



June 26, 2025

### VIA ELECTRONIC FILING

Brinda Westbrook-Sedgwick Commission Secretary Public Service Commission of the District of Columbia 1325 "G" Street, N.W., 8th Floor Washington, D.C. 20005

Re: FC 1167 [Washington Gas's Comments]

Dear Ms. Westbrook-Sedgwick:

Transmitted for filing in the above-referenced proceeding please find attached Washington Gas Light Company's Comments.

Please direct questions to the undersigned.

Sincerely,

John Dodge Associate General Counsel and Director, Regulatory Matters

cc: Per Certificate of Service

# BEFORE THE PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF	)	
THE IMPLEMENTATION OF ELECTRIC AND NATURAL GAS CLIMATE CHANGE	)	F 10 N 1167
PROPOSALS	)	Formal Case No. 1167
	)	
	)	

### WASHINGTON GAS LIGHT COMPANY'S REPLY COMMENTS ON ESTABLISHING A THERMAL GAS PLANNING PROCEEDING

Washington Gas Light Company ("Washington Gas" or "Company") hereby submits its reply comments to the Response of the Office of People's Counsel for the District of Columbia To Order 22339 Regarding A Gas Distribution Planning Proceeding ("OPC Initial Comments"), Initial Comments Of The District Of Columbia Government ("DCG Initial Comments"), and Comments from Non-Profit Organization On a Thermal Planning Proceeding In DC ("NPO Initial Comments") (collectively, "Parties"). Washington Gas addresses in these comments only whether there should be a thermal planning proceeding and what the scope of that proceeding should be. The Company reserves the right to substantively respond to comments regarding the merits of various proposals suggested by other stakeholders should the Commission proceed to create a thermal planning proceeding.

In summary, all parties who submitted comments regarding a thermal energy planning proceeding agree on the value of coordinated planning, should the Commission decide to further explore a planning proceeding of any kind. However, while Washington Gas supports an integrated planning approach at the Commission level, as the District's gas utility, the Company cannot

anticipate where electrification may occur or determine whether electrification projects are feasible.

As further articulated below, Washington Gas emphasizes that a thermal planning proceeding, or any other proceeding, can only direct Washington Gas to pursue emissions-reducing options feasible for a gas utility to implement. Unfortunately, some parties continue to suggest that the Commission can order Washington Gas to electrify its customers, which the Commission has repeatedly determined in this and other proceedings that it cannot do. Ignoring the legal duties by which both the Commission and Washington Gas must abide, as the Parties advocate for, will not result in a productive proceeding.

Furthermore, while the NPOs urge the Commission to adopt a premise of drastic decline in gas use, they cite no reliable evidence to support this assumption, and the projected market reality in the District is, in fact, to the contrary. Additionally, gas planning proceedings in other jurisdictions are of limited relevance here, since they often involve combination gas and electric utilities and do not account for the District's unique service territory. However, it is notable that no such planning proceeding has demonstrated significant momentum towards the phaseout of gas systems. In fact, there remains significant concerns regarding customers' desire for electrification, as well as concerns regarding electrification costs and emissions reduction potential.

Finally, if the Commission decides a thermal energy planning proceeding is necessary on top of the other substantial planning actions already occurring in this docket (e.g., 15 Year Plans), Washington Gas asks the Commission to host exploratory workshops addressing the questions it raised in its initial comments, focusing solely on thermal energy planning.

### A. All Parties agree on the Value of Coordinated Energy Systems Planning.

Notably, all parties in this proceeding agree on the importance of coordinated energy systems planning for both the gas and electric sectors. For example, OPC states, "Whether in Formal Case No. 1167 or elsewhere, true collaborative integration between gas and electric planning for the future energy system is essential to maximize efficiencies and minimize ratepayer costs." Thus, if the Commission does proceed with a new thermal planning proceeding, it should conduct a joint analysis of gas and electricity systems, as the futures of these two systems in the District are inextricably linked. Washington Gas reiterates that an integrated planning approach is required to ensure that sufficient gas and power capacity exists over the planning timeframe to serve the projected energy needs and to reduce greenhouse gas emissions in an effective manner that maintains reliability and affordable energy for customers.

However, while Washington Gas supports an integrated planning approach at the Commission level, the Company clarifies that as a gas utility it cannot anticipate where electrification may occur or determine whether electrification is feasible. Such efforts are best conducted by an electric utility, and therefore to the extent the Commission determines a thermal planning proceeding is needed, it is critical that the District's electric utility be an integral part of any such proceeding.

<sup>&</sup>lt;sup>1</sup> Washington Gas Initial Comments at 1-2 ("If the Commission is inclined to open a thermal policy proceeding, it should focus on coordinated energy systems planning for both the gas and electric sector."); OPC Initial Comments at 1 ("OPC believes that coordination between Pepco's electric distribution plan (FC1182) and WGL's gas planning is needed to achieve DC's climate goals and protect ratepayers."); DCG Initial Comments, Attachment A at 2 ("This planning effort would carry out the DC Council's February 7, 2024, recommendation that the PSC and District utilities undertake comprehensive thermal energy planning consistent with the carbon neutrality goals laid out in the Climate Commitment Amendment Act of 2022.") (internal quotations omitted); NPO Initial Comments at 18 ("The Commission should also require WGL to coordinate its planning processes with the Potomac Electric Power Company ('Pepco')'s process for electric distribution system planning in Formal Case No. 1182.").

<sup>&</sup>lt;sup>2</sup> OPC Initial Comments at 6.

### B. A Thermal Planning Proceeding can only Direct Washington Gas to Pursue Emissions-Reducing Options Feasible for a Gas Utility to Implement.

The Commission can only direct Washington Gas to pursue options that are feasible for a gas-only utility to implement. The Commission has already established in Order No. 21593 in this docket that it cannot order Washington Gas to stop providing gas services and to instead electrify customers.<sup>3</sup> Yet despite the Commission's ruling on this point—which it affirmed upon a request for reconsideration in Order No. 21631<sup>4</sup>—other parties in their initial comments appear to have simply ignored it. These parties also fail to acknowledge that the Commission is obligated to ensure that the utilities it regulates, including Washington Gas, are financially healthy and remain viable,<sup>5</sup> that Washington Gas has a legal duty to provide gas service to District residents and businesses who request it,<sup>6</sup> and that Washington Gas's Federal Charter gives it the right to provide natural gas services to the District.<sup>7</sup>

Without accounting for the legal foundation of gas utility regulation in the District, OPC and the NPOs appear to assume that the Commission can and should order Washington Gas to electrify its customers. Specifically, OPC states, "DC's thermal gas docket must explicitly include fuel switching, electrification, and other non-gas measures," and the NPOs similarly advocate that

<sup>&</sup>lt;sup>3</sup> Formal Case No. 1167, Order No. 21593, 3 (Apr. 6, 2023) ("[T]he the Commission does not possess the authority to limit WGL's right to sell natural gas.").

<sup>&</sup>lt;sup>4</sup> Formal Case No. 1167, Order No. 21631, 5 (June 1, 2023) ("[I]n no instance have we ever stated or implied that we have the authority to ban the sale of natural gas entirely, nor has any act of the Council said that.").

<sup>&</sup>lt;sup>5</sup> D.C. Code § 1-204.93 ("There shall be a Public Service Commission whose function shall be to insure that every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable.").

<sup>&</sup>lt;sup>6</sup> See D.C. Code § 34-1101(a) ("Every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. The charge made by any public utility for a facility or service furnished, rendered, or to be furnished or rendered, shall be reasonable, just, and nondiscriminatory."); see generally D.C. Code § 34-301 (outlining the Commission's general powers).

<sup>&</sup>lt;sup>7</sup> An Act to Incorporate the Washington Gas Light Company ("Federal Charter"), § 7, 9 Stat. 722-724 (1848).

<sup>&</sup>lt;sup>8</sup> OPC Initial Comments at 20.

the Commission "[i]dentify and obligate WGL to take specific efforts to meet . . . the District's stated preference for electrification." Furthermore, among numerous other asks inconsistent with the Commission's and Washington Gas's legal duties, the NPOs explicitly ask for the Commission to "[w]eigh the merits of creating an electrification fund, which would be funded by customers of both gas and electric utilities and focused on assisting gas customers transition off gas." 10 It is worth noting that Washington Gas customers and Pepco customers already pay millions of dollars annually into the DC Sustainable Energy Utility ("DC SEU"), which at this time is purely an electrification fund, as the DC SEU offers no natural gas focused programs. Further, in calling for Washington Gas to reduce greenhouse gas emissions while rejecting any emissions-reducing options a gas utility could implement, such as renewable natural gas, 11 the NPOs impermissibly advocate for the end of the gas system altogether. In this regard, the NPOs contradict themselves, as they call for the alignment of gas procurement with emissions reductions, <sup>12</sup> while also denying that any kind of gas procurement can reduce emissions. 13

Importantly, Executive announcements, general District policies that are not enacted in law, and even general statutory goals regarding emissions reductions do not override the Commission's and Washington Gas's specific statutory duties to ensure reliable gas service is available to customers in the District. 14 Furthermore, while the Climate Commitment Amendment

<sup>9</sup> NPO Initial Comments at 3.

<sup>&</sup>lt;sup>10</sup> *Id*.

<sup>&</sup>lt;sup>11</sup> *Id.* at 10.

<sup>&</sup>lt;sup>12</sup> *Id.* at 2.

<sup>&</sup>lt;sup>13</sup> Additionally, the NPOs assume that electrification will reduce emissions when that may not necessarily be the case in reality. See infra at 13.

<sup>&</sup>lt;sup>14</sup> See District of Columbia v. Gould, 852 A.2d 50, 55 (D.C. 2004) (noting that a specific statutory provision governs a general one); George Washington Univ. v. D.C. Bd. of Zoning Adjustment, 831 A.2d 921, 943 (D.C. 2003); see also Barry v. Little, 669 A.2d 115, 121 n.13 (D.C. 1995) ("[A]bsent contrary legislative intent a general statutory provision will not take precedence over a controlling specific statutory provision.").

Act of 2022 instructs the Mayor to "adopt policies to reduce emissions of greenhouse gases from both public and private sources to" achieve "[a] level consistent with carbon neutrality by 2045, and in each year thereafter," <sup>15</sup> the Act, in itself, does not create any binding obligations for Washington Gas. The Commission does have a statutory duty to consider the "District's public climate commitments," <sup>16</sup> but it must do so as one of several factors in regulating utility companies and in a way that does not override the aforementioned statutory duties and Washington Gas's Federal Charter.

Additionally, the D.C. Council has enshrined in statute that affordable retail natural gas is in the public interest.<sup>17</sup> This statutorily enshrined public interest in affordable natural gas service has not been altered by any of the District's subsequent climate commitments, and as such, it remains a relevant consideration for which the Commission must account when making decisions affecting the District's energy future.

In short, as the Commission evaluates a framework for the contemplated planning proceeding, it must evaluate how to balance emissions reductions within the context of its other specific, statutorily-directed considerations and the Company's right to provide natural gas service in the District pursuant to its Federal Charter. This includes continued energy reliability and affordability for customers who choose to maintain their gas service, and to only consider directing Washington Gas to pursue emissions reduction options that a gas utility can implement.

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<sup>&</sup>lt;sup>15</sup> D.C. Code § 8–151.09d.

<sup>&</sup>lt;sup>16</sup> D.C. Code § 34–808.02.

<sup>&</sup>lt;sup>17</sup> D.C. Code § 34-1671.01(1) ("It is in the public interest to promote the availability to customers of adequate, reliable, and reasonably priced retail natural gas from licensed natural gas suppliers that provide customers with the price, terms, conditions, and quality options they elect to meet their respective natural gas needs.").

### C. The Commission should not Adopt the NPOs' Faulty Drastic Gas Decline Premise.

Should the Commission determine that a thermal planning proceeding is required, it should not premise the proceeding on any advanced conclusions around the District's future energy needs. Rather, it should conduct fact finding to ensure that its planning proceeding reflects the current operating landscape and a reality-based approach to those future energy needs. As such, any planning proceeding should not adopt as its starting point the NPOs' unsupported assumption that future gas sales will supposedly decline in the District by 2045, resulting in stranded assets. 18 The sole citation the NPOs provide for this assumption is a study projecting gas declines on Baltimore Gas & Electric's system in Maryland. 19 This study provides no insight into the future of gas demand in the District, as the study concerns a combination electric-gas utility that may be able to provide fuel-switching services, whereas Washington Gas as a gas-only utility cannot. Moreover, the current lack of evidence of demand for fuel-switching in adjacent jurisdictions—including in Maryland and specifically within Washington Gas's service territory<sup>20</sup>—and Washington Gas's Base Forecast projections in its 15-Year Plan<sup>21</sup> demonstrate that the Company must plan to meet continued customer demand for gas service in the District. To the extent that Formal Case No. 1167 is already a gas planning proceeding with the filing of the 15-Year Plan, this very proceeding is yet another planning proceeding (in addition to others discussed below) supporting the need for

<sup>&</sup>lt;sup>18</sup> NPO Initial Comments at 9.

<sup>&</sup>lt;sup>19</sup> *Id*.

<sup>&</sup>lt;sup>20</sup> In Case No. 9708 before the Maryland Public Service Commission, Washington Gas was ordered to provide notice to customers whose service lines were anticipated to be replaced in 2025 through the Company's advanced pipe replacement program in Maryland (known as STRIDE). The Company sent out 2,600 letters to customers in January 2025 inquiring as to whether they would prefer not to have their service lines replaced because they were planning to fully electrify their property. The Company has received zero requests to refrain from replacing the service lines. *See Ratepayer Protection Act: HB 419 Natural Gas – Strategic Infrastructure Development and Enhancement (STRIDE) Before the S. Comm. on Economic Matters*, 2025 Legislative Session, 447th Session of General Assembly convened in Annapolis, Maryland (Mar. 13, 2025) (testimony of Kevin Murphy, Vice President of Engineering, Asset Management and Gas Supply Operations, Washington Gas at 6).

<sup>&</sup>lt;sup>21</sup> Formal Case No. 1167, Washington Gas's 15-Year Plan (June 9, 2025).

reliable gas service. The Commission should not center a thermal planning proceeding on the NPOs' faulty, factually unsupported premise.

# D. Gas Planning Proceedings Demonstrate a Continued Need for Gas Services but Do Not Account for the District's Unique Status.

Many of these proceedings highlighted by other parties<sup>22</sup> are less relevant to the District, as they pertain to combination electric-gas utilities rather than gas-only utilities, do not account for the fact that Washington Gas's integrated gas system is necessary to serve customers in Maryland and Virginia, and do not account for the District's unique national security needs. It is critical that any thermal planning proceeding in the District acknowledge and evaluate the key operating factors that are unique to the region for both gas and electric service. At the same time, these parties do not cite to, and Washington Gas is not aware of, any other gas planning proceeding which has directed the eventual shutdown of the entire gas industry within its jurisdiction. In fact, if anything, these planning proceedings have demonstrated the long-term need for continued safe, reliable gas services. Furthermore, other jurisdictions and conditions specific to the District demonstrate the need for the Commission to carefully evaluate consumer demand for electrification, as well as electrification costs and projected emissions reductions, before engaging in any wide-scale electrification efforts.

The other parties fail to consider many of the ways in which the gas planning proceedings in other jurisdictions are of limited usefulness when it comes to the District. First, the District is part of a regional gas system that includes Virginia and Maryland. Washington Gas's gas pipeline network is integrated in a manner that supports customers in all three jurisdictions; for example, to reliably serve customers in the District, gas often first passes through the Company's system in

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<sup>&</sup>lt;sup>22</sup> See DCG Initial Comments at 5; NPO Initial Comments at 18; OPC Initial Comments at 8.

Maryland or Virginia. Likewise, to serve gas customers in Virginia and Maryland, gas often passes through the Company's system in the District. Together, these jurisdictions have unique drivers of demand for natural gas, which include the Federal Government. As the seat of the Federal Government, the District's energy system faces unique energy security and reliability concerns that require the continued use of gas.

Second, unlike New York and many of the other states whose gas planning proceedings are referenced in other parties' comments, the District does not have a combination gas-electric utility. Therefore, DCG's discussion of New York's Non-Pipe Alternative ("NPA") framework<sup>23</sup> and OPC's discussion of New York's "no infrastructure" scenarios (referring to no gas infrastructure specifically) rest on a premise that is inapplicable for the District. Namely, there are fundamental differences between New York's combination gas and electric utilities investing in electrification and Washington Gas doing so. For example, combination utilities have insight into the feasibility of accepting additional electric load from customers who choose to electrify and can therefore undertake the front end planning assessment required to evaluate the feasibility of electrification as an NPA. Washington Gas lacks that ability. Additionally, electrification within a combination utility's service territory merely shifts investments around within the utility's existing portfolios, whereas electrification within a gas-only utility's service territory would transfer gas customer funds to an entirely separate utility for entirely different services. This difference is even more pronounced when considering the regulatory difficulties that would likely be associated with implementing the sort of shareholder incentive mechanisms for electrification described by DCG.<sup>24</sup> Furthermore, in undertaking electrification projects, combination utilities typically must

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<sup>&</sup>lt;sup>23</sup> DCG Initial Comments at 6.

<sup>&</sup>lt;sup>24</sup> See *id.* ("The gas utilities are also 'financially incentivized to adopt an NPA when 'appropriate and cost-effective,' as they are allowed to collect revenues equal to 30 percent of project net benefits through the shareholder

allocate such costs to their electric rate bases rather than gas rate bases. Washington Gas does not have an electric rate base to allocate the costs of electrification projects to. Given these fundamental differences, the Commission should be wary of establishing a proceeding based on the various procedural and structural frameworks adopted in other jurisdictions highlighted by other parties, as they are simply inapplicable to the circumstances in the District.<sup>25</sup>

Even if the Commission were to consider these other proceedings, it is notable that no gas planning proceeding has resulted in significant movement toward the phaseout of any gas system as a whole. The same would be true of any D.C.-specific proceeding. OPC itself acknowledges, "WGL's 2024 Consolidated Report noted that its gas distribution business and throughput had actually *increased* by 2% since 2022,"<sup>26</sup> and that "certain critical facilities and individual customers—such as hospitals, emergency service providers, or households not yet able to fully electrify—will remain reliant on gas service."<sup>27</sup> This reflects the reality that it is not Washington Gas or the Commission that determines the extent of gas demand in the District—rather, gas demand is driven by District residents and businesses, many of whom may want to keep gas service even if they are able to electrify in theory.<sup>28</sup>

The desire and ability of customers to electrify on a wide scale is not well understood at this time, and the other parties do not address the legal and feasibility challenges inherent in forced

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incentive mechanism.") (citing Strategen, "Non-Pipeline Alternatives to Natural Gas Utility Infrastructure: An Examination of Existing Regulatory Approaches", released in November 2023, which points to California's PG&E as another combination gas and electric utility proposing similar electrification incentives).

<sup>&</sup>lt;sup>25</sup> See also Formal Case No. 1179, Washington Gas's Rebuttal Testimony, Appendix WG(H) (January 6, 2025) (testimony of Stephen Wemple, noting the limited success of NPA projects in New York even with differing procedural and structural frameworks).

<sup>&</sup>lt;sup>26</sup> OPC Initial Comments at 14, n.34 (emphasis in original).

<sup>&</sup>lt;sup>27</sup> *Id.* at 19.

<sup>&</sup>lt;sup>28</sup> See Ratepayer Protection Act: HB 419 Natural Gas – Strategic Infrastructure Development and Enhancement (STRIDE) Before the S. Comm. on Economic Matters, 2025 Legislative Session, 447th Session of General Assembly convened in Annapolis, Maryland (Mar. 13, 2025) (testimony of Kevin Murphy, Vice President of Engineering, Asset Management and Gas Supply Operations, Washington Gas at 6).

electrification scenarios. For example, the Massachusetts Department of Utilities recently noted in its gas planning docket "that geographically targeted electrification should be cautioned because electrification raises concerns over customer choice, cost, obligation to serve, and customer service protections." Relatedly, a May 2024 Rocky Mountain Institute white paper, titled "Non-Pipeline Alternatives ("NPA"): Emerging Opportunities in Planning for U.S. Gas System Decarbonization, found that "no avoided replacement NPA project involving more than five customers has been successful in the United States." These developments further highlight the role of customer choice in determining the outcome of electrification efforts.

In fact, some of the cited jurisdictions are taking a fresh look at electrification feasibility, due in large part to concerns regarding affordability and doubts regarding actual greenhouse gas emissions reductions due to challenges associated with reducing emissions from electric generation.<sup>31</sup> For example, on January 22, 2024, the California Public Utilities Commission rejected Southern California Edison Company's proposed building electrification programs.<sup>32</sup> In its decision, the California Commission noted that it "has the statutory duty to establish just and reasonable rates so Californians have access to affordable electricity that is essential for their health, safety, and wellbeing," and that the "proposed programs fail to sufficiently show clear

<sup>&</sup>lt;sup>29</sup> Formal Case Nos. 1154, 1175, and 1179, Order No. 22003, 16 (June 12, 2024) (citing Massachusetts Department of Public Utilities, Docket No. D.P.U.20-80, Order No. 20-80-B, at 41 (Dec. 6, 2023).

<sup>&</sup>lt;sup>30</sup> Id. at 17 (citing Rocky Mountain Institute, Non-Pipeline Alternatives: Emerging Opportunities in Planning for U.S. Gas System Decarbonization (2024), https://rmi.org/insight/non-pipeline-alternatives/ (defining success as the "voluntary and coordinated conversion of 100% of customers on the [NPA] segment from gas to all-electric equipment.")).

<sup>&</sup>lt;sup>31</sup> See e.g. Batra et. al, Rising Current: America's Growing Electricity Demand at 13 (June 9, 2025) ("Fossil fuel-based generation will also remain an important part of the capacity needed to meet rising electricity demand through 2050, with natural gas expected to account for 19% of installed capacity.").

<sup>&</sup>lt;sup>32</sup> California Public Utilities Commission, Decision 24-01-004, *Decision on Southern California Edison Company Proposed Building Electrification Programs* (Jan. 22, 2024).

customer benefits in the face of certain costs."<sup>33</sup> The California Commission also rejected the programs in part due to "unreliable estimates of GHG emissions reductions and marginal GHG abatement costs."<sup>34</sup>

Regarding electrification costs in the District, according to the D.C. Council's fiscal impact statement for the Healthy Homes and Residential Electrification Act of 2024, the District Department of Energy and Environment estimates that electric retrofit costs will be \$30,000 per household, equating to a total cost of approximately \$900 million to electrify 30,000 households by December 31, 2040.<sup>35</sup> The Act was passed assuming the availability of federal funding.<sup>36</sup> Relatedly, PJM's 2025/26 electric capacity auction held in July 2024 resulted in record high costs of \$14.7 billion—an over 800 percent increase from the prior year.<sup>37</sup> This price spike motivated Pennsylvania Governor Josh Shapiro to file a complaint before the Federal Energy Regulatory Commission against PJM.<sup>38</sup> According to the Governor's Office, "[i]f left unaddressed, PJM's next capacity auction—scheduled for July 2025—could have tripled energy costs for 65 million

<sup>&</sup>lt;sup>33</sup> *Id*. at 1.

<sup>&</sup>lt;sup>34</sup> *Id*.

<sup>&</sup>lt;sup>35</sup> Committee on Transportation & the Environment, *Report on B25-0119*, the "Healthy Homes and Residential Electrification Amendment Act of 2024, Attachment E – Fiscal Impact Statement, 3 (Mar. 1, 2024), https://lims.dccouncil.gov/downloads/LIMS/52291/Committee\_Report/B25-0119-Committee\_Report1.pdf?Id=186776.

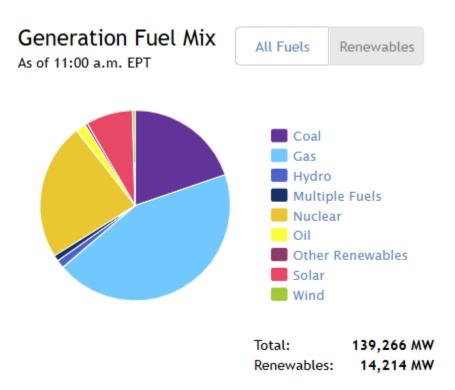
<sup>&</sup>lt;sup>36</sup> *Id.* (noting "Additional SETF resources beyond fiscal year 2025, combined with nearly \$60 million that DOEE expects to receive in federal funds under the Home Efficiency and Home Electrification and Appliance Rebate Programs, are sufficient to fund the Program's needs over the four-year financial plan period.").

<sup>&</sup>lt;sup>37</sup> Ethan Howland, *PJM capacity prices hit record highs, sending build signal to generators*, UtilityDive (July 31, 2024), https://www.utilitydive.com/news/pjm-interconnection-capacity-auction-vistra-constellation/722872/.

<sup>&</sup>lt;sup>38</sup> Office of Pennsylvania Governor Josh Shapiro, *Governor Shapiro Continues to Lead the Fight to Lower Energy Prices through PJM Reform and Commonsense Lightning Plan*, (May 30, 2025), https://www.pa.gov/governor/newsroom/2025-press-releases/gov-shapiro-continues-fight-lower-energy-prices-pjm-reform-light.html.

people across the region, including 13 million Pennsylvanians."39 While the lawsuit over this particular price spike resulted in a settlement, concerns regarding future electric costs remain.

Finally, the Commission should carefully consider whether electrification efforts could inadvertently lead to increases in greenhouse gas emissions. PJM's generation mix remains heavily reliant on fossil fuels. For example, as of 11:00 a.m. on June 26, 2025, PJM's generation mix consisted of 10% of renewable energy, whereas gas, coal, and oil combined made up over 65% of the generation mix, as shown below:<sup>40</sup>



Despite stakeholders' best efforts, PJM's reliance on fossil fuels for electric generation may not change in the near term. 41 Talen Energy's recent agreement to extend operations at its 1.3-GW coal-fired Brandon Shores power plant and 774-MW oil-fired H.A. Wagner units until May 31,

<sup>&</sup>lt;sup>39</sup> *Id*.

<sup>&</sup>lt;sup>40</sup> PJM, Markets & Operations, (June 26, 2025), https://www.pjm.com/markets-and-operations.aspx.

<sup>&</sup>lt;sup>41</sup> Moreover, the District is typically a net importer of electricity. Pennsylvania and West Virginia are the net export states that the Mid-Atlantic relies on to provide power to balance such shortfalls. Pennsylvania and West Virginia currently rely heavily on natural gas and coal generation. See PJM - State Net Import/Export Map (Hourly).

2029, under a reliability-must-run contract is just one example of this state of affairs. 42 Both facilities were originally scheduled to retire in May 2025. 43

Thus, the Commission should consider customer choice, affordability, and actual emissions reductions in a planning proceeding in advance of any action attempting to effectuate wide-scale electrification efforts.

## E. The Commission could hold Focused Workshops Providing for Meaningful Stakeholder Engagement.

OPC and the NPOs emphasize the need for transparency between and engagement of all stakeholders in the proceedings.<sup>44</sup> Washington Gas agrees on these points and takes this opportunity to make suggestions that will bolster both. Specifically, if the Commission finds that a thermal planning process is necessary in addition to the other planning processes occurring in Formal Case No. 1167, Washington Gas asks the Commission to proceed with facilitating workshops that address the questions the Company proposed in its Initial Comments.<sup>45</sup> Having the Commission host these workshops will ensure they are centered on the questions and discussions most useful to the Commission.

Relatedly, Washington Gas suggests that the Commission establish concrete frameworks related to the requisite burden of proof and standard of review for analyzing premises asserted in the contemplated proceeding. For example, opinion-based claims regarding electrification should not be afforded the same weight as fact-based, legally supported claims regarding the continued demand for both gas and electric services. Otherwise, the entire proceeding could be predicated on

<sup>44</sup> OPC Initial Comments at 20; NPO Initial Comments at 10.

<sup>&</sup>lt;sup>42</sup> Sonal Patel, *Talen, PJM Reach Agreement to Keep 2 GW of Coal, Oil Generation Online for Reliability in Maryland*, POWER (Jan. 29, 2025), https://www.powermag.com/talen-pjm-reach-agreement-to-keep-2-gw-of-coal-oil-generation-online-for-reliability-in-maryland/.

<sup>43</sup> Id

<sup>&</sup>lt;sup>45</sup> Washington Gas Initial Comments at 7-8.

reaching electrification assumptions that are not only unpopular and expensive, and therefore infeasible, but also potentially ineffective in reducing greenhouse gas emissions in the District on a full-fuel cycle basis.<sup>46</sup>

Finally, the Commission should resist suggestions that would expand the scope of any new proceedings beyond contemplating how best to utilize the gas and electric systems efficiently together to support the District's climate goals in a cost-effective manner. For example, the NPOs suggested inclusion of completely separate allegations against Washington Gas are unrelated to thermal energy planning, <sup>47</sup> as is their ask for an unfounded investigation into Washington Gas's "lobbying, advertising, and community outreach activities." Failure to properly limit the scope of the contemplated proceedings will likely result in limited value to the Commission, regulated utilities, and other stakeholders in guiding long-term thermal energy planning. The Commission

<sup>&</sup>lt;sup>46</sup> Any greenhouse gas reduction outcomes should be measured on a full-fuel cycle basis. Full-fuel cycle energy includes the total energy consumption and environmental impacts, from extraction through final end-use, of a particular energy decision. Both the U.S. Department of Energy and the U.S. Environmental Protection Agency utilize this method of measurement. U.S. Department of Energy, Statement of Policy for Adopting Full-Fuel-Cycle Analyses Into Energy Conservation Standards Program, 76 Fed. Reg. 51,281 (Aug. 18, 2022); U.S. Environmental Protection Agency, *Lifecycle Analysis of Greenhouse Gas Emissions under the Renewable Fuel Standard*, https://www.epa.gov/renewable-fuel-standard-program/lifecycle-analysis-greenhouse-gas-emissions-underrenewable-fuel, (last updated Nov. 20, 2024).

<sup>&</sup>lt;sup>47</sup> See NPO Initial Comments at 14-15 ("In the thermal planning proceeding, the NPOs respectfully submit that the Commission prioritize addressing the matter of WGL's false and misleading advertisements and mailers that inaccurately promote gas as a climate measure, in contravention of DC's climate laws."). There is no final order in the Maryland Public Service Commission proceeding, and if the final order finds Washington Gas liable, the Company intends to appeal it. See Maryland Public Service Commission, Case No. 9673, Public Utility Law Judge's Ruling on Washington Gas light Company's Request for Proposed Order and Stay of Further Proceedings, or Alternatively, for Clarification, 3 (ML 318131) (Apr. 18, 2025) ("Once a Proposed Order is ultimately issued in this proceeding, any party that has been aggrieved by a previous ruling, whether related to discovery or the dispositive motions, may seek the appropriate remedy and appeal to the Commission."). Similar allegations are already pending before the D.C. Court of Appeals, which were dismissed by the D.C. Superior Court, and have no place in the contemplated thermal planning proceedings. See ClientEarth v. Washington Gas Light Company, Case No. 23-cv-826 (D.C.). The Company notes that the NPOs—specifically Sierra Club—have now raised this issue in three Commission dockets simultaneously within the last six months, evidencing the very scope creep that will reduce the effectiveness of the Commission's efforts in this proceeding. See Formal Case Nos. 1179 and 1180.

<sup>&</sup>lt;sup>48</sup> NPO Initial Comments at 3.

should establish clear guardrails as to the scope of what the workshops and any proceeding are intended to cover, centering on thermal energy planning.

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Washington Gas appreciates the Commission's consideration of these comments and looks forward to further engaging with the Commission and stakeholders on how to best meet the District's energy needs while prioritizing affordability for customers and working to reduce emissions.

Respectfully submitted,

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John C. Dodge Assistant General Counsel and Director, Regulatory Matters WASHINGTON GAS LIGHT COMPANY

June 26, 2025

#### **CERTIFICATE OF SERVICE**

I, the undersigned counsel, hereby certify that on this 26th day of June 2025, I caused copies of the foregoing document to be hand-delivered, mailed, postage-prepaid, or electronically delivered to the following:

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