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

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

**December 10, 2024** 

#### FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF ELECTRIC AND NATURAL GAS CLIMATE CHANGE PROPOSALS, Order No. 22339

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

By this Order, the Public Service Commission of the District of Columbia 1. ("Commission") grants in part and denies in part the Office of the People's Counsel for the District of Columbia's ("OPC") Motion for Reconsideration of Public Service Commission Order No. 22313 ("OPC Application"),<sup>1</sup> the District of Columbia Government's ("DCG") Application for Reconsideration of Order No. 22313 ("DCG Application"),<sup>2</sup> and Washington Gas Light Company's ("WGL") Application for Partial Reconsideration of Order No. 22313 ("WGL Application").<sup>3</sup> The Commission reiterates the directive in Order No. 22313 for WGL and Potomac Electric Power Company ("Pepco") to file 15-year Plans but sets new deadlines for their filing within 180 days of the date of this Order. As part of its 15-Year Plan, Pepco is further directed to file an updated electrification study. Comments on the 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. The Commission does not require an updated Climate Business Plan ("CBP")<sup>4</sup> and Climate Solutions Plan ("CSP")<sup>5</sup> at this time. Additionally, Initial Comments on a gas planning proceeding shall be filed 60 days from the date of issuance of this Order, with Reply Comments due 60 days after the filing of Initial Comments. The Commission also grants OPC's Motion to Enter into the Record a Report on State Public Service Commission Approaches to Decarbonization and the Future of Gas, attached to OPC's Motion.<sup>6</sup>

<sup>5</sup> *Formal Case No. 1167*, Potomac Electric Power Company's DC Climate Solutions Plan, filed July 20, 2021.

<sup>6</sup> *Formal Case No. 1167*, Motion of the Office of the People's Counsel for the District of Columbia to Enter into the Record a Report on State Public Service Commission Approaches to Decarbonization and the Future of Gas

<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"), the Office of the People's Counsel for the District of Columbia's Motion for Reconsideration of Public Service Commission Order No. 22313, filed November 12, 2024.

<sup>&</sup>lt;sup>2</sup> *Formal Case No. 1167*, District of Columbia Government's Application for Reconsideration of Order No. 22313, filed November 12, 2024.

<sup>&</sup>lt;sup>3</sup> *Formal Case No. 1167*, Washington Gas Light Company's Application for Partial Reconsideration of Order No. 22313, filed November 12, 2024.

<sup>&</sup>lt;sup>4</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.

## II. <u>BACKGROUND</u>

2. 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 directed Pepco and WGL to make several filings regarding their climate change plans, the Climate Solutions Plan and the Climate Business Plan.<sup>8</sup>

3. In Order No. 22313, the Commission directed Pepco and WGL to update their Climate Solutions Plan and Climate Business Plan and make 15-Year Plan filings based on these plans.<sup>9</sup> The Commission also established comment cycles for these filings.

4. OPC, DCG, and WGL filed Applications to reconsider different decisions in Order No. 22313 on November 12, 2024. Grid 2.0 filed a Response to the Applications on November 18, 2024.<sup>10</sup> WGL filed a Response to OPC and DCG's Applications on November 19, 2024.<sup>11</sup> Sierra Club filed a Response to all three Applications on November 19, 2024.<sup>12</sup> OPC filed its Motion on December 2, 2024.

## III. <u>DISCUSSION</u>

## A. **OPC** Application

5. In its Application, OPC seeks the restructuring of *Formal Case No. 1167* to facilitate integrated, coordinated utility planning.<sup>13</sup> Instead of having the utilities develop revised plans independently, OPC asserts that the Commission and stakeholders should develop a unified

<sup>13</sup> OPC Application at 1.

<sup>&</sup>quot;OPC Motion"), filed December 2, 2024. The Commission notes that the time period for responding to this Motion has not yet run, but the Commission grants the Motion, as it is permitted to do. *See* 15 DCMR 105.10.

<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> Order No. 22313, ¶ ¶ 33-35, 38.

<sup>&</sup>lt;sup>10</sup> *Formal Case No. 1167*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Larry Martin, Grid 2.0 Working Group, filed November 18, 2024.

<sup>&</sup>lt;sup>11</sup> *Formal Case No. 1167*, Washington Gas Light Company's Response to the Motions for Reconsideration of Order No. 22313 Submitted by the Office of the People's Counsel and the District of Columbia Government, filed November 19, 2024.

<sup>&</sup>lt;sup>12</sup> *Formal Case No. 1167*, Sierra Club's Responses to Motions for Reconsideration of Order No. 22313, filed November 19, 2024.

set of assumptions and guiding principles that would foster coherent strategic planning,<sup>14</sup> looking to other jurisdictions for guidance. OPC argues that no other jurisdiction appears to rely on the utilities to develop the framework.<sup>15</sup> OPC identifies proceedings in Massachusetts, Maryland, New York, and Illinois as providing models for the Commission to review and emulate.<sup>16</sup>

6. To restructure *Formal Case No. 1167*, OPC recommends that the Commission create a separate docket focused on electric distribution system planning so that the District's electric infrastructure can support clean energy transition.<sup>17</sup> For gas, OPC recommends opening a thermal gas planning docket addressing the transition of gas infrastructure and exploring feasible, climate-aligned strategies. In other dockets, OPC suggests that the Commission identify priority issues for the parties to address based on the utilities' original climate plans and other climate-based initiatives such as the Value of Distributed Energy Resources Study ("Value of DER Study"). <sup>18</sup>

7. Alternatively, OPC requests the Commission to hold Order No. 22313 in abeyance pending the finalization of Clean Energy DC 2.0 if Clean Energy DC 2.0 is completed in the next six months.<sup>19</sup> OPC requests that the Commission seek a status report from DCG, particularly the District Department of Energy and Environment ("DOEE"), on the expected completion deadline for Clean Energy DC 2.0.<sup>20</sup>

8. OPC argues that the scope of *Formal Case No. 1167* is overly broad, which limits stakeholder capacity for meaningful review and issue-specific feedback<sup>21</sup> While Clean Energy 2.0 is being finalized, OPC suggests that the Commission seek stakeholder input on process improvements for *Formal Case No. 1167*.<sup>22</sup>

- <sup>15</sup> OPC Application at 7.
- <sup>16</sup> OPC Application at 8-9.
- <sup>17</sup> OPC Application at 9.
- <sup>18</sup> OPC Application at 10.
- <sup>19</sup> OPC Application at 1-2, 10.
- <sup>20</sup> OPC Application at 4.
- <sup>21</sup> OPC Application at 5.
- <sup>22</sup> OPC Application at 10.

<sup>&</sup>lt;sup>14</sup> OPC Application at 3.

## **B. DCG** Application

9. DCG argues that structural issues with Formal Case No. 1167 impede the Commission and parties' progress towards reaching the District's climate goals.<sup>23</sup> Additionally, DCG contends that establishing *Formal Case No. 1167* as the "climate policy docket" impedes efforts to address climate-related issues in other dockets.<sup>24</sup> Further, DCG maintains that climate proposals from other dockets are deferred to *Formal Case No. 1167* but are not acted upon in this docket.<sup>25</sup>

10. DCG contends that the Commission should open separate dockets for Integrated Distribution System Planning ("IDSP") and thermal gas planning in the District.<sup>26</sup> DCG also asserts that the Commission should identify a few priority program areas in other subject-matter specific dockets, such as the Value of DER Study, the MEDSIS Final Report, and non-pipe alternatives ("NPA") and focus on those program areas while long-term planning proceeds.<sup>27</sup> DCG maintains that the Commission should establish a timeline for finalizing the Benefit-Cost Analysis ("BCA") framework in *GD2019-04-M* and clarify that parties may still file project proposals while the BCA is under development. Should the Commission believe another process is warranted, DCG argues that the Commission should hold the directives in Order No. 22313 in abeyance, solicit stakeholder input, and defer any action on the utilities' climate plans until the Commission has addressed the structural issues in *Formal Case No.* 1167.<sup>28</sup>

# C. WGL Application

11. In its Application, WGL challenges the Commission's decision to require WGL to file a new Climate Business Plan and 15-Year Plan within 150 days of the issuance of Order No. 22313.<sup>29</sup> If the Commission requires WGL to prepare a climate plan that will be evaluated by criteria that it will establish in the future in *GD2019-04-M*, the Commission would be engaging in retroactive rulemaking.<sup>30</sup> WGL contends that the tight schedule for filing the revised Climate Business Plan and 15-Year Plan is unreasonable, arbitrary, and capricious, depriving WGL of its due process rights.<sup>31</sup>

- <sup>25</sup> DCG Application at 15.
- <sup>26</sup> DCG Application at 2, 18.
- <sup>27</sup> DCG Application at 2, 20.
- <sup>28</sup> DCG Application at 3.
- <sup>29</sup> WGL Application at 1.
- <sup>30</sup> WGL Application at 4, 6-9.
- <sup>31</sup> WGL Application at 5-6.

<sup>&</sup>lt;sup>23</sup> DCG Application at 2, 5, 12-14.

<sup>&</sup>lt;sup>24</sup> DCG Application at 14.

12. WGL argues that the Commission should not require any further filings in this docket until it has established the BCA in *GD2019-04-M*. WGL suggests that new plans should not be filed until 180 days after the development of the BCA or December 31, 2025, at a minimum. WGL also contends that the Commission should establish a rulemaking proceeding that provides guidance on the scope, timing, contents, and method of review for future climate plans.<sup>32</sup>

13. Finally, WGL seeks regulatory asset treatment for costs incurred in order to comply with Order No. 22313.<sup>33</sup> Regardless of the time it takes to revise the Climate Business Plan, WGL argues that it will incur costs in its development. WGL argues that these costs are incremental, required to comply with a Commission directive, unrelated to other WGL functions, and not reflected in WGL's cost of service. Thus, WGL argues that these costs should be subject to regulatory asset treatment.<sup>34</sup>

# D. Grid 2.0 Response

14. Grid 2.0 agrees with WGL that Order No. 22313's directive to file new climate plans would be unproductive and unnecessarily costly.<sup>35</sup> Grid 2.0 also agrees with DCG's assertion that *Formal Case No. 1167* does not provide a foundation for a collective understanding regarding how plans should be designed and how they will be objectively evaluated.<sup>36</sup> Grid 2.0 also agrees with OPC's proposal to create an IDSP proceeding to address the recommendations made in *Formal Case No. 1130*.<sup>37</sup> Regarding WGL's argument that a rulemaking proceeding should be established to clarify how the Commission will analyze climate change proposals, Grid 2.0 agrees.<sup>38</sup>

15. While Grid 2.0 agrees that the BCA in *GD2019-04-M* needs to be completed, Grid 2.0 also believes that the District of Columbia Sustainable Energy Utility's ("DC SEU") BCA could be used as an interim formula.<sup>39</sup>

## E. Sierra Club Response

16. Sierra Club argues that the Commission must act now to establish concrete parameters and regulatory mechanisms to facilitate utility compliance through IDSP and thermal

- <sup>32</sup> WGL Application at 9-11.
- <sup>33</sup> WGL Application at 2.
- <sup>34</sup> WGL Application at 13-14.
- <sup>35</sup> Grid 2.0 Response at 3.
- <sup>36</sup> Grid 2.0 Response at 4.
- <sup>37</sup> Grid 2.0 Response at 5, 6.
- <sup>38</sup> Grid 2.0 Response at 5.
- <sup>39</sup> Grid 2.0 Response at 7.

planning for gas. While these processes are being developed, Sierra Club contends that the Commission should also act to implement certain climate priorities as proposed by DCG.<sup>40</sup> Sierra Club also agrees that the Commission should establish a timeline for finalizing the BCA.<sup>41</sup>

17. Sierra Club opposes WGL's proposal to recover development costs for an updated Climate Business Plan through a regulatory asset. Sierra Club submits that WGL has not provided any support for the assertion that costs incurred by complying with the Commission's climate directives would result in probable future recoverable costs. Instead, Sierra Club contends that WGL can seek recovery of any costs in a future base rate case.<sup>42</sup>

## F. WGL Response

18. WGL argues that some of OPC and DCG's arguments do not identify errors of law or fact in Order No. 22313 but raise new arguments regarding *Formal Case No. 1167* and other dockets. For those arguments, WGL contends that the Commission should reject them because they do not comply with the Commission's standard for evaluating applications for reconsideration.<sup>43</sup>

19. WGL contends that all three Applications identify similar problems with *Formal Case No. 1167.*<sup>44</sup> WGL recommends that the Commission establish a rulemaking proceeding to resolve the issues in *GD2019-04-0-M.*<sup>45</sup> WGL agrees with OPC that the Commission should narrow the issues to be resolved in *Formal Case No. 1167.*<sup>46</sup>

20. WGL argues that the Commission should establish an explicit process and timeline to obtain and review stakeholder input on the scope, substance, and procedure of this proceeding and hold Order No. 22313's directives in abeyance until the stakeholder process is complete.<sup>47</sup> WGL proposes the following schedule to solicit and address stakeholder input: Initial Stakeholder Comments due 60 days from the date of issuance of the Order on Reconsideration; Reply Stakeholder Comments due 60 days after the filing of Initial Comments; a Commission order

- <sup>42</sup> Sierra Club Response at 7.
- <sup>43</sup> WGL Response at 3.
- <sup>44</sup> WGL Response at 6-7.
- <sup>45</sup> WGL Response at 7.
- <sup>46</sup> WGL Response at 7-8.
- <sup>47</sup> WGL Response at 3.

<sup>&</sup>lt;sup>40</sup> Sierra Club Response at 1-2.

<sup>&</sup>lt;sup>41</sup> Sierra Club Response at 2.

released no more than 180 days after the filing of Reply Comments; and the deadline for initial steps be at least 120 days after the Order addressing comments.<sup>48</sup>

21. Should the Commission decide to act, then WGL argues that portions of OPC and DCG's Applications should be denied.<sup>49</sup> Specifically, WGL objects to OPC and DCG's request that *Formal Case No. 1167* be aligned with Clean Energy DC 2.0, as that request is an inappropriate and unlawful basis for reconsideration of Order No. 22313. WGL claims several provisions in the Clean Energy DC Draft Policy Roadmap for Public Review conflict with the D.C. Code, prior Commission orders, and WGL's federal charter.<sup>50</sup>

22. WGL opposes DCG's request for the Commission to prioritize certain program areas for resolution, arguing that the BCA must be finalized before any priority programs can be identified and addressed. Otherwise, WGL argues that the uncertainty will continue.<sup>51</sup>

23. While OPC and DCG seek the establishment of shared assumptions, WGL argues that there is a wide range of reasonable views on how to address climate change in the District. WGL contends that the Commission should address how an initial set of assumptions can be established and create a procedural schedule through a rulemaking process that provides certainty and flexibility to reach changed circumstances.<sup>52</sup>

24. While WGL agrees with DCG that the Commission should establish a deadline for finishing *GD2019-04-M*, WGL objects to DCG's proposal that climate projects could be filed for consideration before the BCA is finalized. WGL contends that DCG has identified a major impediment in this proceeding, but a proposal permitting the evaluation of projects with various BCAs, as DCG suggests, would increase inefficiency.<sup>53</sup>

25. WGL supports DCG and OPC's request for a separate energy distribution planning proceeding in the District.<sup>54</sup> However, WGL does not support establishing separate IDSP proceedings for electricity and thermal heat proceedings for gas. WGL argues that electricity and gas can serve some of the same functions for customers, so creating two separate proceedings threatens to increase costs for both utilities, create inefficiencies in the planning process, and increase emissions.<sup>55</sup>

- <sup>48</sup> WGL Response at 8-9.
- <sup>49</sup> WGL Response at 3-4.
- <sup>50</sup> WGL Response at 11-12.
- <sup>51</sup> WGL Response at 13.
- <sup>52</sup> WGL Response at 14.
- <sup>53</sup> WGL Response at 16.
- <sup>54</sup> WGL Response at 9-10.
- <sup>55</sup> WGL Response at 17.

## IV. <u>DECISION</u>

26. The Commission has both inherent and statutory authority to reconsider and revise any interlocutory order prior to making a final decision.<sup>56</sup> OPC and DCG, supported by Sierra Club and Grid 2.0, seek the Commission's use of an IDSP framework for electricity and a thermal planning framework for natural gas, arguing that developing these frameworks would permit more efficiency in future network planning. The Commission has recognized the need for IDSP and opened a new proceeding in *Formal Case No. 1182* with the release of a Notice of Inquiry.<sup>57</sup> The Commission acknowledges that many other jurisdictions have established gas planning dockets, including thermal gas proceedings.<sup>58</sup> Accordingly, the Commission seeks input from stakeholders regarding the feasibility of establishing such a gas planning proceeding in the District and directs interested stakeholders to file initial comments due 60 of the date of this Order and reply comments dues 60 days after the filing of the initial comments.

All stakeholders filing Applications or responding to them argue that the 27. Commission should establish a timeline for finalizing the BCA since, in Order No. 22313, the Commission determined that the BCA is necessary to evaluate climate projects proposed by the utilities and other stakeholders.<sup>59</sup> In a previous Order, the Commission set out a process, but it is important to provide all parties with an update on the status of the BCA. In Order No. 21938, the Commission unanimously specified that Part A would establish the Commission's standardized SCT and TRC framework within six months of executing the contract with the consultant and that this model would be refined in Phase 2, Part B within 12 months of the same contract execution.<sup>60</sup> The Commission also stated that it would issue an RFP to select a consultant for this work. Following a competitive bidding process, consultants were retained to complete Phase 2, Part A, and Part B of the BCA as required by the Order. In accordance with paragraph 82 of the Order, the Commission intends to release a draft of Part A of the BCA for public comment in January 2025.61 Those comments will be considered in Phase 2, Part B, along with a focus on addressing additional, more difficult to quantify portions of the test. Upon completion of Phase 2, Part B, the Commission will release a copy of the recommended model refinements for public comment. Based on the timelines prescribed in the Order, it is expected that completion of the BCA, including Part A and Part B, will occur in the Fall of 2025.

<sup>&</sup>lt;sup>56</sup> The Commission has previously noted that it has the authority to modify its orders at any time. *See Formal Case No. 1156, In the Matter of the Application of Potomac Electric Power Company for Authority to Implement a Multiyear Rate Plan for Electric Distribution Service in the District of Columbia*, Order No. 20676, ¶ 5, rel. December 16, 2020, citing D.C. Code § 34-602.

<sup>&</sup>lt;sup>57</sup> Formal Case No. 1182, In the Matter of The Investigation into the Implementation of Integrated Distribution System Planning for Electric Utilities, Notice of Inquiry, rel. November 27, 2024

<sup>&</sup>lt;sup>58</sup> See e.g., D.P.U. 20-80-B, Order on Regulatory Principles and Framework, rel. December 26, 2023.

<sup>&</sup>lt;sup>59</sup> Order No. 22313, ¶ 23. The Commission notes that no party has requested the Commission to revise this determination.

<sup>&</sup>lt;sup>60</sup> General Docket No. 2019-04-M, In the Matter of the Implementation of the 2019 Clean Energy DC Omnibus Act Compliance Requirements, Order No. 21938, ¶ 82, rel. December 8, 2023 (Order No. 21938).

28. In the meantime, the Commission believes that requiring utilities to submit 15-year Plans within 180 days of the date of this Order would provide valuable insights into how new federal and District legislation impacts the utilities and how utilities plan to comply with these new climate requirements. Postponing the requirement for utilities to submit 15-year Plans until the completion of the standardized BCA framework could hinder essential initiatives that enhance community resilience and address pressing environmental challenges in the District. While the BCA is a valuable tool for evaluating specific programs, it focuses on individual projects and does not encompass the broader objectives necessary for a comprehensive climate strategy. This understanding is crucial for ensuring that the strategies outlined in the plans remain relevant and effective in light of evolving regulations. Once the BCA is adopted, the Commission will require an updated CSP, CBP, and 5-Year Plans focused on specific initiatives. While the BCA will evaluate these programs, it cannot replace the broader objectives addressed by the 15-Year Plan, which are essential for securing a sustainable future for the District. This proactive measure ensures that utilities contribute to a holistic vision for sustainability rather than being limited by the ongoing BCA process. The Commission also directs utilities to adopt a forward-thinking and proactive approach in addressing the challenges and opportunities presented by climate issues in the District. Such an approach is neither novel nor unusual, as similar initiatives have been effectively implemented in jurisdictions like Massachusetts, Washington State, and New York.

29. OPC also requests that the Commission delay requiring new climate plans until DOEE has completed Clean Energy DC 2.0. Clean Energy DC 2.0 is anticipated to be completed in 2025, as noted in the response to the Commission's Data Request.<sup>62</sup> The Commission notes that this new plan will likely include utility action proposals, which should be incorporated into any revised climate plans. However, waiting for the completion of Clean Energy DC 2.0 may delay the filing of the 15-Year Plans.

30. WGL objects to the request to use a different BCA to evaluate projects before the Commission's BCA is finalized, arguing that using a different BCA would be inefficient. The Commission agrees with WGL that using a different standard to evaluate programs before the development of the BCA would lead to confusion and inefficiency since using different standards would impede comparisons among projects adopted pursuant to an interim standard and the BCA. Additionally, disputes among the stakeholders about which interim BCA to use would impede progress on approving programs.

31. OPC and DCG ask the Commission to require the utilities to include analyses of the impacts of climate change in all relevant dockets. The utilities are already required to provide this information since, under DC law, the Commission must consider "the preservation of environmental quality, including effects on global climate change and the District's public climate commitments" when reaching decisions.<sup>63</sup> It is unclear what additional information OPC and DCG seek from the utilities, so the Commission imposes no additional mandates at this time.

<sup>&</sup>lt;sup>62</sup> *Formal Case No. 1167*, District of Columbia Government's Response to Staff Data Request No. 1-2, filed December 5, 2024.

<sup>&</sup>lt;sup>63</sup> D.C. Code § 34-808.02.

32. Finally, the Commission denies WGL's request for regulatory asset treatment for the development costs of the updated CBP at this time since WGL has provided no support for this proposal and the updated climate plans have not yet been filed, making it impossible to evaluate the associated costs and benefits for developing the updated plan.

## THEREFORE, IT IS ORDERED THAT:

33. The Office of the People's Counsel for the District of Columbia's Motion for Reconsideration of Public Service Commission Order No. 22313 is **GRANTED in part** and **DENIED in part**;

34. The District of Columbia Government's Application for Reconsideration of Order No. 22313 is **GRANTED in part** and **DENIED in part**;

35. Washington Gas Light Company's Application for Partial Reconsideration of Order No. 22313 is **GRANTED in part** and **DENIED in part**;

36. Directives in Order No. 22313 for Washington Gas Light Company and the Potomac Electric Power Company to file 15-Year Plans are reiterated, with new deadlines set for their filing to be within 180 days of the date of this Order; as part of its 15-Year Plan the Potomac Electric Power Company is further directed to file an updated electrification study;

37. Initial Comments on the 15-Year Plans are due within 60 days of the filing of the Plans, and Reply Comments are due within 90 days of the filing of the 15-Year-Plans;

38. In accordance with paragraph 26 herein, the Commission seeks input from stakeholders regarding the feasibility of establishing a gas planning proceeding in the District with Initial Comments due within 60 days from the date of issuance of this Order and Reply Comments due 60 days after the filing of Initial Comments; and

39. The Motion of the Office of the People's Counsel for the District of Columbia to Enter into the Record a Report entitled "Review of Literature and Utility Commission Proceedings Relevant to Integrated System Planning" is **GRANTED**, and the Report is entered in the record.

A TRUE COPY:

**BY DIRECTION OF THE COMMISSION:** 

Brinde Marthant . Selgevich

**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

December 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. 22339**

1. We are finally beginning integrated planning exercises for both Pepco and WGL. If we implement these integrated plans correctly, they should include the 5-year GHG reduction mandates in the Climate Commitment Act. That would render a separate climate planning docket for both utilities moot. As I stated in my dissent to Order No. 22313: "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."<sup>1</sup> However, we still need a BCA whether we have the integrated planning exercises or not. For the reasons articulated by every party other than Pepco, it makes no sense to force WGL to do a climate plan without benefit of any guidance on how they're supposed to build a BCA and then force them to redo all the work once the BCA is approved. That brings me to the BCA itself.

2. Order No. 21938 intentionally separated the development of the expected BCA into Parts A and B, so that we could begin implementing the first part of the BCA framework with the easier-to-quantify metrics within six months of hiring a contractor. Specifically, we said:

"The CEAIWG Report did not provide a copy of the DCSEU's BCA framework for the Commission to review. However, the Commission prefers to develop its own standardized BCA model that is tailored to the Commission's needs. The Commission will adopt a standardized test to be used for evaluating utility applications in Phase 2 of this proceeding. The BCA framework will be developed by the Commission's consultant and further refined as appropriate. An interim model will be implemented in Phase 2, Part A, with updates to the model implemented in Phase 2, Part B. The model developed in Phase 2, Part A, will go into effect, and will not be delayed by additional work in Phase 2, Part B. The Commission will provide an opportunity for further stakeholder comments in both Part A and Part B of Phase 2."<sup>2</sup>

Without amending the above language in the Order, the process now appears to be that we

<sup>&</sup>lt;sup>1</sup> I incorporate my Dissent to Order No. 22313 by reference.

<sup>&</sup>lt;sup>2</sup> Order No. 21938  $\P$  66. The Order cites  $\P$  82, which does not conflict with  $\P$  66.

cannot have anything useful on the BCA before the Fall of 2025.<sup>3</sup> I do not endorse any amendment to the Order by implication or the seemingly unnecessary delay associated with it. Therefore, I must respectfully dissent.

<sup>&</sup>lt;sup>3</sup> As I stated in a letter in *GD-2019-04-M* on April 17, 2024: "For the record, and in the interest of transparency, I had no role in either the decision to use a scope of work different from the one in the Order or in the decision to issue the RFP on April 3, 2024."

#### **COMMISSION ACTION**

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

Date <u>12/10/24</u> Formal Case No. <u>116</u>	7_ Tariff No	Order No. <u>2339</u>	
	Approved Initial & Date	Dissent Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	ET/CL 12/10/24		
Commissioner Richard A. Beverly		<u>RB/CL 12/10/24</u>	
Commissioner Ted Trabue	TT/CL 12/10/24		
Certification of Action			

<u>C. Lipscombe</u> General/Deputy General Counsel

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