GOVERNMENT OF THE DISTRICT OF COLUMBIA OFFICE OF THE ATTORNEY GENERAL



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Public Advocacy Division Housing and Environmental Justice Section

E-Docketed

July 25, 2025

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

Re: Formal Case No. 1167 – In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals

Dear Ms. Westbrook-Sedgwick:

On behalf of the District of Columbia Government, please find its Initial Comments on the Commission's Notice of Inquiry in the above-captioned proceeding. If you have any questions regarding this filing, please contact the undersigned.

Sincerely,

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BEFORE THE PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

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

INITIAL COMMENTS OF THE DISTRICT OF COLUMBIA GOVERNMENT

As directed by the Public Service Commission of the District of Columbia (PSC or Commission) in Order No. 22395¹, and the Notice of Inquiry (NOI) appended thereto, the District of Columbia Government (DCG or the District), through its Department of Energy and Environment (DOEE), hereby submits the following initial comments 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."²

INTRODUCTION

DOEE, and the District more broadly, represented through the Office of the Attorney General, routinely appear before this Commission in a wide array of proceedings, including appearing in every major rate case filed by Pepco and WGL (collectively referred to as the Companies) going back for decades. And while the District's interests in these proceedings have historically been unique and varied, the DOEE regularly advises the Commission on policies it

¹ Formal Case No. 1167, In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals, (F.C. 1167), ¶ 13 (rel. March 27, 2025).

² Formal Case 1167, Notice of Inquiry, ¶ 1 (rel. March 27, 2025).

can adopt to advance the District's critical clean energy goals. By now, the Commission is likely well versed in the District's climate and clean energy laws so they will not be repeated here. DOEE maintains and publishes the District's GHG inventory and has also been an active member of the various Formal Case No. 1130 working groups, including the Pilot Projects Governance Board,³ the Clean Energy Act Implementation Working Group (CEAIWG),⁴ and a host of other working groups arising from Commission proceedings intended to examine various aspects of the clean energy transition. Thus, the District believes that DOEE is well positioned to provide a unique perspective on the subject matter of this NOI through the foregoing comments.

OVERVIEW

In considering minimum filing requirements to track GHG emissions, it is important to first highlight the decisions that the Commission has already made on the subject. On December 8, 2023, the Commission issued Order No. 21938 which adopted the Climate Commitment Act of 2022's interim GHG reduction targets for the Companies. Based on GHG emissions reductions from 2006 as the baseline year, the Companies must reduce GHG emissions by the following levels: 45% by 2025, 60% by 2030, 70% by 2035, and 85% by 2040. The Commission also stated that it would release a follow-up order, "prescribing next steps on reporting requirements for both Pepco and WGL related to these targets."

Order No. 21938 also made several important decisions regarding GHG emissions tracking and counting as forth in the following paragraphs from that order:

³ Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability.

⁴ GD-2019-04-M, In the Matter of the Implementation of the 2019 Clean Energy DC Omnibus Act Compliance Requirements.

⁵ *Id.*, ¶ 30 (rel. December 8, 2023).

⁶ *Id*.

- The Commission agrees with using the most accurate and highest resolution available in calculating GHG emissions for both the electric and gas systems. The Commissions adopts the use of the LR-MEF for forecasted GHG emissions system from the electric system using NREL's Cambium model and confirming past GHG emissions by using actual dispatch data from PJM, combined with the calculated impact of the District's RPS. For the gas system, the most accurate data available from gas purchasing, including the gas chemical content, should be relied on for GHG accounting, both in forecasting and in verification.⁷
- The Commission agrees with the Recommendation that upstream methane emissions should be included in both the electric and gas systems in recording GHG emissions. This includes emissions generated from exploration, production, gathering and boosting, processing, and transmission and compression. Additional work is needed regarding the inclusion of upstream methane emissions. 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.8

DOEE applauds the Commission for these critical decisions that will help the District stay on track with its climate laws. Consequently, DOEE also urges the Commission to stay consistent in any future decisions related to tracking GHG emissions. The CEAIWG Report, to which Order No. 21938 responds, was the product of an extensive stakeholder consultation process through the CEAIWG. ⁹ The CEAIWG Report contains a wealth of information on tracking GHG emissions, including recommendations from DOEE and other parties, and guides many of DOEE's responses to the NOI immediately below.

⁷ *Id.*, at ¶ 33.

⁸ *Id.*, at ¶ 36.

⁹ GD-2019-04-M, The Clean Energy Act Implementation Working Group Report regarding Framework for Compliance with the Clean Energy Omnibus Amendment Act of 2018, rel. Nov. 16 2021.

DOEE RESPONSES TO SPECIFIC COMMISSION INQUIRIES

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.

New York State initiated a GHG tracking process for their state in 2015 and expanded it in 2022. The New York State Oil and Gas Sector Methane Emissions Inventory provides a detailed inventory of historical methane emissions in New York State's oil and gas sector from 1990 – 2022. The New York State Energy Research and Development Authority (NYSERDA) uses three key resources, described below: (1) EPA's Greenhouse Gas Reporting Program (GHGRP) Subpart W; (2) EPA's Facility Level Information on Greenhouse Gases Tool (FLIGHT) tool; and (3) the Environmental Defense Fund's (EDF) 16 Study Series.

The first key resource is EPA's GHGRP Subpart W (2017), ¹¹ which requires large emitters of GHGs to report their emissions through a centralized database accessible by the public. Facilities self-identify and report annually. Owners and operators of these facilities calculate CO2e emissions, file their results with the EPA, and maintain records. According to NY, the value of the Subpart W form for inventory development lies in its library of Emissions Factors (EF), which provides specific values for various equipment and operations. This level of detail may be helpful for other jurisdictions constructing their own emission inventories. EPA's

The second key resource is the FLIGHT tool, which provides maps and data, and allows the user to filter on GHG data by facility, industry, location, and type of gas.

¹⁰ New York State Energy Research and Development Authority (NYSERDA). 2024. "New York State Oil and Gas Sector: Methane Emissions Inventory, 1990 2022." NYSERDA Report Number 25-01. Prepared by Abt Global, Rockville, MD. Nyserda.ny.gov/publications

¹¹ Codified at 40 Code of Federal Regulation (CFR) Part 98.

The third key resource is EDF's 16 Study Series. Since 2012, EDF has led multiple peerreviewed studies and investigations to assess methane (CH4) emissions from the oil and gas
sector. These efforts, known as the "16 Study Series," focus on key issues, EFs, and uncertainties
relevant to future inventory work. 12 These studies have highlighted factors such as leakage rates
from aging equipment or poor operations, episodic emissions from equipment failures, and highemitting sources. EDF has also advocated for considering alternative Global Warming Potential
(GWP) values when conducting GHG emission analyses, especially as it relates to CH4
emissions. EDF's research concluded that methane emissions are 60% higher than previous
government estimates. 13

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.

The Global Protocol for Community-Scale Greenhouse Gas Emission Inventories (GPC) is the standard for cities in calculating these emissions. ¹⁵ During the transmission and distribution of electricity, steam, heating and cooling on a grid, some of the energy produced at the power station is lost during delivery to end consumers. Emissions associated with these transmission and distribution losses are reported in Scope 3 as part of out-of-boundary emissions associated with city activities. Calculating these emissions requires a grid loss factor, which in

¹² Environmental Defense Fund's (EDF's) 16 Study Series (2018) (<u>https://www.edf.org/climate/methane-research-series-16-studies</u>).

¹³ For a helpful review of some of the findings of EDF's 16 Study Series, see *Science* "Assessment of methane emissions from the U.S. oil and gas supply chain" (2018) (https://www.science.org/doi/10.1126/science.aar7204).

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?

Downstream gas emissions are captured in a leakage estimate for fossil gas distribution. Prior to 2014, local estimates of leakage rates for the District of Columbia were not available and the inventory was calculated using the national default factor of 0.3% for local distribution systems, as outlined in the EDF User Guide for Natural Gas Leakage Rate Modeling Tool, based on US EPA data, for 2006 - 2013. Washington Gas provided local leakage figures from 2014-2016 based on their Subpart W reporting requirements and with some additional estimates of leakage at meters. DOEE has estimated fugitive emissions based on that leakage rate for 2017 onward. Data before 2014 is therefore not comparable to data from 2014 to present. More recent, local data on leakage rates would improve this aspect of the inventory.

For upstream emissions, DOEE has developed an initial estimate in an additional analysis included in the public GHG Inventory. ¹⁵ DOEE used the Methane Emissions Estimator tool (developed by ICF as a product of a USDN Innovation Fund award) for the District of Columbia, using percent fuel mix (from eGRID) as inputs, resulting in upstream emissions associated with gas-fired electricity generation as well as direct use. Upstream emissions factors were shared with the CEAIWG during the February 24, 2021 meeting. ¹⁶ DOEE carried these calculations

¹⁴ Emissions & Generation Resource Integrated Database (eGRID): https://www.epa.gov/egrid.

¹⁵ https://doee.dc.gov/service/greenhouse-gas-inventories.

¹⁶ GD-2019-04, Third Joint Metrics and BCA Framework Committee Meeting Minutes, Attachment 5: DOEE Presentation, page 17 (rel. March 9, 2021).

back to 2019 and through 2022. DOEE would welcome more local data to inform future analysis of upstream gas.

- 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?

 DOEE follows the GPC.
- 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?

DOEE agrees with OPC's recommendations and believes it aligns with the Commission's decisions in Order No. 21938.

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?

DOEE still supports the CEAIWG Majority recommendation: "The most local values available for the emissions factors should be used, starting with the best values available and

continue refining the values for DC as they become available. PJM's latest marginal emissions data for the Pepco Zone as defined by PJM should be used."¹⁷

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?

DOEE agrees with OPC's recommendations. Data transparency and granularity are essential for accurately tracking GHG emissions.

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?

DOEE agrees with OPC's recommendations but notes that hydrogen does not play a role in the District's Clean Energy DC Plan.

¹⁷ Order No. 21938, ¶ 31.

- 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?

 See DOEE's response to F, above.
- 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?

DOEE agrees with OPC's recommendations. If WGL deployed system-wide advanced leak detection (ALD) surveys on an annual basis and measured the flow rate of each leak found, this would provide a much more accurate measurement of leaks (and the resulting GHG emissions) than the current method of estimating emissions by the composition of pipe materials in the gas distribution system. However, the ALD equipment would need to be properly calibrated to effectively detect leaks. 18

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?

¹⁸ See the Letter from Nathan Phillips filed in Formal Case 1178 on June 6, 2025 which details concerns about the settings used in WGL's current ALD pilot.

Losses and inefficiencies are already accounted for in eGRID, but better data would always be welcomed.

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?

DOEE agrees with OPC's recommendations. This type of analysis should be provided immediately through existing venues and reporting structures, such as WGL's Gas Procurement Report, and should also be part of a new long-term thermal planning process.

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?

Yes. Providing this kind of analysis and metrics would assist Pepco, the Commission, and stakeholders in understanding how Pepco's procurement of electricity through the Standard Offer Service aligns with the District's climate laws and plans.

This type of analysis and metrics should also be included more broadly as part of the integrated distribution system planning (IDSP) process which the Commission has initiated in Formal Case 1182. Pepco plays a key role not only in procuring electricity, but also distributing electricity and promoting local clean energy deployment through its investments in and management of Pepco's transmission and distribution systems. For these reasons, the tracking of GHG emissions against the District's climate commitments should be focused on emissions associated with the electricity delivered by Pepco, as well as demand-side strategies and Pepco facilitates effective management of energy consumption. For example, well-designed time-of-use rates, customer education initiatives, and demand flexibility and response can all help prevent the use of electricity during hours with higher carbon content. Another example: efficient and fast interconnection that enables local solar development would reduce the local GHG emissions of the electricity supply.

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?

DOEE does not exactly understand what this recommendation is envisioning. A working group could function as stakeholder engagement.

At the same time, DOEE has recently undertaken several extensive stakeholder engagement efforts with WGL – such as the summer-long consultation in 2024 on the design of a new accelerated pipe replacement program prior to the filing of their revised pipe replacement application in Formal Case 1179 – which did not result in meaningful incorporation of stakeholder recommendations by WGL. DOEE cautions against simple requirements for WGL to

"engage stakeholders," particularly in areas as important and difficult as evolving WGL's approach to its business strategy to align with the District's climate laws and plans. DOEE would welcome discussion with OPC regarding this topic if OPC has further suggestions for when and how stakeholders should be consulted on these topics, and what specific requirements the Commission should include to ensure effective use of stakeholder time and resources.

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?

Similar to its response to N above, DOEE does not exactly understand what this recommendation is envisioning either. A working group could function as stakeholder engagement, though Pepco already has a variety of working groups where similar issues could be raised. At a minimum, DOEE would welcome further discussion with OPC regarding this topic.

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?

DOEE does not support the use of carbon offsets and methane capture technologies – these practices do not play a role in the District's Clean Energy DC Plan. Carbon offsets and capture and storage are the last resort on a path to a carbon free future. Avoiding emissions is the

first and most important step. Emissions that cannot be avoided may be compensated by high quality offsets. This means that the emissions associated with and transferred from the offset activities are measurable, permanent, additional, verified and unique, while avoiding social and environmental harm. ¹⁹ Emissions removals should be preferred, so should activities that store emissions for the long-term. DOEE agrees that WGL should clearly disclose the quantity, type and cost of WGL's emissions offsetting efforts on a regular basis.

However, these investments are not supported by the District's Clean Energy DC Plan nor the District's Carbon Free DC Plan. And the Commission has previously recognized that Clean Energy DC serves as the guiding framework for clean energy planning in the District. ²⁰ Among other statements, it has made on the subject, the Commission has stated, "[a]t the outset, we recognize that multiple roadmaps for moving forward . . . have the potential of creating unnecessary confusion and are not in the public interest. We agree with Sierra Club that the Clean Energy DC Plan is the District Government's roadmap for achieving the District's climate goals." ²¹

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?

¹⁹ C40, "Defining carbon neutrality for cities and managing residual emissions: Cities' perspective and guidance", Rel. April 2019: https://www.c40knowledgehub.org/s/article/Defining-carbon-neutrality-for-cities-and-managing-residual-emissions-Cities-perspective-and-guidance?language=en_US

²⁰ F.C. 1167, Order No. 20754, ¶43 (rel. June 4, 2021).

²¹ *Id*.

DOEE agrees with OPC's recommendations. Again, this type of analysis should be included in both new and existing reports, such as the Gas Procurement Report. This should be an ongoing requirement as part of a long-term thermal planning process.

R. Do intervenors have any recommendations to require PEPCO to provide year-onyear 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?

See DOEE's Response to M, above.

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.

DOEE refers to the recommendations it made in the CEAIWG Report.

CERTIFICATE OF SERVICE

I certify that on July 25, 2025, a copy of the District of Columbia Government's Initial Comments on the Commission's Notice of Inquiry was electronically delivered to the following parties:

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