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GOVERNMENT OF THE DISTRICT OF COLUMBIA
OFFICE OF THE ATTORNEY GENERAL

KARL A. RACINE
ATTORNEY GENERAL

Public Advocacy Division
Social Justice Section

E-Docketed

June 24, 2022

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

Re: Formal Case No. 1167 – In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals

Dear Ms. Westbrook-Sedgwick:

On behalf of the District of Columbia Government, please find its Reply Comments on Sierra Club's Electrification Study for the District of Columbia in the above-captioned proceeding. If you have any questions regarding this filing, please contact the undersigned.

Sincerely,

KARL A. RACINE
Attorney General

By: */s/ Brian Caldwell*
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cc: Service List

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

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

DISTRICT OF COLUMBIA GOVERNMENT'S
REPLY COMMENTS ON SIERRA CLUB'S ELECTRIFICATION STUDY
FOR THE DISTRICT OF COLUMBIA

Pursuant to Order Nos. 20754 and 21100 of the Public Service Commission of the District of Columbia, the District of Columbia Government (the District), respectfully submits these Reply Comments on the Sierra Club's *Electrification Study for the District of Columbia* (Sierra Club Study) pursuant to Order Nos. 20754 and 21100.[1]

I. Reply to Comments by Washington Gas Light Company (WGL)

On behalf of the District, the Department of Energy and Environment (DOEE) respectfully provides the following reply to the comments submitted by WGL.[2] On page one of its comments, WGL states **"The District is focused on carbon neutrality by 2050 which does not mandate 100% electrification and does not mandate 100% electrification to achieve its carbon neutral policy goal… any and all reports purporting to identify strategies and means to support the District's ambitious drive toward a carbon neutral future should be considered by the Commission."** DOEE would like to clarify that the District has already adopted a goal of carbon neutrality by 2050, which necessitates that fossil fuels are not consumed in the District of Columbia in 2050. DOEE, as the District's leading authority on

[1] *Rel.* June 4, 2021, and Jan. 18, 2022, respectively.
[2] Filed May 10, 2022.

energy and environmental issues affecting the District of Columbia, does not agree with WGL that consideration of "any and all reports" should be considered by the Commission for decarbonization strategies, which would imply that decarbonization strategies proposed by utilities or other non-governmental entities could be used to supplant the District's strategies. Carbon Free DC is the District's forthcoming official strategy for achieving carbon neutrality by 2050, to be published later this calendar year.

At page 2 of its comments, WGL states that **"a coordinated gas and decarbonization strategy, using a diverse set of technologies, energy sources, and conservation strategies is likely to be better able to manage the costs and feasibility of decarbonization than scenarios that rely on any single technology or strategy."** DOEE disagrees with WGL's characterization of electrification as more costly and less feasible than continuing to use gas as part of a decarbonization strategy. The forthcoming Carbon Free DC Plan will outline the District's carbon neutrality strategy which clearly states the need to eliminate the use of gas and fossil fuels from homes and buildings. Carbon Free DC supports the District's Clean Energy DC Plan, which states that the District must implement a net-zero-energy building code for new construction and reduce the use on fossil fuels in existing buildings in order to achieve the 50% greenhouse gas reduction target.[3] DOEE is finalizing its strategic electrification roadmap, funded by United States Department of Energy to be released later this year. The Strategic Electrification Roadmap will demonstrate the technical feasibility of electrifying buildings and transportation.

On page 2 of its comments, WGL states **"Any workable plan pursuing policy-driven electrification must address affordability gaps and the significant need for new electric**

[3] DC Department of Energy and Environment, 2018 Clean Energy DC Plan, at 65–71 (Aug. 2018), https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Clean%20Energy%20DC%20-%20Full%20Report_0.pdf.

infrastructure." DOEE agrees with WGL that the District's electrification strategy should consider affordability and the cost of infrastructure needs, and that where possible, non-wires alternatives investments should be prioritized in the event that additional electrical infrastructure is required. As stated above, the forthcoming strategic electrification roadmap will demonstrate the technical feasibility of the District's electrification strategy.

WGL pulls a quote from a Rocky Mountain Institute (RMI) article on New Jersey's 2019 Energy Master Plan **"RMI found that, 'with building and transportation electrification, New Jersey's electricity use will more than double through 2050, even after meeting and exceeding New Jersey's nation-leading energy efficiency goals.'"**[4] The quoted article actually goes on to discuss how battery storage, efficiency programs, and demand flexibility can help New Jersey's electric infrastructure adapt cost-effectively to an increased load.[5] DOEE also notes that the New Jersey context is not necessarily relevant to the District of Columbia due to different climate and infrastructure needs. The article also states the money saved on fossil fuels and fossil fuel infrastructure would result in "$4.2 and $6.3 billion per year in savings associated with the least-cost decarbonization pathway compared to business as usual."[6] Relatedly, WGL raises concerns about the affordability of electrification but does not address the Sierra Club Study's comments on the cost of WGL's gas distribution network: "WGL provides an estimated cost of $397 million for the next 6 years of PROJECTpipes that accounts for 'jurisdictional requirements' (e.g., saw cutting and breakage, paving and restoration, and traffic control requirements), inflation, and potential project scope expansion. However, the full plan runs through 2054 and three extensions granted to the first five years of the plan have already

[4] F.C. 1167, WGL's Comments at pg. 2.
[5] https://rmi.org/new-jersey-charts-a-practical-affordable-course-to-a-decarbonized-economy/
[6] Ibid

increased the projected cost by 28 percent from $110 million to $141 million, and total costs may reach $4.5 billion."[7] The Sierra Club Study goes on to address the affordability of electrification by suggesting that "the same $4.5 billion price tag for gas distribution upgrades could provide $27,400 worth of electrification upgrades to each of the approximately 164,000 housing units currently using gas in the District."[8]

On page 4 of its comments, WGL states that the **"reference to the 2021 Winter Storm completely infers the wrong conclusions on reliability and energy security."** DOEE notes that the Texas Tribune reported the following regarding the Texas energy system: "Because electricity relies on natural gas production and natural gas production relies on electricity, any failure in the loop breaks the entire system. At one point during February's storm, more than half of the state's natural gas supply was shut down due to power outages, frozen equipment and weather conditions."[9] DOEE believes the Texas example demonstrates that there is nothing uniquely resilient about gas infrastructure given the interconnected nature of the energy system.

II. Reply to Comments by Office of the People's Counsel for the District of Columbia (OPC)

DOEE respectfully provides the following brief reply comment to the comments submitted by OPC in response to Sierra Club's Electrification Study.[10] At page 2 of its comments, OPC states **"that a key next step is an exploration of funding sources for electrification proposals to ensure that all electrification programs are equitable, accessible, and do not place any undue cost burden on vulnerable/LMI utility consumers."** DOEE

[7] F.C. 1167, Sierra Club's Electrification Study at pg. 45 (filed March 11, 2022).
[8] *Id.* at pg. 3.
[9] https://www.texastribune.org/2022/02/15/texas-power-grid-winter-storm-2021/
[10] F.C. 1167, OPC Comments on Sierra Club's Electrification Study, filed May 10, 2022.

agrees with OPC that electrification programs should not be implemented and funded in a way that increases the energy burden of vulnerable/LMI utility consumers.

At page 2, OPC states **"OPC takes this opportunity to expressly support the Commission's consideration of Sierra Club's proposal to pair an electrification audit program with the District's Department of Energy and the Environment's ("DOEE") Weatherization Assistance Program, including Sierra Club's proposal that the audit program be accessible to all District residents at little to no cost and that additional incentives be directed to low-income residents to ensure equitable distribution of benefits."** DOEE believes that the proposal to expand the Weatherization Assistance Program (WAP) to include electrification audits has merit and is open to considering this idea. However, DOEE cannot expand WAP or initiate a new pilot without ensuring that there is sufficient funding and staff capacity to handle electrification audits.

At page 6, OPC states **"the District currently has some electrification-related incentives but does not have electrification subsidies linked to fuel-switching."** DOEE would like to clarify that the District of Columbia Sustainable Energy Utility (DCSEU) does offer incentives for fuel-switching, specifically heat pumps, which can be found on their website.[11]

III. Reply Comments by DCSEU

DOEE respectfully provides the following brief reply comment to the comments submitted by DCSEU.[12] At page 2, DCSEU states **"our performance benchmarks were redeveloped to include greenhouse gas emission reductions as the central metric. At the same time, the District directed the SEU to eliminate incentives for efficient natural gas-**

[11] https://www.dcseu.com/homes/home-heating-cooling
[12] F.C. 1167, DCSEU's Comments on Sierra Club's Electrification Study, filed May 11, 2022.

burning equipment." DOEE confirms that DCSEU's performance benchmarks were updated in 2021 and are aligned with the District's electrification goals.

At page 3, DCSEU states that "**DCSEU's performance targets, while employing a GHG metric, depend on our ability to capture cost-effective electrical energy efficiency gains and not only electrification."** DOEE notes that DCSEU's performance metrics align with Clean Energy DC Plan's Deep Decarbonization framework. The pathway to deep decarbonization rests on three steps: 1) maximizing efficient energy consumption in buildings, transportation, and industry; 2) decarbonization of the electricity supply; and 3) fuel-switching to low-carbon electricity or other low/no-carbon fuels. All three of these steps are required to achieve Deep Decarbonization, and electrification alone is insufficient without first maximizing efficiency potential and simultaneously decarbonizing the electric supply. More information may be found in the Technical Report on Pathways to Deep Decarbonization in the US.[13]

IV. Reply to Comments by RMI

DOEE respectfully provides the following brief reply comment to the comments submitted by RMI.[14] At page 2, RMI states **"as more affluent gas customers leave the gas system, low-income customers will be left to pay for the gas infrastructure maintenance costs, further increasing rates."** DOEE agrees with RMI that low-income ratepayers should be prioritized for electrification in order avoid increasing their energy burdens.

At page 2, RMI states **"DC's electric infrastructure can handle expected electrification load increases without increasing operating costs."** DOEE agrees with RMI that electrification across sectors should not require major infrastructure investments to handle

[13] http://deepdecarbonization.org/countries/#united-states
[14] RMI's Comments on Sierra Club's Electrification Study, filed May 10, 2022.

load growth. The forthcoming strategic electrification roadmap commissioned by DOEE will demonstrate the technical feasibility of the District's electrification goals.

At page 3, RMI states **"Managed decommissioning will help reduce costs, as will investing in Non-Pipeline Alternatives."** DOEE generally agrees with RMI's characterization of managed decommissioning and Non-Pipeline Alternatives (NPA) and will have more detail on the District's NPA strategy in a forthcoming study to be released later in the calendar year.

V. Reply to Comments by Audubon Naturalist Society, Chesapeake Climate Action Network, DC Environmental Network, Interfaith Power & Light (MD.DC.NoVa), Washington Interfaith Network, and Extinction Rebellion

DOEE respectfully provides the following brief reply comment to the comments submitted by the Audubon Naturalist Society, Chesapeake Climate Action Network, DC Environmental Network, Interfaith Power & Light (MD.DC.NoVa), Washington Interfaith Network, and Extinction Rebellion. The comments from each of these six groups express support for the Commission's consideration of the Sierra Club Study and emphasize the importance of electrification as a means to reach the District's climate and decarbonization goals. DOEE supports the Commission's consideration of the Sierra Club Study, but as stated above, will also release the District's strategic electrification roadmap later this year.

CERTIFICATE OF SERVICE

I certify that on June 24, 2022, a copy of the District of Columbia Government's Reply Comments on Sierra Club's Electrification Study was electronically delivered to the following parties:

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