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March 25, 2024

VIA ELECTRONIC MAIL AND E-FILING

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

Re: Formal Case No. 1142
[In the Matter of the Merger of AltaGas Ltd. and WGL Holdings,
Inc.] – PUBLIC

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing, please find the public version of AltaGas Ltd.'s Response to Show Cause Order in the above-captioned case.

A confidential version of the Response will be submitted under separate cover.

If you have questions regarding this submission, please feel free to contact me.

Respectfully submitted,



Katherine Wright Morrone
Counsel for AltaGas Ltd.

Enclosure

Copy to: Parties of record, FC1142
Christopher S. Gunderson, Esq.
J. Joseph Curran, III, Esq.

Commission's Show Cause Order, and as set forth in more detail below, AltaGas proposes to increase its proposed daily penalty to begin initially at \$3,800 per day. This amount reflects a proportionate adjustment to the maximum daily penalty to account for the solar energy projects AltaGas had caused to be developed on or before July 6, 2023 (*i.e.* 2.4 megawatts "MW"). AltaGas further proposes that the daily penalty adjust on a monthly basis, based on AltaGas's causing additional delivery of renewable energy to the District until AltaGas completes its Term 5 obligations. Based on this approach, the penalty from July 7, 2023 to December 31, 2023 alone would be over \$665,000. This will be well above the estimated amount of the total penalty in AltaGas's initial proposal filed on November 21, 2023. AltaGas will also continue to be liable for a daily penalty until it has caused the development of the full 10.0 MW of renewable energy.

This revised proposal appropriately reflects the gravity and duration of AltaGas's breach, which is a factor the Commission must consider under D.C. Code § 34-706. At the same time, it also appropriately accounts for AltaGas's good faith efforts to comply with Term 5 prior to July 6, 2023, as well as the Company's subsequent continuous efforts to cure its breach since that date, which D.C. Code § 34-706 also directs the Commission to consider. Finally, AltaGas's revised proposal is consistent with the Commission's precedent applying D.C. Code § 34-706 and the decisions of other state commissions that, when applying analogous statutes, declined to impose the statutory maximum penalty when presented with evidence of good faith efforts to come into compliance. For these reasons, discussed in more detail below, a daily penalty below the statutory maximum that recognizes AltaGas's ongoing efforts to fulfill its Term 5 obligation is warranted here.

I. Background

a. Status of the Company's Compliance with Term 5

As the Commission acknowledges in Order No. 21966, AltaGas has continued to take the necessary action to cure its breach of the Settlement Agreement when it was unable to cause the development of all 10MWs of renewable projects in the District by July 6, 2023.⁴ After investigating and analyzing numerous renewable development options across the District (as set forth in detail in Exhibit A attached hereto), AltaGas advised the Commission and the parties that it planned to meet its obligations under Term 5 through the SREC Agreement and Parental Guaranty ("SREC Agreement") between WGL Energy Services, Inc. ("WGLES"), AltaGas's unregulated affiliate, and a local District solar developer, New Columbia Solar, LLC ("NCS").⁵ After the Commission credited the Company with causing the development of 2.4 MW of renewable solar generation across the District using this SREC Agreement, NCS ceased performance under that agreement.⁶ Thereafter, AltaGas took immediate and necessary action to find another partner with whom it could contract to complete the balance of its remaining Term 5 obligations. In October 2023, [REDACTED]

[REDACTED]

⁴ Order No. 21966 ¶ 35 n.74.

⁵ FC1142, Dkt. 842 (June 30, 2022).

⁶ As noted in AltaGas's Reply Comments in Support of its Motion for Adoption of Proposed Penalty filed on January 11, 2024, the Company's efforts to comply with Term 5 were significantly undermined when DOEE interfered with the Company's SREC purchase agreement with NCS by advising NCS and other solar developers that it would not allow them to participate in the Solar For All program if they contracted with AltaGas to meet AltaGas's Term 5 obligations, despite the Commission's ruling that participation in Solar For All did not disqualify projects that AltaGas caused to be developed under an SREC purchase agreement from counting toward fulfillment of the Company's Term 5 obligations. *See* FC1142, Dkt. 968 (Jan. 11, 2024) at 15 n.47.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] As a result, AltaGas is well on its way

to fulfilling its remaining obligations and fully providing the fundamental environmental benefits contemplated by Term 5 to District residents.

Importantly, AltaGas’s efforts to cure its breach follow five years of good faith attempts by the Company to meet its Term 5 obligations by July 6, 2023. As AltaGas has set forth in prior related filings, from 2019 to 2023, AltaGas: (1) diligently pursued multiple options to fulfill its Term 5 obligations, which, in fairness to the Company, proved especially difficult during the pendency of the COVID-19 pandemic; (2) participated in regular working group meetings with Commission staff and other parties to this proceeding; and (3) kept the Commission and all parties to this proceeding regularly apprised of its progress through filed quarterly updates.¹⁰ While AltaGas did not successfully fulfill its entire Term 5 obligation by July 6, 2023, it did cause 2.4

[REDACTED]

[REDACTED]

[REDACTED]

¹⁰ See, e.g., FC1142, Dkt. 922 (Jun. 27, 2023) at 2-10 (describing in detail AltaGas’s efforts from 2019 to 2023 to meet its Term 5 obligations).

MW of renewable energy to be developed in the District by that time.¹¹ For the Commission's convenience, a full timeline of AltaGas's efforts to comply with its Term 5 obligations and cure its breach is attached hereto as Exhibit A.

b. AltaGas's Prior Proposed Penalty and Order No. 21966

On November 21, 2023, AltaGas filed a Motion for Adoption of Proposed Penalty for the Breach of Term No. 5 of the Settlement Agreement.¹² AltaGas proposed to make quarterly payments to the General Fund of the District of Columbia totaling \$489,620.94 if the Company completed the balance of its renewable development obligation by Q4 of 2024, or \$635,682.49 if the Company completed the balance of its renewable development obligation by Q1 of 2025.¹³ The Company further proposed that it would face increasing quarterly payments thereafter until the Company completely fulfilled its Term 5 obligations.¹⁴ AltaGas's proposal was based on the Environmental Protection Agency's current estimate of the social cost of carbon at \$51/ton of CO₂ and designed to equal the cost of carbon that would have been displaced by the 7.6 MW of solar renewable generation that AltaGas had not yet caused to be developed.¹⁵

¹¹ FC1142, Order No. 21603 ¶ 1 (Apr. 25, 2023). AltaGas notes that it had, in total, caused over 4 MW to be developed prior to July 6, 2023 in accordance with its SREC Agreement and Parental Guaranty with NCS, but the Commission ruled in Order No. 21603 that only 2.4 MW of this total could be counted towards AltaGas's Term 5 commitment.

¹² FC1142, Dkt. 954 (Nov. 21, 2023). In accordance with Order No. 21890, both D.C. Government ("DCG") and the Company entered into good faith negotiations to resolve the issue of AltaGas's penalty. Despite these efforts, DCG and AltaGas were unable to reach an agreement. *See* FC1142, Dkt. 950 (Nov. 7, 2023); FC1142, Dkt. 953 (Nov. 14, 2023).

¹³ *Id.* at 1.

¹⁴ *Id.* at 1-2.

¹⁵ *Id.* at 6-7.

In Order No. 21966, the Commission rejected AltaGas’s proposal.¹⁶ Acknowledging that “AltaGas is attempting to cure [its] breach,” the Commission held that AltaGas’s “breach of Term No. 5 is material because this failure deprived District residents of a fundamentally important environmental benefit” As a result, the Commission found that AltaGas’s proposed penalty was “insufficient to match the gravity and duration of the breach” and directed AltaGas to show cause why it should not be assessed the maximum penalty of \$5,000 per day under D.C. Code § 34-706 through the completion of its obligation under Term 5 through specific performance.¹⁷

II. Argument

In determining the size of a penalty for violating one of its Orders, the Commission must consider “the appropriateness of such penalty to the size of the business of the person charged, the gravity of the violation, and the good faith of the person charged in attempting to achieve compliance, after notice of a violation.” D.C. Code § 34-706(c). Section 34-706 “does not require the Commission to weigh each factor equally;” rather, the Commission must show that the [penalty] is reasonable in light of the factors.”¹⁸

The Commission has previously applied the factors under D.C. Code § 34-706 to establish penalties where appropriate. In Formal Case No. 1041, for example, the Commission applied the factors under D.C. Code § 34-706(c) and reduced the proposed fine from the maximum allowed by statute at that time, *i.e.*, \$562,500, down to \$25,000.¹⁹

¹⁶ Order No. 21966 ¶ 35 n.76. The Commission also rejected DCG’s proposed penalty of \$8.36 million as inconsistent with D.C. Code § 34-706 and the Settlement Agreement and otherwise beyond the scope of the Commission’s statutory authority. *Id.* ¶¶ 32-33.

¹⁷ *Id.* ¶¶ 35-36.

¹⁸ FC1041, Order No. 14648 (Dec. 5, 2007) ¶ 5.

¹⁹ See FC1041, *In re Washington Gas Light Co.*, Order No. 14571 (Sept. 12, 2007) ¶¶ 10-11.

Other state commissions applying statutes analogous to D.C. Code § 34-706 have assessed penalties below the maximum allowed by those statutes to account for a party's good faith efforts to come into compliance.²⁰ To the contrary, where a party's violations could have or did cause serious harm or endangered public safety, and where a party made no effort to achieve compliance, state commissions have chosen to assess the maximum penalty or close to the maximum penalty allowed by statute.²¹

Both the Commission and the Company agree that Term 5 was designed to confer environmental benefits on the District's residents. AltaGas acknowledges and understands the Commission's finding that AltaGas's initially proposed penalty did not adequately reflect the gravity and duration of the breach.²² AltaGas further understands that the penalty ultimately imposed by the Commission must account for the seriousness of the environmental benefits that District residents have been deprived of as a result of its conduct. The ultimate penalty, however, should also reflect AltaGas's good faith efforts to deliver these benefits, both before the date of the breach and after.

²⁰ See *Colorado Public Utilities Com'n v. Pleasant Journey LLC*, 2005 4215135 ¶ 18 (Colo. P.U.C. Feb. 2, 2005) (declining to assess maximum statutory penalty against motor carrier who "made a genuine effort to comply" with record-keeping requirements) ("In Staff's advocacy for the maximum penalty, Pleasant would suffer no greater penalty by having maintained no records of duty status, as compared to having made substantial effort to maintain records that contained much of the information required by the rule."); *In re Southern California Edison Co.*, 2004 WL 1150966 (Cal. P.U.C. Apr. 22, 2004) (declining to impose maximum statutory penalty against utility absent any evidence that the violations "compromised the safety or reliability of Edison's system," noting also that utility's efforts to remediate its violations "mitigate[d] the severity of the offense.").

²¹ See *Public Util. Com'n v. MetalMark Transp., Inc.*, 2007 WL 1814612 ¶ 15 (Colo. P.U.C. Mar. 1, 2007) (assessing maximum penalty permitted by Colorado statute where motor carrier failed to comply with federal drug and alcohol testing provisions, which constituted "a direct threat to the safety of the traveling public," and motor carrier had been put on notice of its violations but made no "good faith effort to achieve compliance in order to prevent future similar violations."); *Illinois Commerce Com'n v. Peoples Gas Light and Coke Co.*, 2006 WL 2346384 (Ill. C.C. Mar. 22, 2006) (imposing "substantial penalty" for utility's "long term noncompliance" with federal gas pipeline standards where utility "failed abysmally to meet its goal of 75,000 inspections during five of the six years following its receipt of the notification that it was in violation. Only after this proceeding was initiated in its sixth year of noncompliance, did Peoples ramp up its efforts enough to get close to compliance.").

²² Order No. 21966 ¶ 35.

[REDACTED]

[REDACTED]

[REDACTED] AltaGas proposes that these corresponding adjustments to the daily penalty be made on a monthly basis until performance of its Term 5 obligations are complete, which AltaGas expects will occur at the end of Q4 2024. AltaGas will continue to advise the Commission of the amount of renewable generation it has caused to be developed over time as part of each Term 5 quarterly update that AltaGas will file until performance of its Term 5 obligation is complete.²⁴

This revised proposal, as opposed to the maximum penalty of \$5,000 per day, is appropriate in these circumstances. First, the revised proposal is predicated on the statutory daily maximum penalty for breaching the Term 5 obligation, adjusted proportionately for progress made in causing the development of the remaining renewable energy to cure the breach. The starting daily penalty of \$3,800 on July 7, 2023 is 24% below the maximum daily penalty and aligns with the fact that AltaGas had caused 24% of its Term 5 obligations (2.4 MW of 10 MW) to be developed by the July 6, 2023 deadline. Since that date, AltaGas has remained steadfast in its commitment to complete its Term 5 obligations, even as other parties to this proceeding argued that specific performance of that obligation was no longer necessary. AltaGas understands and appreciates that this means that the full environmental benefit of the Term 5 commitment for District residents is

[REDACTED]

²⁴ Due to the time it takes AltaGas's partner solar developer to record the projects that have been constructed as completed, the final number of projects that the Company has caused to be developed in a given month will not be typically be known until following month. As a result, AltaGas proposes that it provide an affidavit to the Commission once it has caused, verified, and recorded the development of its entire obligation of 10.0 MW of renewable energy. This affidavit will set forth the total renewable energy that AltaGas caused to be developed on a month to month basis. In addition, AltaGas will continue to keep the Commission informed on a quarterly basis of its progress toward meeting its Term 5 obligations.

not yet fully realized. But an initial daily penalty of \$3,800 that declines over time in proportion to the incremental solar energy AltaGas continues to cause to be developed appropriately accounts for AltaGas's good faith and continuous efforts to complete its Term 5 obligations. Moreover, it strikes the appropriate and proportionate balance between acknowledging the amount of solar energy that AltaGas has already caused to be developed (and is continuing to develop) while holding AltaGas accountable for the important environmental benefits it has yet to (but soon will) deliver to the District.

Second, AltaGas's revised proposed penalty appropriately reflects the gravity and duration of AltaGas's breach. Under AltaGas' revised penalty proposal, the amount of penalty for the period July 7, 2023 to December 31, 2023 alone would be over \$665,000, which is well above the estimated amount of total penalty in AltaGas' initial proposal filed on November 21, 2023. AltaGas will continue to be liable for daily penalty amounts until it has caused the development of the full 10.0 MW renewable energy.

Third, the imposition of the maximum daily penalty of \$5,000 in this instance would be inconsistent with a prior Commission ruling and the decisions from other state commissions analyzing statutes analogous to D.C. Code § 34-706, which were discussed above. Maximum penalties have typically been reserved for violations that threaten public safety or where there is no evidence that an entity made good faith efforts to come into compliance. On the other hand, state commissions impose reduced penalties when an entity has demonstrated, as here, a consistent record of good faith efforts and is engaging in ongoing activity to remedy its wrong. AltaGas's proposed penalty appropriately reflects the gravity of its violation while also considering AltaGas's continuing good faith efforts to come into compliance.

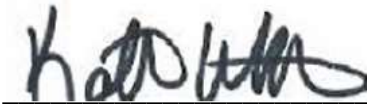
Lastly, the imposition of a pro rata penalty that reflects AltaGas's continuous efforts to meet its Term 5 obligations will incentivize future good faith efforts by other parties to comply with Commission orders and rules. Circumstances such as these, where the Company is demonstrating a good faith effort to comply with and will soon fulfill its Term 5 obligation, support a Commission's well-reasoned determination of a penalty below the statutory maximum.

III. Conclusion

WHEREFORE, for the foregoing reasons, AltaGas respectfully requests that the Commission adopt an initial penalty for AltaGas of \$3,800 per day that adjusts on a monthly basis as AltaGas continues to develop Tier 1 renewable energy until specific performance of AltaGas's Term 5 commitment is completed.

Dated: March 25, 2024

Respectfully submitted,



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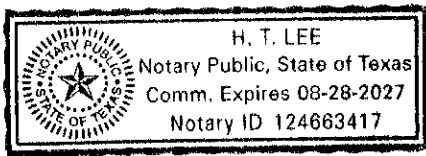
I SWEAR OR AFFIRM THAT THE ABOVE AND FOREGOING REPRESENTATIONS ARE TRUE AND CORRECT TO THE BEST OF MY INFORMATION, KNOWLEDGE, AND BELIEF.

MARCH 21, 2024
Date

Peter Ledig
Name

HOUSTON, TEXAS

I, the undersigned Notary Public, do hereby affirm that Peter James Ledig personally appeared before me on the 21st day of March 2024 and signed the above Affidavit as his free and voluntary act and deed.



(Seal)

[Signature]
Signature

My Commission expires:
08/28/2027

EXHIBIT A

AltaGas's Pre-June 6, 2023 Efforts to Meet its Term 5 Obligations

2019	
Q2	AltaGas submitted updated Term 5 compliance plan to the Commission. ¹
	AltaGas engaged in EFW to manage Term 5 compliance plan. ²
	EFW began reviewing buildings in Washington D.C. as potential sites for solar PV and/or battery storage. ³
	EFW identified other privately owned buildings in the D.C. area as candidates for solar and battery storage.
	Began discussions with two large building owners with suitable sites.
Q3	Began site visits of interested sites to establish sufficient un-obstructed space for solar PV. ⁴
	Field visits made to each selected building to determine sufficiency of roof area. ⁵
	Review created to determine battery storage space within reasonable proximity to main electrical service equipment. ⁶
	Scheduled proposals for review and assessment of multiple D.C. sites including parking lots and schools. ⁷
	EFW ran analysis on a potential Mt. Vernon site regarding its ability to support 2MW solar PV/battery storage system. ⁸
	Began discussions with Convention Center as a potential renewable installation indicated that Convention Center did not know if it would consider any solar installation. Convention Center management indicated that it would prefer any consideration for a solar installation to be a competitively bid project. ⁹
Q4	The Commission approved AltaGas's updated Term 5 compliance plan. ¹⁰
	Initiated second contact with Convention Center following Nov. 2019 Commission Order. Convention Center responded that they did not have a target date for considering a switch to solar. ¹¹
	Used a combination of Google Maps and a solar modeling system to insure the potential for a 2,000KW project, if Convention Center decided to move forward with solar solicitation. ¹²

¹ FC1142, Dkt. 521 (Jun. 17, 2019).

² FC1142, Dkt. 580 (Dec. 21, 2019).

³ *Id.* at 1.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.*

⁷ *Id.* Attachment 1.

⁸ *Id.* at 2.

⁹ *Id.*

¹⁰ FC1142, Order No. 20250, Dkt. 563 (Nov. 7, 2019).

¹¹ Dkt. 580 at 2.

¹² *Id.*

	Analyzed potential renewable development sites in Mt. Vernon area; EFW analysis determined that most buildings in the area could only accommodate smaller rooftop solar installations (100 kW to 200 kW than 500 kW). ¹³
	Began outreach to building owners for smaller rooftop solar installations. ¹⁴
	Created estimated schedule for potential projects in Mt. Vernon area. ¹⁵
	EFW entered into discussions with local bank for an equipment lease program for all the D.C. projects at a competitive rates with tax benefit monetization and low interest rates. ¹⁶
	Entered into discussions with potential project builders (EPC) for construction financing related to the development of solar projects in the District. ¹⁷
	Held two meetings with PEPCO on interconnection process and limitations. ¹⁸
	AltaGas initiated second contact with Convention Center requesting a timeframe for decision and solar; response was that there was no target date concerning any decision on solar. ¹⁹
2020	
Q1	EFW expanded the initial criteria for potential projects, considering solar installations as small as 100 kW. ²⁰
	Commenced discussions with local general contractor and building services provider for future solar installation work. ²¹
	Identified 20 new potential sites spread throughout the District. ²²
	Created initial review of roof top areas through online and solar design modeling. ²³
	Contacted several property owners or management companies. ²⁴
	COVID-19 disruptions caused field visits to be cancelled. ²⁵
	Reviewed 1MW Community Solar project for technical and financial feasibility. ²⁶
	Created target and feasibility plan to reduce or eliminate onsite load to simplify or reduce development and project costs. ²⁷
	Placed hold on providing information and proposed agreements to potential property owners due to uncertainty around COVID-19 and its impact. ²⁸
	Scanned maps and personal contacts to seek suitable host sites as COVID-19 disrupted on-site visits and proposals. ²⁹

¹³ *Id.*

¹⁴ *Id.*

¹⁵ *Id.*

¹⁶ *Id.* at 2.

¹⁷ *Id.* at 3.

¹⁸ *Id.*

¹⁹ *Id.*, at 2.

²⁰ FC1142, Dkt. 606 (Mar. 31, 2020) at 1.

²¹ *Id.* at 3.

²² *Id.* at 1.

²³ *Id.*

²⁴ *Id.*

²⁵ *Id.*

²⁶ *Id.*

²⁷ *Id.*

²⁸ *Id.*

²⁹ *Id.*

	Continued to contact Convention Center to determine its interest in a solar installation as a potential host site. ³⁰
	Established referral list of potential sites of property owners or management companies with express interest in solar energy. ³¹
	Determined that 25% of the referral list of potential sites must be eliminated because of roof area issues. ³²
	Continued the elimination process of referral list due to issues in roof age, building system limitations, and refusal of building owners to sign the necessary 10-year lease for the project. ³³
Q2	Deferred the evaluation of majority of potential building hosts as COVID-19 impacted site visits. ³⁴
	Drafted initial term sheets and agreements to offer building owners. ³⁵
	Conducted the initial screening of second list of potential sites. ³⁶
	Modified plan based on limitations to development and site visits due to COVID-19. ³⁷
	Evaluated and pursued Community Solar projects to access residential loads economically. ³⁸
	Paused site visits due to COVID-19. ³⁹
	EFW established framework developed from Q1 to expand project criteria to accommodate smaller projects with spatial or obstruction limitations. ⁴⁰
Q3	Completed initial site visit of 100 kW site to model protocol under COVID-19 limitations to assess feasibility of resuming site visits. ⁴¹
	Prepared and issued proposal for 100 kW site. ⁴²
	Prepared and issued proposal for a site which was visited prior to the pandemic that indicated readiness to proceed with the project. ⁴³
	Preliminary proposal for 500 kW solar rooftop project became dormant because of low building occupancy and uncertainty regarding COVID-19. ⁴⁴
	Received three new project proposals for evaluation from solar installation affiliate and solar project developers. ⁴⁵
	Scheduled site visits for new potential solar projects. ⁴⁶

³⁰ *Id.* at 2.

³¹ *Id.*

³² *Id.*

³³ *Id.*

³⁴ *Id.*

³⁵ *Id.* at 2.

³⁶ *Id.* at 5.

³⁷ FC1142, Dkt. 699 (Sept. 30, 2020) at 1.

³⁸ *Id.*

³⁹ *Id.*

⁴⁰ *Id.*

⁴¹ *Id.*

⁴² *Id.* at 2.

⁴³ *Id.*

⁴⁴ *Id.* at 1.

⁴⁵ *Id.* at 2.

⁴⁶ *Id.*

	Commenced discussions with a community solar manager regarding potential sites, financing, fees, output potential, and siting. ⁴⁷
	Adjusted Q2 project criteria framework to allow for the development of small or non-existent onsite load for smaller projects. ⁴⁸
	Revised considerations of customer payment for a potential battery storage facility from initial feasibility plans due to the sizing constraints and options for projects. ⁴⁹
	Suspended project related to GSA building while proposal remains under consideration because the building was not open and the facility manager was not ready to proceed with project. ⁵⁰
	Deferred evaluation of two projects related to GSA building until early 2021. ⁵¹
	Began discussions with another source of lease financing similar to primary bank as secondary financing source. ⁵²
Q4	Conducted initial site visits with three additional sites. ⁵³
	Reached two preliminary agreements for 250 kW projects. ⁵⁴
	Created detailed technical evaluation for the two preliminary 250 kW projects. ⁵⁵
	Responded to express interest by smaller facilities and community solar systems. ⁵⁶
	Developed multiple behind-the-meter and community solar projects aggregating to approximately 3 MW. ⁵⁷
	Secured primary financier for behind-the-meter projects. ⁵⁸
	Approved primary financier of behind-the-meter projects. ⁵⁹
	Initiated discussions with three other funding sources for lease-based financing structure projects. ⁶⁰
	Continued research and consideration for larger buildings and projects, intended to materialize into projects in mid-2021. ⁶¹
	Secured two business relationships with other commercial and non-commercial building owners in DC. ⁶²
	Secured contract with one business partner in DC, with another contract pending early Q1 2021. ⁶³
	Evaluated potential solar project under secured and pending contracts with DC building owners. ⁶⁴

⁴⁷ *Id.*

⁴⁸ *Id.*

⁴⁹ *Id.*

⁵⁰ *Id.*, at 3.

⁵¹ *Id.*, at 2.

⁵² *Id.*, at 4.

⁵³ FC1142, Dkt. 718 (Dec. 30, 2020) at 1.

⁵⁴ *Id.*

⁵⁵ *Id.*

⁵⁶ *Id.*

⁵⁷ *Id.*

⁵⁸ *Id.*

⁵⁹ *Id.*

⁶⁰ *Id.*

⁶¹ *Id.*

⁶² *Id.*

⁶³ *Id.*

⁶⁴ *Id.*

	Began preliminary discussions with DC Government concerning solar for its buildings in the District. ⁶⁵
	Gathered interest in using solar projects on DC buildings to provide solar energy to low-income DC residences. ⁶⁶
	Resumed site visits on a limited basis for potential sites and preformed preliminary aerial screening. ⁶⁷
	Conducted technical analysis to price systems for the two secured 250 kW solar projects. ⁶⁸
	Sourced new channel partner agreements with groups with relationships with existing building owners and tenants. ⁶⁹
	Created management outline for providing power to community solar projects, including oversight over the community solar operators and limiting their pricing power. ⁷⁰
	Established and began legal review of channel partner and preliminary agreement structure. ⁷¹
	Drafted customer agreement for the structures and under legal and bank review. ⁷²
	Projected customer agreement and project to begin use in 2021. ⁷³
	Continued targeting smaller potential community solar projects. ⁷⁴
	Primary bank formally approved the project and began documenting program agreements. ⁷⁵
2021	
Q1	Conducted feasibility review for behind-the-meter projects. ⁷⁶
	Visited four potential project sites. ⁷⁷
	Eliminated three sites because they were not suitable for behind the meter installations; determined that fourth site was significantly encumbered by a “living roof” which greatly reduced the roof area for solar. ⁷⁸
	Adapted the potential for the projects with the four specified projects. ⁷⁹
	Conducted discussions with several building owners for larger projects. ⁸⁰
	Contacted out-of-State owners of several warehouse projects in the District with sizeable roof areas in an effort to establish potential interest. ⁸¹

⁶⁵ *Id.*

⁶⁶ *Id.*

⁶⁷ *Id.* at 2.

⁶⁸ *Id.*

⁶⁹ *Id.*

⁷⁰ *Id.*

⁷¹ *Id.* at 2.

⁷² *Id.*

⁷³ *Id.*

⁷⁴ *Id.*

⁷⁵ *Id.*, at 3.

⁷⁶ *Id.*

⁷⁷ FC1142, Dkt. 735 (Mar. 31, 2021) at 1.

⁷⁸ *Id.*

⁷⁹ *Id.* at 2.

⁸⁰ *Id.*

⁸¹ *Id.*

	Received pushback from owners of commercial spaces due to tenant issues related to COVID-19. ⁸²
	Unsuccessful discussions with DC Government despite offering free solar electricity with ownership of the facility after ten years. ⁸³
	Continued targeting potential community solar projects. ⁸⁴
	Determined the impact on timeline to complete Term 5, based on lack of interest by larger property owners and the slowed tenant and consumer use due to COVID-19. ⁸⁵
Q2	Continued to pursue smaller facilities and community solar systems. ⁸⁶
	Evaluated potential ground-mount community solar system and a group of private schools as potential project sites. ⁸⁷
	Continued to develop behind the meter projects in the aggregate of approximately 1.5 MW. ⁸⁸
	Evaluated but rejected multiple projects because of initial issues on technical and economic screening for 500 kW AC projects. ⁸⁹
	Primary financier prepared lease program and structure requirements for projects. ⁹⁰
	Developed final design and layout for the first solar site of approximately 100 kW. ⁹¹
	Began the process of having final documentation prepared for customer and financier for the first solar site. ⁹²
	Developed firm price for construction for the first solar site. ⁹³
	Identified and contacted building owners, focused on warehouses and office buildings in areas that are not saturated with solar. ⁹⁴
	Garnered some success in identifying ownership entities and contacted specific individuals capable of committing the builds as host sites. ⁹⁵
	Conducted discussions with management of several potential host sites. ⁹⁶
	Reviewed sites remotely. ⁹⁷
	Based on discussions with Pepco, AltaGas focused attention on areas of DC supplied by overhead electric. ⁹⁸
	Began to pursue group of private schools for project evaluation. ⁹⁹

⁸² *Id.*

⁸³ *Id.*

⁸⁴ *Id.*

⁸⁵ *Id.*

⁸⁶ FC1142, Dkt. 759 (Jun. 30, 2021) at 1.

⁸⁷ *Id.*

⁸⁸ *Id.*

⁸⁹ *Id.*

⁹⁰ *Id.*

⁹¹ *Id.*

⁹² *Id.*

⁹³ *Id.*

⁹⁴ *Id.*

⁹⁵ *Id.*

⁹⁶ *Id.*

⁹⁷ *Id.* at 2.

⁹⁸ *Id.* at 4.

⁹⁹ *Id.* at 1.

Q3	Primary bank fully approved the solar lease finance structure supporting primary program offer. ¹⁰⁰
	Bank prepared project documentation and closing checklists in collaboration with EFW. ¹⁰¹
	Established a new relationship with a local building owner with 200,000 sq. ft. of unused rooftop space in multiple DC facilities. ¹⁰²
	Made progress with two additional smaller sites that required bank, customer, and final EPC agreements. ¹⁰³
	Processed one or two smaller projects first at bank's request. ¹⁰⁴
	Reviewed potential community solar site for development. ¹⁰⁵
	Continued to consider private school system for project. ¹⁰⁶
	Developed and established new relationship with a local building owner. ¹⁰⁷
	Developed plan for feasibility and screening processes for potential sites. ¹⁰⁸
Q4	Began process for evaluating and revising engineering in the behind the meter sites. ¹⁰⁹
	Continued to be in contact with larger federal government and private building owners. ¹¹⁰
	Established new developer relationship of viable behind the meter solar and community solar projects. ¹¹¹
	Conducted site visits and studied site electrical configurations for feasibility assessment. ¹¹²
	Developed alternate interconnection configurations. ¹¹³
	Conducted economic evaluation on projects. ¹¹⁴
	Conducted discussions with developer to structure the projects. ¹¹⁵
	Began engineering revisions for host site. ¹¹⁶
	Created timeline for the construction of host site. ¹¹⁷
	Sent and awaited customer agreement for second type 2 project. ¹¹⁸
	Continued to check-in with federal, private, and warehouse facilities building owners for projects. ¹¹⁹

¹⁰⁰ FC1142, Dkt. 786 (Sept. 30, 2021) at 1.

¹⁰¹ *Id.*

¹⁰² *Id.*

¹⁰³ *Id.*

¹⁰⁴ *Id.*

¹⁰⁵ *Id.*

¹⁰⁶ *Id.*

¹⁰⁷ *Id.* at 2.

¹⁰⁸ *Id.*

¹⁰⁹ FC1142, Dkt. 803 (Jan. 30, 2022) at 1.

¹¹⁰ *Id.* at 2.

¹¹¹ *Id.*

¹¹² *Id.*

¹¹³ *Id.*

¹¹⁴ *Id.*

¹¹⁵ *Id.*

¹¹⁶ *Id.*

¹¹⁷ *Id.*

¹¹⁸ *Id.*

¹¹⁹ *Id.*

2022	
Q1	Started active negotiations to provide development project support for multiple solar projects. ¹²⁰
	Secured proposal and customer approval successfully for behind the meter solar installations. ¹²¹
	Conducted site changes for behind the meter projects that needed redesign. ¹²²
	Checked in with federal and private building owners to reassess interest in sustainability programming. ¹²³
	Identified an additional 2-3 MW of onsite behind the meter projects at larger potential locations. ¹²⁴
	Outlined site reconfigurations for two customer-approved behind the meter projects. ¹²⁵
	Recognized and began necessary changes to design for the two customer-approved behind the meter projects. ¹²⁶
	Continued to monitor community solar project that was under evaluation pending customer response. ¹²⁷
	Proposed federal facility project under federal review. ¹²⁸
Q2	Entered into an agreement with New Columbia Solar for the purchase of solar renewable energy credits (SREC). ¹²⁹
	Completed the finance and construction of over 2 MW of solar projects in the District.
	Continued to establish contacts and relationships with local renewable developers. ¹³⁰
	Discussed and developed project documentation and closing checklists for potential sites. ¹³¹
	Compiled multiple projects through the SREC transaction confirmations. ¹³²
	Identified additional projects to be developed and approaching mechanical completion. ¹³³
	Navigated several benefits and pitched relevant portions to project participants in light of the SREC. ¹³⁴
	Conducted working group meeting regarding SREC. ¹³⁵
	Coordinated between working groups and DOEE purchase requirements. ¹³⁶
	Reconfigured financing plans to attune the benefits of SREC. ¹³⁷

¹²⁰ FC1142, Dkt. 819 (Mar. 31, 2022) at 1.

¹²¹ *Id.*

¹²² *Id.*

¹²³ *Id.*

¹²⁴ *Id.* at 2.

¹²⁵ *Id.*

¹²⁶ *Id.*

¹²⁷ *Id.*

¹²⁸ *Id.*

¹²⁹ FC1142, Dkt. 843 (Jun. 30, 2022) at 1.

¹³⁰ *Id.* at 2.

¹³¹ *Id.*

¹³² *Id.*

¹³³ *Id.*

¹³⁴ *Id.* at 4.

¹³⁵ *Id.*

¹³⁶ *Id.* at 5.

¹³⁷ *Id.*

	Confirmed commitment of multiple projects totaling a system size of 990.1 kW. ¹³⁸
Q3	Confirmed commitment on project size of 93 kW. ¹³⁹
	Confirmed commitment on project size of 131 kW. ¹⁴⁰
	Confirmed commitment on project size of 69 kW. ¹⁴¹
	Confirmed commitment on project size of 45 kW. ¹⁴²
	Confirmed commitment on project size of 34 kW. ¹⁴³
	Confirmed commitment on project size of 141 kW. ¹⁴⁴
	Confirmed commitment on project size of 279 kW. ¹⁴⁵
	Confirmed commitment on project size of 76 kW. ¹⁴⁶
	Confirmed commitment on project size of 273 kW. ¹⁴⁷
	Confirmed commitment on project size of 238 kW. ¹⁴⁸
Q4	Developed or caused to be developed project size of 253 kW. ¹⁴⁹
	Developed or caused to be developed project size of 123 kW. ¹⁵⁰
	Developed or caused to be developed project size of 488 kW. ¹⁵¹
	Developed or caused to be developed project size of 548 kW. ¹⁵²
	Developed or caused to be developed project size of 266 kW. ¹⁵³
	Developed or caused to be developed project size of 55 kW. ¹⁵⁴
	Confirmed effective date for system size project of 125 kW. ¹⁵⁵
	Confirmed effective date for system size project of 125 kW. ¹⁵⁶
2023	
Q1	Continued to develop relationships with affiliates under SREC purchase agreements. ¹⁵⁷
	Continued discussions about contracting another 15 to 20 projects to be developed. ¹⁵⁸
Q2	Attempted to confirm projects to be executed during Q2. ¹⁵⁹
	Unsuccessful in securing definitive confirmations for Q2. ¹⁶⁰

¹³⁸ FC1142, Dkt. 886 (Dec. 30, 2022), Exhibit B.

¹³⁹ *Id.*

¹⁴⁰ *Id.*

¹⁴¹ *Id.*

¹⁴² *Id.*

¹⁴³ *Id.*

¹⁴⁴ *Id.*

¹⁴⁵ *Id.*

¹⁴⁶ *Id.*

¹⁴⁷ *Id.*

¹⁴⁸ *Id.*

¹⁴⁹ *Id.*

¹⁵⁰ *Id.*

¹⁵¹ *Id.*

¹⁵² *Id.*

¹⁵³ *Id.*

¹⁵⁴ *Id.*

¹⁵⁵ *Id.*, Exhibit A.

¹⁵⁶ *Id.*

¹⁵⁷ FC1142, Dkt. 903 (Mar. 31, 2023).

¹⁵⁸ *Id.*

¹⁵⁹ FC1142, Dkt. 926 (June 30, 2023).

¹⁶⁰ *Id.*

	Began exploring possible partnerships with other solar developers to execute the same Commission-approved development plan to cause other solar projects to be constructed. ¹⁶¹
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¹⁶¹ *Id.*

CERTIFICATE OF SERVICE

I hereby certify that, on this 25th day of March, 2024, a copy of the foregoing was served on the following parties by electronic mail:

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