#### PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA 1325 G STREET, N.W., SUITE 800 WASHINGTON, D.C. 20005

#### <u>ORDER</u>

**October 10, 2024** 

## FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF ELECTRIC AND NATURAL GAS CLIMATE CHANGE PROPOSALS, Order No. 22313

#### I. <u>INTRODUCTION</u>

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") announces the next steps in this proceeding. Recent changes to District of Columbia ("District") and federal climate laws, along with developments in Commission orders, require new actions. The Commission directs the Potomac Electric Power Company ("Pepco") and Washington Gas Light Company ("Washington Gas" or "WGL") to file revised Climate Solutions Plans ("CSP")<sup>1</sup> and Climate Business Plans ("CBP").<sup>2</sup> These revised Plans, including new 15-Year Plans, must be submitted within 150 days of the date of this Order and reflect changes in District and federal law and other climate-related developments. Updates to the 15-Year Plans are due every three years, beginning February 15, 2028. Additionally, the Commission directs Pepco and WGL to demonstrate in these Plans how they will meet the District's climate goals over the next 15 years. Comments on the revised CSP, CBP, and 15-Year Plans are due within 60 days of the filing of the Plans, while reply comments are due within 90 days of the filing of the Plans.

2. As part of its 15-Year Plan, Pepco is further directed to file an updated electrification study. Parties other than Pepco or WGL that have filed past electrification studies are invited to indicate if and when they will file updated electrification studies within 30 days of the date of this Order.

3. The Commission also dismisses Pepco's CSP Phase 1 Application<sup>3</sup> and WGL's Proposal to Implement the District of Columbia's Climate Goals ("WGL Proposal")<sup>4</sup> without

<sup>&</sup>lt;sup>1</sup> Formal Case No. 1167, In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals ("Formal Case No. 1167"), Potomac Electric Power Company's DC Climate Solutions Plan, filed July 20, 2021.

<sup>&</sup>lt;sup>2</sup> Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc. ("Formal Case No. 1142"), Natural Gas and its Contribution to a Low Carbon Future, Climate Business Plan for Washington, D.C., filed March 16, 2020.

<sup>&</sup>lt;sup>3</sup> *Formal Case No. 1167*, Application of Potomac Electric Power Company for Approval of the Climate Solution Plan Phase 1 Application, filed December 15, 2022.

<sup>&</sup>lt;sup>4</sup> *Formal Case No. 1167*, Washington Gas Light Company's Proposal to Implement the District of Columbia's Climate Goals, filed August 5, 2023. The Commission notes that this filing complies with Order No. 21939 directive that any WGL climate project applications should be filed and reviewed in *Formal Case No. 1167. See, Formal Case* 

prejudice. Pepco and WGL may file amended proposals after the Commission approves the Benefit-Cost Analysis ("BCA") model established through *GD2019-04-M*. The Commission also denies the Office of the People's Counsel for the District of Columbia's ("OPC") Motion for Status on Climate Business Plan ("OPC Motion"),<sup>5</sup> which seeks the establishment of a procedural schedule to evaluate WGL's Proposal. Lastly, the Commission grants the Motions for Leave to File Replies Out of Time by Grid 2.0 and WGL's Motion for Leave to Respond to Sierra Club and Grid 2.0.<sup>6</sup>

# II. <u>BACKGROUND</u>

4. In Order No. 20662, the Commission opened *Formal Case No. 1167* to commence a climate policy proceeding to consider whether and to what extent utility or energy companies under our purview are meeting and advancing the District's energy and climate goals.<sup>7</sup> In Order No. 20754, the Commission outlined the next steps in this proceeding and directed Pepco and WGL to make several filings regarding their climate change plans.<sup>8</sup>

5. Pursuant to Order No. 20754, Pepco filed Potomac Electric Power Company's DC CSP, An Assessment of Electrification Impacts on the Pepco DC System,<sup>9</sup> Potomac Electric Power Company's 5-Year Action Plan,<sup>10</sup> Potomac Electric Power Company's 30-Year Transition Strategy and Long-Term Outlook at the Development of Climate Solutions in the District of Columbia,<sup>11</sup> and Pepco's Climate Solutions 5-Year Action Plan: Benefits and Costs<sup>12</sup> (collectively, "Pepco's Filings").

No. 1169, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service, Order No. 21939, ¶ 430, issued December 23, 2023.

<sup>&</sup>lt;sup>5</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Motion for Status on Climate Business Plan, filed August 19, 2024.

<sup>&</sup>lt;sup>6</sup> Formal Case No. 1167, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Larry Marti, Grid 2.0, filed September 3, 2024 ("Grid 2.0 Response to OPC Motion"). Formal Case No. 1167, Washington Gas Light Company's Motion for Leave to Respond to Sierra Club and Grid2.0's Responses to OPC's Motion for Status on Climate Business Plan ("WGL Response to Sierra Club and Grid 2.0"), filed September 6, 2024.

<sup>&</sup>lt;sup>7</sup> *Formal Case No. 1142* and *Formal Case No. 1167*, , Order No. 20662 ("Order No. 20662"), rel. November 18, 2020.

<sup>&</sup>lt;sup>8</sup> *Formal Case No. 1142 and Formal Case No. 1167*, Order No. 20754 ("Order No. 20754"), rel. June 4, 2021.

 <sup>&</sup>lt;sup>9</sup> Formal Case No. 1167, An Assessment of Electrification Impacts on the Pepco DC System, filed August 27, 2021.

<sup>&</sup>lt;sup>10</sup> *Formal Case No. 1167*, Potomac Electric Power Company's 5 Year Action Plan, filed October 8, 2021.

<sup>&</sup>lt;sup>11</sup> *Formal Case No. 1167*, Potomac Electric Power Company's 30-Year Transition Strategy and Long-Term Outlook at the Development of Climate Solutions in the District of Columbia, filed November 30, 2021.

Formal Case No. 1167, Pepco's Climate Solutions 5-Year Action Plan: Benefits and Costs, filed January 31,
2022.

6. On March 16, 2020, WGL filed its CBP pursuant to Term No. 79 of the AltaGas, Ltd. ("AltaGas") Merger Settlement Agreement.<sup>13</sup> Pursuant to Order No. 20754, WGL submitted its September 1, 2021, compliance filing, which contained WGL's explanation of how the Fuel Neutral Decarbonization Scenario in the CBP would provide safe, reliable, affordable, and sustainable natural gas distribution service in the District; detailed projections, models, and assumptions related to the four scenarios included in the CBP; and the work papers, models, and projections that support all scenarios in the CBP.<sup>14</sup> WGL also filed its 5-year plan, Climate Change Action Program, Part 1<sup>15</sup>, and its 30-year plan, Climate Change Action Roadmap, Part 2 (collectively, "WGL's Filings").<sup>16</sup> WGL filed an amendment to its Climate Change Action Program, Part 1, on October 26, 2022.<sup>17</sup>

7. Several parties filed comments on Pepco's and WGL's Filings. The DC Sustainable Energy Utility ("DC SEU") filed comments on Pepco's filings on June 10, 2022.<sup>18</sup> On June 15, 2022, Grid 2.0 filed comments on Pepco's Filings.<sup>19</sup> On June 17, 2022, the Apartment and Office Building Association of Metropolitan Washington ("AOBA"),<sup>20</sup> DC Climate Action,<sup>21</sup>

<sup>15</sup> *Formal Case No. 1167*, Washington Gas Light Company's Climate Change Action Program, Part 1, filed December 15, 2021.

<sup>16</sup> *Formal Case No. 1167*, Washington Gas Light Company's Climate Change Action Roadmap, Part 2, filed January 18, 2022.

<sup>17</sup> *Formal Case No. 1167*, Revision to Climate Change Action Program – Part 1, filed October 26, 2022.

<sup>18</sup> *Formal Case No. 1167*, District of Columbia Sustainable Energy Utility (DCSEU) comments on Pepco's 5-Year Action Plan and Benefit and Costs, filed June 10, 2022.

<sup>19</sup> *Formal Case No. 1167*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Larry Martin, Grid 2.0, filed June 15, 2022.

<sup>20</sup> *Formal Case No. 1167*, Consolidated Comments of the Apartment and Office Building Association of Metropolitan Washington ("AOBA") on Pepco's Climate Change Solutions Plans, filed July 17, 2022.

<sup>21</sup> *Formal Case No. 1167*, DC Climate Action's Initial Comments, June 17, 2022.

<sup>&</sup>lt;sup>13</sup> Formal Case No. 1142, In the Matter of the Merger of AltaGas, Ltd. and WGL Holdings, Inc. ("Formal Case No. 1142"), Consent Motion to Reopen the Record in Formal Case No. 1142 to Allow for Consideration of Unanimous Full Settlement Agreement and Stipulation, and to Waive Hearing on Proposed Settlement, filed May 8, 2018 ("Settlement Agreement").

<sup>&</sup>lt;sup>14</sup> *Formal Case No. 1167*, AltaGas Ltd.'s and Washington Gas Light Company's Filing in Compliance with the Directives Set Forth in Paragraph 46 of Commission Order No. 20754, filed September 1, 2021.

the District of Columbia Government ("DCG"),<sup>22</sup> OPC,<sup>23</sup> Sierra Club<sup>24</sup> and WGL<sup>25</sup> filed comments on Pepco's Filings, while DCSEU,<sup>26</sup> EVgo Services LLC,<sup>27</sup> DCG,<sup>28</sup> OPC,<sup>29</sup> and Pepco<sup>30</sup> filed reply comments to the parties' comments on Pepco's Filings on September 16, 2022. On July 1, 2022, AOBA,<sup>31</sup> OPC,<sup>32</sup> and Sierra Club<sup>33</sup> filed comments on WGL's Filings. DCG,<sup>34</sup> and OPC,<sup>35</sup> filed reply comments on WGL's Filings and WGL<sup>36</sup> filed reply to the parties' comments on October 3, 2022.

<sup>24</sup> *Formal Case No. 1167*, Sierra Club's Comments Regarding Pepco's Climate Change Proposals, filed June 17, 2022.

<sup>25</sup> *Formal Case No. 1167*, WGL's Comments on Pepco's Electrification Study and Cost-Benefit Analysis, filed June 17, 2022.

<sup>26</sup> Formal Case No. 1167, DCSEU Reply Comments on Pepco's Climate Solutions Plan Filings, filed September 16, 2022.

<sup>27</sup> *Formal Case No. 1167*, EVgo's Reply Comments, filed September 16, 2022.

<sup>28</sup> *Formal Case No. 1167*, District of Columbia Government Consolidated Reply Comments on the Potomac Electric Power Company's Climate Solutions Plan Filings, filed September 16, 2022.

<sup>29</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Reply Comments, filed September 16, 2022.

<sup>30</sup> *Formal Case No. 1167*, Reply Comments of Potomac Electric Power Company, filed September 16, 2022.

<sup>31</sup> *Formal Case No. 1167*, Consolidated Comments of the Apartment and Office Building Association of Metropolitan Washington, filed July 1, 2022.

<sup>32</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Comments on Washington Gas and Light Company's and AltaGas' Combined Filings, filed July 1, 2022.

<sup>33</sup> *Formal Case No. 1167*, Sierra Club's Comments Regarding Washington Gas Light Company's Climate Change Proposals, filed July 1, 2022.

<sup>34</sup> *Formal Case No. 1167*, Consolidated Reply Comments on Washington Gas Light Company's Climate Business Plan Filings, filed October 3, 2022.

<sup>35</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Reply Comments on Washington Gas Light Company's and AltaGas' Combined Filing, filed October 3, 2022.

<sup>36</sup> *Formal Case No. 1167*, Reply Comments of Washington Gas Light Company, filed October 3, 2022.

<sup>&</sup>lt;sup>22</sup> *Formal Case No. 1167*, District of Columbia Government's Consolidated Initial Comments on the Potomac Electric Power Company's Climate Solutions Plan Filings, filed June 17, 2022.

<sup>&</sup>lt;sup>23</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Comments on Pepco's Combined Filings, filed July 17, 2022.

8. Pepco,<sup>37</sup> OPC,<sup>38</sup> Sierra Club,<sup>39</sup> WGL,<sup>40</sup> and DCG filed Electrification Studies.<sup>41</sup> Grid 2.0 filed comments on OPC's, and Sierra Club's Electrification Studies on June 15, 2022.<sup>42</sup> WGL filed comments on Pepco's Electrification Study on June 17, 2022.<sup>43</sup> The Audubon Society,<sup>44</sup> the Chesapeake Climate Action Network,<sup>45</sup> the DC SEU,<sup>46</sup> the DC Environmental Network,<sup>47</sup> Extinction Rebellion DC,<sup>48</sup> the Friends Meeting of Washington,<sup>49</sup> Interfaith Power and

<sup>39</sup> *Formal Case No. 1167*, Sierra Club's Electrification Study for the District of Columbia, filed March 11, 2022.

<sup>40</sup> Formal Case No. 1142, In the Matter of the Merger of AltaGas Ltd. and WGL Holdings, Inc. ("Formal Case No. 1142"), Natural Gas and its Contribution to a Low Carbon Future, Climate Business Plan for Washington, D.C., filed March 16, 2020.

<sup>41</sup> *Formal Case No. 1130*, and *Formal Case No. 1167*, Department of Energy and Environment's Strategic Electrification Roadmap for Buildings and Transportation in the District of Columbia ("DCG Electrification Study"), filed April 5, 2023. *See also, Formal Case No. 1130, Formal Case No. 1154*, and *Formal Case No. 1167*, Strategic Electrification in Washington, D.C.: Neighborhood Case Studies of Transition from Gas to Electric-Based Building Heating Report, filed February 28, 2023.

<sup>42</sup> *Formal Case No. 1167*, GRID2.0 Working Group Comments, filed June 15, 2022.

<sup>43</sup> *Formal Case No. 1167*, Washington Gas Light Company's Comments on Pepco's Electrification Study and Cost-Benefit Analysis, filed July 17, 2022.

<sup>44</sup> *Formal Case No. 1167,* Comment from the Audubon Naturalist Society on the Sierra Club's Electrification Study for the District of Columbia, filed May 6, 2022.

<sup>45</sup> *Formal Case No. 1167*, Comments of the Chesapeake Climate Action Network On the Sierra Club Electrification Study for the District of Columbia, filed May 10, 2022.

<sup>46</sup> *Formal Case No. 1167*, Comments of District of Columbia Sustainable Energy Utility on Sierra Club's Electrification Study for the District of Columbia Submitted March 11, 2022, filed May 10, 2022.

<sup>47</sup> *Formal Case No. 1167*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Chris Weiss, Executive Director, DC Environmental Network, filed May 6, 2022.

<sup>48</sup> *Formal Case No. 1167*, Extension Rebellion DC Comments, filed May 9, 2022.

<sup>49</sup> *Formal Case No. 1167*, Friends Meeting of Washington Committee on Peace & Social Concerns Support for the findings of Sierra Club / Rewiring America's Electrification Study for the District of Columbia, filed May 10, 2022.

Formal Case No. 1167, An Assessment of Electrification Impacts on the Pepco DC System, filed August 27,
2021.

<sup>&</sup>lt;sup>38</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Equity Assessment of Electrification Incentives in the District of Columbia, filed December 3, 2021.

Light,<sup>50</sup> OPC,<sup>51</sup> RMI,<sup>52</sup> WGL,<sup>53</sup> and the Washington Interfaith Network ("WIN")<sup>54</sup> filed comments on Sierra Club's Electrification Study. DCG filed reply comments on Sierra Club's Electrification Study on June 24, 2022.<sup>55</sup> Sierra Club filed reply comments on June 24, 2022.<sup>56</sup> OPC filed comments on the DCG Electrification Study on May 1, 2023.<sup>57</sup>

9. On December 15, 2022, Pepco filed its first application for approval of individual projects, the CSP Phase 1 Application. Chesapeake Solar and Storage Association ("CHESSA") filed comments on March 8, 2023.<sup>58</sup> On August 5, 2024, WGL filed its Proposal containing four (4) projects. OPC filed its Motion regarding WGL's Proposal on August 19, 2024. On August 29, 2024, Sierra Club<sup>59</sup> and WGL<sup>60</sup> filed responses to OPC's Motion. Grid 2.0 filed a request to file a Response<sup>61</sup> and a Response<sup>62</sup> on September 3, 2024. WGL filed a Motion for Leave to

<sup>55</sup> *Formal Case No. 1167*, District of Columbia Government's Reply Comments on Sierra Club's Electrification Study for the District of Columbia, filed June 24, 2022.

Formal Case No. 1167, Sierra Club's Reply to Washington Gas Light Company's Comments, filed June 24,
2022.

<sup>57</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Comments on the District of Columbia Report, Strategic Electrification in Washington, DC, filed May 1, 2023.

<sup>58</sup> *Formal Case No. 1167*, Letter from Chesapeake Solar and Storage Association regarding Pepco's Climate Solution Plan Phase 1 Application ("CHESSA Comments"), filed March 8, 2023.

<sup>59</sup> *Formal Case No. 1167*, Sierra Club's Response to OPC's Motion for Status on Climate Business Plan ("Sierra Club Response to OPC Motion"), filed August 29, 2024.

<sup>60</sup> *Formal Case No. 1167*, Washington Gas Light Company's Response to the Office of the People's Counsel for the District of Columbia's Motion for Status ("WGL Response to OPC Motion"), filed August 29, 2024.

<sup>61</sup> Grid 2.0 Request.

<sup>62</sup> Formal Case No. 1167, Grid 2.0 Response to Formal Case No. 1167 OPC Motion ("Grid 2.0 Response to OPC Motion"), filed September 3, 2024.

<sup>&</sup>lt;sup>50</sup> *Formal Case No. 1167*, Comments of Interfaith Power and Light, filed May 10, 2022.

<sup>&</sup>lt;sup>51</sup> *Formal Case No. 1167*, Office of the People's Counsel for the District of Columbia's Comments on Sierra Club's Electrification Study for the District of Columbia, filed May 10, 2022.

<sup>&</sup>lt;sup>52</sup> *Formal Case No. 1167*, Comments of RMI, filed May 10, 2022.

<sup>&</sup>lt;sup>53</sup> *Formal Case No. 1167*, Washington Gas Light Company's Comments on Sierra Club's Electrification Study, filed May 10, 2022.

<sup>&</sup>lt;sup>54</sup> Several WIN members filed comments on Sierra Club's Electrification Study. *See, Formal Case No. 1167*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Sidra Siddiqui, Washington Interfaith Network, filed May 10, 2022; Letter to Brinda Westbrook-Sedgwick, Commission Secretary from Teresa Hobgood, Washington Interfaith Network.

Respond and a Response to Sierra Club and Grid 2.0's Responses on September 6, 2024.<sup>63</sup> Several community members also filed letters regarding WGL's Proposal.<sup>64</sup>

# III. <u>DISCUSSION</u>

# A. Grid 2.0 Request

10. In its Request, Grid 2.0 seeks leave to file its Response to OPC's Motion out of time. Grid 2.0 represents that when it filed its Response, Grid 2.0 was alerted that the Response was filed out of time. Notwithstanding this late filing, Grid 2.0 asks the Commission to consider the Response.<sup>65</sup>

11. Generally, the Commission will grant a request of this nature if good cause is shown.<sup>66</sup> In this case, Grid 2.0's Response is only two business days late. Additionally, accepting the Response will result in a more complete record in this proceeding. The Commission grants

<sup>65</sup> Grid 2.0 Request at 1.

<sup>&</sup>lt;sup>63</sup> *Formal Case No. 1167*, Washington Gas's Motion for leave to Respond to Sierra Club and Grid 2.0 Comments ("WGL Motion and Reply"), filed September 6, 2024.

Formal Case No. 1167, Letter to Commissioners Thompson, Beverly, and Trabue, from Carla Adams, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Louis Fischer, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Mark Jenkins, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Liz McLaughlin, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Leonard Rubin, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Noam Stopak, filed September 12, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Linda Toth, filed September 12, 2024: Letter to Commissioners Thompson, Beverly, and Trabue, from Yasir Ali, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Lucy Arthur-Paratley, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Nancy Baillie, Letter to Commissioners Thompson, Beverly, and Trabue, from Dawn Biehler, filed September 13, 2024; filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Nancy Baillie, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from John Curtis, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Adreien-Alice Hansel, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Jerry Lee, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Richard Miller, filed September 13, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Alexander Obersht, filed September 13, 2024;Letter to Commissioners Thompson, Beverly, and Trabue, from Sankar Sitaraman, filed September 13, 2024;; Letter to Commissioners Thompson, Beverly, and Trabue, from Karl Fellenius, filed September 16, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Joanna Axtmann, filed September 16, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Jamie Bindon, filed September 16, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Emily Fournier, filed September 17, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Margaret Staines, filed September 17, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Shelby Baumer, filed October 1, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from Catherine Ferguson, filed October 1, 2024; Letter to Commissioners Thompson, Beverly, and Trabue, from East Peterson-Trujillo, filed October 1, 2024.

<sup>&</sup>lt;sup>66</sup> See, e.g., Formal Case No. 962, In the Matter of the Implementation of the District of Columbia Telecommunications Competition Act of 1996 and Implementation of the Telecommunications Act of 1996, Order No. 12428, ¶ 13, rel. July 2, 2002. See also, Gas Tariff 01-1, In the Matter of the Application of Washington Gas Light Company, District of Columbia Division, For Authority to Amend its General Service Provisions, Order No. 15293, rel. June 4, 2009.

Grid 2.0's request to file its Response to OPC Motion late and accepts into record Grid 2.0's Response to OPC Motion.

# **B.** WGL Motion for Leave

12. In its Motion for Leave to Respond to Sierra Club and Grid 2.0, WGL asserts that Sierra Club and Grid 2.0 have raised new issues in their Responses; arguing against OPC's request to establish a procedural schedule to determine the prudence of WGL's submitted Proposals.<sup>67</sup> The Commission finds that under these circumstances good cause exists to grant WGL's Motion for Leave to Respond to Sierra Club and Grid 2.0. The Commission finds that no interested person is prejudiced or harmed by the WGL Motion for Leave to Respond to Sierra Club and Grid 2.0 and so grants WGL Motion for Leave to Respond to Sierra Club and Grid 2.0 and accepts WGL's Response to Sierra Club and Grid 2.0 into the record.<sup>68</sup>

# C. Revision of Pepco and WGL Climate Plans

13. The CSP and CBP were designed to provide the Commission and stakeholders with Pepco and WGL's visions of how to mitigate climate change and its effects. The Commission notes that Pepco organizes its CSP programs under four (4) main Portfolios containing a total of 10 Initiatives with 62 individual Programs. Of these 62 programs, Pepco states that 34 are already in-flight, 12 are expansions of programs already in-flight, and 16 are new to the District but have precedent in other jurisdictions around the country. The CSP Phase 1 Application contains proposals for 11 projects identified in Pepco's earlier filings.

14. In its CBP, WGL discussed eight (8) initiatives to comply with the District's climate goals, organized under three (3) Program Areas: End-Use, Transmission and Distribution, and Sourcing and Supply. In the subsequently filed 5-year Plan, WGL identifies 14 projects organized under four (4) Program Areas: End Use & Efficiency, Infrastructure & Operations, Sourcing & Supply, and Transportation. WGL's 30-year Climate Change Action Roadmap Part 2 takes a longer view of the role of potential alternative gaseous fuels in the future, such as biogas and "green" hydrogen, while the 5-year Plan contains more detail on a portfolio of programs for GHG mitigation.

15. The Commission notes that the CBP and the CSP were designed to comply with then-existing District climate policies and goals. However, since the filing of the CSP and CBP and the related comments and electrification studies, the District has adopted legislation that significantly affects the District's climate goals. Additionally, new federal legislation was adopted seeking to promote climate initiatives. Of particular relevance to this proceeding are:

• The Climate Commitment Act of 2022 which expedites the District's carbon

<sup>&</sup>lt;sup>67</sup> WGL Motion for Leave to Respond to Sierra Club and Grid 2.0 at 3.

<sup>&</sup>lt;sup>68</sup> 15 DCMR § 105.10 (1981).

neutrality goal year to 2045 from 2050.69

- The Clean Energy DC Building Code Amendment Act of 2022,<sup>70</sup> which establishes standards for new buildings and major renovations to be built to net zero standards starting after 2026; prohibits fossil fuels in new construction except as backup generation sources in buildings that are essential to public health and safety; sets a minimum percentage of total building energy consumption is to be met by on-site renewable generation as required by Appendix Z to the District of Columbia's Energy Conservation Code.
- The Local Solar Expansion Amendment Act of 2022, which increases the renewable portfolio standard ("RPS") from 10% to 15% by 2041 for solar projects eligible for the Solar Renewable Energy Certificate ("SREC") carve-out component of the District's RPS program.<sup>71</sup>
- **Public Law No. 117-58, the Infrastructure Investment and Jobs Act ("IIJA")**,<sup>72</sup> which provides significant local funding for District energy projects. Thus far, about \$39 million of energy funding has already been identified. Energy project funding is part of a larger infrastructure funding effort, currently involving \$1.2 billion in federal funding to cover all or portions of 11 specific District projects.
- Public Law No. 117–169, the Inflation Reduction Act of 2022 ("IRA"),<sup>73</sup> which offers many climate- and clean-energy-related tax incentives, with specific impacts and program funding to be determined.
- Healthy Homes and Residential Electrification Act of 2024 ("Healthy Homes Act")<sup>74</sup> requiring DOEE to provide <u>no-cost residential electrification retrofits to low-income households.</u>

These new laws impact the visions and proposals contained in the CSP and the CBP.

16. Additionally, the Commission's actions in other dockets directly affect initiatives outlined in the CSP and CBP. For example, in Order No. 21542, the Commission directed WGL

- <sup>70</sup> D. C. Code § 6–1453.01D.C. Law 4-177, effective September 21, 2022.
- <sup>71</sup> D.C. Code § 34-1432(c).
- <sup>72</sup> Public Law No. 117-58 (November 15, 2021).
- <sup>73</sup> Public Law No. 117-169 (August 16, 2022).
- <sup>74</sup> Law No. 25-0189 (June 19, 2024).

<sup>&</sup>lt;sup>69</sup> D. C. Code § 8–151.09(d).

and Pepco to file monthly reports regarding funding opportunities under the IIJA and IRA.<sup>75</sup> Further, on April 3, 2024, the Commission issued an RFP to hire a consultant to develop a BCA to be used in evaluating projects under the CSP and CBP.<sup>76</sup> Furthermore, in *Formal Case No. 1160*, WGL and Pepco have filed long-term Energy Efficiency and Demand Response potential studies<sup>77</sup> that impact the CSP and CBP. More recently, the Commission provided additional guidance regarding electric vehicle make-ready infrastructure in Order No. 21901.<sup>78</sup> In Order No. 21921 in *Formal Case No. 874*, the Commission instructed WGL and parties to provide input on minimum reporting criteria through the Gas Procurement Working Group. A report on this directive was filed on June 13, 2024.<sup>79</sup> Through Order No. 22003, the Commission opened *Formal Case No. 1179* and directed WGL to file a restructured PROJECT*pipes* Plan, including information on how WGL's programs will account for ongoing electrification efforts and projections on the impacts of the new program on Greenhouse Gas ("GHG") emissions. The Commission also extended the deadlines for filing comments on "A Value of Distributed Energy Resources ("VDER") Study"<sup>80</sup> submitted by Synapse Energy Economics, Inc. in *Formal Case No. 1130*.<sup>81</sup>

17. An additional development impacting the CSP and CBP is the COVID-19 pandemic as well as the pandemic's aftermath, which resulted in some employees working remotely to a greater extent than before the pandemic, thereby altering work and transportation routines. This shift in work patterns has resulted in a change in energy usage patterns in the District.

18. Further, the Commission notes that other state commissions are pursuing initiatives

<sup>78</sup> Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability, and Formal Case No. 1155, In the Matter of the Application of the Potomac Electric Power Company for Approval of its Transportation Electrification Program, Order No. 21901, rel. September 14, 2023.

<sup>79</sup> Formal Case No. 87, In the Matter of the Gas Acquisition Strategies of the District of Columbia Natural Gas, a Division of the Washington Gas Light Company ("Formal Case No. 874") and Formal Case No. 1167, The Gas Procurement Working Group Report on the Minimum Criteria, filed June 14, 2024.

<sup>80</sup> Formal Case No. 1130, In the Matter of the Investigation Into Modernizing the Energy Delivery System for Increased Sustainability ("Formal Case No. 1130"), Value of Distributed Energy Resources Study of Synapse Energy Economics, filed October 25, 2023.

<sup>81</sup> *Formal Case No. 1130*, Amended Public Notice, rel. November 16, 2023. Comments are due May 15, 2024, and replies on July 1, 2024.

<sup>&</sup>lt;sup>75</sup> Formal Case No. 1172, In the Matter of the Consideration of Federal Funding under the Infrastructure Investment and Jobs Act, Order No. 21176, rel. July 8, 2022.

<sup>&</sup>lt;sup>76</sup> GD2019-04-M, In the Matter of the Implementation of the 2019 Clean Energy DC Omnibus Act Compliance Requirements ("GD2019-04-M"), Order No. 21938, rel. December 8, 2023.

<sup>&</sup>lt;sup>77</sup> Formal Case No. 1160, In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201(b) of the Clean Energy DC Omnibus Amendment Act of 2018 ("Formal Case No. 1160"), 2022 Washington Gas Light Company EEDR Potential Study – Final Report, filed October 31, 2022; Pepco Energy Efficiency and Demand Response Potential Study, filed May 17, 2023.

to ensure that their utilities are addressing climate change in their operations.<sup>82</sup> These new initiatives can provide guidance to Pepco, WGL, the Commission, and other stakeholders in this proceeding.

19. Due to these developments, current industry best practices, evolving technologies, policies, and customer adoption, the Commission now directs the submission of 15-Year Plans instead of 30-Year Plans and determines that Pepco and WGL should revisit their earlier filings and file a revised CSP, a revised CBP, and new 15-Year Plans within 150 days of the date of this Order and reflect changes in District and federal law and other climate-related developments cited above. Thereafter, an informational report that updates the status of the 15-Year Plans shall be provided every three years beginning February 15, 2028, and explain any revisions. Further, the 15-Year Plan should place special emphasis on providing a renewed vision for how Pepco and WGL will achieve the District's carbon neutrality climate goals of 2045. The 15-Year Plans should be divided into three 5-year horizons, each with a well-defined roadmap, action plan, and a set of milestones. The 15-Year Plans should also ensure that they effectively serve the public interest by advancing the District's climate policy commitments while ensuring safe, reliable, and reasonable rates for District consumers. Pepco and WGL will not need to submit their own BCAs as part of their Plans, as the BCA used to evaluate program applications containing individual projects being developed in GM2019-04-M.

20. To that end, the Commission directs Pepco and WGL to file a revised CSP, a revised CBP, and new 15-Year Plans that incorporate the following:

- quantitative analysis and qualitative explanations of how the Climate Commitment Act of 2022, the Clean Energy DC Building Code Amendment Act of 2022, the Local Solar Expansion Amendment Act of 2022, IIJA, IRA, Healthy Homes Act, and other recent District and federal legislation impact any proposals in the CSP and CBP and electrification studies;
- discussion of any updates in heat pump technologies included in the revised CSP and CBP, including analysis of the economics and benefits of dual fuel systems in the District as applicable;
- quantitative comparison of energy efficiency analysis from the long-term EEDR potential studies filed in *Formal Case No. 1160* and energy efficiency projections included in the updated CSP and CBP;
- explanations of how other climate-related projects included in other Commission dockets impact the proposals in the updated CSP and CBP;
- analysis on the customer bill impacts of electrification proposals included in the revised CSP and CBP, with a focus on energy justice and equity considerations related to lowand moderate-income ("LMI") customers and customer costs, including those related

<sup>&</sup>lt;sup>82</sup> For example, the New York and Virginia commissions have directed the filing of 15-Year climate plans. *See* National Grid, 2023 New York 15-Year Electric Transmission and Distribution Planning Report and Dominion Energy, 2023 Virginia 15-Year Integrated Resource Plan.

to necessary equipment investments and upgrades necessary to support full electrification; quantitative analysis that compares total bill impacts, in addition to fuel choice, for LIHEAP, the District's other low-income energy assistance (e.g., Residential Aid Discount ("RAD") and Residential Essential Service ("RES") and energy efficiency programs (e.g., Weatherization Assistance Program ("WAP") and Housing Choice Voucher Program ("HCVP");

- analysis of changes to consumption in the residential and commercial markets;
- expected GHG emissions reductions as a result of the revised CSP or revised CBP, and the new 15-Year Plans, including detailed explanation of the proposed methodologies for calculating reductions and evaluating progress toward the District's climate goals. This should include a discussion on how future reporting and analysis will cover "Scope 1, 2, and 3 emissions," and the impact of potential GHG reductions on each type of emission for any programs the Company proposes.

21. The revised CSP, revised CBP, and new 15-Year Plans shall include all cost models and work papers supporting them. Work papers in Excel format shall be filed with formulas intact.

22. As part of, and based on its 15-Year Plan, Pepco should also file an updated, detailed electrification study within 150 days of this Order. The updated electrification study should have sufficient detail, granularity, and explanation of capital expenditures needed to bolster the electric grid for full electrification. Pepco's updated electrification study must granular energy efficiency and load flexibility impacts that indicate energy and load reductions, as a result of the revised CSP or revised CBP, and the new 15-Year Plans. The 15-Year Plan and electrification study must also provide detailed analyses regarding load-shifting projections, any capital investments, and behind-the-meter equipment investments (including end-use equipment, wiring, panel upgrades, etc.) necessary to support a winter peaking system.

23. The Commission acknowledges that Pepco has already filed its CSP Phase 1 Application in this proceeding, containing 11 individual projects for review by the Commission. Revision of Pepco's CSP will necessarily impact the CSP Phase 1 Application and WGL filed its Proposal, with four individual projects. The electric vehicle make-ready infrastructure findings in Order No. 21901 also directly impact many of the individual projects proposed in the CSP Phase 1 Application, while revision of the CBP will necessarily affect the individual projects in WGL's Proposal. Thus, the Commission dismisses Pepco's CSP Phase 1 Application and WGL may file an updated Proposal containing individual projects for review after approval from the Commission of the BCA model established through *GD2019-04-M*.<sup>83</sup> A BCA analysis using the BCA developed in *GD2019-04-M* will be required as part of the revised CSP Phase 1 application and the WGL Proposal submitted after the Commission's adoption of the BCA model.

<sup>&</sup>lt;sup>83</sup> Once the BCA model is adopted, the Commission may direct Pepco and WGL to file 5-Year Plans and program applications that identify individual projects that will be included in their Applications.

24. The Commission also notes that both Pepco and WGL filed energy efficiency programs in *Formal Case No. 1160*, a proceeding established to implement D.C. Code § 8-1774.07 (g)(6).<sup>84</sup> The Commission is developing its BCA model in *GD2019-04-M*. Therefore, the approval of Pepco and WGL energy efficiency and demand reduction programs in *Formal Case No. 1160* will not be addressed until the completion of the BCA established in *GD 2019-04-M*. Additionally, Pepco and WGL are reminded that pursuant to D.C. Code § 8-1774.07(g)(4), any energy efficiency and demand reduction programs need to be reviewed by DOEE and the DCSEU before they are filed as part of the revised CSP and CPB. Other programs do not need to be reviewed by DOEE and DCSEU.

25. As noted above, several parties, in addition to Pepco and WGL, filed electrification studies. The same factors that require new CSP, CPB, and 15-Year Plans could also affect the modeling and conclusions of these electrification studies. Therefore, the Commission invites parties that filed electrification studies to file updated versions of those studies, including quantitative analysis and qualitative explanations of any changes to the models and their conclusions. Parties seeking to update their electrification studies shall indicate when they will file these updated studies within 30 days of the date of this Order.

26. The Commission also acknowledges that there have been advances in heat pump technologies since the filing of the CSP and CBP. To the extent that other parties and stakeholders have information and insight into new heat pump technologies, the Commission invites other parties and stakeholders to file that information with the Commission. Should any stakeholder or party wish to file information on heat pump technologies, they shall indicate when they will file this information within 30 days of the date of this Order.

# **D. OPC Motion**

27. In its Motion, OPC requests the Commission establish a procedural schedule and framework for reviewing WGL's Proposal. OPC contends that the procedural schedule should facilitate "comprehensive stakeholder participation" in evaluating the Proposal.<sup>85</sup> OPC also argues that the policy framework should include a "robust evaluation process," providing transparency and efficiency.<sup>86</sup> OPC requests comments on the Proposal to be due within 60 days of an order and for determinations to be made by March 1, 2025.<sup>87</sup>

28. In its Response to OPC's Motion, WGL agrees with OPC, and proffered a

<sup>87</sup> OPC Motion at 1, 4.

<sup>&</sup>lt;sup>84</sup> Formal Case No. 1160, In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201 (b) of the Clean Energy DC Omnibus Amendment Act of 2018 ("Formal Case No. 1160"), Potomac Electric Power Company's Application to Approve Three-Year Energy Efficiency and Demand Response Program ("Application"), filed August 2, 2021; Formal Case No. 1160, Potomac Electric Power Company's Corrected Application to Approve Three-Year Energy Efficiency and Demand Response Program ("Corrected Application"), filed August 17, 2021; Formal Case No. 1160, Washington Gas Light Company DC Energy Efficiency Program Application, filed April 28, 2023.

<sup>&</sup>lt;sup>85</sup> OPC Motion at 3.

<sup>&</sup>lt;sup>86</sup> OPC Motion at 2.

procedural schedule for evaluating the Proposal. WGL indicates that it contacted the parties in this proceeding, and GSA indicated that they do not object to this proposed procedural schedule.<sup>88</sup>

29. Sierra Club objects to the establishment of a procedural schedule to review WGL's Proposal, arguing that the Proposal cannot be evaluated until the adoption of a BCA in *GD2019-04-M*.<sup>89</sup>

30. Grid 2.0 also objects to OPC's Motion. Grid 2.0 argues that before a procedural schedule to evaluate individual programs can be established, the Commission must first determine the "right direction" that should be followed in this proceeding.<sup>90</sup>

31. In its Response to Sierra Club and Grid 2.0, WGL first agrees with OPC's request and believes it appropriate that the Commission set the Proposal for disposition while also agreeing with Sierra Club's request to finalize the analytical tool in the *GD-2019-04-M* proceeding.<sup>91</sup> WGL agrees with Grid 2.0 and Sierra Club as far as the Commission should have deadlines by which it acts on *GD-2019-04-M* and establish a rulemaking proceeding for a policy framework to expedite consideration of *Formal Case No. 1167* matters going forward, namely, the Company's Proposal.<sup>92</sup>

32. The Commission agrees with OPC that evaluation of the WGL Proposal should be conducted in a manner that ensures active participation by stakeholders, transparency, and efficiency. However, since the Commission is dismissing the WGL Proposal without prejudice, there is not a need at this time to develop a procedural schedule for evaluation of the WGL Proposal. We further note that any proposal made by any party must be in accordance with current District law. Thus, the Commission denies OPC's Motion and the proposed procedural schedule in WGL's Response to OPC's Motion.

# THEREFORE, IT IS ORDERED THAT:

33. The Potomac Electric Power Company is **DIRECTED** to file a revised Climate Solutions Plan and new 15-Year Plan that take into consideration the relevant recent changes in District and federal laws and other relevant developments within 150 days of the date of this Order;

34. Washington Gas Light Company is **DIRECTED** to file a revised Climate Business Plan and new 15-Year Plan that take into consideration the relevant recent changes in District and federal laws and other relevant developments within 150 days of the date of this Order;

<sup>&</sup>lt;sup>88</sup> WGL Response to OPC Motion at 1-2.

<sup>&</sup>lt;sup>89</sup> Sierra Club Response to OPC Motion at 1.

<sup>&</sup>lt;sup>90</sup> Grid 2.0 Response to OPC Motion at 1.

<sup>&</sup>lt;sup>91</sup> WGL Response to Sierra Club and Grid 2.0 at 4.

<sup>&</sup>lt;sup>92</sup> WGL Response to Sierra Club and Grid 2.0 at 4-5.

35. The Potomac Electric Power Company and Washington Gas Light Company are **DIRECTED** to provide an informational report that updates the status of the 15-Year Plan once every three years starting February 15, starting February 15, 2028;

36. Comments on the revised Climate Solutions Plan, Climate Business Plan, and 15-Year Plan are due within 60 days of the date of their filing;

37. Reply comments on the revised Climate Solutions Plan, Climate Business Plan, and 15-Year Plan are due within 90 days of the date of their filing;

38. As part of its 15-year Plan, the Potomac Electric Power Company is **DIRECTED** to file an updated electrification study with sufficient granularity on capital expenditures needed to bolster the electric grid for full electrification within 150 days of this Order.

39. Parties other than the Potomac Electric Power Company or Washington Gas Light Company that have filed electrification studies are invited but not required to indicate when they will be able to file updated versions of those studies within 30 days of the date of this Order;

40. Parties other than the Potomac Electric Power Company or Washington Gas Light Company that seek to file information on updated heat pump technologies are invited but not required to indicate when they will be able to file this information within 30 days of the date of this Order;

41. The Potomac Electric Power Company's CSP Phase 1 Application is **DISMISSED** without prejudice; and

42. Potomac Electric Power Company **MAY** file an updated CSP Phase 1 Application within the Commission approves of a Benefit-Cost Analysis model in *GD2019-04-M*;

43. Washington Gas Light Company's Proposal to Implement the District of Columbia's Climate Goals is **DISMISSED** without prejudice;

44. Washington Gas Light Company **MAY** file an updated Proposal to Implement the District of Columbia's Climate Goals after the Commission approves a Benefit-Cost Analysis model in *GD2019-04-M*;

45. The Grid 2.0's September 3 Request to file a Response to OPC's Formal Case No. 1167 Motion is **GRANTED**;

46. The Grid 2.0's September 3 Response to OPC's Formal Case No. 1167 Motion is **ACCEPTED** as filed;

47. Washington Gas Light Company's Motion for Leave to Respond to Sierra Club and Grid2.0's Responses to OPC's Motion for Status on Climate Business Plan is **GRANTED**;

48. Washington Gas Light Company's Response is ACCEPTED as filed; and

49. The Office of the People's Counsel for the District of Columbia's Motion for Status on Climate Business Plan is **DENIED**.

A TRUE COPY:

**BY DIRECTION OF THE COMMISSION:** 

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**CHIEF CLERK:** 

**BRINDA WESTBROOK-SEDGWICK** COMMISSION SECRETARY

## PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA 1325 G STREET, N.W., SUITE 800 WASHINGTON, D.C. 20005

October 10, 2024

# FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF ELECTRIC AND NATURAL GAS CLIMATE CHANGE PROPOSALS,

## DISSENT OF COMMISSIONER BEVERLY TO ORDER NO. 22313

1. I agree with the Grid2.0 Working Group<sup>1</sup> that this proceeding requires a comprehensive, overarching strategy to comply with the District's aggressive climate mandates. Modernizing the energy system in the District to comport with the realities of climate change requires us to change the way we regulate the utilities in multiple ways, including: 1) planning for a high integration of distributed energy resources ("DER") and enabling DER to act as grid resources; 2) amending forecasting to require modeling of multiple scenarios, accounting for the District's highly efficient building codes, DER uptake, the Building Energy Performance Standard ("BEPS"), and electrification; 3) regulating the bi-directional flow of both energy and data, including the collection of real-time system performance data; 4) quantifying the value DER can provide to the energy system and the development of relevant tariff schedules; 5) adopting a plan for installation of necessary smart infrastructure (i.e. sensors, controls); and 6) adopting performance-based ratemaking principles.

2. As such, we should undertake integrated planning exercises for both the electric and gas utilities, in alignment with the BCA framework under *GD-2019-04-M*, once finalized, and the GHG targets set by the Climate Commitment Act of 2022 and adopted by Order No. 21938.<sup>2</sup> In Order No. 20754, the Commission determined: "[T]he Clean Energy DC Plan is the District Government's roadmap for achieving the District's climate goals. To the extent that the Clean Energy DC does not conflict with the Commission's statutory mandates, the Commission can be guided by Clean Energy DC in its review of utility proposals."<sup>3</sup> In addition to the District's Clean Energy DC Plan, we should also ensure alignment with the District's other plans and studies (while

<sup>&</sup>lt;sup>1</sup> See Formal Case No. 1050, In the Matter of the Investigation of the Implementation of Interconnection Standards in the District of Columbia; Formal Case No. 1156, In the Matter of the Application of the Potomac Electric Power Company Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia; GD-2019-04-M, and Formal Case No. 1167, Letter of Center for Biological Diversity, Chesapeake Climate Action Network, Chesapeake Solar and Storage Association, DC Climate Action, DC Environmental Network, and Grid 2.0 Working Group. February 28, 2023.

 $<sup>^2</sup>$  GD-2019-04-M, See Order No. 21938 at ¶ 30: "Since the filing of the BCA Report, the D.C. Council has established interim targets for the District of Columbia. The Climate Commitment Act of 2021 adopted several interim targets on the path to carbon neutrality by 2045 based on reductions from 2006 as the baseline year: 45% reduction by 2025, 60% reduction by 2030, 70% reduction by 2035, and 85% reduction by 2040. The Commission adopts those targets for Pepco and WGL and will issue an order prescribing next steps on reporting requirements for both Pepco and WGL related to these targets."

avoiding duplication), including: Climate Ready DC, Sustainable DC, DOEE's Department of Energy-funded Strategic Electrification Roadmap, and the forthcoming hosting capacity analysis.

3. Adopting integrated planning would ensure that GHG reductions are wrapped into the overall planning processes for both utilities, rather than siloed into separate proceedings. The Commission has not yet put out its Order prescribing next steps for GHG reporting requirements for both utilities. However, my office has reviewed the city's GHG inventory and accounting (which is maintained by DOEE) and has determined the 5-year reduction targets for both Pepco and WGL.<sup>4</sup> For Pepco, according to the District's inventory, the baseline of GHG emissions from the electricity sector was 6,350,216 metric tons ("MT") of carbon dioxide equivalent ("CO2e") in 2006. Therefore, to keep up with the legislated GHG reduction mandates, Pepco will need to reduce its footprint to 3,492,619 MT CO2e by 2025; 2,540,086 MT CO2e by 2030; 1,905,065 MT CO<sub>2</sub>e by 2035; 952,532 MT CO<sub>2</sub>e by 2040; and carbon neutrality by 2045. For WGL, according to the District's inventory, the baseline of GHG emissions from the gas sector was 1,764,562 MT CO<sub>2</sub>e in 2006. WGL will need to reduce its footprint to 970,509 MT CO<sub>2</sub>e by 2025; 705,825 MT CO<sub>2</sub>e by 2030; 529,369 MT CO<sub>2</sub>e by 2035; 264,684 MT CO<sub>2</sub>e by 2040; and carbon neutrality by 2045.<sup>5</sup> If any interested party or person believes that these calculations are incorrect, then I invite them to submit to me calculations of their own.

4. Since we have not yet finalized our BCA framework, nor put out the Order prescribing GHG reporting requirements for both Pepco and WGL, I believe it is premature at this juncture to proceed with additional plans to be filed in this case. While I do agree with the majority that the CBP and CSP should be dismissed without prejudice, I believe that does not go far enough to ensure that this case is comprehensive, nor does it achieve the required integrated planning that we urgently need to comply with the District's decarbonization mandates and policies. Therefore, I respectfully dissent from the majority's Order.<sup>6</sup>

<sup>&</sup>lt;sup>4</sup> This is with the understanding that DOEE is in the process of updating its methodology for the City's inventory, therefore these numbers are subject to change once the DOEE updates its methodology and calculations for 2022.

<sup>&</sup>lt;sup>5</sup> *See* <u>https://doee.dc.gov/service/greenhouse-gas-inventories</u>

<sup>&</sup>lt;sup>6</sup> I note that on August 5, 2024, WGL requested that we redirect \$2 million from the Sustainable Energy Trust Fund (SETF) so the company can study "thermal energy-related projects to reduce GHG emissions in the District." However, WGL has not cited, nor am I aware of, any statutory authority that gives the Commission the power to redirect funds from the SETF. This request, as filed, should be denied to prevent any confusion over the extent of the Commission's authority.

#### **COMMISSION ACTION**

# FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF ELECTRIC AND NATURAL GAS CLIMATE CHANGE PROPOSALS,

| Date <u>10/10/24</u> Formal Case No. <u>1</u> | 167 Tariff No                 | Order No. <u>22313</u>    |                           |
|---|-------------------------------|---------------------------|---------------------------|
|   | Approved<br>by Roll Call Vote | Dissent<br>Initial & Date | Abstain<br>Initial & Date |
| Chairman Emile Thompson                       | ET/CL 10/10/24                |                           |                           |
| Commissioner Richard A. Beverly               |                               | RB/CL 10/10/24            |                           |
| Commissioner Ted Trabue                       | TT/CL 10/10/24                |                           |                           |
| Certification of Action                       |                               | C. Lipscom                | ba                        |

**General/Deputy General Counsel** 

Lara Walt \_\_\_\_\_ OGC Counsel/Staff