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People's Counsel

September 5, 2025

VIA ELECTRONIC FILING
Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1167, *In the Matter of the Implementation of the Business Climate Plan*

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing in the above-referenced proceeding, please find the *Office of the People's Counsel for the District of Columbia's Comments in Response to Washington Gas Light Company's Proposed 15-Year Plan*.

If there are any questions regarding this matter, please contact me at (202) 727-3071.

Sincerely,

/s/ Adam Carlesco

Adam Carlesco
Assistant People's Counsel

Enclosure

cc: Parties of record

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

In the Matter of the Implementation	**)**	
of Electric and Natural Gas	**)**	**Formal Case No. 1167**
Climate Change Programs	**)**	

COMMENTS OF THE OFFICE OF THE PEOPLE'S COUNSEL IN RESPONSE TO WASHINGTON GAS'S PROPOSED 15-YEAR PLAN

I. INTRODUCTION

Pursuant to the District of Columbia Public Service Commission's ("PSC" or "Commission") Rules of Practice and Procedure,[1] the Office of the People's Counsel for the District of Columbia ("OPC"), the statutory representative of District of Columbia utility consumers and ratepayers,[2] respectfully submits these comments in response to Washington Gas Light Co.'s ("WGL" or "Company") proposed 15-Year Plan ("Plan") submitted to the Commission on June 9, 2025. OPC contends that the proposed Plan does not advance the effective planning and coordination needed for implementing climate-focused utility planning. Instead, it serves as a framework for how WGL will maintain its current operational structure and business model, contrary to the Commission's direction.

WGL's proposed Plan, as submitted, (1) is non-responsive to the Commission's Order No. 22313 requirement to "demonstrate…how they will meet the District's climate goals over the next 15 years" and "reflect changes in District and federal law and other climate-related developments,"[3] (2) disregards the District's statutory emissions targets, and risks burdening

[1] 15 DCMR § 100.1, *et seq*.
[2] D.C. Code § 34-804.
[3] Formal Case No. 1167, Order No, 22313 (Oct. 10, 2024, at 1.

ratepayers with higher costs and stranded assets. As a result, OPC urges the PSC to (a) reject WGL's submission as non-responsive; (b) require a compliant plan aligned with DC's electrification trajectory; and (c) set interim milestones with enforcement mechanisms. Overall, WGL's proposed plan for its six core "emission reduction options"—energy efficiency, dual-fuel heating systems, combined heat and power, renewable natural gas, carbon offsets, and advanced leak detection—fails to provide a forward-looking path for the District in terms of planned actions and investments or their associated costs, bill impacts, and emissions.

II. SUMMARY OF THE PLAN'S NON-RESPONSIVENESS AND LEGAL FLAWS

OPC respectfully submits that WGL's proposed 15-Year Plan is non-responsive to the directives of the Commission's Order No. 22313, issued in Formal Case No. 1167,[4] and is legally deficient under the District's statutory utility and climate mandates. The proposed Plan fails to meet the evidentiary and analytical standards required to support lawful infrastructure planning and decarbonization under District law and cannot be relied upon in ratemaking or system-planning proceedings. In summary, the Plan's fatal flaws include:

1) Failure to demonstrate meaningful emissions reductions

2) Failure to account for electrification initiatives

3) Lack of customer impact analysis

4) Failure to model sector-specific consumption shifts

[4] Formal Case No. 1167, *Order No. 22313* (Oct. 10, 2024), at ¶ 19-22 (directing WGL to submit a revised 15-year plan demonstrating compliance with District decarbonization mandates under the Clean Energy DC law).

5) No methodology for GHG reduction tracking

6) Persistent pattern of deficient submissions

1. Failure to Demonstrate Meaningful Emissions Reductions

The June 9, 2025 proposed Plan does not chart a path to the District's mandated targets of a 60% reduction in greenhouse gas ("GHG") emissions by 2030 and net-zero emissions by 2045, as codified in the Clean Energy DC Omnibus and Climate Commitment Amendment Act of 2022,[5] and expanded through the existing Clean Energy DC Plan and forthcoming Clean Energy DC 2.0 Plan.[6] Instead, the so-called "Plan" is—as WGL explains—merely an illustrative cost-comparison exercise, providing no forward-looking pathway of actions and investments. WGL's filing relies heavily on costly natural gas technologies that extend fossil fuel use in the District and the extensive purchase of questionable carbon credits—at ratepayer expense—maintain the Company's business-as-usual approach.

2. Failure to Account for Electrification Initiatives

While the Commission has held in Order No. 21593 that it cannot unilaterally cease gas sales in the District, WGL must consider the impacts of electrification initiatives in its proposed 15-Year Plan. WGL fails to meaningfully consider and incorporate Commission proceedings that have already begun shaping the District's electrified future, including Commission Case No. RM40 (advanced inverters),[7] Formal Case No. 1163 (microgrids),[8] Formal Cast No. 1171

[5] D.C. Law 22-257 (2019); D.C. Law 24-176 (2022).
[6] District Dept. of Energy & Environment, *Clean Energy DC,* https://doee.dc.gov/cleanenergydc; District Dept. of Energy & Environment, *Clean Energy DC 2.0*, https://cleanenergy.dc.gov/
[7] Commission Case No. RM40.
[8] Formal Case No. 1163.

(community renewable energy facilities),[9] Formal Case No. 1050 (distributed energy interconnection),[10] and Commission Case No. GD2019-04-M (a cost-benefit analysis framework for future projects).[11] WGL also fails to account for District Government goals and projections for local electrification, such as those in Clean Energy DC, in its analysis of future demand. (D.C. Law 22-257 requires 25 percent zero-emission vehicle registrations by 2030 and 100 percent replacement with electric vehicles of public and school buses at end of useful life. The 2018 Clean Energy DC Report calls for investment in electric heat pumps including retrofitting 9 percent of District government owned buildings.[12]) These omissions render WGL's proposed Plan poorly predictive of demand trends, and inconsistent with other PSC-regulated pathways.

3. Lack of Customer Impact Analysis

Commission Order No.22313 requires WGL to report on the customer bill impacts of its proposed Plan. The proposed Plan fails to quantify bill impacts for residential or commercial customers associated with four out of its six core emission reduction options—addressing this requirement only for energy efficient and dual fuel systems. This violates both the Commission's directive for detailed analysis and the District's statutory duty to ensure utility service remains affordable and equitable.[13]

4. Failure to Model Sector-Specific Consumption Shifts

The proposed Plan omits modeling of anticipated shifts in customer behavior or load resulting from District electrification initiatives such as Building Energy Performance Standards

[9] Formal Case No. 1171.
[10] Formal Case No. 1050.
[11] Commission Case No. GD2019-04-M.
[12] 2018 Clean Energy DC Report
[13] D.C. Code § 34–808.02.

("BEPS"—(for example, a required 50 percent reduction in greenhouse gas emissions from applicable buildings within a five-year period),[14] Clean Energy DC Building Code updates, vehicle electrification, and appliance standards. As a result, WGL overstates future gas demand and fails to account for likely stranded asset risks within the District if the Commission accepts the proposed Plan.

5. No Methodology for GHG Reduction Tracking

The proposed Plan fails to articulate any standardized methodology for calculating GHG reductions or tracking progress toward statutory benchmarks. It provides methodologically flawed baseline assumptions, no interim targets, and no performance metrics—essential tools for regulatory oversight and compliance monitoring.

6. Persistent Pattern of Deficient Submissions

WGL's pattern of submitting legally and factually insufficient filings across multiple dockets continues in this proposed Plan. The Commission has previously rejected similarly deficient proposals, including WGL's application for PROJECTpipes 3 in Order No. 21476.[15] Concerns about transparency and responsiveness have been documented in prior proceedings, such as Commissioner Beverly's dissents in Formal Case No. 1179[16] and the Order denying the PROJECTpipes 2 extension.[17]

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[14] D.C. Law 22-257; https://sustainable.dc.gov/
[15] Formal Case Nos. 1154, 1175, and 1179, *Order No. 22003,* June 12, 2024 (dismissing PROJECTpipes 3 proposal).
[16] Formal Case No. 1179, *Order No. 22367*, *Comm'r Beverly dissenting*, Feb. 19, 2025 (on WGL's lack of transparency in project justifications).
[17] Formal Case No. 1154, *Order No. 22294*, Sept. 12, 2024 (denying PROJECTpipes 2 extension proposal).

III. LEGAL FRAMEWORK AND COMMISSION DIRECTIVES

As discussed below, WGL's proposed Plan fails to comply with District laws, including the Clean Energy DC Omnibus Act of 2018 and the Climate Commitment Act of 2022, which mandate aggressive greenhouse gas emissions reductions and building electrification standards. The proposed Plan also fails to comply with Commission Order Nos. 22313 and 2239, expressly requiring WGL to submit a Plan with clear milestones, quantitative analysis of impacts of relevant legislation, customer bill impacts, and emissions tracking methodologies.

1. District of Columbia Climate Laws

First, as a for-profit utility subject to PSC regulations, WGL's long-term system planning must be viewed in the context of the District's applicable and binding law. The Clean Energy DC Omnibus Amendment Act of 2018 and Climate Commitment Act of 2022[18] together codify the District's decarbonization obligations. These laws require a 60% reduction in GHG emissions by 2030 (relative to 2006 levels) and net-zero GHG emissions by 2045. Furthermore, in 2022, the DC Council passed Building Energy Performance Standards that require new and significantly renovated buildings to be electrified, with covered building electrification, clean heating transition, and appliance standards set to go into effect by 2026.[19]

These statutory mandates apply economy-wide and include emissions from the gas distribution system. They are not aspirational targets but binding legislative requirements passed by the Council, signed into law, and implemented by executive agencies such as the Department

[18] D.C. Law 22-257 (2019); D.C. Law 24-176 (2022).
[19] D.C. Law 24-177.

of Energy and the Environment ("DOEE") and the PSC. As a regulated public utility, WGL must plan its infrastructure and business model following these statutory directives.

2. Commission Authority: Ratemaking, Planning, and Regulatory Oversight

While an Act of Congress originally chartered WGL nearly 180 years ago,[20] that charter does not immunize WGL from the District's inherent police powers or the PSC's jurisdiction over utility ratemaking, system planning, and regulatory compliance. Per DC Code, the PSC has authority to deny utility plans that contravene District law, to establish and enforce performance-based ratemaking tied to decarbonization metrics, to disallow imprudent investments (*e.g.*, gas assets with a shortened useful life in a future net-zero system), and to require accurate emissions disclosures and verifiable GHG reduction pathways.[21]

Courts have long affirmed the Commission's independent authority to regulate intrastate gas utility operations, including the prudence of infrastructure investments, cost recovery mechanisms, and system decarbonization planning.[22] Under the federal and local law, the PSC has clear statutory authority to approve or deny long-term infrastructure plans; establish metrics for performance-based ratemaking; require greenhouse gas reporting and emission reduction strategies; and disallow imprudent or noncompliant costs from rate recovery.[23] Moreover, courts

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[20] *An Act to Incorporate the Washington Gas Light Company* ("Federal Charter"), 9 Stat. 722-724 (1848); *An Act to Modernize the Charter of Washington Gas Light Company, and for other purposes* ("1953 Charter Update"), Pub. L. No. 90, § 3, 67 Stat. 116 (1953).
[21] D.C. Code § 34–301; D.C. Code § 34–808; D.C. Code § 34–808.02; D.C. Code § 34–809
[22] *Federal Power Comm'n v. Hope Natural Gas Co*., 320 U.S. 591, 602 (1944), *cited in Washington Pub. Interest Org*., 393 A.2d 71, 75 (D.C. 1978) ("[U]nless the overall effect of a rate is 'unjust and unreasonable,' the Commission's order should be approved…").
[23] *Metropolitan Washington Bd. of Trade v. Public Service Com.*, 432 A.2d 343, 350 (D.C. 1981) ("This statutory authority is deliberately broad and gives the Commission authority to formulate its own standards and to exercise its ratemaking function free from judicial interference, provided the rates fall within a zone of reasonableness which assures that the Commission is safeguarding the public interest").

have repeatedly recognized that state commissions retain broad authority to regulate utilities within their borders—particularly in matters of public health, safety, environmental quality, and economic regulation.[24] WGL's arguments to the contrary, the Company's nineteenth-century Congressional Charter does not override this authority.

WGL's reliance on its Congressional Charter is misplaced. The Charter confers *permission* to distribute gas; it does not guarantee perpetual volumetric growth nor shield the Company from police-power regulations governing health, safety, and environmental quality. The Commission has routinely exercised jurisdiction over WGL's business model (*e.g.*, denial of project approval and cost recovery[25]) without contravening the Charter. The Charter only *authorizes* WGL to *seek* to sell gas in the District; it does not guarantee favorable cost recovery or immunity from policy-driven oversight.

WGL's Congressional Charter permits it to sell gas; it does *not* exempt WGL from the District's police power to regulate health, safety, and environmental quality. The Company's implied assertion—that the Commission cannot stop it from selling gas, so it will continue to operate as it wishes—misreads both the Charter and the Commission's ratemaking authority. The Commission has clear authority under D.C. Code § 34-808 to condition or deny cost recovery for plans and capital projects that conflict with established District law—precisely the situation here.

3. Commission Order Nos. 22313 and 22339

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[24] *Office of the People's Counsel v. PSC of DC*, 163 A.3d 735 (July 20, 2017), *citing* D.C. Code § 34-808.02 ("In supervising and regulating utility or energy companies, the Commission shall consider the public safety, the economy of the District, the conservation of natural resources, and the preservation of environmental quality.").
[25] Formal Case Nos. 1154, 1175, and 1179, *Order No. 22003* (June 12, 2024) (Denying PROJECTpipes 3).

On October 10, 2024, the Commission issued formal Order No.22313 rejecting WGL's previous climate business plan. Given the significant changes in District law since both WGL and the Potomac Electric Power Company ("Pepco") filed their prior climate business plans in Formal Case 1167 in March 2020,[26] the Commission explicitly ordered WGL to submit a revised 15-year plan that places special emphasis on providing "a renewed vision" for how WGL will achieve the District's carbon neutrality goals by 2045.[27] Specifically, the Commission directed WGL's Plan to:

> be divided into three 5-year horizons, each with a well-defined roadmap, action plan, and a set of milestones [and…] should also ensure that they effectively serve the public interest by advancing the District's climate policy commitments while ensuring safe, reliable, and reasonable rates for District consumers.[28]

The Commission further directed WGL to include:

> • quantitative analysis and qualitative explanations of how the Climate Commitment Act of 2022, the Clean Energy DC Building Code Amendment Act of 2022, the Local Solar Expansion Amendment Act of 2022, IIJA [Infrastructure Investment and Jobs Act], IRA [Inflation Reduction Act], Healthy Homes Act, and other recent District and federal legislation impact any proposals in the CSP [Climate Solutions Plan] and CBP [Climate Business Plan] and electrification studies;
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> • discussion of any updates in heat pump technologies included in the revised CSP and CBP, including analysis of the economics and benefits of dual fuel systems in the District as applicable;
>
> • quantitative comparison of energy efficiency analysis from the long-term EEDR [Energy Efficiency and Demand Response] potential studies filed in Formal Case No. 1160 and energy efficiency projections included in the updated CSP and CBP;
>
> • explanations of how other climate-related projects included in other Commission dockets impact the proposals in the updated CSP and CBP;

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[26] Climate Commitment Act of 2022, D.C. Law 24-176; Clean Energy DC Building Code Amendment Act of 2022, D.C. Law 22-257; Local Solar Expansion Amendment Act of 2022, D.C. Law 24-314; Healthy Homes and Residential Electrification Act of 2024, D.C. Law 25-189.
[27] Order 22313 at ¶19.
[28] *Id*. at ¶ 19.

• analysis on the customer bill impacts of electrification proposals included in the revised CSP and CBP, with a focus on energy justice and equity considerations related to low and moderate-income ("LMI") customers and customer costs, including those related to necessary equipment investments and upgrades necessary to support full electrification; quantitative analysis that compares total bill impacts, in addition to fuel choice, for LIHEAP, the District's other low-income energy assistance (*e.g.,* Residential Aid Discount ("RAD") and Residential Essential Service ("RES") and energy efficiency programs (e.g., Weatherization Assistance Program ("WAP") and Housing Choice Voucher Program ("HCVP");

• analysis of changes to consumption in the residential and commercial markets;

• expected GHG emissions reductions as a result of the revised CSP or revised CBP, and the new 15-Year Plans, including detailed explanation of the proposed methodologies for calculating reductions and evaluating progress toward the District's climate goals. This should include a discussion on how future reporting and analysis will cover "Scope 1, 2, and 3 emissions," and the impact of potential GHG reductions on each type of emission for any programs the Company proposes.[29]

On December 10, 2024, the Commission issued formal Order No. 21938, accepting in part and rejecting in part OPC's and other stakeholders' requests for reconsideration concerning WGL's then climate business plan proposal. The Commission then again ordered WGL to submit a revised 15-year plan pursuant to Order 22339.[30]

While Commission Order No. 21593, issued earlier on April 6, 2023, held that the Commission lacks the authority to unilaterally cease all gas operations permitted via WGL's Congressional Charter, as discussed *supra*, the Commission retains other regulatory mechanisms to ensure utility plans are made in the public interest. As such, the present order, prompting OPC's comments, reflects the PSC's expectation that WGL would fundamentally re-evaluate its long-term gas delivery operations, consistent with District law and evolving ratepayer interests.

[29] *Id*., at ⁋20.
[30] Order No. 22339, at ⁋ 28.

In this light, WGL's proposed Plan is nonresponsive to Commission Order 22313. If the Commission accepted WGL's June 9, 2025 Plan, it would run afoul of statutory compliance obligations under District law. The PSC has directed WGL to file a *compliant* 15-year emissions reduction plan. .The PSC clearly ordered substantive planning informed by ongoing electrification efforts and aligned with District climate goals. It did not order placeholders or speculative offset purchases.

IV. CORE DEFICIENCIES IN WGL'S SIX-OPTION PORTFOLIO

In Order No. 22313 the Commission requires WGL to show how its long-term Plan would align with the District's legally binding trajectory to net-zero GHG emissions by 2045. Instead, in its June 9, 2025 proposed Plan the Company has produced a document that plans for higher gas sales, higher emissions, and a deeper financial lock-in to fossil fuel distribution, gas furnaces, and equipment that the District is already in the process of phasing out. In short, the filing is less ambitious than the 2024 Plan the Commission already rejected, and any plan that projects higher gas throughput through 2040 is facially inconsistent with Clean Energy DC[31] and the Climate Commitment Act of 2022.[32]

Despite the Commission's direction, WGL's June 9, 2025 filing does not demonstrate a pathway to meet the District's statutory obligation of net-zero GHG emissions by 2045. The proposed Plan also omits a year-by-year carbon budget demonstrating how projected emissions

[31] D.C. Law 22-257.
[32] D.C. Law 24-176.

will align with legally mandated reductions. Without that emissions budget, WGL's emission reduction options cannot be sufficiently considered trajectory.

1. **Gas-Centric Energy Efficiency**

WGL's emphasis on replacing aging gas furnaces and appliances with newer high-efficiency gas furnaces and appliances is a fundamentally flawed strategy that undermines the District's realization of its legally mandated electrification goals. While such upgrades may marginally reduce emissions relative to outdated units today, these purchases lock customers (who must self-finance these purchases) into at least 15 to 20 additional years of fossil gas usage due to sunk costs in furnaces and appliances, well beyond the District's 2045 net-zero target, at a time when emissions-free models are now ubiquitous and reliable. When viewed at scale and over time, this emission reduction option would lock in a continuous fossil fuel customer base for decades and impede action towards net-zero emissions requirements.

Claimed cost savings for gas equipment upgrades: Moreover, WGL asserts cost savings for customers upgrading their gas appliances due to efficiency improvements that may not materialize. When viewed over a multi-decadal lens and at a District-wide level, this proposal could cost gas ratepayers who upgrade their furnaces in the next few years much more over the life of the equipment if—as planned for in X—most gas customers switch to heating with electric heat pumps. A diminishing gas customer base is foreseeable based on current DC Council laws and plans; as middle- and upper-income gas customers adopt heat pumps, more economically vulnerable households left on the gas system will be liable for increasing per

customer costs—fewer customers will need to pay for the same total fixed costs of maintaining the gas system.[33]

Omission of lost opportunity costs: WGL's proposed Plan fails to assess how a diminishing gas customer base will impact ratepayers who subscribe to its gas equipment upgrade proposal. WGL also did not provide an analysis of the lost opportunity costs of emphasizing gas appliance replacements, as each dollar spent on efficient gas appliances is a dollar diverted from measures that actually reduce fossil fuel dependence, indoor air pollution, and emissions more drastically.

Ignored building codes: WGL fails to account for building code advancements already underway in the District, which will reduce gas consumption over the next 15 years regardless of WGL's Plan. WGL's plan to incentivize investment in new gas furnaces and other appliances directly contradicts the intent of the Building Energy Performance Standards ("BEPS") and the Clean Energy DC Plan, both of which prioritize electrification over continued reliance on combustion-based appliances. Moreover, with the implementation of BEPS in 2027, customers will be limited in upgrading gas equipment during new constructions and significant renovations—a point that WGL omits in its proposed Plan. Notably, WGL's Plan fails to consider or model electric heat pump retrofits, which is a glaring omission given heat pumps increasing affordability, high efficiency, and compatibility with decarbonization goals.

Exaggerated emission reductions: WGL's emission savings estimates are exaggerated and unreliable, partly because they are based on data from the Company's Virginia programs[34], which

[33] Jaime Garibay-Rodriguez, et al., *Effect of uncoordinated electrification on energy burdens for natural gas customers,* Scientific Reports, Vol. 15, Art. 27337 (July 27, 2025), https://doi.org/10.1038/s41598-025-09543-5 ("Households that do not electrify may bear a 46% increase in gas bills on average over the next 15 years (relative to current costs)").
[34] *WGL 15-Year Plan* at Appendix C, Page C-1.

are not appropriate to the DC context since they are based on a different building stock, housing characteristics, climate zone, temperature, wind, elevation, tree canopy, development pattern, and regulatory environment. Although WGL's Virginia territory neighbors the District, it is not an appropriate proxy for DC-specific data. X

Omitted adoption barriers: WGL fails to account for adoption barriers such as customer hesitancy, upfront costs, lack of rebates and subsidies, and market saturation for gas appliances.

Neglected rebound effect: WGL neglects to include the rebound effect (where improved efficiency often leads to increased usage reducing expected efficiency gains) which would offset some of its expected emission savings.

Disregarded upfront costs: Replacement of furnaces and other gas appliances requires a lump sum investment (without rebate incentives) by many individual property owners at the same time that the District Government is actively pursuing an aggressive policy of switching to electric furnaces and appliances.

Assumed customer willingness to upgrade gas furnaces: WGL provides no plausible study of the willingness of consumers to adopt natural gas furnaces in light of the District's climate policy. The Company's assumptions underlying emission reductions rely on an assumed rate of uptake of gas furnace conversion. Without support for this key number underpinning WGL's emissions analysis, the Company's proposed Plan as a whole is questionable and overly optimistic.

Unsupported efficiency claims: WGL assumes that weatherization investments will significantly reduce gas usage per customer, with projected energy efficiency measures assumed

cuts gas usage in half.[35] This magnitude of natural gas reduction is optimistic and unsupported by WGL; OPC is not aware of any published research studies providing evidence for this magnitude of efficiency savings from weatherization. This spurious assumption is especially dubious when used to reduce projected customer gas usage that has already been reduced due to customers' own initiatives, ratepayer-funded programs, and so on. The resulting estimated bill impact is based on an unsubstantiated natural gas reduction that is misleading and overly optimistic. Overall, WGL's proposed energy efficiency approach prioritizes ratepayer-funded upgrades that lock in new gas infrastructure for decades, defer electrification, and offer diminishing returns with rising costs. This strategy places the burden of emission reductions squarely upon individual households while insulating WGL's fossil fuel distribution business model from meaningful decline in profit or market share.

2. Dual-Fuel Systems

WGL's proposed Plan promotes dual-fuel heating systems (combining an electric heat pump with a backup gas furnace)—an expensive and inefficient compromise that delivers limited emissions benefits while preserving the Company's gas delivery business model at its current scale. WGL fails to demonstrate how dual-fuel systems and their inherently duplicative infrastructure costs serve ratepayer' interests; instead, the investment in dual-fuel systems seem to serve as a means for WGL to maintain its current fossil fuel distribution customer base.

Dual-fuel systems require customers to buy and maintain two heating systems, significantly raising both initial costs and ongoing maintenance expenses. From a system-wide

[35] *See, WGL's 15-Year Plan*, Appendix C, page C-5, Paragraph 2 (The percentage basis of savings from weatherization, Home Energy Reports, and furnace is 162 (28.3%), 3 (0.53%), and 114 (20%) therms respectively. Savings per average annual therm usage of 571 amount to a total of 48.8% in savings.).

view, dual-fuel systems do nothing to decrease the gas utility's fixed infrastructure footprint: every meter, main, and pipeline remains in place, and the full expenses of that system continue to be shared across a shrinking number of users, increasing costs per therm, and adding to the financial burden on ratepayers, especially those with lower incomes. While dual-fuel systems may provide limited benefits for large commercial buildings as a resiliency measure during severe power outages, WGL has not convincingly shown that dual-fuel systems offer notable resiliency advantages over heat pump systems combined with backup emergency generators and on-site fuel storage—something that is often already present on large commercial properties.

While dual-fuel systems may modestly reduce emissions on temperate days when the heat pump can operate, the gas furnace still provides primary heating during peak winter periods—the very times when energy demand and emissions are highest. The dual-fuel model proposed by WGL is not a decarbonization strategy, but rather, at best, a transitional patch with substantial infrastructure costs. Further, WGL's proposal fails to integrate with District-wide electrification modeling or grid readiness assessments and lacks any funding assistance mechanisms to offset these systems' high costs for individual ratepayers.

In sum, dual-fuel heating systems entrench the status quo while burdening consumers with the cost of redundant infrastructure and the ongoing maintenance costs of a gas distribution network that, by every measure but WGL's own, is predicted to lose a large volume of customers to building electrification over the coming 15 years.

3. Combined Heat & Power

WGL's promotion of gas-powered Combined Heat and Power ("CHP") systems is deeply misaligned with the District's climate policies and carries significant risks to public health, fiscal

prudence, and long-term decarbonization. CHP systems rely on on-site combustion of fossil gas that must be phased out with the upcoming implementation of the District's BEPS in 2027[36], increasing localized emissions of carbon dioxide, nitrogen oxides (NO_x), and other air pollutants, particularly in a dense urban area like D.C. (which is already in non-compliance with the Federal Clean Air Act).[37]

WGL's proposed Plan, which would see the deployment of a small number of CHP microturbines and reciprocating engines (15 units total), offers minimal emissions reductions in absolute terms, especially when compared to the system-wide benefits of electrification and district-scale heating networks like those in Copenhagen, Denmark.[38] Worse, new CHP systems are capital-intensive and site-specific, meaning they risk becoming stranded assets well before 2045, leaving ratepayers on the hook for unrecovered costs. They also divert attention and investment away from scalable, electrified, and non-combustion-based heating alternatives like district heating, sewer heat recovery, or networked geothermal systems—all systems WGL claimed to be inordinately expensive or impractical, despite proffering equally impractical alternatives that allow the Company to continue selling fossil fuels with no to little disruption.

Importantly, the District simply does not have ample opportunities for CHP implementation. The only noteworthy case in the District where CHP has been successful is DC

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[36] D.C. Law 22-257.

[37] With a single exception: D.C. has been in moderate non-attainment of the 8-Hour Ozone National Ambient Air Quality Standard (2015) since 2018. *See*, EPA, *District Of Columbia Nonattainment/Maintenance Status for Each County by Year for All Criteria Pollutants*, https://www3.epa.gov/airquality/greenbook/anayo_dc.html.

[38] C40 Cities, *Cities100: Copenhagen – Carbon Neutral District Heating*, Oct. 2015, https://www.c40.org/case-studies/cities100-copenhagen-carbon-neutral-district-heating/; Københavns Kommune, *Dispendation for fjernvarme*, https://www.kk.dk/borger/affald-og-miljoe/vand-og-varme/dispensation-for-fjernvarme; HOFOR, *Fjernvarme*, https://www.hofor.dk/privat/fjernvarme/.

Water's Blue Plains Advanced Wastewater Treatment Plant.[39] WGL provides no evidence regarding the likelihood of expanded investment in large-scale industrial or municipal facilities in the District.

Ultimately, WGL does not integrate CHP within a broader city-wide or building-level decarbonization roadmap and instead frames these projects as isolated small-scale technical solutions, reliant upon property owner investments, that extend the lifespan of the gas network while producing only marginal short-term benefits at a high ratepayer cost. New CHP is another non-responsive solution from WGL, provided as a way for it to maintain its current operational framework.

4. Renewable Natural Gas

WGL's portrayal of Renewable Natural Gas ("RNG") as a viable climate strategy is misleading, speculative, and inconsistent with the Company's actual gas procurement and projections, national supply limitations, and District-specific needs. RNG currently accounts for less than 1% of WGL's gas throughput[40] and the Electric Power Research Institute estimates that the total waste-recovery of all RNG potential across the U.S. could only supply less than 2% of current gas demand, even under aggressive assumptions.[41]

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[39] DC Water, *Pepco Energy Services Selected by DC Water to Build and Operate a $170 million Combined Heat & Power Plant at the World's Largest Advanced Wastewater Treatment Plant*, March 6, 2012, https://www.dcwater.com/about-dc-water/media/news/pepco-energy-services-selected-dc-water-build-and-operate-170-million.

[40] *See*, Formal Case 874, *WGL's Gas Procurement Report 2024*, Dec. 2, 2024.

[41] *See, e.g.*, Electric Power Research Institute (2023), *Detailed Assessment of the Economic Supply of Waste Renewable Natural Gas Through the United States*, https://www.epri.com/research/products/000000003002027969 ("The estimated RNG production potential from waste sources in 2025 is about 1% of total domestic natural gas consumption and will rise to only about 1.5% of current (2022) use in 2050. While other similar studies have

Additionally, WGL's proposed Plan is reliant upon outside actors located elsewhere in the region (not within the District), such as gas drillers, landfill owners, wastewater plant operators, and large concentrated animal agriculture farming operations, to improve the gas supply rather than changing the Company's own practices. Currently, nationwide less than a tenth of all municipal wastewater treatment plants capture biogas and only 2% of the plants capturing raw biogas refine it into marketable RNG. Many of those that capture and refine biogas, like DC Water's Blue Plains, use much of that captured gas for on-site power systems and thus further limiting supply potential.[42] The story is similar for municipal landfill gas production, with a very small percentage shipping refined gas supplies into the broader gas transmission system.[43]

WGL also fails to acknowledge the premium pricing of RNG, which often exceeds many multiples of the cost of fossil gas. The cost of RNG remains prohibitive (up to $45/ MMBtu) compared to traditional natural gas (~$3/MMBtu).[44] Ratepayers would bear this difference should WGL's proposed Plan be accepted as proposed. Not only that, but WGL proposes to purchase RNG *credits* when it cannot procure physical RNG, essentially paying for a premium

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estimated even larger technical production potentials (460–4300 TBtu in 2040), the estimated RNG potential is still only a fraction of the current total natural gas demand.").

[42] Jim Thomson, et al, *The renewable natural gas landscape for public gas utilities,* Deloitte, Jan. 25, 2024, https://www.deloitte.com/us/en/insights/industry/renewable-energy/opportunity-for-waste-to-energy-renewable-natural-gas-partnership.html

[43] *Id*., *citing* Environmental Protection Agency, *Landfill gas energy project data*, https://www.epa.gov/lmop/landfill-gas-energy-project-data.

[44] *See,* American Gas Foundation, *Renewable Sources of Natural Gas: Supply and Emissions Reduction Assessment,* at 5, Dec. 2019, https://www.gasfoundation.org/wp-content/uploads/2019/12/AGF-2019-RNG-Study-Full-Report-FINAL-12-18-19.pdf (RNG price of up to $45/MMBtu); Energy Information Admin., *Annual Energy Outlook 2025, Table 13: Natural Gas Supply, Disposition, and Prices*, https://www.eia.gov/outlooks/aeo/data/browser/#/?id=13-AEO2025&region=0-0&cases=ref2025&start=2023&end=2050&f=A&linechart=ref2025-d032025a.3-13-AEO2025~~ref2025-d032025a.60-13-AEO2025&ctype=linechart&sid=ref2025-d032025a.60-13-AEO2025&sourcekey=0 (Henry Hub price of $2.84/MMBtu in 2025).

product without delivering that product to the local market, as a form of seemingly technical compliance with District emissions reduction mandates without local emissions benefits. These RNG credits do not reduce emissions within the District, do not improve local or indoor air quality, and offer no health co-benefits for ratepayers directly. If scaled as a primary compliance measure, RNG and RNG credits high $/therm costs would impose a significant burden on ratepayers.

Additionally, WGL ignores RNG feedstock competition from other utilities, transportation, aviation, and other sectors, which could drastically drive up RNG and RNG credit prices over the next 15 years. WGL also ignores pipeline blending limits due to gas quality constraints, something it now raises with hydrogen, despite proffering hydrogen as a silver bullet solution in Formal Case 1142 just a few years ago.[45] While RNG may not be a fossil fuel, lifecycle methane emissions from RNG sources (*e.g.*, landfills, wastewater treatment plants, and concentrated animal feeding operation manure digesters) can offset or exceed any claimed emission reduction if not managed with stringent leakage controls. RNG offers no plan to address leakage.

WGL proposed RNG in its prior climate business plan submitted before the Commission.[46] Since then, RNG's share of WGL's portfolio has remained negligible (>1%). WGL fails to demonstrate how investment in RNG compares with other alternatives in terms of

[45] *See, e.g.,* Formal Case 1142, *Natural Gas and its Contribution to a Low Carbon Future,* Filed by WGL, March 16, 2020, https://edocket.dcpsc.org/apis/api/Filing/download?attachId=101994&guidFileName=e69b6cb2-963c-4122-aca3-3b45e838b2b7.pdf.
[46] *Id*.

emission reductions, and the Company has not demonstrated how it intends to increase the share of RNG in its portfolio nor provided the likely bill impact at scale.

Claiming RNG as a climate "pillar" without acknowledging its structural and cost realities amounts to little more than stalling, greenwashing, and ratepayer misrepresentation. The proposed Plan effectively asks consumers, including low-income customers, to pay more to receive the same polluting gas repackaged with a "renewable" label that delivers little actual progress toward the District's net-zero mandate. Without a pathway to binding supply contracts, a clear price impact analysis, demonstration of availability of RNG at-scale, or infrastructure plans for in-District biomethane integration, WGL's RNG strategy lacks credibility.

5. Carbon Offsets

WGL's heavy reliance on carbon offset purchases to meet GHG reduction mandates is a textbook case of technically satisfying emissions mandates on paper while failing to make any meaningful, substantive, local operational changes. Offsets are a costly workaround that would leave WGL's fossil fuel distribution business model unimpeded as ratepayers foot the bill for out-of-state or international accounting instruments with dubious environmental value.[47]

Offset markets and tracking suffer from well-documented problems of double-counting of credits across multiple jurisdictions,[48] counting credits where emissions reductions would

[47] Carbon offset markets are rife with fraud and abuse. Watchdog groups and academic research have documented rampant, systemic conflicts of interest and false equivalencies across the market. *See*, Nophea Sasaki, *Addressing scandals and greenwashing in carbon offset markets: A framework for reform*, Global Transitions, Vol. 7, pp. 375-382 (2025), https://doi.org/10.1016/j.glt.2025.06.003; Ilona Hartlief, Joanna Cabello, *The offset industry, riddled with conflicts of interest, is not fixable*, Stichting Onderzoek Multinationale Ondernemingen, Oct. 15, 2024, https://www.somo.nl/myth-flaws-carbon-offsetting-can-be-fixed/

[48] U.S. EPA, *Double Counting,* https://www.epa.gov/green-power-markets/double-counting; Wijnand Stoefs, *The EU's double counting problem*, March 22, 2024,

have occurred anyway, issuing credits for actions that do not actually reduce emission output (*e.g.*, credits for *not* cutting down a forest).[49] Offsets also suffer from a significant lack of transparency and poor verification standards.[50]

OPC finds it particularly troubling that WGL would pass offset purchase costs to ratepayers, disproportionately burdening low-income ratepayers who lack the resources to electrify at the same time that the federal government is removing funding for energy and other assistance grants.[51] Charging ratepayers for offsets forces vulnerable residents to subsidize WGL's inaction, with no improvements to local air quality or climate resilience. If the cost of

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https://carbonmarketwatch.org/2024/03/22/the-eus-double-counting-problem/ (Despite higher certification standards than America, the EU's carbon market is rife with double counting).

[49] One common form of carbon offset credit creation is forgoing extensive forest harvesting or engaging in invasive species removal from forests, neither of which reduces emissions outputs. Investigations have shown that up to 90% of forest credits verified by one of the industry's main certifying bodies were fraudulent or worthless. *See*, Penn State University, *How a Forest Carbon Offset is Made and Sold*, https://extension.psu.edu/how-a-forest-carbon-offset-is-made-and-sold; Andrew Moore, *3 Reasons Why Forest Carbon Offsets Don't Always Work*, N.C. State University, Jan. 31, 2024, https://cnr.ncsu.edu/news/2024/01/forest-carbon-offsets/; see also, Patrick Greenfield, *Revealed: more than 90% of rainforest carbon offsets by biggest certifier are worthless, analysis shows*, The Guardian, Jan. 18, 2023, https://www.theguardian.com/environment/2023/jan/18/revealed-forest-carbon-offsets-biggest-provider-worthless-verra-aoe.

[50] "Many carbon offset projects still operate with limited public access to essential information such as baseline emissions data, monitoring reports, and methodologies used for credit issuance. This opacity makes it nearly impossible for independent third parties to assess the legitimacy of claimed emission reductions. Recent analyses of REDD + projects estimate that up to 68 %–94 % of credits may be overestimated, translating to billions of dollars in climate investments that fail to deliver environmental outcomes." Nophea Sasaki, *Addressing scandals and greenwashing in carbon offset markets: A framework for reform*, Global Transitions, Vol. 7, pp. 375-382 (2025), https://doi.org/10.1016/j.glt.2025.06.003. *See also*, Rachel Rose Jackson and Adrien Tofighi-Niaki, *Revealed: top carbon offset projects may not cut planet-heating emissions*, The Guardian, 19 Sept. 2023, https://www.theguardian.com/environment/2023/sep/19/do-carbon-credit-reduce-emissions-greenhouse-gases

[51] *See, e.g.,* Akshay Thyagarajan and Shannon Baker-Branstetter, *With Americans Facing Utility Bill Increases This Year, the One Big Beautiful Bill Act Threatens To Drive Costs Even Higher, Center for American Progress*, June 13, 2025, https://www.americanprogress.org/article/with-americans-facing-utility-bill-increases-this-year-the-one-big-beautiful-bill-act-threatens-to-drive-costs-even-higher/.

offset purchases were to be incorporated into rates, charging ratepayers via a base charge on their bill would do nothing to incentivize reduced usage, would not incentivize customers to reduce demand to save money, and would raise bills for all WGL customers regardless of economic status.

As the District incentivizes building electrification, WGL's is planning an aggressive approach to locking-in gas customers. Offsets make it possible for WGL to build and maintain its fossil infrastructure. The result is delays to the necessary system-wide transformation to electrification that will leave future generations saddled with uneconomic assets and unnecessary costs. While WGL has refused to acknowledge the potential for stranded assets under this proposed Plan, the Company is already abandoning lines within Formal Cases 1154 and 1179.[52]

Regulators across the country increasingly view heavy reliance on carbon offsets as a stalling tactic and an unacceptable substitute for direct, in-system emission reductions. For example, California recently enacted the Voluntary Carbon Market Disclosures Act (AB 1305, 2023), tightening rules on offset marketing after legislators found widespread double-counting and non-additionality.[53] The Massachusetts Department of Public Utilities, in Order 20-80 on the future of the gas system, directed local distribution companies to prioritize non-pipeline alternatives over offsets, disallowing cost recovery where there are viable non-gas alternatives, finding that paper credits do not advance the Commonwealth's decarbonization mandate.[54] The

[52] *See, e.g.,* Formal Case Nos. 1154 and 1179, *WGL's Updated PIPES 2 Project List*, March 6, 2025.
[53] Persefoni, *AB 1305 Explained: Navigating California's Voluntary Carbon Markets Disclosures*, Nov. 18, 2024, https://www.persefoni.com/blog/ab-1305
[54] Mass. Dept. of Public Utilities, *Order 20-80*, Dec. 6, 2023, https://www.mass.gov/news/department-of-public-utilities-issues-order-20-80, available at https://www.clf.org/wp-content/uploads/2023/12/DPU-20-80-B-Order-12.6.2313.pdf.

New York Public Service Commission declined to approve National Fuel Gas's 20-year plan in 2023, citing the utility's over-reliance on offsets and failure to align with the Climate Leadership and Community Protection Act.[55] In the Midwest, the Minnesota Natural Gas Innovation Act docket requires performance-based metrics tied to measurable infrastructure and emission outcomes, explicitly discouraging "financialized" offset strategies that leave underlying fossil assets untouched.[56] Other state utility commissions are seeing these deceptive compliance tactics and rejecting them. This Commission should follow these states and reject these tactics as well.

It is important to note that *most* of WGL's proposed reductions in emissions over the next 15 years come in the form of long-term *recurring* annual carbon offset purchases. WGL's offset purchase plan is not a stop-gap to meet emissions reduction mandates after all other tactics are exhausted. Instead, WGL relies upon offsets for the lion's share of its emission reductions without sufficiently demonstrating that there are no viable proposed alternatives. While the benefit associated with the carbon offsets is potentially (in the best circumstances) shared by the global population at-large, the costs of offsets *in perpetuity* are borne directly and entirely by DC ratepayers without the added benefit of clean energy infrastructure investments that will pay dividends in the future.

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[55] New York Dept. of Public Service, Case 22-G-0610, *In the Matter of a Review of the Long-Term Gas System Plan of National Fuel Gas Distribution Corporation*, https://documents.dps.ny.gov/public/MatterManagement/MatterFilingItem.aspx?FilingSeq=317428&MatterSeq=69307; Environmental Defense Fund, *New York Regulator Declines to Approve Gas Company Plan, Saying it Falls Short of Climate Goals,* Dec. 14, 2023, https://www.edf.org/media/new-york-regulator-declines-approve-gas-company-plan-saying-it-falls-short-climate-goals

[56] Minnesota Public Utilities Commission, *State approves first natural gas innovation plan and advances clean energy goals*, July 26, 2024, https://content.govdelivery.com/accounts/MNPUBUC/bulletins/3aad62f; Minnesota Public Utilities Commission, *Xcel Energy's Natural Gas Innovation Plans*, Feb. 2025, https://mn.gov/puc/activities/economic-analysis/ngia/xcel/.

Independent research for California's Long-Term Gas Planning docket finds that every dollar spent on targeted electrification yields significant GHG reductions compared to maintaining gas infrastructure while purchasing offset credits indefinitely.[57] This savings is largely due to the avoided costs of gas pipeline repair and replacement. The Commission has firsthand experience with rapidly growing pipeline repair and replacement costs over the last decade under WGL's PROJECTpipes efforts.[58] Carbon offsets expose ratepayers to volatile credit prices while also delivering no local air-quality improvements. Clean energy infrastructure investments, by contrast, create asset value within the District and reduce long-run depreciation risks of new investment in gas infrastructure.

6. Advanced Leak Detection

WGL's proposed Advanced Leak Detection ("ALD") program, while important in theory, is toothless in practice without enforceable repair timelines, capital prioritization, and third-party verification. WGL's proposed Plan lacks any of these elements. Furthermore, the U.S. Environmental Protection Agency ("EPA") methane inventories are gross underestimations of actual observed levels of methane leakages in the DC metro area: Observed methane emissions are roughly double the EPA emissions inventory.[59]

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[57] Energy + Environmental Economics, *Benefit-Cost Analysis of Targeted Electrification and Gas Decommissioning in California*, Dec. 2023, https://www.ethree.com/wp-content/uploads/2023/12/E3_Benefit-Cost-Analysis-of-Targeted-Electrification-and-Gas-Decommissioning-in-California_u.pdf.

[58] Energy + Environmental Economics, *Avoiding Gas Distribution Pipeline Replacement Through Targeted Electrification in California*, June 2024, https://www.ethree.com/wp-content/uploads/2024/06/Gas-Decommissioning-Fact-Sheet-2024-06-18.pdf.

[59] Genevieve Plant, et al., *Large Fugitive Methane Emissions From Urban Centers Along the U.S. East Coast,* Geophysical Research Letters, Vol. 46, Issue 14, pp. 8500-8507, July 15, 2019, https://agupubs.onlinelibrary.wiley.com/doi/full/10.1029/2019GL082635.

WGL's proposed Plan assumes that leak repair efficacy will improve over time, despite a historical failure to meet even modest targets meant to shore up a backlog of leaks. The PSC has already rejected cost overruns tied to promises of leak repair improvements in previous filings.[60] PSC Commissioner Richard Beverly has noted that similar proposals are "a waste of time and money with no real benefit to the climate."[61] Moreover, WGL is already likely underreporting leaks as the District Government "was able to detect leaks at a sensitivity of 1 ppm" while WGL has been "using a sensitivity threshold 20 times that of the District Government."[62] Approval of such proposed ALD measures as a central decarbonization "option" would essentially permit WGL to maintain its current fossil fuel distribution business model under the premise that it will simply employ gas industry-standard practices.

Additionally, WGL's proposed 15-Year Plan repeatedly points to ALD as a cornerstone of its emission-reductions strategy, yet the record shows that ALD is neither widespread nor sustained in the District. During recent technical conferences in Formal Case 1178, Company representatives conceded that WGL does not deploy ALD equipment in its own operations and has relied instead on a single, limited-duration pilot conducted by the vendor, Picarro, over a small geographic area.[63] WGL further clarified that ALD pilot was not a DC-wide program and is not presently active. While WGL expressed an intent to work with Picarro in the future, it declined to specify scope, frequency, or performance metrics. In other words, the proposed Plan banks on leakage reductions from a technology the utility does not own, cannot demonstrate as

[60] Commission Order 22003, at ⁋ 44, (June 12, 2024) (Rejecting WGL's application for PROJECTpipes 3).
[61] *See*, Commission Order 22367, *Comm'r Beverly dissenting*, at ⁋4 (June 12, 2024).
[62] *See*, Commission Order 22367, *Comm'r Beverly dissenting*, at ⁋5 (June 12, 2024).
[63] Formal Case 1178, *Transcript of the Technical Conference*, March 24, 2025, https://edocket.dcpsc.org/apis/api/Filing/download?attachId=220369&guidFileName=2d768a3e-bda0-4d26-af14-f2b6aea3f1f9.pdf.

business-as-usual, and has never applied to the majority of its 1,000+ miles of pipe. Absent a binding rollout schedule, data-sharing protocol, and third-party audit requirement, ALD remains a speculative promise rather than a credible compliance tool.

Moreover, leak mitigation is only a partial response to a deeper problem: the unsustainability of maintaining a vast and aging gas network in a jurisdiction committed to full-scale electrification. While ALD does improve health and safety, so too do measures that replace aging pipelines and other leaky gas equipment with electrification. ALD does not address system contraction, customer migration, or depreciation planning. At best, it can buy limited time for infrastructure still slated for retirement, yet WGL shows its modest emission reductions staying constant through the 15-year Plan, while ignoring rising electrification adoption in the District.

Without firm commitments or accountability measures, ALD becomes ineffective and costly to ratepayers while preserving the broader gas network as-is. WGL struggled to demonstrate compliance with its merger commitments in Formal Cases 1142 and 1178.[64] For the District to achieve true emission reductions while protecting ratepayers, ALD must be used in concert with hard deadlines, infrastructure decommissioning, and strategic electrification—not treated as a standalone substitute for systemic reform.

7. Unsubstantiated Effectiveness of Measures

Overall, WGL has not provided sufficient background information on how it selected potential emission reduction options, and it does not provide documentation regarding what methods and analyses were chosen to select its preferred options and dismiss others. Despite

[64] *See*, Formal Case No. 1178, *The Office of the People's Counsel for the District of Columbia's Initial Comments Regarding Washington Gas Light's Protocols on Identification and Categorization of Grades 1, 2, and 3 Leaks,* Sept. 5, 2024.

some basic cost calculations, WGL does not adequately substantiate the efficacy of its selected measures compared to the more ambitious actions dismissed as impractical. WGL identifies combined heat and power, carbon offsets, and energy efficiency as its most "cost-effective" tools, yet it fails to quantify these measures' actual emission reduction potentials or demonstrate how they align with the District's statutory GHG reduction targets. WGL provides no cost figures for following its proposed pathway or alternatives. While stakeholders still await Commission guidance in the form of a concrete cost-benefit analysis framework,[65] the absence of clear benefit-cost comparisons undermines the credibility of WGL's proposed pathway, permitting the Company to cherry-pick data and proposals that reinforce its existing fossil fuel distribution business model while excluding non-WGL-preferred alternatives from any consideration in a data-driven manner.

Networked geothermal loops, sewer-heat recovery, and targeted branch-clipping of dead-end mains or portions—all previously mentioned as promising future developments by WGL—have received no serious analysis. WGL dismisses networked geothermal as "early stage" despite successful district-scale systems in Paris[66] and a pilot in Massachusetts;[67] additionally, while not geothermal, other district heating systems like those seen in Copenhagen[68] and Vancouver[69] have proven successful. Similarly, WGL claims strategic electrification is "rare," while ignoring the

[65] Commission Docket No. GD2019-04-0M
[66] Schlumberger, *Bringing the Heat: A Geothermal Drilling Story*, Feb. 28, 2024, https://www.slb.com/news-and-insights/newsroom/features/2024/bringing-the-heat---a-geothermal-drilling-story
[67] Eversource, *Geothermal Pilot Project in Framingham,* https://www.eversource.com/content/residential/about/transmission-distribution/projects/massachusetts-projects/geothermal-pilot-project
[68] HOFOR, *District Heating,* https://www.hofor.dk/english/hofor-utilities/district-heating/
[69] Metro Vancouver, *Waste-to-Energy Facility District Energy System,* https://metrovancouver.org/services/solid-waste/waste-to-energy-facility-district-energy-system

District's own electrification pilots and downplaying New York's and California's ongoing branch-clipping efforts.[70] Furthermore, WGL itself has demonstrated that it can, in fact, abandon select gas mains throughout the District—as it is already doing so, as demonstrated within many recent filings detailing abandonment of lines in Formal Cases 1154 and 1179.[71]

Moreover, despite directions from the Commission to do so, WGL has not produced a detailed analysis of each option's cost-effectiveness and corresponding bill impact in a transparent and verifiable manner. The presentation of cost-efficacy in "GHGs per million dollars spent" is not a clear indicator—a "cost per ton of GHG reduced" or other presentation formats provide a clearer picture of actual costs for decarbonization.

V. ADDITIONAL POINTS OF CONCERN

In addition to the core deficiencies of the proposed Plan discussed above, OPC raises additional concerns about the Plan, including (1) WGL's demand forecast and emissions modeling, (2) cost and equity impacts, (3) stranded asset risks, (4) emissions accounting issues, (5) the Plan's failure to incorporate electrification load shifts, (6) public safety concerns, and (7) insufficient analysis of decarbonization alternatives.

1. 15-Year Base Forecast and Demand Growth Projection

WGL's proposed 15-year Plan rests on a "Base Forecast" that projects districtwide gas demand will rise 0.09% annually. That projection is implausible. Beginning in 2026, the

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[70] National Grid, *National Grid and RMI Examine Role of Non-pipeline Alternatives in the Energy Transition,* May 1, 2024, https://www.nationalgridus.com/News/2024/05/National-Grid-and-RMI-Examine-Role-of-Non-pipeline-Alternatives-in-the-Energy-Transition/; California Public Utility Commission, *2024 Joint Agency Staff Paper: Progress Towards a Gas Transition*, Feb. 22, 2024, https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M525/K660/525660391.PDF.

[71] *See, e.g.*, FC1154 and FC1179, *WGL's Updated PIPES 2 Project List*, March 6, 2025.

District's BEPS prohibit most new fossil-fuel equipment; DOEE's and Pepco's Commission-sponsored electrification studies anticipate steep heat-pump uptake;[72] multiple DOEE incentive programs are already steering consumers toward all-electric systems.[73] WGL offers no sensitivity analysis for population change, appliance bans, or the growth trajectory of electric heating. In effect, the Company has produced a business-as-usual forecast and labeled it a climate-compliance pathway. As a result, the proposed Plan's underlying Base gas demand forecast is an exercise in wishful thinking, *not* a compliance roadmap.

WGL excuses the absence of BEPS and electrification program impacts by stating: "The Company does not currently have approvals for these programs and … the Commission has not provided policy guidance."[74] That explanation reverses the burden of proof regarding WGL's responsibility in preparing a 15-Year Plan that anticipates market trends and considers available options. Under standard utility planning practice, a reasonable long-term plan must, at a minimum, offer scenario and sensitivity analyses reflecting existing and expected policies, market trends, and likely Commission actions. Business plans routinely model uncertain variables (*e.g.*, fuel prices, population growth, government regulation, technology costs)

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[72] Formal Case No. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposal*s; Formal Case No. 1154, and Formal Case No. 1130, *In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability, Strategic Electrification in Washington, D.C.: Neighborhood Case Studies of Transition from Gas to Electric-based Building Heating*, filed February 28, 2023 ("DOEE Electrification Study"), available at https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Strategic%20Electrification%20Roadmap-reducedsize.pdf; FC 1167, *An Assessment of Electrification Impacts on the Pepco DC System,* August 2021, filed by Pepco and Brattle Group, Docket Item No. 59, available at https://edocket.dcpsc.org/apis/api/Filing/download?attachId=140553&guidFileName=1211ecc8-254d-4fc1-9143-10c8442e3fbc.pdf

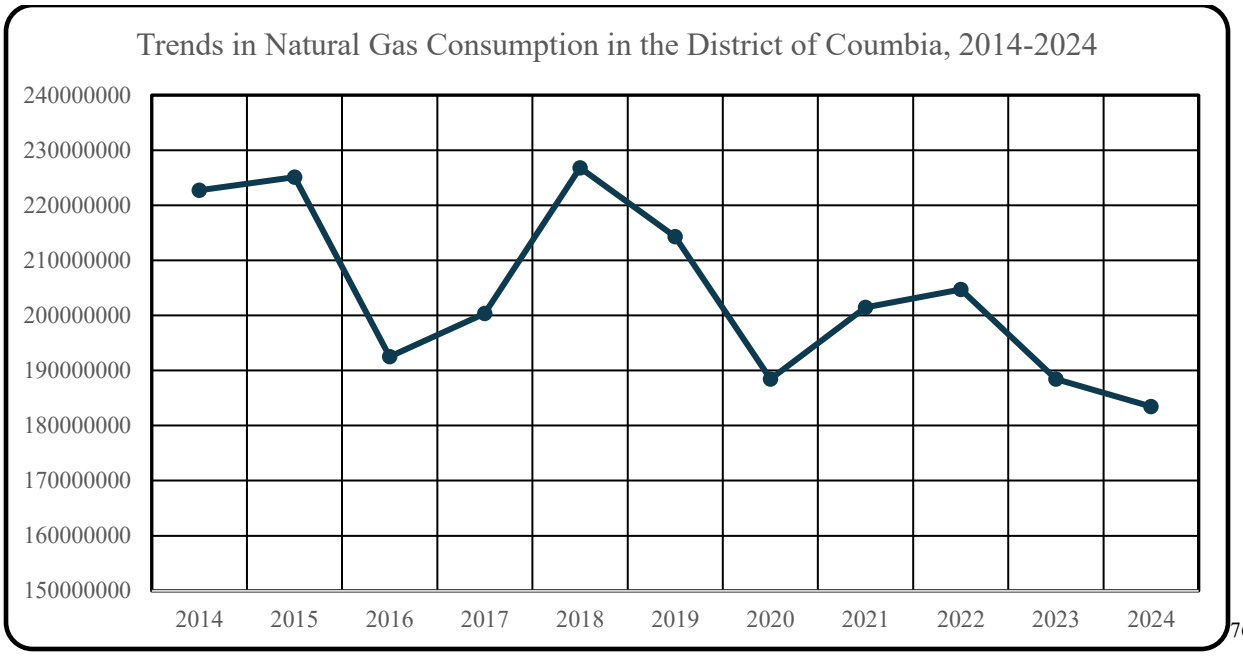
[73] *See, e.g.*, D.C. Sustainable Energy Utility, *Home Electrification,* https://www.dcseu.com/affordable-home-electrification.

[74] WGL's 15-Year Plan at 2.

precisely because variation in those variables informs prudent investment decisions. Claiming standard analysis practices are impossible without prior Commission approval of programs assumed in the baseline diminishes the filing to a procedural formality, not a legitimate planning document.

The Company further compounds its poor business-as-usual projection by clinging to a 2006 emissions baseline, thereby inflating apparent progress. District-wide natural-gas emissions have already fallen roughly 11% since 2006, thanks largely to efficiency gains and distributed solar. Yet WGL cites a 17% reduction target (from the 2006 baseline) as evidence of *ambition*, even as its own throughput has declined in each of the past two years, due in no part to WGL's efforts to clean up its operations. Data filed with the Commission shows volumetric erosion and associated revenue shortfalls—contradicting the proposed Plan's claim of flat residential and commercial demand. WGL points to falling sales to explain its revenue shortfalls.[75] The baseline forecast is, therefore, internally inconsistent and empirically unfounded.

[75] Formal Case No. 1169, *Washington Gas's Application, Direct Testimony and Supporting Exhibits*, *Witness RAAB Testimony*, at 30, April 4, 2022; Formal Case No. 1137, *Washington Gas's Application, Direct Testimony and Supporting Exhibits, Witness RAAB Testimony*, at 31, Feb. 26, 2016.



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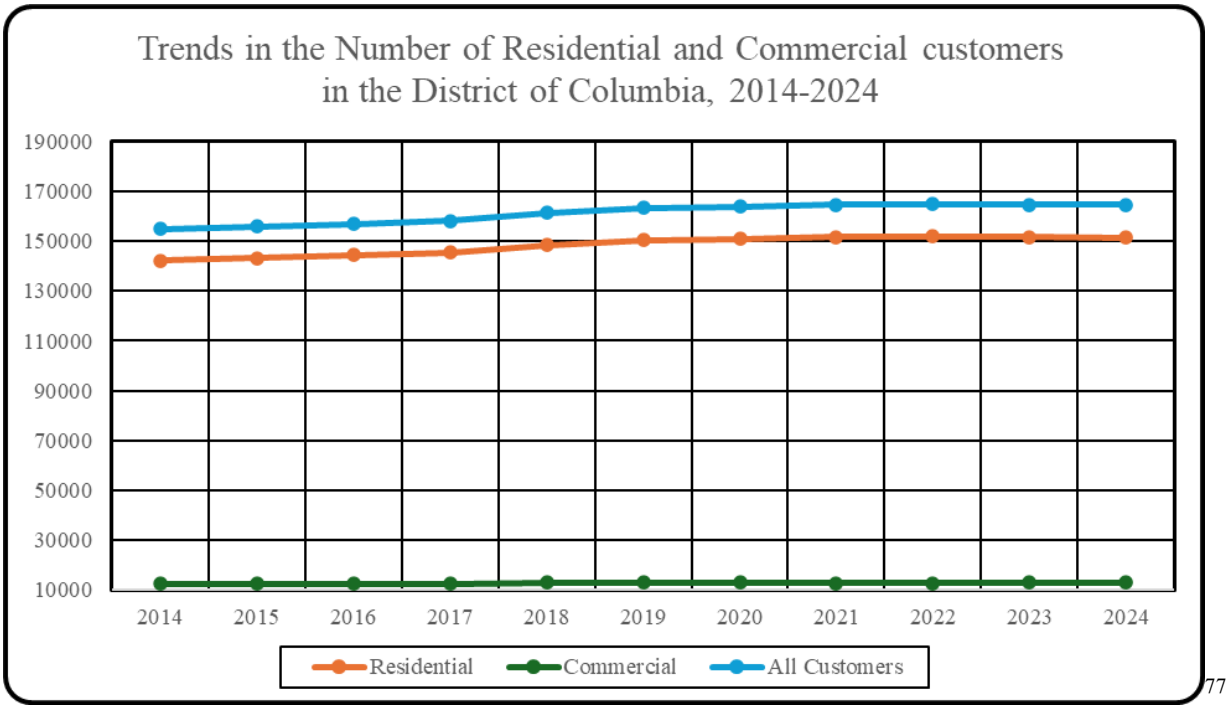

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[76] Computed from Data published at https://doee.dc.gov/service/greenhouse-gas-inventories
[77] Computed from Data published at https://doee.dc.gov/service/greenhouse-gas-inventories .

OPC's review of DOEE inventories indicates that while absolute gas emissions have fallen about 11% since 2006, natural-gas emissions now constitute a larger share of the District's overall emissions, rising from 17% in 2006 to 23% in 2022.[78] WGL's figure is thus inaccurate and misleading.

Equally troubling, the proposed Plan asserts that 94% of gas-system emissions arise at the customer meter. Established life-cycle research assigns a far larger share, often a majority, to upstream extraction, processing, and transmission.[79] By minimizing the extent of upstream gas leakage, WGL ignores the full scope of its climate liability and shifts responsibility away from supply-chain mitigation to marginal end use efficiencies. Further, by applying a 100-year global-warming potential for methane of 27 times that of carbon dioxide rather than the science-based 20-year value (due to methane's faster-acting greenhouse effects) of roughly 84 times the greenhouse potency of carbon dioxide,[80] WGL systematically undercounts the climate impact of its commodity and diverts responsibility for real mitigation.

Finally, the proposed Plan states, "[w]ith Commission support, the Company believes further emission reductions could be achievable,"[81] yet WGL supplies no detailed cost portfolios, no demand-side participation rates, and no bill-impact estimates. The burden of proof rests on the applicant—without detailed analyses. Without appropriate materials supporting WGL's

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[78] DOEE, *GHG Inventories*, https://doee.dc.gov/service/greenhouse-gas-inventories .
[79] J.L. Calderon, et al., *Managing upstream oil and gas emissions: A public health-oriented approach*, Journal of Environmental Management, Volume 310, 2022, 114766 (*see* Table 1 Sources of oil and gas methane emissions in the United States).
[80] European Commission, *Methane emissions,* https://energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/methane-emissions_en
[81] WGL 15-Year Plan at 4.

application, the Commission and stakeholders cannot determine which options are both feasible and cost-effective for District consumers.

In sum, WGL's Baseline demand and emissions modeling is based primarily upon (1) an implausible growth trajectory; (2) the exclusion of foreseeable policy drivers; (3) an obsolete emissions baseline that overstates foreward-going progress; and (4) an emissions inventory that understates upstream impacts. These deficiencies render the proposed Plan incapable of guiding prudent investment or complying with District climate mandates, and leave ratepayers exposed to stranded-asset risk and avoidable cost escalation. Due to this inaccurate gas demand and emissions Baseline forecast, WGL's filing fails the Commission's directive for a data-driven, policy-consistent 15-year Plan and should be rejected.

2. **Cost Impacts**

WGL has not provided an adequate analysis of the costs of its Plan over the next 15 years. Furthermore, it has only offered a partial analysis (two out of six measures) of the financial toll its proposal will have on low-income households who cannot afford electrification or energy efficiency upgrades, and the impacts is does estimate are illustrative, and not scaled to an actual program size. WGL's proposed Plan currently externalizes the District's energy transition risks onto low-income ratepayers who cannot afford (or, like renters, lack the *ability*) to install dual-fuel upgrades, efficient appliances, or electrification. Further, WGL offers no targeted assistance or income-qualified programs within its proposal.

While WGL asserts that "[a]ffordability is a key concern for Washington Gas as it considers actions the Company could take to reduce GHG emissions," the Company's proposal does not provide evidence demonstrating how the Plan affects affordability other than

mentioning convenient opportunities to capitalize on current low gas prices. The cost of emissions abatement across nearly all proposed measures exceeds $500/MT CO_2e[82]—well above the widely accepted benchmark of $103/MT CO_2e found in national and international studies.[83] This raises serious concerns about the cost-effectiveness of WGL's preferred strategies, as WGL Omits any actual data analysis of the dismissed alternatives (see Section VI). Further, WGL provides generalized cost figures for emissions reductions of its six selected options but fails to offer estimates of how those costs would affect the average residential or commercial ratepayer's monthly bills over a 15-year time horizon. The assertion that such analysis can only be completed after Commission approval of further studies undermines the transparency required in the Commission's proceedings.WGL's cost estimates illustrative of the impace of a $1 million budget per measure per year to facilitate comparison of costs across measures. WGL—by its own assertions—does not provide any actual budget of a forward-going plan. However, WGL offers no explanation for presenting its cost comparison framework using an investment of $1 million as the common baseline. An ideal plan would explore all available options, analyze each option's cost-effectiveness and bill impact, and estimate the expenditure needed to achieve specific mission-reduction goals. WGL does the reverse. In other words, it assumes a pre-approval to invest $1 million and then attempts to develop an emissions reduction option from that specific spend. This approach is not acceptable for producing a comprehensive climate business plan that is expected to result in a specific amount of reduction in emissions.

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[82] Formal Case No. 1167, *Washington Gas's 15-Year Plan*, June 9, 2025, *see* Table V-1 at 26 (average cost of energy efficiency measures per MT CO_2e is $489), Table V-2 at 40, ($1,103/MT CO_2e), Table V-4 at 47 ($500/MT CO_2e), Table V-6 at 47 ($1975/MT CO_2e).
[83] *See, e.g.*, New York State Energy Research and Development Authority, *New York State Oil and Gas Methane Emissions Potential,* Jan. 2023, at p. iii, https://www.nyserda.ny.gov/-/media/Project/Nyserda/Files/Publications/Energy-Analysis/23-10-Methane-Mitigation-Potential-Report-acc.pdf, (citing mitigation cost figures of $15 to $103/MTCo2e).

3. Equity Impacts

WGL's filing contains no targeted assistance for renters or low-income homeowners, who will face escalating fixed charges as high-usage customers exit the system due to electrification. One-third of WGL's residential customers are low-income, yet the Company's Plan would escalate fixed charges and propose expensive dual-fuel or combined heat & power retrofits that some owners might afford that other homeowners or renters cannot. WGL proposes this all while arguing that home electrification is too costly for residents despite District rebates and incentives provided via the DCSEU and DOEE. Meanwhile, RNG and offset premiums would load extra costs onto ratepayers' monthly bills with questionable emissions impacts and no local emissions reduction. The result is that low-income households finance WGL's green branding while other households can electrify and exit the system—leaving remaining customers to shoulder rising gas-system costs.

Ultimately, every dollar funneled into incremental gas initiatives is a dollar unavailable for proven, cost-effective decarbonization tools (*e.g.*, networked geothermal loops, heat-pump retrofits, advanced building controls) that reduce total energy spend and improve local and indoor air quality. By clinging to fossil assets, WGL would foreclose new jobs in electrical, HVAC, and solar trades that accompany a genuine energy transition while driving up costs for those forced to remain on its aging distribution network.

4. Stranded Asset Risk

Over the past decade, DOEE data shows a measurable decline in gas throughput in the District, primarily driven by building-code electrification, Building Energy Performance Standards, and customer adoption of heat-pump technology. Yet the Company's proposed 15-Year Plan assumes net growth in sales through 2040. By ignoring observable market

contraction, WGL understates the pace at which fixed-cost responsibility will shift to a smaller, more vulnerable customer base.

Each "decarbonization" option advanced by WGL—hope for gas-centric energy-efficiency, dual-fuel furnaces, and CHP installations by willing ratepayers—extends the functional life of mains and service lines well past 2045, the year District law requires net-zero emissions. New mains and service lines are often depreciated over roughly 15-35 years.[84] Absent a managed retirement trajectory, customers will still be paying for assets that the District has determined must be functionally obsolete, leaving ratepayers left behind to pay for stranded assets that have been abandoned.[85]

WGL reports that 38% of its distribution mains are "high-risk" materials[86]—yet the Plan proposes continued replacement and expansion of the network rather than strategic retirement of low-load lateral mains after block-level electrification ("branch clipping"). Every replacement dollar added to the rate base today becomes tomorrow's stranded cost once electrification accelerates. Moreover, each dollar spent on installing new gas infrastructure is a dollar diverted from proven emissions reduction solutions that do not rely on investment in fossil fuel distribution networks.Unlike California and Massachusetts public utility commissions, which are addressing depreciation-acceleration or securitization proposals tied to system contraction,[87]

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[84] U.S. Internal Revenue Service, *Publication 946 (2024), How To Depreciate Property*, https://www.irs.gov/publications/p946.

[85] Mike Henchen and Kiley Kroh, *A New Approach to America's Rapidly Aging Gas Infrastructure*, Rocky Mountains Institute, Jan. 6, 2020, https://rmi.org/a-new-approach-to-americas-rapidly-aging-gas-infrastructure/.

[86] Formal Case No. 1167, *Washington Gas's 15-Year Plan*, June 9, 2025, Section F. Distribution System Operations, at 18.

[87] Mass. Dept. Public Utilities, *Order No. 20-80*, https://www.mass.gov/news/department-of-public-utilities-issues-order-20-80; California Public Utilities Commission, *Order Instituting Rulemaking to Establish Processes, and Rules to Ensure Safe and Reliable Gas Systems in*

WGL offers no mechanism to mitigate the rate shock accompanying declining throughput on a fixed-cost network. The Company's silence effectively transfers the entire financial risk to District consumers.

The Commission has both the obligation and the authority to protect ratepayers from imprudent investment.[88] By continuing to invest in long-lived gas infrastructure without a depreciation or retirement plan, WGL disregards the Commission's directive in Order No. 22313 to align its capital program with the District's climate statutes. Approval of this proposed Plan, in its current form, would lock the District into stranded-cost surcharges for decades, precisely the outcome the Council sought to avoid in adopting legally binding decarbonization targets.

5. **Data Gaps and Analytical Flaws in WGL's Emissions Accounting**

The 15-Year Plan is fatally deficient because it rests on unverified assumptions and obsolete data, rendering any claimed GHG reductions illusory. First, WGL offers no independently audited baseline for methane leakage on its distribution system. Without a third-party inventory, the Company cannot demonstrate future Scope 1 reductions, yet those reductions form the bulk of its projected compliance. WGL fails to identify the registries it will use, describe additionality tests, or explain how double-counting will be prevented—despite offsets comprising the single largest line-item in its reduction ledger. Similar verification problems plague WGL's discussion of RNG and RNG attribute volumes and prices: the Plan provides no binding supply contracts, chain-of-custody protocols, feedstock assessments, or

California and Long-Term Gas System Planning, R-24-09-012, Oct. 4, 2024, https://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M542/K029/542029029.PDF.

[88] *See,* D.C. Code § 34-808 (Commission may disallow recovery of imprudent or noncompliant investments); *see also, Order No. 22003* (June 12, 2024) (disallowing PRJECTpipes 3 cost recovery due to inconsistency with District climate mandates).

source of RNG attributes. Ratepayers are thus asked to support proposals that may never materialize.

Second, WGL applies inconsistent emissions-reporting standards. In Formal Case 874, the Company argued that basin-average upstream leakage data were too unreliable for disclosure; here, it relies on those same averages to depict a favorable sourcing profile. Compounding this inconsistency, the Plan discounts methane's climate impact by employing a 100-year Global Warming Potential ("GWP")[89] of 27 instead of the widely accepted 20-year GWP of roughly 84 (regularly used in lieu of a 100-year standard given methane's powerful short-term greenhouse effect).[90] That choice distorts the reported warming impact of methane by nearly two-thirds and masks the urgency of near-term emissions control, contrary to the District's statutory mandate of a 60% reduction by 2030.

Third, the proposed Plan's baseline demand and emissions forecasts are analytically unsound. WGL measures progress against a 2006 baseline, ignoring almost two decades of energy-efficiency gains, solar deployment, and DOEE and the DC Sustainable Energy Utility policy interventions. Moreover, the Company assumes flat customer counts and incremental gas-volume growth through 2040, notwithstanding accelerating Building Energy Performance Standards, new gas appliance prohibitions, and documented demand declines over the past decade. By projecting historical data forward with an assumed (but unsupported) escalation rate,

[89] A metric measuring a greenhouse gas's potency when compared to carbon dioxide, thus a GWP of 27 is 27x the greenhouse effect potency of carbon dioxide over an established time period.
[90] European Commission, *Methane emissions,* https://energy.ec.europa.eu/topics/carbon-management-and-fossil-fuels/methane-emissions_en.

WGL omits the transformational policies that will drive rapid electrification and gas load decline.

Equally problematic, the Company allocates just 23% of systemwide emissions to upstream activities in its Baseline emissions;[91] however, peer-reviewed life-cycle studies attribute upward of 80% of total gas-system GHGs to extraction, processing, and transmission.[92] This understatement skews every subsequent cost-effectiveness calculation and overstates the sufficiency of distribution-level fixes, such as leak repair.

Taken together, the absence of verifiable leak data, reliance on an outmoded baseline, understatement of methane potency, and misallocation of upstream emissions deprive the Commission of a reliable evidentiary record. The Plan, therefore, fails to satisfy Order No. 22313's directive for a transparent, data-driven pathway and cannot lawfully support prudence findings or cost recovery on future gas investment.[93]

Therefore, WGL's premise of (1) no change in customer growth for 2026-2040,[94] (2) natural gas demand forecast for 2026-2040,[95] and (3) baseline emission forecast for 2026-2040[96] are invalid. On these grounds alone, WGL's filing must be deemed non-responsive and returned for resubmission with a fully sourced baseline emissions inventory, policy-responsive demand forecast, and transparent methodological disclosure.

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[91] Formal Case No. 1167, *Washington Gas's 15-Year Plan*, June 9, 2025, at 29, Table IV-4.
[92] J.L. Calderon, et al., *Managing upstream oil and gas emissions: A public health-oriented approach*, Journal of Envt'l Mgmt., Vol. 310, at 114766 (2022), https://pubmed.ncbi.nlm.nih.gov/35228168/ (*see* Table 1 Sources of oil and gas methane emissions in the United States).
[93] Order No. 22313.
[94] WGL Plan at 24.
[95] WGL Plan at 25.
[96] WGL Plan at 26.

6. **Failure to Integrate Electrification Load Shifts**

Because gas and electric planning in the District intertwine, it is imperative that WGL's proposal be analyzed in the light of Pepco's electrification analyses. At present, WGL's proposed 15-Year Plan treats its proposed dual-fuel and CHP programs in complete isolation from the parallel electrification analyses now before the Commission. Both DOEE's and Pepco's Strategic Electrification Studies, filed in Formal Cases 1167 and 1130, project substantial winter electric-load growth as space-heating shifts from gas to high-efficiency heat pumps.[97] WGL does not reference those studies, nor does it provide its own hourly load model. Consequently, the Company's "peak-day" gas chart assumes continued dominance of gas combustion for space heating throughout the planning horizon, a premise fundamentally at odds with Pepco's evidentiary record.

This siloed modeling has two serious consequences: (1) it deprives the Commission of a coordinated view of total system demand, risking under- or over-investment in both electric and gas infrastructure, and (2) it raises the likelihood of duplicative street excavations from uncoordinated repairs and parallel rate surcharges as each utility pursues projects in ignorance of

[97] Formal Case No. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposal*s; Formal Case No. 1154, and Formal Case No. 1130, *In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability, Strategic Electrification in Washington, D.C.: Neighborhood Case Studies of Transition from Gas to Electric-based Building Heating*, filed February 28, 2023 ("DOEE Electrification Study"), available at https://doee.dc.gov/sites/default/files/dc/sites/ddoe/page_content/attachments/Strategic%20Electrification%20Roadmap-reducedsize.pdf; FC 1167, *An Assessment of Electrification Impacts on the Pepco DC System,* August 2021, filed by Pepco and Brattle Group, Docket Item No. 59, available at https://edocket.dcpsc.org/apis/api/Filing/download?attachId=140553&guidFileName=1211ecc8-254d-4fc1-9143-10c8442e3fbc.pdf

the other's load trajectory. The Commission launched Formal Case 1182 precisely to avoid such inefficiencies; WGL's filing subverts that purpose.

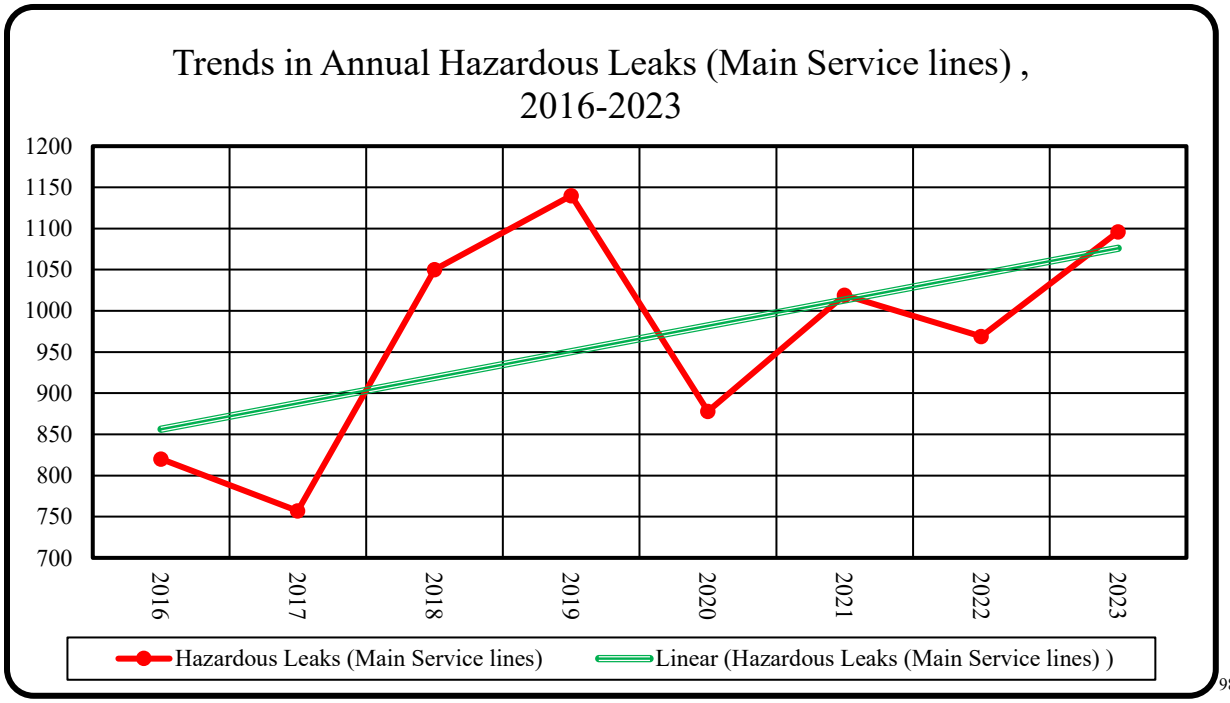
Pepco's upcoming electrification study will also supply hourly, seasonal, and locational load profiles—data necessary to evaluate grid reliability, nodal congestion, and non-wires alternatives. WGL offers no comparable granularity. Without synchronized modeling alongside Pepco, the Commission cannot execute integrated planning, nor can it safeguard ratepayers from avoidable costs and service disruptions.

In short, WGL's failure to incorporate the impacts on gas system costs of electrification time-of-day and time-of-year load shifts renders its proposed Plan analytically incomplete and operationally incompatible with the District's mandated electric-transition pathway. The filing should therefore be rejected pending submission of an hourly gas-load forecast aligned with Pepco's electrification scenarios and suitable for Commission-led integrated planning.

7. Public Safety

In its proposed Plan, WGL states that it "prioritizes the safety and reliability of the gas system," yet the Company's own filings reveal that despite hundreds of millions of dollars in accelerated-replacement surcharges, basic safety metrics have stagnated or worsened. While overall leaks may have improved, annual compliance reports in Formal Case Nos. 1154, 1175, and 1179 show that WGL's open hazardous leak backlog is growing, not only as a percentage of total leaks, but in absolute numbers too. The Grade-1 hazardous leaks are required to be repaired immediately per federal rules. WGL's own merger compliance filings in Formal Case No. 1142 indicate that, despite the reduction in overall leakages, WGL's annual leak repair counts have actually diminished by over 25% since 2019, showing a deceleration in repair speed by WGL over the past several years—which is troubling given WGL's proposed Plan's projections rely

upon accelerating line repair figures. Today, despite the hundreds of millions in ratepayer funds spent on pipeline replacement, a large proportion of the District's gas mains remain "high-risk" unprotected steel or cast iron. Simply put, ratepayers have funded extensive pipe-replacement surcharges with negligible improvement in leak incidence or hazardous-pipe ratio.



[98]

Further, WGL's leak repair program has consistently been deficient in maintaining adequate reliability, service quality, and safety. So much so that it was fined—*just a few weeks ago*—for failure to comply with the Commission's Natural Gas Quality of Service Standards and Merger Commitment No. 50 due to its repeated untimely response to hazardous leaks.[99] WGL's current leak detection and repair program is so problematic that community groups have taken to

[98] Formal Case No. 977, *Washington Gas's PHMSA Annual Report,* March 22, 2024, https://edocket.dcpsc.org/apis/api/Filing/download?attachId=202561&guidFileName=d900a222-b702-4b95-8f07-427098b18005.pdf; https://dcpsc.org/Utility-Information/Natural-Gas/Natural-Gas-Leaks.aspx.

[99] Commission Order No. 22641 (July 16, 2025) at ¶ 17.

testing for leaks themselves. Volunteers from Washington Interfaith Network, Friends Meeting of Washington, the local chapter of Sierra Club, and numerous houses of worship have found nearly 400 leaks in the District, with 14 of those at levels which would be considered explosive if ignited.[100]

Against this backdrop, WGL's proposed 15-Year Plan's call for additional long-lived gas investment (dual fuel heating systems and CHP)—absent a verified leak-reduction trajectory or independent audit—cannot credibly be characterized as a safety-first strategy, especially given the emphasis WGL places upon Advanced Leak Detection as a central pillar of its 15-Year Plan.

8. Deficient Alternatives Analysis

WGL devotes fewer than three pages to just three "other technologies" (network geothermal, clean hydrogen, and strategic branch-clipping and electrification) and summarily dismisses each on grounds of cost, uncertainty, or purported engineering infeasibility. The Company provides no pro-forma capital estimates, no levelized cost of energy calculations, and no system-integration analyses, and—importantly—does not include these "alternative technologies" in its illustrative cost comparison. This perfunctory treatment is particularly troubling given that multiple peer jurisdictions are already implementing the very strategies WGL deems "not viable."

A. **Networked (Geo-Exchange) District Systems**

WGL devotes fewer than two paragraphs to networked geothermal loops and district-scale heat in its 15-year filing, dismissing both as cost-prohibitive.[101] No capital cost

[100] Beyond Gas DC, *Neighborhood Researchers Find Hundreds of Methane Gas Leaks Across DC*, Feb. 23, 2022, https://www.sierraclub.org/sites/www.sierraclub.org/files/sce-authors/u6902/Hundreds-Methane-Leaks-Across-DC.pdf

[101] WGL Plan at 51.

curve, no levelized heat comparison, and no engineering constraint study accompany that conclusion. The omission is striking because jurisdictions with urban density and climatic conditions comparable to the District are already proving the viability and affordability of precisely these solutions.

WGL focuses only on one domestic project in Framingham, Massachusetts to deride the costs of networked district heating and geothermal systems; with an increasing number of global examples, the United States is falling behind other developed nations. Many similar projects globally demonstrate that such systems are not just feasible but economical. Mannheim, Germany has committed to full gas-grid decommissioning by 2035, financed through a municipal utility model that couples block-level geothermal loops with high-efficiency heat pumps and district hot-water mains.[102] Copenhagen supplies roughly 99% of its urban core via waste-to-heat district systems—demonstrating that large-scale thermal networks can thrive in cold temperate climates while maintaining competitive prices.[103] Both cities leverage legacy utility corridors, dense underground equipment, and publicly owned rights-of-ways, conditions that also exist in the District's tightly gridded streets.

In California, Pacific Gas & Electric is piloting "targeted electrification" neighborhoods where low-pressure gas mains are decommissioned after customers are shifted to geo-exchange

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[102] Benjamin Wehrmann, German city announces decommissioning of gas grid by 2035, encourages heat pump purchases, Clean Energy Wire, Jan. 18, 2025, https://www.cleanenergywire.org/news/german-city-announces-decommissioning-gas-grid-2035-encourages-heat-pump-purchases; MVV Energie & Stadt Mannheim joint press release, *Gemeinsam die Wärmewende in Mannheim umsetzen***,** Nov. 8, 2024, https://www.mvv.de/journalisten/pressemitteilungen/detail/gemeinsam-die-waermewende-in-mannheim-umsetzen.

[103] State of Green, *District Energy: The backbone of a flexible, resilient and efficient energy system,* 2024, https://dbdh.org/wp-content/uploads/2024/11/SoG_WhitePaper_DistrictEnergy2024_210x297_V09.pdf.

systems. California research calculates that such block-level conversions could avoid 2.9 - 4.4% of pipeline replacement miles by 2045 and yield net ratepayer savings.[104] These pilots employ cost-share structures (*e.g.*, federal tax incentives, state decarbonization funds, securitized gas depreciation pools) that could also be employed by WGL.

The District's compact footprint, high building density, and extensive infrastructure corridors place it among the most promising U.S. candidates for networked geothermal or district heating service. Moreover, DC Water's ongoing lead-service-line and storm-sewer programs and Pepco's PLUG initiative already require coordinated street openings, creating a once-in-a-generation opportunity to install shallow bore loops or thermal mains at marginal cost. Yet, WGL provides neither a cost-benefit screen nor a pilot road-map—effectively precluding Commission review.

A credible alternatives analysis would compare the present-value cost of (1) replacing leak-prone gas mains and purchasing indefinite carbon offsets versus (2) decommissioning those mains and financing a geo-exchange network with avoided-gas capital, federal tax credits, and securitized depreciation. By failing to provide that comparison, WGL obscures the possibility that networked geothermal could lower long-term bills while eliminating methane leakage when compared to the costs of WGL's pipe replacement program paired with copious ongoing purchases of carbon offset credits. This serious omission does a disservice to both ratepayer interests and District climate law and goals. WGL's perfunctory dismissal of networked

[104] Energy + Environmental Economics, *Avoiding Gas Distribution Pipeline Replacement Through Targeted Electrification in California*, June 2024, at 3, https://www.ethree.com/wp-content/uploads/2024/06/Gas-Decommissioning-Fact-Sheet-2024-06-18.pdf; California Energy Commission, *An Analytical Framework for Targeted Electrification and Strategic Gas Decommissioning,* July 2024, https://gridworks.org/wp-content/uploads/2024/07/Targeted-Electrification-and-Strategic-Gas-Decommissioning.pdf

geothermal and district heat is not a good-faith feasibility assessment but a strategic choice to preserve its legacy gas business model. The Commission should find the Plan non-responsive and require a rigorous side-by-side economic evaluation of geo-exchange, district heat, and branch-clipping—benchmarked against the life-cycle cost of maintaining and offsetting an aging gas network and purchasing carbon offsets *ad infinitum*.

B. **Hydrogen**

For the last five years, WGL has cited hydrogen blending or dedicated hydrogen networks as a prospective decarbonization pathway in Commission proceedings.[105] In the present filing, the Company reverses course, dismissing hydrogen entirely on grounds of "uncertainties associated with its deployment, cost, availability, and market conditions," without presenting a single technical study or cost-curve to substantiate that conclusion.[106] The abrupt withdrawal is not accompanied by engineering evidence, market surveys, or safety assessments. It therefore deprives the Commission of the information needed to evaluate whether hydrogen, while not a panacea, might form part of a diversified transition strategy. OPC does not recommend hydrogen blending or dedicated hydrogen networks as preferred decarbonization measures for the District. Rather, OPC asserts the need for quantitative analysis in the District's climate planning and resource decision making.

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[105] *See, e.g.,* Formal Case 1142, *Natural Gas and its Contribution to a Low Carbon Future,* Filed by WGL, March 16, 2020, https://edocket.dcpsc.org/apis/api/Filing/download?attachId=101994&guidFileName=e69b6cb2-963c-4122-aca3-3b45e838b2b7.pdf.

[106] WGL Plan at ⁋ 52.

In the United Kingdom, the HyDeploy program proved that a 20% hydrogen blend could be safely injected into a public distribution networks between 2019-2021 without requiring customer appliance retrofits.[107] The HyNet North West project is now progressing toward a dedicated hydrogen transmission corridor to supply industrial clusters around Liverpool and Manchester by 2027.[108]

In Germany and the Netherlands, utilities are in the process of converting legacy pipelines to create the GET H2 backbone linking Lingen, Gelsenkirchen, and Dutch industrial zones, demonstrating that repurposed steel mains can transport hydrogen at transmission pressures with adequate planning and improvement.[109]

Meanwhile, Japan's Fukushima Hydrogen Energy Research Field (FH2R) has operated a 10 MW solar-powered electrolyzer since 2020 and feeds pure hydrogen to nearby mobility and chemical users through dedicated distribution lines.[110] South Korea's Ulsan Port Hydrogen City initiative is preparing a local pipeline grid to supply maritime bunkering and petrochemical demand, backed by the Ministry of Trade, Industry and Energy.[111]

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[107] HyDeploy, *HyDeploy Project – Project Close Down Report*, June 2021, https://hydeploy.co.uk/app/uploads/2022/06/HyDeploy-Close-Down-Report_Final.pdf
[108] Cadent, *HyNet North West: From Vision to Reality*, June 2021, https://hynet.co.uk/wp-content/uploads/2021/06/14368_CADENT_PROJECT_REPORT_AMENDED_v22105.pdf
[109] GET H2, *Implementation,* https://www.get-h2.de/en/implementation/.
[110] Hydrogen Council, *Scaling up for a low-emissions hydrogen future: New Asahi Kasei plant achieves milestones*, Sept. 30, 2024, https://hydrogencouncil.com/en/scaling-up-for-a-low-emissions-hydrogen-future-new-asahi-kasei-plant-achieves-milestones/.
[111] Kim Geun-ju, *Ulsan City 'Hydrogen City Development Project' Competition Selection – 14.7 Billion Korean Won in National Funds Secured,* Yohap News, Sept. 20, 2024, https://www.yna.co.kr/view/AKR20240919158400057; Ha In-sik, *From cars and ships to industrial machinery, Ulsan completes 'hydrogen charging infrastructure',* Hankyung Korea Market, Aug. 28, 2024, https://www.hankyung.com/article/2024082821341; Ha In-sik, *'Carbon-zero' housing and transportation – Ulsan-type hydrogen city emerges,* Hankyung Korea Market, Oct. 28, 2024, https://www.hankyung.com/article/2024102842491

These projects illustrate that hydrogen networks, whether blended in existing mains for limited periods or conveyed through dedicated loops, are technically and economically viable for targeted clusters. They also reveal the critical variables WGL should have examined: pipeline metallurgy, odorant specification, compressor conversion costs, and end-use appliance readiness. Instead, the Company provides no comparative cost metric, no bill impact assessment, and no timeline for potential pilot demonstrations—even though federal hydrogen-specific tax credits have survived the current federal administration's removal of other clean energy credits, offering substantial funding streams that could offset pilot costs in the District.[112]

By eliminating hydrogen without analysis, WGL forecloses a portfolio option that might displace a portion of fossil gas in hard-to-electrify sectors (*e.g.*, food processing, university campuses) and leverage federal incentives. The Company thereby forces reliance on perpetual carbon-offset purchases, an approach that delivers no local infrastructure benefit and exposes customers to volatile credit markets.

The Commission should require WGL to submit a hydrogen feasibility study that (1) evaluates a 5- to 20-% blend pilot on a discrete low-pressure circuit, (2) examines the cost of a dedicated "hydrogen loop" for a clustered industrial or institutional load in the context of the District's existing industrial enterprises, and (3) compares those costs and emissions outcomes to the Company's proposed offset strategy. Absent such analysis, the blanket dismissal of hydrogen options is unsupported and cannot satisfy the Plan's statutory obligation to evaluate all reasonable pathways to the District's net-zero target.

[112] U.S. Dept. of Energy, *Clean Hydrogen Production Tax Credit*, https://afdc.energy.gov/laws/13399.

C. Strategic Branch-Clipping and Electrification.

WGL discounts "branch clipping" (the retirement of low-load lateral mains after block-level electrification) as "extremely challenging," offering no hydraulic analysis, pressure-support modeling, or cost projections to substantiate the claim. In modern gas system planning, that omission is indefensible. Experience in other jurisdictions demonstrates both technical feasibility and customer-bill neutrality when branch clipping is executed in tandem with coordinated electrification incentives. Strategic branch-clipping coupled with block-level electrification is neither novel nor speculative.

In 2024, California enacted SB 1221, directing the California Public Utilities Commission ("CPUC") to create a voluntary zonal decarbonization program that designates "priority neighborhood decarbonization zones" and authorizes gas utilities to retire local mains once cost-effective, zero-emission substitutes—principally full electrification—are in place. By July 2025, each utility must file detailed system maps; by January 2026, the CPUC will identify eligible zones; and by July 2026, utilities may launch up to thirty pilot projects, exiting gas service where two-thirds of customers consent (projects with unanimous consent are unlimited).[113] An Energy + Environmental Economics/Gridworks statewide analysis concluded that targeted electrification could reduce between 2.9% and 4.4% of California's main-replacement miles by 2045, saving ratepayers hundreds of millions of dollars versus a replace-in-kind paradigm.[114]

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[113] California Public Utility Commission, *SB 1221 Implementation*, https://www.cpuc.ca.gov/industries-and-topics/natural-gas/SB-1221-implementation.

[114] Energy + Environmental Economics, *Benefit-Cost Analysis of Targeted Electrification and Gas Decommissioning in California*, California Energy Commission: PIR-20-009, Dec. 2023, https://www.ethree.com/wp-content/uploads/2023/12/E3_Benefit-Cost-Analysis-of-Targeted-Electrification-and-Gas-Decommissioning-in-California.pdf.

Internationally, the Netherlands amended its Gas Act in 2022 to give municipalities statutory authority to disconnect entire neighborhoods from the gas grid and connect them to district heat or all-electric solutions.[115] As a result, pilot precincts in Amsterdam and Utrecht have already removed interior gas meters and isolated lateral mains while maintaining backbone-system integrity.[116] These examples refute WGL's assertion that branch clipping is infeasible in densely populated, interconnected systems.

The District's dense street grid, alley network, and high prevalence of row-house blocks provide clear candidates for cluster electrification. Moreover, Pepco's Formal Case 1182 load-shift modeling can identify circuits with sufficient capacity to absorb new winter electric load, enabling coordinated gas retirement. By failing to present even a rudimentary engineering or economic analysis, WGL deprives the Commission of the comparative evidence needed to judge prudence. Bear in mind, the Netherlands is *currently in the process of* disconnecting entire neighborhoods from gas and transitioning them to district heating, demonstrating technical feasibility. Such precedents show that branch clipping is technically feasible within meshed systems, yet WGL labels the concept as extremely challenging without a single hydraulic study. This makes the Company's proposal unresponsive.

D. Alternatives Summary

By failing to model proven alternatives, WGL forecloses the Commission's ability to compare true life-cycle costs and emissions. The omission violates fundamental principles of

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[115] Adrian Hiel, *Dutch cities gain new powers to disconnect gas users*, Energy Cities, Oct. 3, 2024, https://energy-cities.eu/dutch-cities-gain-new-powers-to-disconnect-gas-users-and-accelerate-shift-to-district-heating/; Minke de Haan, *The Energy Act: What Will Change From 2026 Onwards?*, Kennedy Van der Laan, April 14, 2025, https://kvdl.com/en/articles/de-energiewet-wat-verandert-er-vanaf-2026.

[116] *Id*.

least-cost planning and leaves the District's most vulnerable ratepayers positioned to underwrite an ever-shrinking gas network while cheaper, cleaner options are increasingly available. The Commission should therefore reject WGL's filing as non-responsive and direct the Company to submit a robust alternatives analysis, including networked geothermal, branch clipping with electrification clusters, and district-scale renewable heat, benchmarked against the long-term cost of indefinite carbon-offset procurement and gas infrastructure repair and replacement.

VI. OPC RECOMMENDATIONS

OPC recommends that the Commission reject WGL's proposed 15-Year Plan and,

1. Declare the filing as non-compliant and require WGL to resubmit within 90 days with the following:
    - A forward going plan of WGL's proposed actions and investments with corresponding cost, bill impact and emissions analysis.
    - A roadmap that considers District electrification trends and WGL's response;
    - Audited methane-leak inventory and annual reduction targets;
    - A RNG procurement supply assessment limited to verifiable, additional sources with price-impact analysis;
    - A year-by-year emissions budget to 2045;
    - A branch-clipping schedule and line-retirement depreciation plan;

- Detailed analysis of alternatives, such as networked geothermal, hydrogen, and district heating;
- Evidence of a load-integration working group with Pepco to produce joint electrification scenarios; and
- The use of offsets limited to a supplemental role and subject to rigorous third-party verification.

2. Require WGL to demonstrate compliance with its merger commitments via quarterly Leak Identification, Detection, and Repair, and Order Complaints ("LIDAROC") reports; monthly Emergency and Grade 1 leak activity reports, and; weekly downgraded leak reports (including reclassifications from Grade 1 to Grade 2 and from Grade 2 to Grade 3). OPC's primary concern is not the frequency or cadence of these reports, but rather the verifiability, consistency, and data integrity across reporting cycles.

3. Establish a parallel gas integrated distribution system planning docket to align with Formal Case No. 1182 and prevent stranded assets.

4. Disallow recovery of offset purchases and RNG price premiums until outside verification of incremental emissions reductions. The Commission should condition any future cost recovery on demonstrable progress toward statutory targets, backed by audited GHG data and verified leak-repair performance.

VII. CONCLUSION

Much like WGL's previous climate business plan proposals, WGL's 15-Year Plan is not a plan designed to meet D.C.'s emissions reduction mandates; it is a blueprint for preserving the status quo under a new label. The Commission should:

1. Reject the submission as non-responsive to Commission Order 22313.
2. Direct WGL to file, within 90 days, a plan that is compliant with Commission directives and District law.
3. Condition any future cost recovery on demonstrable, audited GHG reductions aligned with District law.

In short, WGL has offered a 15-year program to entrench fossil fuel sales, not a plan to comply with District law. WGL's Plan offers no credible pathway to the 2030 or 2045 emissions reduction mandates, no protection against stranded asset costs, and no honest appraisal of cleaner alternatives. It also ignores District policy, overstates progress, and hands the bill for delay to consumers. The Commission should reject the filing outright and direct WGL to return with a real transition roadmap—one that caps new pipe, accelerates asset retirement, and puts capital and effort toward zero-carbon heat. Until such a plan is on the table, District ratepayers must not underwrite a business model that already harms their health, environment, and future economic well-being.

Respectfully submitted,

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CERTIFICATE OF SERVICE

Formal Case No. 1167, In the Matter of the Implementation of the Business Climate Plan

I certify that on September 5, 2025, a copy of the *Office of the People's Counsel for the District of Columbia's Comments in Response to Washington Gas Light Company's Proposed 15-Year Plan* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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