

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, DC 20005**

ORDER

March 27, 2025

FORMAL CASE NO. 874, IN THE MATTER OF THE GAS ACQUISITION STRATEGIES OF THE DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF THE WASHINGTON GAS LIGHT COMPANY

and

FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF THE CLIMATE BUSINESS PLAN, Order No. 22395

I. INTRODUCTION

1. The Public Service Commission of the District of Columbia (“Commission”) accepts but does not adopt the Gas Procurement Working Group’s (“GPWG”) Initial Report regarding the reporting and evaluation criteria necessary to measure the impact of Washington Gas Light Company’s (“WGL” or “Company”) procurement activities on the District of Columbia’s climate goals. While the Office of the People’s Counsel for the District of Columbia (“OPC”) proposed additional, detailed reporting and evaluation criteria, we release a Notice of Inquiry (“NOI”) requesting input from stakeholders in *Formal Case No. 1167* about recommended minimum filing requirements to track greenhouse gas (“GHG”) emissions in WGL gas procurement reporting as well as reporting requirements for the Potomac Electric Power Company (“Pepco”) regarding GHG emissions across the entire electric generation, transmission and distribution lifecycle. Initial comments on the *Formal Case No. 1167* NOI are due May 5, 2025, and reply comments are due June 4, 2025.

II. BACKGROUND

2. By Order No. 21921, the Commission directed the GPWG to discuss and file a report by April 30, 2024, in both *Formal Case Nos. 874 and 1167*, on what reporting and evaluation criteria are necessary to measure the impact of WGL’s procurement activities on the District’s climate goals, reflecting the minimum reporting criteria for measuring the impact. The GPWG was directed to discuss this topic at its December 2023 meeting.¹

¹ *Formal Case No. 874, 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*”), Order No. 21921, ¶¶ 14, 15, 18-19, rel. October 27, 2023 (“Order No. 21921”).

3. OPC filed comments in response to Order No. 21921, including a list of “information ... critical for the Commission and stakeholders to assess WGL’s alignment with the District’s climate action goals, as outlined in the Sustainable D.C. Plan and the Clean Energy D.C. Act, Climate Commitment Amendment Act of 2022, and in determining whether current procurement strategies are within the public interest.”²

4. The GPWG’s December 2023 meeting was held on December 7, 2023.³ A second meeting was held to discuss this topic on March 7, 2024.⁴ WGL filed three unopposed motions to extend the deadline to file the GPWG’s Report on metrics for measuring GHG emissions on April 29, May 15, and May 29, 2024.⁵ The GPWG’s Report was filed on June 14, 2024.⁶

5. On September 27, 2024, GRID2.0 filed a Petition to Intervene.⁷ GRID2.0 asserts that the discussion on gas procurement occurring in *Formal Case No. 874* is directly related to those occurring in *Formal Case No. 1167*, in which GRID2.0 is a participant.⁸ GRID2.0 is concerned that the Commission has shifted any or all the discussion of WGL’s emission reductions and Scope 3 emissions from *Formal Case No. 1167* to *Formal Case No. 874* and requests to be a part of any ongoing discussions.⁹

² *Formal Case No. 874*, Comments of the Office of the People’s Counsel Seeking Submission of Comprehensive Greenhouse Gas Emissions Reporting, filed November 29, 2023 (“OPC’s Comments”) at 2.

³ *Formal Case No. 874*, Public Transcript of the December 7, 2023, Gas Procurement Working Group Meeting, filed March 11, 2024.

⁴ *Formal Case No. 874*, Public Transcript of the March 7, 2024, Gas Procurement Working Group Meeting, filed April 1, 2024.

⁵ *Formal Case No. 874*, Washington Gas Light Company’s Unopposed Motion for Extension of Time to File Gas Procurement Working Group Report, filed April 29, 2024; *Formal Case No. 874*, Washington Gas Light Company’s Unopposed Motion for Extension of Time to File Gas Procurement Working Group Report, filed May 15, 2024; *Formal Case No. 874*, Washington Gas Light Company’s Unopposed Motion for Extension of Time to File Gas Procurement Working Group Report, filed May 29, 2024.

⁶ *Formal Case No. 874* and *Formal Case No. 1167*, *In the Matter of the Implementation of the Climate Business Plan (“Formal Case No. 1167”)*, The Gas Procurement Working Group Report on the Minimum Criteria Reporting and Evaluation Criteria Necessary to Measure the Impact of Washington Gas Light Company’s Procurement Activities on the District’s Climate Goals, filed June 14, 2024 (“Report”).

⁷ *Formal Case No. 874*, GRID2.0’s Request to Intervene, filed September 27, 2024 (“GRID2.0 Motion”).

⁸ *Formal Case No. 874*, GRID2.0’s Request to Intervene, filed September 27, 2024 (“GRID2.0 Motion”) at 1.

⁹ GRID2.0 Motion at 1. By this Order, the Commission is directing that OPC’s recommendations including emission reductions and Scope 3 emission be addressed in *Formal Case No. 1167*, to which GRID2.0 is already an intervenor. Therefore, GRID2.0 request to intervene in this matter is denied.

III. OPC Comments in Response to Order No. 21921

6. On November 29, 2023, OPC filed comments, which requested the Commission to adopt at least eight (8) types of information to be included in compliance filings required under Order No. 21921. OPC asserts that for the Commission and stakeholders to evaluate and assess whether the Company's procurement activities are advancing the District's climate goals as outlined in the Sustainable D.C. Plan, Clean EnergyDC Act, and the Climate Commitment Amendment Act of 2022, the Commission needs a fulsome record to determine whether the procurement strategies are in the public interest.¹⁰ OPC recommends that the Commission require WGL to include in a future compliance filing, as directed by Order No. 21921, the following specific information:

- a. Detailed reports on both upstream and downstream greenhouse gas ("GHG") emissions, quantifying the specific volumes of methane and other GHGs across the entire natural gas lifecycle – from extraction, transportation, storage, to combustion.¹¹
- b. Identification of the origin of procured natural gas, distinguishing between gas sourced from hydraulic fracturing and conventionally sourced gas. This should include an assessment of environmental impacts and emissions intensities based on the extraction method and basin of origin.
- c. Documentation of the proportion of renewable natural gas (RNG) or hydrogen blended within the overall gas supply, indicating the commitment to transitioning to a lower-carbon gas mix. Hydrogen sourcing should disclose whether it is "gray hydrogen" derived from methane steam reforming of fossil gas or "green hydrogen" made from electrolysis via renewable energy as lifecycle emissions profiles vary drastically depending on sourcing.
- d. Comprehensive reporting on the total volume and relative percentage of natural gas lost due to leaks, venting, flaring, or other inefficiencies during production, transmission, and distribution phases.
- e. A clear and analytical comparison of WGL's procurement strategies and resulting GHG emissions against the District's climate targets, with references to the benchmarks established in

¹⁰ OPC's Comments at 1-2.

¹¹ OPC's notes in the Comments that similar lifecycle emissions reports have been filed by gas companies before the Federal Energy Regulatory Commission and are feasible for this proceeding. *See, e.g., Iroquois Gas Transmission Sys., L.P.*, Docket No. CP20-48, Supplemental Filing – Agency Correspondence at Attach. A., October 15, 2021; Comments of the Institute for Policy Integrity at New York University School of Law, *Iroquois Gas Transmission Sys. L.P.*, Docket No. CP20-48 (Apr. 25, 2022), available at https://policyintegrity.org/documents/Policy_Integrity_Iroquois_Decision_Comments.pdf.

- local climate action laws and plans (e.g., Climate Commitment Amendment Act of 2022, Sustainable DC, Clean Energy DC).
- f. Inclusion of materials that showcase WGL's stakeholder engagement efforts aimed at soliciting and incorporating input on procurement practices and environmental impacts.
 - g. Detailed accounts of WGL's investments in carbon offset programs, methane capture technologies, and any innovative practices adopted to mitigate the climate impacts of its current gas procurement activities, particularly in the context of regulatory changes such as those stemming from *Formal Case No. 1167*.
 - h. Provision of year-on-year comparative metrics to facilitate tracking of WGL's progress in aligning its gas procurement with climate objectives.¹²

According to OPC, "[b]y requiring the comprehensive reporting it has requested, 'the Commission will be able to provide a more informed evaluation of the utility's practices and their alignment with the shared vision for a sustainable and resilient D.C. as required by District law.'"¹³

IV. REPORT

7. The Report states that the GPWG met twice to discuss minimum reporting criteria but failed to reach an agreement. WGL recommends that the Commission reject OPC's requested reporting requirements or, at a minimum, direct the GPWG to meet once more on the topic to provide further information in the record and attempt to arrive at a consensus.¹⁴ The Report goes on to detail WGL's disagreement with each of the eight (8) OPC proposed reporting requirements, including OPC's recommendations for potentially modifying the reporting requirements. WGL also alleges, in the Report, that the discussion is overly focused on "Scope 3 emissions, which WGL does not analyze or capture."¹⁵ However, WGL believes that a holistic strategy for reviewing emissions associated with gas procurement activities is necessary and that the Parties and Stakeholders should address it in *Formal Case No. 1167* or a base rate proceeding. The holistic approach would allow for a review of where cost recovery and other impacts on the cost-of-service flow could be properly addressed.¹⁶ OPC, on the other hand, contends that "WGL is indirectly responsible for emissions from the procurement and directly responsible for the distribution of natural gas in the District. The Company can utilize standard guidelines on accounting and quantifying emissions and employ available software to estimate these

¹² OPC's Comments at 2-3.

¹³ OPC's Comments at 4.

¹⁴ Report at 2.

¹⁵ Report at 21.

¹⁶ Report at 19-20.

emissions. Claiming that WGL does not analyze or capture either Scope 3 emissions or those that occur within its distribution system effectively shirks responsibility for emissions associated with its core product — natural gas. Therefore, OPC believes WGL should commit to adopting industry-standard practices for estimating and reporting all relevant emissions.”¹⁷

V. DECISION

8. We have reviewed the Initial Report and accept it as filed, but we decline to adopt OPC’s recommendations at this time. We believe the Parties and intervenors in *Formal Case No. 1167* should be given a chance to weigh in on OPC’s suggestions and WGL’s concerns. Moreover, we believe that our inquiry should be broadened to address reporting requirements for Pepco regarding GHG emissions across the entire energy production, transmission, and distribution lifecycle.

9. Through a series of Orders, the Commission has required WGL to proactively provide information in this case and *Formal Case No. 1167* regarding: (1) the evolution of its use of certified natural gas (“CNG”) and renewable natural gas (“RNG”) since these types of gas will be a major part WGL’s future Climate Business Plan and Climate Action Program;¹⁸ and (2) the minimum reporting criteria necessary for determining the impact of WGL’s procurement activities on the District’s climate goals.¹⁹ When the Commission issued these Orders, we believed that the GPWG should address these issues. However, we have since determined that the discussion to establish the minimum criteria for reporting on how energy procurement facilitates the District’s Climate Goals is better aligned with the *Formal Case No. 1167* proceeding since both the electric and gas companies have developed and are revising climate business plans and 15-Year Plans in that proceeding. Moreover, the Commission believes that the electric and gas companies should have similar metrics and reporting criteria and that it is better to develop those criteria simultaneously with all stakeholders involved in *Formal Case No. 1167*. Until those criteria are developed, it is premature to have any reporting in *Formal Case No. 874* because nothing has been established to determine how we would measure the utilities’ progress toward meeting the District’s climate goals. Therefore, we release the attached NOI requesting input from stakeholders in *Formal Case No. 1167* to provide feedback on the matters raised therein. Commenters will have until May 5, 2025, to file initial comments, with reply comments due June 4, 2025.

10. Consequently, the GPWG does not need to address the metrics or reporting requirements until the criterion and reporting factors have been developed in *Formal Case No. 1167*. WGL shall continue to report on the Company’s ongoing procurement activities in *Formal Case No. 874* as established in prior Orders.

¹⁷ Report at 21-22.

¹⁸ *Purchase Gas Charge Audit (“PGC AUDIT”) 2021-01*, Order No. 21128, ¶¶ 70 and 78, rel. March 11, 2022. The filings should include executed contracts for CNG and RNG and when the CNG or RNG begins to flow through the system.

¹⁹ *Formal Case No. 874*, Order No. 21921, ¶¶ 1, 14, and 18, rel. October 27, 2023.

THEREFORE, IT IS ORDERED THAT:

11. Washington Gas Light Company's Initial Report regarding the reporting and evaluation criteria necessary to measure the impact of Washington Gas Light Company's procurement activities on the District of Columbia's climate goals is **ACCEPTED** as filed without adopting any recommendations;

12. The Office of the People's Counsel's proposed reporting requirements, the holistic discussion on response to emissions reductions, and the Scope 3 discussions **SHALL** be addressed in *Formal Case No. 1167*; and

13. The Parties and Stakeholders in *Formal Case No. 1167* are **DIRECTED** to file comments on the Commission's Notice of Inquiry in *Formal Case No. 1167* by May 5, 2025, with reply comments due June 4, 2025.

A TRUE COPY:**BY DIRECTION OF THE COMMISSION:**A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is fluid and cursive, with the first name "Brinda" being the most prominent.**CHIEF CLERK:****BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

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1325 G STREET, N.W., SUITE 800
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March 27, 2025

**FORMAL CASE NO. 874, IN THE MATTER OF THE GAS ACQUISITION
STRATEGIES OF THE DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF
THE WASHINGTON GAS LIGHT COMPANY,**

and

**FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF THE
CLIMATE BUSINESS PLAN,**

CONCURRENCE OF COMMISSIONER RICHARD BEVERLY

I want to make sure that the commenters on the NOI are aware of the Commission’s prior rulings regarding GHG emissions scopes. The Commission has decided that it will follow the District’s GHG Inventory protocols.¹ DOEE provided an overview of its inventory in the BCA Working Group Report in *GD-2019-04-M*, explaining that its inventory is aligned with international GHG protocols.² DOEE stated: “[a]s a by-product of fuel and electric use in the District, fugitive emissions from fuel extraction, processing and transmission are Scope 2 emissions. DOEE included these Scope 2 fugitive emissions from heating and electric generation in its emissions accounting.”³ DOEE defined the Scopes of emissions in the BCA Working Group report in the following manner:

Scope 1 emissions come from onsite activities (manufacturing, electric generation) occurring directly within the District. Scope 2 emissions include indirect emissions that are created as a result of fuel or electric usage by residents, businesses, and governments within the District, and include “fugitive” emissions occurring upstream in the production of fuels and electricity used in the District. Scope 3 emissions include embodied emissions associated with products and services used in the District.⁴

¹ *GD-2019-04-M*, Order No. 21938, rel. December 8, 2023: “The Commission will account for upstream methane emissions based on the District’s GHG Inventory practices as maintained by DOEE in Phase 2, Part B.” ¶ 36.

² DOEE follows the Global Protocol for Community-Scale Greenhouse Gas Emission Inventories, as maintained by WRI and ICLEI.

³ BCA Report at 98-99.

⁴ BCA Report at 98.

Under DOEE’s protocols, the emissions being discussed for tracking purposes in this case are Scope 2 emissions. The Commission further noted that it follows DOEE’s GHG scope tracking in Order No. 22341, footnote 70:

The Commission notes that ordinarily, as of Order No. 21938, the Commission accounts for GHG emission scopes based on the District’s GHG Inventory practices as maintained by DOEE, which consider fugitive emissions from gas leaks in pipes and services as “Scope 2.” However, the Company denotes the same type of “leak emissions” as “Scope 1” in its accounting nomenclature. Therefore, while the Commission considered the definition of Scope 2 and 3 emissions under the Company’s protocols, we clarify that it was for the specific purposes of this Order on Motion to Compel only and does not reflect an adoption of the Company’s categorization.

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

NOTICE OF INQUIRY

March 27, 2025

**FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF THE
CLIMATE BUSINESS PLAN,**

1. By this Notice of Inquiry (“NOI”), the Public Service Commission of the District of Columbia (“Commission”) requests input from stakeholders about recommended minimum filing requirements to track greenhouse gas (“GHG”) emissions in Washington Gas Light Company’s (“WGL”) gas procurement reporting as well as reporting requirements for the Potomac Electric Power Company (“Pepco”) regarding GHG emissions across the entire electric generation, transmission and distribution lifecycle. Comments are due by May 5, 2025. Reply comments are due by June 4, 2025.

2. The Commission directs that the Parties file comments addressing the questions below.

- a. What are industry best practices and regulatory best practices from other jurisdictions for tracking GHG emissions in the natural gas supply chain? Provide supporting work papers, documents, decisions, and other relevant information as applicable.
- b. What are industry best practices and regulatory best practices from other jurisdictions for tracking GHG emissions associated with power generation, transmission, and energy distribution to the District? Provide supporting work papers, documents, decisions and other relevant information as applicable.
- c. To the Department of Energy and Environment (“DOEE”), how does the District account for both upstream and downstream GHG emissions in tracking emissions from natural gas in the District?
- d. To the Department of Energy and Environment (“DOEE”) how does the District account for both upstream and downstream GHG emissions in tracking emissions from the electric distribution system in the District?
- e. Do intervenors agree with the Office of the People’s Counsel’s (“OPC”) recommendation to require WGL to provide “[d]etailed reports on both upstream and downstream greenhouse gas (“GHG”) emissions, quantifying the specific volumes of methane and other GHGs across the entire natural gas lifecycle – from extraction, transportation, storage, to combustion?” If intervenors would recommend changes to this reporting metric, what are they?
- f. Do intervenors support a requirement for PEPCO to provide detailed reports on both upstream and downstream GHG emissions quantifying the specific volumes and sources of GHG emissions across the entire electric generation, transmission and distribution

lifecycle? If intervenors would recommend changes to this reporting metric, what are they?

- g. Do intervenors agree with OPC's recommendation to require WGL to provide "[i]dentification of the origin of procured natural gas, distinguishing between gas sourced from hydraulic fracturing and conventionally sourced gas. This should include an assessment of environmental impacts and emissions intensities based on the extraction method and basin of origin?" If intervenors would recommend changes to this metric, what are they?
- h. Do intervenors agree with OPC's recommendation to require WGL to provide "[d]ocumentation of the proportion of renewable natural gas (RNG) or hydrogen blended within the overall gas supply, indicating the commitment to transitioning to a lower-carbon gas mix," including whether "[h]ydrogen sourcing should disclose whether it is 'gray hydrogen' derived from methane steam reforming of fossil gas or 'green hydrogen' made from electrolysis via renewable energy as lifecycle emissions profiles vary drastically depending on sourcing?" If intervenors would recommend changes to this metric, what are they?
- i. Do intervenors have any recommendations to require PEPCO to provide documentation on the proportion of renewable sources blended within the overall electric supply including generation source, total electric generation in megawatt-hours (MWh), the percentage of renewable energy contribution and emission intensities? What additional metrics should be included?
- j. Do intervenors agree with OPC's recommendation to require WGL to provide "[c]omprehensive reporting on the total volume and relative percentage of natural gas lost due to leaks, venting, flaring, or other inefficiencies during production, transmission, and distribution phases?" If intervenors would recommend changes to this metric, what are they?
- k. Do intervenors have recommendations on how PEPCO should provide comprehensive reporting that tracks losses or inefficiencies that during the production, transmission and distribution of electricity? What metrics should be included in that documentation?
- l. Do intervenors agree with OPC's recommendation to require WGL to provide "[a] clear and analytical comparison of WGL's procurement strategies and resulting GHG emissions against the District's climate targets, with references to the benchmarks established in local climate action laws and plans (e.g., Climate Commitment Amendment Act of 2022, Sustainable DC, Clean Energy DC)?" If intervenors would recommend changes to this metric, what are they?
- m. Do intervenors have any recommendations requiring PEPCO provide a clear and analytical comparison of PEPCO's electric procurement strategies and resulting GHG emissions against the District's climate targets with references to the benchmarks established in local climate action laws and plans (e.g., Climate Commitment Amendment Act of 2022, Sustainable DC, Clean Energy DC)? If intervenors would recommend changes to this metric, what are they?
- n. Do intervenors agree with OPC's recommendation to require WGL to provide "materials that showcase WGL's stakeholder engagement efforts aimed at soliciting and incorporating input on procurement practices and environmental impacts?" If intervenors would recommend changes to this metric, what are they?

- o. Do intervenors have recommendation(s) to require PEPCO to provide “materials that showcase PEPCO’s stakeholder engagement efforts aimed at soliciting and incorporating input on procurement practices and environmental impacts?” If intervenors would recommend changes to this metric, what are they?
- p. Do intervenors agree with OPC’s recommendation to require WGL to provide “[d]etailed accounts of WGL’s investments in carbon offset programs, methane capture technologies, and any innovative practices adopted to mitigate the climate impacts of its current gas procurement activities, particularly in the context of regulatory changes such as those stemming from *Formal Case No. 1167*?” If intervenors would recommend changes to this metric, what are they?
- q. Do intervenors agree with OPC’s recommendation to require WGL to provide “year-on-year comparative metrics to facilitate tracking of WGL’s progress in aligning its gas procurement with climate objectives?” If intervenors would recommend changes to this metric, what are they?
- r. Do intervenors have any recommendations to require PEPCO to provide year-on-year comparative metrics to facilitate tracking of PEPCO’s progress in aligning its electric procurement with climate objectives? If intervenors would recommend changes to this metric, what are they?
- s. Please describe any additional metrics or reporting requirements that intervenors believe are necessary to track GHG emissions in the natural gas and electric supply chains.

3. Persons interested in commenting on the issues presented above shall file their comments no later than May 5, 2025, and reply comments no later than June 4, 2025. Comments may be filed with Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, at the Commission’s website at https://edocket.dcpsec.org/public/public_comments. Persons with questions concerning this Notice should call the Commission Secretary’s Office at 202-626-5150 or send an email to psccommissionsecretary@dc.gov.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

CHIEF CLERK

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

COMMISSION ACTION

FORMAL CASE NO. 874, IN THE MATTER OF THE GAS ACQUISITION STRATEGIES OF THE DISTRICT OF COLUMBIA NATURAL GAS, A DIVISION OF THE WASHINGTON GAS LIGHT COMPANY

and

FORMAL CASE NO. 1167, IN THE MATTER OF THE IMPLEMENTATION OF THE CLIMATE BUSINESS PLAN,

Date 3/27/25 Formal Case Nos. 874 & 1167 Tariff No. _____ Order No. 22395

	Approve Initial & Date	Disapprove Initial & Date	Abstain Initial & Date
Chairman Emile Thompson	<u>ET/CL 3/27/25</u>	_____	_____
Commissioner Richard A. Beverly	<u>RB/CL 3/27/25</u>	_____	_____
Commissioner Ted Trabue	<u>TT/CL 3/27/25</u>	_____	_____

Certification of Action

C. Lipscombe
General/Deputy General Counsel

Kimberly Lincoln-Stewart
OGC Counsel/Staff