Pepco District of Columbia sub-zone.[42] The PJM LMP sets the pricing of electricity in real-time and, as such, it is a fluctuating and dynamic hourly price.[43] Pepco's SAP billing system, however, is not configured for a pricing model based on hourly inputs. Therefore, with the onset of the CREF program, Pepco had to manually calculate unsubscribed energy credits using a spreadsheet developed for that purpose. This process worked throughout 2017, 2018, and 2019; however, in 2020, the spreadsheet could no longer accommodate the increasing volume of data necessary to calculate unsubscribed energy credits in the face of the significant growth in the number of CREFs, particularly with the addition of the Solar for All program. Currently, Pepco is able to calculate the unsubscribed energy credits using a third-party developed macro that has enhanced the capability of the spreadsheet.

1. *Pepco Developed a Manual Process to Calculate Unsubscribed Energy that Allowed Unsubscribed Energy to be Accurately Calculated until Early 2020.*

In 2018, when the CREF program consisted of about 19 CREFs, the Company manually managed calculating unsubscribed energy credits. Even in 2019, with the launch of the Solar for All program and an additional 44 new CREFs approved for service, the Company's system of calculating the unsubscribed credits worked. In February of 2020, however, the spreadsheet could

41 15 D.C.M.R. §906.4.

42 D.C. Code §34-1518.01(i); 15 D.C.M.R. §906.4.

43 *See* Locational Marginal Pricing Fact Sheet. https://www.pjm.com/~/media/about-pjm/newsroom/fact-sheets/locational-marginal-pricing-fact-sheet.ashx

no longer calculate the unsubscribed energy credits because the combination of an increased number of CREFs and the complexity of the hourly calculations exceeded the spreadsheet's capabilities. The necessary computations could not be completed because the spreadsheet was overloaded with data.

Shortly after the spreadsheet ceased calculating the unsubscribed energy credits, Pepco had to engage in an extensive months-long remediation effort to address the impact of DOEE's decision to aggregate all Solar for All CREFs into SFA Groups and transfer all of them into DOEE's name. Then, the Company began an arduous remediation process that consisted of canceling and rebilling monthly bills from December 2020 to April 2021 to fix subscriber CNM credit allocations for the impacted months. The Company needed to complete the remediation process and ensure the allocation calculations were correct before it could then determine the amount of unsubscribed energy on which it based payments to Subscriber Organizations. An accurate calculation of "subscribed energy" is required before Pepco can determine the monthly amount of unsubscribed energy for each CREF.

To address this multi-tiered problem, Pepco engaged the consultant that designed the Community Solar Portal, to assist and develop a total of three macros.[44] Two of the macros were related indirectly and directly to unsubscribed energy. The first macro embedded necessary inputs into the spreadsheet used to calculate allocations, and the second macro embedded necessary calculations into the spreadsheet to calculate unsubscribed energy.

[44] As discussed in Section II, Pepco's consultant had previously developed a macro to automate uploading of data from the Community Solar Portal to SAP as well as to allow data downloaded from SAP to be uploaded to the Community Solar Portal. The macro served as a bridge between the Community Solar Portal and SAP to allow Pepco to download and upload subscription changes.

The first macro was developed to address and remediate the issues with the allocations and subsequent allocation reports.[45] Because the Community Solar Portal is not integrated with SAP, the first macro facilitated generating monthly allocation reports. The process to develop and confirm that the first macro operated properly took multiple iterations and lasted from December 2020 to April 2021.

The second macro addressed the limitations with the unsubscribed energy spreadsheet. The second macro was a code enhancement that allowed the spreadsheet to handle more data and to process the data-intensive calculations needed to compute unsubscribed energy credits. Though Pepco and its contractor had been considering solutions for the unsubscribed energy worksheet throughout 2020, once the allocations were correct as of April 2021, Pepco could fully test the second macro and work through additional refinements to ensure that the outputs were accurate and produced in the correct format. This process lasted throughout the rest of the year.

The second macro requires the LMP pricing for the applicable timeframe in the form of an excel file, the PJM reserve pricing also in the form of an excel file, the SAP allocation report that includes the subscribers and Subscriber Organization information for the applicable billing cycle, and the net monthly energy generation for all the CREF facilities. Each input must be compiled into the unsubscribed energy spreadsheet to calculate the unsubscribed energy credits. Therefore, in December 2021, once the allocations issues and the unsubscribed energy spreadsheet challenges were addressed, Pepco was able to accurately compute the unsubscribed energy credits. The

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[45] *See* Section III.

Company could then start to assess and calculate any outstanding unsubscribed energy payments that were due to Subscriber Organizations.

2. *DOEE's Complaint that the Unsubscribed Energy Checks They Did Receive Were Unclear Is Not Entirely Factual and Does Not Run Afoul of the Law.*

Neither the *Public Utilities Act* nor the Commission's regulations require that a check for unsubscribed energy be in any particular format or be accompanied by any specific information. Each check that Pepco sent to the Subscriber Organizations contained the appropriate account number—the account number that was provided to the Company by the Subscriber Organizations via their registration over the Community Solar Portal.[46]

Notwithstanding, the Company is always looking to improve the customer experience.[47] Thus, Pepco has created parallel workstreams to improve the remittance process of unsubscribed energy checks to the CREF owners and DOEE. First, Pepco is developing a statement that will help the Subscriber Organizations identify the month, payment amounts, and payment calculations associated with the checks they received. In parallel, Pepco is planning a process for implementing a billing solution that provides a statement with each such check that identifies the payment as an unsubscribed energy payment and provides dates and calculated unsubscribed energy.

Pepco is also working to incorporate learnings from its other jurisdictions. SAP is being updated in a number of other jurisdictions[48] to automate certain aspects of the processes in those jurisdictions to determine their equivalent of unsubscribed energy in the District. While learnings

[46] Pepco is in the process of gathering the supporting information regarding the checks it has sent to DOEE and will be providing that to DOEE.

[47] Pepco has reviewed the status of unsubscribed energy credits and will be issuing additional checks, where necessary, to bring Subscriber Organization accounts current.

[48] New Jersey, Delaware, and Maryland.

from those other jurisdictions could benefit the District's CREF program, it is important to note that these jurisdictions do not require an hourly LMP pricing model, and thus, their computation is far simpler than that currently required to determine unsubscribed energy in the District of Columbia.

C. Pepco's Application of Credits Is Based on the Subscriber's Percentage Interest of the Total Production of the CREF, in Compliance with District Law and Commission Regulations (Count 3)

Count 3 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[49] The Petition makes several allegations in this section that are either resolved or based on a misunderstanding of how Pepco's billing cycles operate. The Petition alleges that Pepco is undercounting CREF generation and producing inaccurate allocation reports that allocate the CREF generation to the subscribers of the CREFs participating in the Solar for All program.

1. There Is No Legal Requirement to Provide Allocation Reports

The Petition alleges that Pepco is undercounting CREF generation based on a comparison of the generation measured from the Pepco meter and reported on the allocation reports with generation data provided to DOEE from the CREF inverters.[50] It further alleges that the allocation reports that Pepco provides to the Subscriber Organizations are inaccurate and delayed, in violation of the law.[51] These claims are misleading and should be rejected.

As Exhibit C-7 makes clear

> [a]s for the monthly credit allocation reports to Subscriber Organizations, the PHI Utilities note that there is no legal requirement in either the District or Maryland that utilities provide such reports to Community Solar Providers. However, in an

[49] Petition at ¶¶64-78. Pepco takes no position regarding the allegations in Count 3 of the Petition at ¶¶62-63 and 79 because they set forth conclusions of law and/or argument.

[50] *See, e.g.,* Petition at ¶68.

[51] Petition at ¶¶68-70, 73-79.

> effort to foster good relations and for the convenience of the Subscriber Organizations and to support our customers, the PHI Utilities will continue the provision of such reports.[52]

While there were some issues in developing the allocation reports, Pepco notes here that those issues did not violate any laws because the reports themselves were created for the convenience of the Subscriber Organizations and are not themselves required by law. Importantly, the allocation reports sent to Subscriber Organizations are independent of the CNM credits that subscribers receive on their bills and are run through a separate process. Specifically, the billing system logic calculates and allocates the CNM credits to the subscribers. The allocation reports are generated through a separate process after the subscribers already have received their CNM credits. Moreover, there is no legal requirement regarding the timing of the allocation reports. Subscriber Organizations requested that Pepco provide the allocation reports by the 10th business day of each month.[53] Although Pepco attempts to accommodate this request, to the extent that it cannot meet that desired timing,[54] Pepco has not violated any law or regulation.

The Subscriber Organizations have access to this data and could create models that calculate the monthly allocations themselves instead of relying on Pepco to create and maintain allocation reports. Since the Subscriber Organizations are the entities that provide the subscriber allocations to Pepco, they have access to the subscriber allocations. The Subscriber Organizations have access to the total generation that is used as the basis for the allocations through the bills that

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[52] Petition, Exhibit C-7 at 1-2.

[53] The Petition states that CleanChoice does not receive allocation reports on the 10th business day of the month, resulting in customers not seeing their community solar credits on bills and/or receiving a delayed community solar bill from CleanChoice. Pepco may elect to hold an allocation report beyond 10th business day so that it may produce a more accurate report. However, as discussed herein, this does not impact the CREF subscription billing process, which is independent of the allocation report production process.

[54] Petition at ¶¶ 75-77

they receive from Pepco.[55] Finally, the Subscriber Organizations have access to the CREF Credit Rate on Pepco's website.[56] With these three pieces of information, Subscriber Organizations could create a program that serves the same function as Pepco's allocation reports. And, because a Subscriber Organization is only concerned with its own subscribers, the process is less complicated than for Pepco, which must run the allocation reports for all Subscriber Organizations and all subscribers.[57] Because there is a possibility that an allocation report can be delayed if a meter reading is not available, Pepco encourages each Subscriber Organization to have its own independent method of validating the allocation. Using Pepco's allocation reports to claim violations of law—whether due to inaccuracy or delay—is a red herring.

2. Allocation Reports Are Not Used to Credit Subscriber Bills

While the Petition relies almost entirely on the use of allocation reports to show that Pepco has not been providing subscribers accurate credits,[58] the allocation reports are not involved in the process of allocating the CNM credits to subscribers. As discussed above, the allocation reports are produced independent of the CNM credit process. They are purely informational and created for the convenience of the Subscriber Organizations. As a result, errors in developing the allocation reports do not necessarily reflect actual errors in crediting Subscribers.[59] For example, there could be a delay in billing a subscriber until after the allocation report runs. In such case,

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55 *See, e.g.*, Exhibit A-5 at 2.

56 https://www.pepco.com/SiteCollectionDocuments/Pepco%20DC%20CREF%20-%2004012022.pdf (CREF Credit Rate effective April 1, 2022).

57 DOEE would have added complexity given the structure of the Solar for All CREF program.

58 *See, e.g.,* Petition at ¶¶ 68-79 ; Exhibit A-7.

59 The Petition states that this misalignment allows CREFs to see generation data for CREFs owned and operated by other organizations and that is a breach of confidential account information. *See* Petition at Exhibit C, page 11. Pepco takes confidentiality very seriously. The complaint lists one instance of this happening in April 2021 and Pepco has instituted heightened review processes so that the CREFs receive the data for their CREF only.

the allocation report would not reflect the CNM credit to the subscriber, but the actual CNM credit nonetheless would have been correctly applied to the subscriber's bill. Also, in an instance where Pepco is redoing an allocation report, the allocation report could be wrong, but the CNM credits allocated to the subscribers are unaffected.

Pepco has been transparent with Subscriber Organizations that it has had issues developing the allocation reports.[60] Development of the allocation reports for all Subscriber Organizations—including the SFA Groups over which DOEE is the Subscriber Organization—was complicated because it required developing, from whole cloth, a coded logic that mimics the complex billing system logic used to calculate CNM credits in a complex environment that involves showing how generation was aggregated from hundreds of CREFs and then apportioned to thousands of subscribers. While the allocation reports were not responsible for delivering the CNM credits to subscribers and were not required by law or to fulfill its obligations under the CREF program, Pepco worked diligently to develop allocation reports that were accurate and useful to the Subscriber Organizations. It took time, but Pepco did just that.[61] As discussed, however, the issues that Pepco had developing the allocation reports do not reflect whether subscribers received their CNM credits.

3. Pepco's Meters Are Accurately Accounting for Generation

While the Petition appears to target the allocation reports in its claims of subscriber credit

[60] *See, e.g.,* Exhibit C-7.

[61] Now that the allocation reports are calculating properly, they serve as a check to see if something billed improperly in the month. *See, e.g.,* November 2021 billing error report where a review of the allocation report caused Pepco to review the allocations to subscribers in the billing system and find an error based on a delayed generation reading.

inaccuracy and legal violations,[62] to the extent that the Petition claims meter inaccuracy is resulting in an undercounting of generation, such a claim is meritless. The chart at Paragraph 68 of the Petition and the statement in the attached affidavit that purportedly shows 5,000 MWhs in undercounted generation when comparing generation measured from the Pepco meter as compared to the CREF inverter is based on allocation reports and not on actual Pepco meter readings.[63] As discussed in Section III(A), Pepco's meter is a Commission-approved meter that has been tested for accuracy and, therefore, should be the only indicator of generation measurement—not a CREF inverter that has not been approved by the Commission after being tested to be accurate to ANSI standards.

As discussed below, there have been instances in which a CREF production meter in the Solar for All program was not registering generation due to damage on the customer-side of the CREF production meter.[64] While this did cause a delay in getting the credits to the customers, this was not a legal violation. Once Pepco becomes aware of an issue, it works with the customer, as necessary, to resolve the issue. While there will be instances where CREF production meter readings are delayed, the accuracy of the CREF production meters is Commission regulated and approved, and the CREF production meters are not undercounting generation.

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[62] *See, e.g.,* Petition at ¶ 68.

[63] Moreover, there are likely timing differences between when CREF inverters are read and Pepco CREF production meters are read, which would create an artificial discrepancy when compared.

[64] Pepco is not responsible for a meter that is not properly functioning due to damage on the customer side of the meter. Further, the regulations specifically exclude non-registering meters from being an error. 15 D.C.M.R.§399.1 "Billing Error . . . An undercharge or overcharge that is caused by a nonregistering meter, a meter error, or the use of an estimated meter reading is not a billing error."

4. Customers Are Receiving Credits Timely and Based on Their Proper Allocations

Pepco is crediting subscriber bills monthly with the proper value of their percent interest in CREF generation and is complying with the D.C. Code and Commission regulations. Specifically, Pepco monthly allocates the "value of credits" to each subscriber "based on each subscriber's percentage interest of the total production of the community renewable energy facility."[65] There is no widespread undercounting of generation or failing to properly credit subscribers as the Petition claims.[66]

As discussed in Section II, the crediting of subscribers through the billing system has required evolution as the program grows in complexity. While there have been issues with crediting subscribers through the billing system as the CREF program has grown, those issues have been resolved, the billing system logic has been modified to reflect the new complexities of the program, and the problems have been fixed. So even where there have been issues providing the subscribers the correct CNM credits—and Pepco admits that there have been times when billing issues have occurred that necessitated re-billing—those issues have been fixed. Contrary to the Petition's claim that Pepco has been mismanaging CREF billing, CNM credit allocation issues arose because some new complexity required thought and planning and new coding in the billing system. As those issues were discovered, they were resolved.

The most notable example of a time where increased complexity resulted in inaccurate CNM credits being allocated to subscribers was in 2020 when DOEE elected to move all the

65 D.C. Code §§ 34-1518(b)(5)(I)-(J)(emphasis added).

66 Petition at ¶ 70.

CREFs in the Solar for All program from the individual Subscriber Organizations to DOEE as the sole Subscriber Organization. All 166 Solar for All CREFs were then aggregated into 11 SFA Groups.[67] The billing system and the many inputs that interact to produce a customer bill are already complex. The aggregation structure DOEE chose to implement for the Solar for All program, which was not required by law or Commission regulation, took billing complexity to a new level. As discussed above, DOEE also requested to transfer hundreds of the Solar for All CREF generator accounts, which were initially set up in the name of the original CREF owner/Subscriber Organization, into DOEE's name. This transfer was not a simple process. Within the rules that govern the billing system logic, it required recoding each generator and its related account information in the billing system and then pairing the new account information with the right SFA Group.

As a result, Pepco experienced a period from April 2020 through December 2020 when it was unable to accurately match subscribers to SFA Groups in the Solar for All program.[68] It took many months to complete the change of the accounts and to apply the accompanying allocations. As discussed above, the application of the correct allocations was further complicated by the fact that subscribers continued to move into and out of SFA Groups during the coding and remediation period. As a result, when Pepco was remediating each month of allocations, it had to selectively remediate only those subscriber accounts that had been part of the SFA Group at the time that the allocations were impacted.

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[67] SFA12 was and continues to be held in reserve. In 2021, DOEE created SFA Groups 13-18. Eventually, SFA Group 19 was created to house the VCREF generator.

[68] *Pepco Billing Error Notification 60-Day/Final Report*, BE2020-03-E-2 (Sept. 14, 2020).

Additionally, in the first quarter of 2021, Pepco instituted new business processes to align the overall administration of the Solar for All program with the new structure DOEE had implemented, including ensuring subscribers are assigned to the correct Subscriber Organization Groups. There will occasionally still be errors due to delayed CREF production meter reads.[69] Because of the structure of aggregating all Solar for All CREFs into 19 SFA Groups, if there is a single CREF production meter reading delay for a single CREF, that delay impacts the entire SFA Group, and as mentioned in Section I.D above, the single CREF production meter reading delay can result in rebills.[70]

Pepco has resolved issues as they have arisen, and subscribers are receiving CNM credits on their bills that represent the customer's percentage interest in the SFA Group on a monthly basis, in accordance with the D.C. Code and its implementing regulations at 15 D.C.M.R. §§ 907.5-907.6.[71] As new issues arise, those situations will be addressed. However, Pepco is not undercounting generation as Count 3 of the Petition alleges, and subscribers are being allocated their "percentage interest of the total production of the community renewable energy facility," or, in the case of Solar for All, the SFA Group(s) to which they subscribe.

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[69] 15 D.C.M.R. §300.1 "An undercharge or overcharge that is caused by a nonregistering meter, a meter error, or the use of an estimated meter reading is not a billing error."

[70] In one instance, all of the CREFs but one in that SFA04 provided timely generation readings and all subscribers were timely credited for all generation except the generation from that one CREF. However, because that one CREF in SFA04 was delayed in its generation reading, Pepco had to cancel/rebill bills for all subscribers for all of SFA04 because of that single delayed CREF production meter reading. That cancel/rebill bills were performed through the billing system and was reflected on subscriber bills.

[71] DOEE's aggregation scheme was not contemplated in CREA, which speaks of allocating the value of credits from a single CREF to each of the subscribers rather than the value of SFA Groups of aggregated CREFs to subscribers ("[t]he determination of the monetary value of credits allocated *to each subscriber to a particular community renewable energy facility* shall be based on each subscriber's percentage interest of the total production of the community renewable energy facility"). 15 D.C.M.R. §907.5 (emphasis added).

D. Pepco Accounts for Carryover CNM Credits on Customer Bills in Compliance with the Law (Count 4)

Count 4 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[72] The D.C. Code and the Commission's regulations require that "[i]f the value of the credits generated by the community renewable energy facility allocated to the subscriber exceeds the amount owed by the subscriber as shown on the *subscriber's bill* at the end of the billing period, the remaining value of the credit shall carry over from month to month until the value of any remaining credits are used."[73] Pepco's bills comply with this requirement, carrying over any excess credit from month to month until it is fully used. However, the carryover credits are currently presented on the bill in the "Total Credit Amount" line as a positive or negative balance with all other credits, such as LIHEAP payments or overpayments, and debits instead of being called out separately.[74] There is no violation of law.[75]

Because Pepco is, in fact, following the law regarding carryover credits, the Petition focuses on the allocation reports. Specifically, the Petition complains that the allocation reports that Pepco provides to Subscriber Organizations "do not contain information on whether the bill credit amount contains carry-over credits."[76] However, the law requires the carryover credits on Pepco bills not on allocation reports. The Petition cites to no law or regulation that requires Pepco to provide such information as part of the allocation report because no such requirement exists.

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72 Petition at ¶¶81-83. Pepco takes no position on the allegation in Count 4 of the Petition at ¶80 because it sets forth a statement of the law.

73 D.C. Code §34-1518(b)(5)(k) and 15 D.C.M.R. §907.6 (emphasis added).

74 Petition at Exhibit A-1 at 1. The "Total Credit Amount" is broken out by month on page 2 in the "Electric Summary" box.

75 Petition at ¶32 (Citing Exhibit B at ¶10), claiming that Pepco "improperly accounts for carry over credits…"; Petition at ¶¶81-83, relying on Exhibit C at ¶¶23-24.

76 Petition at ¶81.

Even the Petitioners acknowledge this in their Count 4, only alleging that Pepco "may be" violating the law by failing to account for carryover credits, and they provide no evidence to support any such illegality. Not only is there no legal obligation to provide carryover credits on allocation reports, as explained in the response to Count 3 above, the Company is not legally required to provide allocation reports to Subscriber Organizations.

Recognizing that changes to bill presentment would provide greater transparency and would enhance the customer experience, Pepco is exploring a bill redesign to incorporate the total dollar amount of the monthly community solar credit into the "Electric Summary" box at the front of the bill and to include a "Community Solar Summary" box that shows the carryover credit for community solar in kilowatt hours on the same page. Pepco will file these changes with the Commission for its review prior to implementation, similar to other aspects of the customer's bill, such as the presentation of the CNM credit.[77]

E. The Petition Has Failed to Demonstrate that Pepco Violated Commission Billing Error Regulations (Count 5)

Count 5 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[78] The Petition broadly describes the reporting requirements for billing errors, including the initial (5-day), 14-day, and 60-day error reports.[79] The Petition then lists ten separate

[77] While the Petition (at ¶31(d)) now complains about how the CNM Credit is displayed on the bill, Pepco filed example bills with these CNM Credit displays for public comment. Compliance Filing, Formal Case No. 945 at Attachment F (Jun. 8, 2015). The Commission subsequently approved the bill presentation. *See*, Formal Case No. 945 and RM9-2015-01, Order No. 18050 at ¶82 (Dec. 11, 2015)(Approving CREF Documents filed by Pepco that included two sample bills displaying how CNM credits would be reflected on subscriber bills).

[78] Petition at ¶-91. Pepco takes no position on the allegations in Count 5 of the Petition at ¶¶84-90 and 92 because they set forth conclusions of law and/or argument.

[79] *See* 15 D.C.M.R. §304.16-304.19 and Petition at ¶¶ 84-89.

instances where it alleges Pepco had billing errors, with dates ranging from May 2020 to September 2021.[80] However, in fact:

- The Petition does not allege any violation of billing error reporting either before May 2020 or after September 2021;
- Two of the ten "billing errors" show the number of affected customers below 100, which would not qualify as a reportable billing error under the regulations;
- Three of the ten "billing errors" are shown to have been reported by Pepco;[81]
- Four of the ten "billing errors" do not qualify as reportable billing errors under Commission regulations; and
- One "billing error" in the table does not provide enough detail to determine the actual alleged error, including the timing, scope of the alleged error, or the number of customers alleged to have been affected.

1. Legal Standards for a Reportable Billing Error

The Petition summarizes and quotes the chronological aspects of billing error reports, listing the informational categories required in the initial/5-day, 14-day, and 60-day reports.[82] However, the Petition omits the most foundational aspect of what constitutes a billing error by failing to include the definition. As set forth in Rule 399.1, a billing error is defined as:

> an under charge or over charge that is caused by, but not limited to, any of the following: (1) an incorrect actual meter reading by an Electric Utility or Natural Gas Utility; (2) an incorrect remote meter read; (3) an incorrect meter constant or pressure factor; (4) an incorrect calculation of the applicable rate; (5) a meter switched by an Electric Utility or Natural Gas Utility; (6) an incorrect application of a rate schedule; or (7) another similar act or omission by the utility, or Energy Supplier, in determining the amount of a customer's bill. An undercharge or overcharge that is caused by a non-registering meter, a meter error, or the use of an estimated meter reading is not a billing error.[83]

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[80] Petition at ¶ 91.

[81] The Petition states that, for a billing error that allegedly occurred in "May-July 2020," a "Partial report [was] filed" but does not elaborate on what is meant by "partial." Petition at ¶ 91. The Petition, at footnote 113, also includes another billing error report, filed December 22, 2021, that is not described or included in the table in the Petition and one billing error, filed October 28, 2021, that is unrelated to CREF issues.

[82] Petition at ¶¶84-90.

[83] 15 D.C.M.R. §399.1.

In addition, under Rule 304.16(a), a billing error is only reportable if it affects 100 or more customers. It is not a reportable billing error if an issue affects fewer than 100 customers or if it is caused by, for example, incorrect billing by a supplier, a meter that is not communicating, or estimated meter reads.[84] To summarize, and for the purpose of determining the legal sufficiency of Pepco's reporting of billing errors and adherence to Commission regulations, therefore, a reportable billing error is one that affects 100 or more customers, is the result of an act or omission by Pepco, and meets the criteria specified in the definition of billing error in Rule 399.1.

Pepco takes its obligation to comply with the Commission regulations seriously and reports billing errors when known and understood to meet the legal requirements for a billing error. Awareness of potential billing errors typically occurs as a result of system notifications or customer inquiries, and Pepco investigates issues internally until Company employees—including counsel—can conclusively determine that an error has occurred, and the error meets the standards set forth in the regulation. Pepco is not obligated to file reports of errors or other billing issues that fail to meet the regulatory standards, including when an error affects fewer than 100 customers and/or when the error's cause is external to Pepco, such as a supplier issue or damage to a customer meter.[85]

2. *The Ten Alleged Billing Errors Listed in the Petition Do Not Violate the Billing Error Regulations.*

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[84] If damage to a customer's meter box precludes a Solar for All CREF production meter from communicating with Pepco's AMI system, the result could affect more than 100 Subscribers' bills but would not be a reportable billing error under Commission regulations.

[85] In some instances, Pepco has reported billing issues related to delays in CREF production meter data being sent through the AMI system to Pepco for billing and subsequent allocation to Subscribers. While not required under Commission regulations – because the cause is a non-communicating meter – Pepco has filed at least one billing error report explaining why certain Subscribers were receiving delayed credits. See BE-2021-11-E-1 (Nov. 3, 2021).

The table found at Paragraph 91 of the Petition, as well as in the Fisher Affidavit, lists ten purported "unreported billing errors that DOEE is aware have occurred."[86] Based on Commission regulations and based on the information provided in the Petition, however, Pepco has not violated Commission reporting standards for billing errors. This is because: (1) two of the alleged "billing errors" are not reportable because they affected fewer than 100 customers; (2) three of the listed billing errors were filed with the Commission;[87] (3) four of the ten alleged "billing errors" do not qualify as reportable errors under Commission regulations; and (4) the final "billing error" is not detailed sufficiently to determine the veracity of the allegation. Accordingly, Pepco did not violate Commission regulations in any of these instances.

a. Two of the alleged "billing errors" listed in the Petition are not reportable because they affected fewer than 100 customers.

To be reportable, an error must impact 100 or more customers.[88] The fourth "billing error" in the table, which is alleged to have occurred from November 2020 through July 2021, lists nine affected customers. Similarly, the eighth "billing error," which is alleged to have occurred from June to December 2020, lists 89 affected customers. Accordingly, Pepco was not obligated to file billing error reports for these two instances and did not violate Commission regulations.

b. Three of the alleged "billing errors" listed in the Petition have been reported.

i. <u>The Petition itself states that two of the billing errors were reported to the Commission.</u>

86 Petition at ¶91.

87 As shown below, one of the ten listed billing errors that was filed is erroneously identified in the Petition as not filed.

88 15 D.C.M.R. §304.16(a).

If the Company reports a billing error, it cannot be in violation of Commission regulations for not reporting the error. The first (September 2021) and third (July 2021) entries in the table in Paragraph 91 of the Petition describe billing errors Pepco filed with the Commission. These two properly reported billing errors do not violate Commission reporting regulations.

ii. <u>One of the billing errors listed in the Petition as "No billing error notice filed" was, in fact, reported to and filed with the Commission.</u>

The sixth billing error in the table at Paragraph 91 discusses an error between June and July 2020 affecting 1,843 customers (1,683 under-credited and 160 over-credited) and incorrectly states that this error was not filed. In fact, the billing error report associated with this event was initially filed on July 16, 2020 and the 60-day report was filed on September 14, 2020.[89] In its report Pepco discussed an error affecting 1,523 customers that were under-credited and 160 customers that were over-credited. The Petition fails to provide sufficient details of factual bases to allow Pepco to determine why the numbers of under-credited customers differ from those the Company reported. However, it is clear that a billing error report was filed, and, thus, there is no violation of Commission rules for this billing error.

c. Four of the alleged "billing errors" in the Petition do not qualify as reportable billing errors under Commission regulations.

i. <u>Two of the alleged "billing errors" occurred as a result of timing differences for meter reads.</u>

The second and ninth alleged "billing errors" listed in the table resulted from timing differences between meter reads for certain generators associated with two SFA Groups (SFA04

89 *See* BE-2020-03-E-2. The error occurred as the result of the automation process and as Subscriber Organizations' names changed resulting from the DOEE SFA Group scheme and name change request.

and SFA09) and the CNM credits allocated to Subscribers on their monthly bills. The Petition alleges in the second "billing error" that, for August 2021, 329 SFA09 customers received $0 allocated credits. The ninth listed error alleges that, for October 2020, 341 SFA04 subscribers were "incorrectly billed." No dollar amount of impact was provided for the latter allegation.

As discussed in Section III(C), at the conclusion of each month, a generator's meter data is obtained from the AMI system for billing. Thereafter, the generator is invoiced in Cycle 17, and, in the case of a CREF generator, the generation recorded for a specific generator is allocated to applicable Subscribers so that Subscribers can be credited in the next full billing cycle. That is the typical, monthly process.

In the case of SFA09, its single generation meter was read two hours after Subscribers' bills were prepared. As a result, the generation for the particular generator was not credited to those Subscribers in August. However, the applicable credits were provided in the next monthly bill, and the meter reading timing was corrected.

Similarly, in the case of SFA04, in September 2020, the generator did not bill until after the Subscribers for SFA04 were already billed. More specifically, while the meter associated with the CREF generator is coded as "Commercial," Pepco must internally read the generation associated with CREF generators as Residential and apply credits accordingly because CREF billing, both for the calculation of the CNM Credit and Unsubscribed Energy, is tied to Standard Offer Service. One of the SFA04 generators was still coded as commercial at the time that the CREF generation was billed, so its generation was not included and aggregated with the remaining SFA04 generators. This issue was corrected in the next month, and the next monthly invoice properly credited SFA04 Subscribers.

In each case, the meter reading timing issues resulted from the complexity involved in the CREF generation allocation and aggregation process and not due to types of errors listed in the Commission regulations.[90] Accordingly, the crediting issues for SFA04 and SFA09 stated in the Petition were not reportable billing errors.

ii. <u>One "billing error" alleged in the Petition was not reportable under Commission regulations because it was not caused by a Pepco error.</u>

The seventh alleged "billing error" listed in the Petition states that there was an error from November 2020 through August 2021 involving SFA05, which affected 417 customers. However, in this case, the error was not created by Pepco and involved a VCREF generator. A VCREF is a generator that, from the point of view of electrical configuration, operates like Net Energy Metering ("NEM") because it is behind-the-meter and would otherwise offset usage at the site to which it is directly connected. However, as permitted by the Commission, for VCREFs, Pepco calculates the amount of generation produced by the applicable generator in a month and credits that gross generation (not netted, as in NEM generation) for the purposes of allocating energy and credits to Subscribers.

Initially DOEE asked that generation from this VCREF be aggregated into the generation for SFA05. While aggregation of different generators into a single SFA Group is already challenging and complex, including generation from a VCREF introduced additional complexities and required a different solution. Specifically, typical in-front-of-the-meter CREF generation is aggregated and allocated through Pepco's SAP billing system. However, VCREF is housed in a

[90] 15 D.C.M.R. §399.1.

different billing system called "Billing Expert." Because VCREF and traditional CREFs utilize different billing systems, they could not be aggregated in the same SFA Group. For this reason, Pepco and DOEE had a series of discussions in the first quarter of 2021 culminating in DOEE's request to create SFA19, which is the SFA Group currently containing the VCREF at issue in this instance. The VCREF generator now connected to SFA19 began operation in late November 2020.

While it is accurate to say that the creation of a new SFA Group for these customers did disrupt the normal, monthly CNM crediting for subscribers—which caused Pepco to have to recalculate accurate credits to these customers over a number of months—the issue arose due to the creation of a new SFA Group for the VCREF, in collaboration with DOEE, and not due to an error enumerated under Rule 399.1. Accordingly, a Billing Error Report was not required under the Commission's regulations.

iii. One "billing error" alleged in the Petition does not appear to be reportable because it was caused by an issue with a generator in SFA06.

Under the billing error regulations cited above, an error is only reportable if the error resulted from an act or omission of the utility—including those that are enumerated in the regulations—and not in any other instance, such as an issue with the meter itself or an action by a customer.[91] In the Petition, the fifth alleged "billing error" is an unspecified issue on an unspecified date affecting 754 customers for SFA06 for an unspecified amount. Such a vague allegation with no specifics regarding the alleged violation fails to support a claim of a billing

[91] 15 D.C.M.R. §399.1.

error regulation violation.

While the detail provided in the Petition itself does not provide sufficient information to determine with certainty the cause of the "ongoing issues with undercounting generation," based on Pepco's internal review, it appears that an issue with SFA06 resulted from an issue with the CREF inverter. Specifically, beginning in March 2021 and, after subsequent investigation, Pepco and the CREF owner determined that equipment on an SFA06 generator was not functioning properly. DOEE was provided this information at the time, including the fact that Pepco personnel performed a site check in May 2021 and determined the Pepco equipment was functioning properly. Accordingly, in addition to the scant information provided in the Petition failing to support its claim, it appears that any undercounting of generation for SFA06 was not due to an act or omission by Pepco and is not a reportable billing error.

d. The final alleged "billing error" in the Petition does not provide sufficient information to determine conclusively that a reportable error occurred.

The final "billing error" alleged in the Petition states that Pepco filed a "partial report" but does not provide the number of customers affected, the dollar amount involved, an explanation for what is meant by a "partial" report, or even when the partial report was filed. The most precise information provided for this alleged error is that it occurred in May-June 2020. Pepco has no record of filing a billing error, partial or otherwise, for this period of time.

In this instance, there is insufficient evidence to conclude that a billing error occurred and, if one did, that the error was reportable under Commission regulations. Based on this lack of support, and because the complainant has the burden of proof, the Commission cannot find that Pepco violated Commission regulations in this instance.

3. Pepco has not violated Commission billing error regulations.

As described above, Pepco has not violated Commission regulations for failing to report billing errors. To qualify as a violation of these regulations, the alleged error must meet the Commission's standards for reporting a billing error and must not have been reported. Pepco has shown that six of the alleged errors did not meet the definition of a reportable billing error, either because they did not affect 100 or more customers or did not occur as a result of Pepco's act or omission. Pepco has also shown that three of the errors listed in the Petition were reported. Finally, one of the alleged billing errors listed in the Petition lacks sufficient detail to determine its veracity. For these reasons, Pepco did not violate Commission billing error reporting regulations.

F. The Petition Has Failed to Show that Pepco Is Billing CREF Systems for Net Energy Metering (Count 6)

Count 6 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[92] The Petition's claim that Exhibits A-5 and A-6 substantiate its claim that Pepco is billing CREF systems for NEM is misguided.[93] Further, the Petition's own exhibits show that Pepco is allocating CNM credits rather than NEM credits to subscribers.[94]

The regulations state that "[e]ach billing period, the Electric Company shall calculate the value of the CNM Credit for subscribed energy allocated to each Subscriber by multiplying the quantity of kilowatt hours allocated to each Subscriber by the CREF Credit Rate."[95] That is

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92 Petition at ¶¶96-99. Pepco does not take a position on the allegations in Count 6 of the Petition at ¶93-95 because they set forth conclusions of law and/or argument.

93 Petition at ¶96: "Although CREF systems are generators, not customers, Pepco has been sending bills to CREFs that resemble net metering bills."

94 Petition at Exhibit A-1.

95 15 D.C.M.R. §907.6.

precisely how Pepco credits the CREF generation on subscriber bills. As Exhibit A-1 to the Petition shows, "CNM Credit: **[Begin Conf.] REDACTED [End Conf.]**[96] is calculated by multiplying **[Begin Conf.] REDACTED [End Conf.]** (the "quantity of kilowatt hours allocated to each Subscriber") by **[Begin Conf.] REDACTED [End Conf.]** ("the CREF Credit Rate"). Pepco does not credit CREF subscribers with NEM credits.

The Petition claims that the bills sent to CREFs "resemble net metering bills,"[97] because they have "a positive balance typical of a net metering bill."[98] The Petition cites to Exhibit A-5 and a past due notice in Exhibit A-6.[99] The bill attached as Exhibit A-5 to the Petition and the Past Due Notice in Exhibit A-6 do not substantiate the claim that CREFs are being billed in the manner used for net energy metering. Instead, Exhibit A-5 shows that the Subscriber Organization is charged for energy use, a distribution charge that is then offset completely by the "Subscriber Org Offset Credit" (page 2) because Pepco has been told it cannot charge CREFs or Subscriber Organizations for the Distribution Services. The energy usage, which is minimal, has not been netted against the generation.

Moreover, Exhibits A-5 and A-6 reflect an ambiguity regarding how Pepco is supposed to

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[96] While the Petition (at ¶31(e)) complains that Pepco has "confusing language" on the bill regarding the CNM credits, that language was filed on June 8, 2015 in Formal Case No. 945 ("Attachment F consists of two sample bills that display how Pepco would present credits to Subscriber customers, which is being filed pursuant to 15 D.C.M.R. Section 908.6.") and approved on December 11, 2015 (Formal Case No. 945 and RM9-2015, Order No. 18050 (Dec. 11, 2015)).

[97] Petition at ¶96.

[98] *Id*. at ¶97 ("Pepco practices of sending bills to Subscriber Organizations indicate Pepco is using NEM billing practices in violation of 15 D.C.M.R. § 907.")

[99] When Pepco legal counsel spoke with DOEE, DCG and OPC legal counsel and representatives in the February 2022 meeting, they requested copies of the bills that DOEE was discussing so that the Company could better understand what DOEE was talking about when it claimed that Pepco was sending NEM bills for CREF. Pepco never received the bills and, thus, was not able to clarify this issue earlier than this response.

be zeroing out bills that go to CREFs/Subscriber Organizations.[100] Pepco has the legal authority to zero out the customer charge and the energy charge in the distribution portion of the bill because those are Commission-jurisdictional charges that the Commission approves. It is unclear, however, whether Pepco has the legal authority to zero out the "Energy Assistance Trust Fund," "Sustain Energy Trust Fund," "Public Space Occupancy Surcharge," and "Delivery Tax," all of which are set and required by the District. It is also unclear whether Pepco is at liberty to zero out the Electric Supply Charges associated with the energy that was consumed by the CREFs, charges that the Commission does not set.[101] Because Pepco has not been zeroing out District-set charges and Supply charges, the Subscriber Organizations have been getting positive bills and have been getting past due notices for the amounts owed (Exhibit A-6). This is not an example of Pepco crediting a CREF for net energy metering but an example of Pepco trying to stay within the confines of the law when it is unclear what the law allows. Clarity from the Commission defining how Pepco should be treating the District-set charges and the Supply Charges for Supplier Organizations would benefit the process.

The Petition further asserts that the February 22, 2022 60-Day Billing Error Notification Report (Formal Case No. BE-2022-03) that indicated Subscriber Organizations had been overcharged by a total of $2,063.69 over the course of up to 16 months shows that bills are being sent to Subscriber Organizations.[102] As discussed above, Pepco agrees that bills *are* being sent to Subscriber Organizations. However, sending bills to Subscriber Organizations does *not* establish

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[100] The Petition fails to acknowledge that many CREFs do, in fact, consume electricity as part of their day-to-day operations, for example for their monitoring equipment. For example, Exhibit A-5 to the Petition is a bill reflects on page 3 the supply charges the CREF incurred for the electricity that its operations consumed during the billing period.

[101] Monitoring and other devices associated with CREFs do require energy use from the grid.

[102] Petition at ¶ 98.

that any net energy metering occurred, which is the claim the Petition asserts in Count 6. Instead, in this instance, in one of its billing review processes, Pepco failed to flag certain CREF accounts to zero out the distribution charges. As a result, Pepco inadvertently charged some CREFs distribution charges. That issue has been corrected, as noted in the Billing Error Report, and Subscriber Organizations were credited on their January 2022 bills.

G. Pepco's CREF Procedures Are Reasonable and Do Not Frustrate the Ability of the District to Achieve Its Carbon Reduction Goals (Count 7)

Count 7 of the Petition, for the reasons set forth herein and in the following new matter, should be denied.[103] Based on the arguments presented in Counts 1 through 6, the Petition erroneously claims that Pepco's CREF procedures are "frustrating the District's ability to achieve the clean energy and equity goals" by "weakening public confidence in CREFs and SFA and causing financial harm to the Subscriber Organizations that own and operate CREFs."[104]

The claims that the Company is thwarting the implementation of CREFs is belied by the reality that CREF implementation is continuing to trend upward in the District. As demonstrated in Section II, the number of CREFs receiving ATOs from Pepco has consistently increased since 2017. Additionally, the Solar for All program has seen rapid increases in the number of operational projects. Pepco has a strong commitment to delivering clean, safe, reliable, and affordable energy service to its customers, and the Company is committed to identifying innovative solutions to help customers connect their solar generating systems with Pepco's system. The Company recognizes the importance of solar and Pepco's role in creating a sustainable future for its customers and

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[103] Petition at ¶¶101-105.

[104] Petition at ¶¶100, 105

supporting the District in achieving its climate change and clean energy goals. Pepco is a committed partner in helping to facilitate the integration of increased DER onto the grid. The Company has been supportive and actively participated in working groups to advance solar in the District of Columbia. Pepco's major infrastructure initiatives will also enable increased solar adoption in the District of Columbia, and Pepco continues to explore the use of its own facilities for developers to site community renewable energy facilities to benefit residents that are most vulnerable.

As Section II details, Pepco has worked diligently to overcome the technical challenges that CREFs, and in particular, Solar for All CREFs, have posed for the Company's billing systems. Moreover, when issues have arisen, Pepco has sought to address them thoroughly, and in some instances, through increasing levels of automation. Pepco is always seeking to improve its procedures, and CREFs are no different in this regard. As the Commission is aware from the Company's quarterly filings in RM2016-01, where Pepco provided updates on the implementation of automation in the CNM program, Pepco has successfully moved many of the functions that initially had to be performed manually for CREFs over to automated procedures.[105] This has required extensive revisions to the Company's systems—in particular the billing platforms. Such changes are complex and require thorough testing and careful implementation. Overall, Pepco has worked diligently to improve its CREF program billing and subscription management processes over time as solar generation has grown in the District. As the industry has evolved, Pepco has evolved its procedures. Enhancements include the following:

105 *See, e.g.*, the quarterly filings dated January 30, 2018 and January 30, 2020 where Pepco notified the Commission of an automated process to provide monthly CNM credit calculations and provided updates on the implementation of the Community Solar Portal, respectively.

Subscription management. In November 2019, Pepco implemented the Community Solar Portal, an application used by Subscriber Organizations to manage their subscriptions, including registering accounts, adding and removing subscribers, accessing account numbers, and viewing percentage allocations. As of April 2022, almost 300 Subscriber Organizations in the District of Columbia are using this tool to manage almost 8,000 accounts.

One area the Petition notes is the information Pepco requires for subscriber enrollment, *i.e*. an accurate account number and service number for the new subscriber.[106] The Petition complains that a customer error in such information may delay the subscriber's enrollment.[107] To be clear, it is critical that this information be accurate and correct. If it is not, then CNM credits will be misapplied, which will then require re-billings and possibly adjustments. Also, presumably subscribers or the Subscriber Organization would not want to have customers who have moved or canceled their subscription listed as subscribers, as this will require adjustments and rebilling.

The investigation of Subscriber Organization data entry errors is still a manual process and can be time consuming depending on the extent of the errors. If the Subscriber Organization wants the verification performed more quickly, the Subscriber Organization can easily verify a customer's enrollment by requiring that a subscriber provide a copy of their electric bill, or even a picture of it, so that the Subscriber Organization may enter it correctly into the Community Solar Portal. Subscriber Organizations entering the correct information at the outset would go a long way in improving the enrollment verification process.

Furthermore, Pepco increased the frequency of the downloads from the Community Solar

[106] Petition at ¶ 104.

[107] Petition at ¶ 104(c).

Portal so that Subscriber Organizations can more frequently add and remove subscribers so that they can keep their subscriber base as up to date as possible.

Customer Service Representative support. Beginning in December 2021, Pepco increased training for customer service representatives to provide greater support to customers who contacted Pepco to inquire about issues related to community renewable facilities.[108] Previously, Pepco would transfer customers inquiring about CREFs to voicemail where the customer could leave a message and receive a call back from a representative on Pepco's "Green Power Connect" team. Beginning in January 2022, Pepco now routes customers to live agents to provide real-time assistance.

Bill formats. Pepco is evaluating improving the materials available to CREFs and Solar for All customers to explain their bills. Although the Company is following the Commission-approved bill format, Pepco is examining possible enhancements designed to facilitate customer understanding of their bills, such as increasing the visibility of a subscriber's carryover credits on the bill. Of course, before any changes are implemented, they will be presented to the Commission.

In sum, Pepco supports the advancement of solar in the District of Columbia, including the CREF program, and has a vested interest in its efficient functioning for its customers and stakeholders. Pepco has evolved its processes to meet the needs of its customers and other stakeholders and encourages all to maintain an open dialogue with Pepco on their concerns so that all parties may work together wards productive outcomes that move renewable energy adoption

[108] Petition at ¶31(e) complains that "Pepco has 'reps [who] are unfamiliar with the product and can't help customers,'" citing to Exhibit G at ¶10.

forward. The Petition has failed to demonstrate that Pepco is neglecting its legal responsibilities and wasting ratepayer resources.

IV. The Petitioners' Requested Relief Must be Denied [109]

The Petitioners requested relief is not supported by the facts or applicable law and therefore should be denied. The Petition's request ignores Pepco's ongoing efforts, as demonstrated herein, to advance the District's clean energy and climate goals in compliance with applicable law and regulations and by accommodating stakeholder requests, As demonstrated in Section III, A through G, Counts 1 to 7 of the Petition are not substantiated by the facts, by the law or by Commission regulations. Using Pepco production meters appropriately follows the dictates of the *Public Utilities Act* and does not delay interconnection. Pepco has now successfully developed processes to calculate and remit unsubscribed energy credits. Pepco's application of credits based on subscribers' percentage interest of the total production of the CREF complies with District law and Commission regulations. Pepco accounts for carryover CNM credits on customer bills in compliance with the law and regulations. Pepco has complied with Commission requirements to report billing errors. Finally, Petitioners have not demonstrated that Pepco is billing CREF systems for net energy metering.

Pepco is focused on a path forward of supporting DOEE and other Subscriber Organizations and of continuous improvement of the processes for managing the provision of services to CREFs in the District of Columbia. Nothing in the Petition warrants the request to open an investigation or require a third-party audit or oversight of Pepco's processes or systems.

[109] Petition at ¶106.

Furthermore, the sanctions the Petition seeks are unwarranted, presuppose the outcome of any such investigation or audit, and would be inappropriately punitive.

In light of all of the above, Pepco respectfully requests that the Petition be denied.

V. CONCLUSION

For the reasons set forth above, Pepco respectfully requests that the Commission deny the Petition.

Respectfully submitted,
POTOMAC ELECTRIC POWER COMPANY

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May 9, 2022

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's Response to the Office of the People's Counsel of the District of Columbia's and the District of Columbia Government's ("Joint Petitioners") joint complaint has been served this May 9, 2022 on:

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