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October 6, 2025

VIA ELECTRONIC FILING

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

Re: FC No. 1167 [Washington Gas's Reply]

Dear Ms. Westbrook-Sedgwick:

Pursuant to Order Nos. 22313 and 22399 in the above-referenced proceedings please find attached Washington Gas Light Company's Reply.

Please direct questions to the undersigned.

Sincerely,

John Dodge
Associate General Counsel and Director,
Regulatory Matters

Cc: Per Certificate of Service

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF	)	
	)	
THE IMPLEMENTATION OF ELECTRIC	)	
AND NATURAL GAS CLIMATE CHANGE	)	
PROPOSALS	)	Formal Case No. 1167
	)	
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WASHINGTON GAS LIGHT COMPANY'S REPLY TO 15-YEAR PLAN COMMENTS

Washington Gas Light Company ("Washington Gas" or the "Company") submits the following reply ("Reply") in response to comments submitted regarding its 15-Year Plan (the "Plan"), filed pursuant to Order Nos. 22313 and 22339 of the Public Service Commission of the District of Columbia (the "Commission").[1] This Reply addresses various assertions made in comments from the Office of People's Counsel ("OPC"), Sierra Club, and the District of Columbia Government ("DCG"), regarding the Plan's compliance and sufficiency, as well as technical arguments raised by OPC and other parties.

The Company's 15-Year Plan fulfils the Commission's directives, conforms with applicable District law, and provides a robust, data-supported framework for evaluating emissions reduction options. Importantly, these options remain consistent with Washington Gas' statutory obligations to deliver safe, reliable, and affordable service. Washington Gas urges the Commission to proceed with its review of the Plan and to identify which emissions reduction options warrant

[1] Formal Case No. 1167, *In the Matter of the Implementation of Electric and Natural Gas Climate Change Proposals* ("Formal Case No. 1167"), Order No. 22339 (Dec. 10, 2024); *Formal Case No. 1167*, Order No. 22313 (Oct. 10, 2024). Unless otherwise stated, all references to Commission proceedings are to filings in Formal Case No. 1167.

further development, consistent with the iterative planning process envisioned by the Commission and the District's climate policy goals.

I. Washington Gas' 15-Year Plan Complies with The Commission's Orders and District Law.

The Company's 15-Year Plan details how it will contribute to the District's climate policy commitments, while continuing to provide safe, reliable, and affordable energy services for District consumers. The Commission, Washington Gas, and OPC all agree that the Commission has a statutory duty, under D.C. Code § 34–808.02, to ensure the 15-Year Plan balances each of these considerations.[2] However, OPC's comments asserting that the 15-Year Plan does not comply with the Commission's orders or the District's laws mischaracterizes what the Commission has required in the 15-Year Plan filings and misreads the actual contents of the Company's 15-Year Plan. Furthermore, OPC's comments fail to accurately portray the state of utility law in the District, disregarding the statutory mandates for reliability and affordability with which both the Commission and Washington Gas must comply. Finally, OPC attempts to relitigate the well-settled nature of the Company's Federal Charter, which the Commission has repeatedly emphasized guarantees the Company's right to provide gas services to the District.

A. OPC's Assertions Regarding the 15-Year Plan's Sufficiency are Without Merit.

OPC's assertions that the 15-Year Plan is non-responsive to the directives of Order Nos. 22313 and 22339 are, at least in part, due to OPC's mischaracterizations of those orders. In Order No. 22313, the Commission directed Washington Gas to file a revised Climate Business Plan

[2] *See* Order No. 22313, at 11; Washington Gas' 15-Year Plan, 6-7 (June 9, 2025) ("15-Year Plan"); OPC's Comments in Response to WGL's Proposed 15-Year Plan, 4 (Sept. 5, 2025) ("OPC Comments").

("CBP") and a new 15-Year Plan.[3] After outlining general requirements for each plan,[4] the Commission included a list of specific substantive requirements regarding the plans, many of which apply only to the revised Climate Solutions Plan ("CSP") filed by the Potomac Electric Power Company ("Pepco") and Washington Gas' revised CBP (as indicated in bolded italics):

> To that end, the Commission directs Pepco and WGL to file a revised CSP, a revised CBP, and new 15-Year Plans that incorporate the following:
>
> ***• 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, IRA, Healthy Homes Act, and other recent District and federal legislation impact any proposals in the CSP and CBP and electrification studies;***
>
> ***• 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 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;***
>
> ***• 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;

[3] Order No. 22313 at 1.

[4] The general requirements for the 15-Year Plan were that it must "reflect changes in District and federal law and other climate-related developments;" demonstrate how Washington Gas "will meet the District's climate goals over the next 15 years;" "be divided into three 5-year horizons, each with a well-defined roadmap, action plan, and a set of milestones;" and "ensure that [Washington Gas] effectively serve[s] the public interest by advancing the District's climate policy commitments while ensuring safe, reliable, and reasonable rates for District consumers." *Id.* at 1, 11.

> • expected greenhouse gas ("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.
>
> The revised CSP, revised CBP, and new 15-Year Plans shall include all cost models and work papers supporting them. Work papers in Excel format shall be filed with formulas intact.[5]

Then, in Order No. 22339, the Commission rescinded the directive for Washington Gas to revise its CBP, pending adoption of the Benefit-Cost Analysis ("BCA") framework in *GD2019-04-M*.[6] Regarding the 15-Year Plans, Order No. 22339 reiterated the Commission's directive to file them and added that "[t]he Commission also directs utilities to adopt a forward-thinking and proactive approach in addressing the challenges and opportunities presented by climate issues in the District."[7] Otherwise, Order No. 22339 provided no additional or different substantive requirements for the 15-Year Plans.

As an initial matter, some *but not all* of the requirements set forth in Order No. 22313 apply to the 15-Year Plan. Nevertheless, OPC mischaracterizes Order No. 22313 in implying that the Commission directed Washington Gas to include in the 15-Year Plan all of the specific substantive requirements listed above.[8] This interpretation ignores the plain text of Order No. 22313 and the Commission's subsequent decision in Order No. 22339, leading OPC to invent several requirements for the 15-Year Plan that are nowhere to be found in either order.

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[5] *Id.* at 11-12.
[6] Order No. 22339 at 1, 9.
[7] *Id.* at 9.
[8] *See* OPC Comments at 9-11.

First, OPC asserts that Order No. 22313 "requires WGL to report on the customer bill impacts of its proposed Plan."[9] However, as noted above, that order requires "analysis on the customer bill impacts of electrification proposals ***included in the revised CSP and CBP*** . . ."[10] Thus, this requirement does not apply to the 15-Year Plan, and indeed, it would be strange to require an analysis of proposals in a revised CBP not yet submitted. However, even though it is not required at this point, in a good-faith effort to provide information to the Commission, the 15-Year Plan *does* provide painstaking detail regarding bill impacts for two of Washington Gas' options for helping to meet the District's climate goals over the next 15 years.[11] The 15-Year Plan also provides costs per metric ton of CO2e to facilitate a comparison of the cost-effectiveness of the six emissions reduction options presented by Washington Gas. Additionally, once the Commission finalizes the BCA, Washington Gas anticipates that the Commission may order the Company to submit more detailed, individual filings analyzing the most cost-effective and/or beneficial emissions reduction options. These filings may include program design, cost-effectiveness assessments based on the BCA currently being developed by the Commission, anticipated participation levels, near-term anticipated emissions reductions based on program design, and cost recovery to obtain necessary Commission approval for implementation. Thus, OPC's arguments that the 15-Year Plan must include and also lacks customer impact analysis are both misguided and unfounded.

Second, regarding providing a "quantitative analysis of impacts of relevant legislation," OPC argues the 15-Year Plan is legally insufficient because it allegedly "omits modeling of anticipated shifts in customer behavior or load from District electrification initiatives."[12] Again,

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[9] *Id.* at 4.
[10] Order No. 22313 at 11-12 (emphasis added).
[11] *See* 15-Year Plan at C-4 to C-7, D-8 to D-10.
[12] OPC Comments at 4-5.

OPC misreads Order No. 22313, which requires "quantitative analysis and qualitative explanations of how . . . recent District and federal legislation impact any proposals ***in the CSP and CBP and electrification studies.***"[13] This requirement does not apply to the 15-Year Plan. Again, notwithstanding the lack of requirements, the 15-Year Plan does include a quantitative analysis of impacts of relevant legislation, as explained below in discussing the Company's Base Forecast.[14] The Company stands by its approach. Any technical disagreements OPC has with this modeling, at a minimum, do not justify rejecting the Plan as non-compliant, nor do they justify OPC's baseless attacks on Washington Gas' integrity.

Third, OPC alleges that the 15-Year Plan fails to include "any standardized methodology for calculating GHG reductions or tracking progress toward statutory benchmarks."[15] This allegation is puzzling, as the 15-Year Plan explicitly includes a standardized GHG emissions accounting methodology and lays out options for the Commission to consider that would make progress towards achieving the statutory climate benchmarks.[16] Again, any technical disagreements OPC may have regarding the 15-Year Plan's approach do not justify rejecting the Plan as noncompliant with the Commission's orders.

Finally, OPC also argues that Washington Gas "must consider the impacts of electrification initiatives in its proposed 15-Year Plan" and, in a conclusory fashion, that the Company's failure to do so renders it flawed.[17] OPC does not cite any authority for this "requirement,"[18] and Order No. 22313 imposes no such requirement in the context of the 15-Year Plan. Moreover, all of the Commission proceedings that OPC refers to are still pending,[19] and there is no meaningful way

[13] Order No. 22313 at 11.
[14] *See infra,* Section II.
[15] OPC Comments at 5.
[16] *See infra,* Section II.
[17] OPC Comments at 3.
[18] *See id.*
[19] *See id.* at 3-4.

for Washington Gas to plan for their unknowable outcomes beyond pure speculation. Relatedly, OPC references a zero-emission vehicle registration requirement and a 2018 report that the District Government acknowledged was part of an iterative process, with no explanation on how either might reliably forecast natural gas demand. The Commission should also disregard OPC's conclusory statement that the 15-Year Plan is poorly predictive of demand trends and inconsistent with other PSC-regulated pathways.[20] But as a practical matter, as mandated by Order No. 22313, the 15-Year Plan will be updated every three years to incorporate concrete outcomes from any proceedings or relevant laws as they become available. As such, Washington Gas' ability to provide more certain information regarding the implications of these proceedings will continue to evolve.

B. OPC Misunderstands and Mischaracterizes the Effect of the District's Climate Laws on Washington Gas and the Commission.

OPC asserts that the 15-Year Plan fails to comply with District laws. Specifically, OPC identifies several District climate laws and asserts that Washington Gas "must plan its infrastructure and business model following these statutory directives."[21] While Washington Gas' 15-Year Plan accounts for the District's climate laws, OPC does not identify, nor do these climate laws contain, any binding obligations on Washington Gas. Furthermore, the D.C. Code is clear that neither the Commission nor Washington Gas can act solely on the basis of environmental considerations—other statutory factors such as safety, reliability, and reasonable rates must also be adequately considered.[22]

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[20] *Id.* at 4.
[21] *Id.* at 6-7.
[22] D.C. Code § 34–808.02 ("In supervising and regulating utility or energy companies, the Commission shall consider the public safety" and "the economy of the District," in addition to environmental considerations); D.C. Code § 34-1101(a) ("Every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. The charge made by any public utility for a facility or service furnished, rendered, or to be furnished or rendered, shall be reasonable, just, and nondiscriminatory."); D.C. Code § 1-204.93 (the Commission must "insure" that Washington Gas continues "to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable.").

The Climate Commitment Amendment Act of 2022 instructs the Mayor to "adopt policies to reduce emissions of greenhouse gases from both public and private sources to" achieve "[a] level consistent with carbon neutrality by 2045, and in each year thereafter,"[23] but the Act, in itself, does not create any binding obligations for Washington Gas. General statutory goals regarding emissions reductions do not override the Commission's and Washington Gas' specific statutory duties to ensure reliable gas service is available to customers in the District.[24] The Commission recognized the bounds of its authority in Order No. 21593, stating, "our enabling statute can be read to require WGL to provide gas service to its customers at a reasonable rate rather than as authority to ban their service altogether."[25]Additionally, the D.C. Council has enshrined in statute that affordable retail natural gas is in the public interest.[26] This statutorily enshrined public interest in affordable natural gas service has not been altered by any of the District's subsequent climate commitments, and as such, it remains a relevant consideration for which the Commission must account when considering the 15-Year Plan.

In fact, the D.C. Code elevates safe, reliable, affordable service above any environmental considerations. While the Commission must consider environmental factors alongside factors such as "the public safety" and "the economy of the District" under D.C. Code § 34–808.02, D.C. Code § 34-1101(a) *requires* public utilities to "furnish service and facilities reasonably safe and adequate

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[23] D.C. Code § 8–151.09d.

[24] *See District of Columbia v. Gould*, 852 A.2d 50, 55 (D.C. 2004) (noting that a specific statutory provision governs a general one); *George Washington Univ. v. D.C. Bd. of Zoning Adjustment*, 831 A.2d 921, 943 (D.C. 2003); *see also Barry v. Little*, 669 A.2d 115, 121 n.13 (D.C. 1995) ("[A]bsent contrary legislative intent a general statutory provision will not take precedence over a controlling specific statutory provision."); *See* D.C. Code § 34-1101(a) ("Every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. The charge made by any public utility for a facility or service furnished, rendered, or to be furnished or rendered, shall be reasonable, just, and nondiscriminatory."); D.C. Code § 1-204.93 (the Commission must "insure" that Washington Gas continues "to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable.").

[25] Order No. 21593 at 3.

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

and in all respects just and reasonable." In addition, D.C. Code § 34-1101(a) *requires* that charges for such service "shall be reasonable, just, and nondiscriminatory." No such absolutist requirements exist when it comes to environmental considerations.

Of course, at the same time, Washington Gas must and does comply with the Commission's Order No. 22313, requiring the 15-Year Plan to demonstrate how Washington Gas "will meet the District's climate goals over the next 15 years."[27] Washington Gas interprets this directive by the Commission to be an instruction to provide potential emissions reduction options the Company could pursue and scale, with Commission approval, to help achieve the District's climate goals. Obviously, it is impossible for the Company (or any other utility) to predict how they will contribute to emissions reductions over the next 15 years while still providing safe, reliable, affordable service, given that utilities require Commission approval to economically proceed with investments in emissions reductions.

Additionally, on both the practical and legal front, Washington Gas can consider only those emissions reduction options that a gas-only utility can implement independently, as it is not an electric utility, nor is it authorized to effectuate electrification, and it has a statutory duty to continue to provide gas services.[28] Furthermore, in reviewing the emissions reduction options set forth in the 15-Year Plan, the Commission must operate within the confines of its statutory duty to pursue emissions reductions in a prudent manner, ensuring that Washington Gas maintains the safety, reliability, and affordability of gas services for District gas consumers.[29] The Commission recognized this balancing of interests in Order No. 22313, stating that the 15-Year Plans should "ensure that they effectively serve the public interest by advancing the District's climate policy

[27] Oder No. 22313 at 1.
[28] D.C. Code § 34-1101(a) (requiring that "[e]very public utility doing business within the District of Columbia . . . furnish service and facilities reasonably safe and adequate and in all respects just and reasonable.").
[29] *See* D.C. Code § 34–808.02.

commitments while ensuring safe, reliable, and reasonable rates for District consumers."[30] OPC admits the same in its comments.[31]

Furthermore, OPC again confuses technical arguments with legal arguments, attempting to couch its analytical disagreement with Washington Gas' analysis of the emissions reduction options in the 15-Year Plan in terms of non-compliance with District climate laws. However, as demonstrated above, there is no legal merit to OPC's conclusory and overbroad arguments in this regard. OPC's arguments on this point also blindly prioritize electrification over the above *legally necessary* statutory mandates. In doing so, OPC ignores that electrification could result in all manner of ill consequences, including higher prices,[32] less reliable power,[33] and even *increasing* greenhouse gas emissions.[34] [35]

C. OPC Misconstrues Washington Gas' Arguments Regarding its Federal Charter.

OPC also asserts that Washington Gas' Federal Charter "does not immunize [it] from the District's inherent police powers or the PSC's jurisdiction over utility ratemaking, system planning, and regulatory compliance."[36] OPC does not point to or cite anywhere in the 15-Year

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[30] Oder No. 22313 at 11.
[31] *See* OPC Comments at 4 (recognizing the Commission's "statutory duty to ensure utility service remains affordable and equitable.")
[32] According to the U.S. Department of Energy, electricity has an average unit cost 3.5 times that of natural gas. Energy Conservation Program for Consumer Products: Representative Average Unit Costs of Energy, 89 Fed. Reg. 83,672, 83,673 (Oct. 17, 2024).
[33] PJM, Energy Transition in PJM: Flexibility for the Future at 3, 4 (June 24, 2024), https://www.pjm.com/-/media/DotCom/library/reports-notices/special-reports/2024/20240624-energy-transition-in-pjm-flexibility-for-thefuture.ashx (recognizing that a shortfall of supply is likely by 2030 due to demand growth and resource retirements outpacing development and deployment of new resources); *see also* Department of Energy, Secretary's Order No. 202-25-4 (May 30, 2025) (issuing emergency orders to prolong the operation of Eddystone Generation Station within the PJM service territory due to "potential tight reserve margins during the summer 2025 period," and " reliability risk from increasing electricity demand [and] generator retirement outpacing new resource construction.").
[34] *See, e.g.,* PJM, Generation Fuel Mix, pjm.com/markets-and-operations.aspx (last visited Sept. 30, 2025) (showing as of September 30, 2025, fossil fuels resources comprised nearly 65% of PJM's generation mix).
[35] Similarly, Sierra Club asserts without citations that it is a "myth" the delivery of fossil fuels is more affordable than electrification. Sierra Club's Comments in Response to WGL's Proposed 15 Year Plan, 2 (Sept. 5, 2025).
[36] OPC Comments at 7.

Plan where Washington Gas makes the claim that OPC's phantom, strawman argument is responding to. Instead, OPC points to "[t]he Company's implied assertion—that the Commission cannot stop it from selling gas, so it will continue to operate as it wishes."[37]

To be clear, Washington Gas has never opined, either in the 15-Year Plan or elsewhere, that it is immune from the District's inherent police powers or the Commission's jurisdiction over utility ratemaking, system planning, and regulatory compliance. What the Company has argued is that the District's police powers and the Commission's jurisdiction simply do not include ordering a shutdown of Washington Gas' distribution system, given the Company's Federal Charter provides the Company with the right to provide gas service to the District. The Commission itself has already determined in this proceeding and reminded parties in other proceedings that "[w]hile the Commission has an obligation, within its statutory authority, to help advance the District's climate policies, . . . the Commission cannot and is without authority to prevent [Washington Gas] from selling natural gas."[38] OPC's illogical leap that this accepted legal reality implies Washington Gas will "operate as it wishes" is disingenuous. Likewise, whatever police powers the District has, those powers cannot preempt federal law, including the Company's Federal Charter.[39]

In short, the 15-Year Plan appropriately lays out potential emissions reduction options consistent with the Commission's orders, the Commission's and Washington Gas' statutory duties regarding safe, reliable, and affordable gas service, and the Company's Federal Charter.

II. The Various Critiques of Washington Gas' Base Forecast are Without Merit.

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[37] *Id.* at 8.

[38] *Formal Case Nos. 1154, 1175, and 1179,* Order No. 22003, 16 (June 12, 2024); *see also Formal Case No. 1167,* Order No. 21593, 3 (Apr. 6, 2023) (" . . . Congress did not intend to give the Commission authority to curtail WGL's right to sell natural gas pursuant to its Congressional Charter,"); *see also Formal Case No. 1167,* Order No. 21631, 5 (June 1, 2023) (reaffirming by unanimous vote that Federal Charter prohibits the Commission from "limit[ing] WGL's right to sell natural gas").

[39] *See, e.g., N. Sec. Co. v. United States*, 193 U.S. 197, 24 S. Ct. 436, 447 (1904) ("The police powers or the reserved powers of the states, are not, for any purposes, paramount to the powers of Congress in fields wherein the Federal government has been invested by the Constitution with complete and supreme authority.").

A. Washington Gas' Base Forecast Methodology is Reasonable.

In their comments, OPC, Sierra Club, and DCG take issue with the Company's Base Forecast, asserting it is methodologically flawed.[40] As explained in the 15-Year Plan, Washington Gas' Base Forecast assumes all existing programs, regulations, and laws remain in place and does not incorporate any potential future changes, which would introduce significant uncertainty into the model.[41] Washington Gas' Base Forecast is based on recent historical observations of customer behavior and pipe replacement activity, and intentionally does not attempt to anticipate the hypothetical effects of factors for which there is no empirically observed data. As shown in Figure IV-4 of the 15-Year Plan, the Base Forecast GHG emissions are projected to be 17% below 2006 levels in 2040 based on current information.[42] The purpose of the Base Forecast is to provide a reasonable starting point from which to measure the potential impacts of emission reduction options that could be implemented with Commission approval.[43] To assert it represents a commitment to "business-as-usual" flagrantly misunderstands the nature and purpose of the Base Forecast. [44]

B. The Demand Forecast Reflects Available Empirical Data.

OPC, Sierra Club, and DCG (through its consultant Synapse Energy Economics, Inc. ("Synapse")), all claim that Washington Gas' Base Forecast for demand is overstated. Sierra Club claims, "WGL appears unwilling to accept the basic premise that gas sales are largely expected to decline between now and 2045,"[45] and that "most users are exiting the [gas] system"[46] As support, Sierra Club refers to a 2022 study performed for Baltimore Gas and Electric ("BGE Study") that

[40] *See* OPC Comments at 29-34; Sierra Club Comments at 9; DCG Comments at 3.
[41] *See* 15-Year Plan, at 23.
[42] 15-Year Plan, at30.
[43] 15-Year Plan, at 30.
[44] OPC Comments at 30.
[45] Sierra Club Comments, at 8.
[46] Sierra Club Comments, at 11.

shows declining gas sales in 2045 relative to 2020.[47] What Sierra Club fails to recognize, however, is that the BGE Study identifies *pathways* and *scenarios* that are all built to achieve Maryland's climate goals and the authors of the study specifically state that the "scenarios are ***not*** forecasts." [48] (emphasis added). Said another way, the scenarios in the BGE Study are not based on empirical evidence, but instead, essentially "back into" what would need to occur to meet decarbonization goals. The scenarios in the BGE Study do not represent a forecast or a plan of what is expected to occur given real-world practical limitations such as affordability and customer behavior. Indeed, as demonstrated in the data provided in the 15-Year Plan, there is no empirical data demonstrating that most customers are leaving Washington Gas' distribution.

Sierra Club also questions Washington Gas' flat Base Forecast, noting that current laws require District Government operations to be carbon-neutral, to prohibit on-site fuel combustion in new construction and substantial renovations starting in 2027 (with exceptions for backup generation), and require the electrification of 30,000 low-income households by 2040 (through the Healthy Homes Act).[49] Similarly, OPC claims that Washington Gas' 15-Year Plan "omits modeling of anticipated shifts in customer behavior or load resulting from District electrification initiatives… as a result, WGL overstates future gas demand."[50] OPC also cites as support that new building codes will limit gas equipment in new construction starting in 2027,[51] that "electrification studies anticipate steep heat-pump uptake", and "incentive programs are already steering consumers toward all-electric systems."[52] In addition, OPC states "A diminishing gas customer

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[47] Sierra Club Comments, at 8 (citing Maryland Public Service Commission Case No. 9692, *In the Matter of Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan,* BGE Integrated Decarbonization Strategy Report at 25 (October 2022) ("BGE Study"), available at https://www.ethree.com/wp-content/uploads/2022/10/BGE-Integrated-Decarbonization-White-Paper_2022-11-04.pdf)
[48] BGE Study, at 16.
[49] Sierra Club Comments, at 5-6, 9.
[50] OPC Comments, at 4-5.
[51] OPC Comments, at 13.
[52] OPC Comments, at 30.

base is foreseeable based on current DC Council law and plans."[53] These broad assertions are simply not grounded in fact or data. Both Sierra Club and OPC fail to present any evidence that these laws and initiatives will result in substantially reduced gas use, nor is there any evidence of when these laws and initiatives may begin to materially impact gas use. For example, specific implementation plans have not been identified. In addition, laws that impact new construction and substantial renovation do not require existing customers to reduce gas use, and given the costs of electrification, may in fact incentivize residents to avoid triggering the requirements by prolonging the life of existing gas infrastructure.[54] Moreover, the implementation of the Healthy Homes Act appears to be stalled as the plan to administer the program that was due a year ago has not been publicly filed by the District's Department of Energy and Environment (DOEE).[55] Required quarterly updates have not been filed, and implementation depended upon federal funds from the Inflation Reduction Act that may not materialize. In addition, federal support for climate-related policies has changed dramatically, further increasing the uncertainty associated with the direction of long-term gas usage trends.

At bottom, as even OPC labels these load shifts, they are "anticipated" at best. Both Sierra Club and OPC assert that Washington Gas should plan its system operations and demand forecast based on theoretical reductions in gas demand that may or may not occur in the future, with zero empirical evidence that these reductions will come to fruition. In contrast, the Base Forecast included in Washington Gas' 15-Year Plan is appropriate and was developed based on the best observable current information. Furthermore, it will continue to be updated in the future as

[53] OPC Comments, at 12.
[54] *See, e.g.,* American Gas Association, *Building for Efficiency: Home Appliance Cost and Emissions Comparison*, 3 (2024) ("Natural gas used in a baseline new home costs $1,132 per year less than an equivalent all-electric household. An advanced natural gas home with more efficient appliances saves an average of $492 annually compared to an electric cold-climate heat pump.").
[55] *See* D.C. Law 25-189.

additional information becomes available, as required in Order No. 22213. Washington Gas is obligated to provide safe and reliable service to its customers, and also has a federal, statutory right to do so. It would be irresponsible for Washington Gas to develop a plan that assumes significant reductions in gas demand without any empirical evidence, because if those declines do not materialize, it could cause significant safety and reliability risks. Asking the Commission to evaluate potential emissions reduction options by comparison to an unfounded, hypothetical, and legally dubious baseline could improperly distort the analysis and undermine Washington Gas' ability to contribute to the District's climate goals.

The unsubstantiated and incorrect statements in the comments on the 15-Year Plan do not stop here. For example, OPC provides a graph of historical gas consumption in D.C., observing that Washington Gas' throughput has declined in each of the past two years, and then cites this as evidence "contradicting the proposed Plan's claim of flat residential and commercial demand."[56] However, OPC failed to account for the fact that the particular weather for 2023 and 2024 explains the decrease in demand. Further, OPC claims that "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."[57] Yet, again, OPC does not account for weather when making these sweeping, unsupported statements. It is impossible to conclude that any declines in gas usage in the District are "primarily driven" by anything without controlling for weather, as it is a well-established fact that weather is a major driver of gas demand. This concept has been confirmed by the Commission through its consistent approval of weather normalization of test year revenues in rate cases.[58]

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[56] OPC Comments, at 31-32.
[57] OPC Comments, at 36.
[58] See, e.g., *Formal Case No. 1169*, Order No. 21939, December 22, 2023, at 48, 53.

DCG claims that Washington Gas' demand forecast suffers from three shortcomings: the historical time period used was too short, Washington Gas excluded statistically insignificant time trends, and Washington Gas did not assume any weather trends in the future.[59] Synapse suggests an alternate forecast that purports to address these issues. All three "shortcomings" identified by DCG are the result of reasonable choices made by Washington Gas, or to comply with Commission precedent.

Synapse claims that annual, company-wide sales data over a longer time period exhibits a statistically significant trend.[60] As explained, the 15-Year Plan used monthly forecasts (not annual), customer count, and use per customer forecasts (not sales), and separate customer segment forecasts (not company-wide) to ensure sufficient granularity to effectively evaluate the emissions reduction options.[61] Therefore, any potential claimed trend in annual, company-wide sales data is irrelevant. Moreover, as identified by Synapse, there appears to be a change in the customer count methodology between 2016 and 2018,[62] and the COVID-19 pandemic impacted data for 2020 and 2021, making those periods challenging to include in the data set. As a result, it was reasonable for the Company to rely on the most recent post-pandemic historical monthly customer count and sales data by customer segment (i.e., January 2022-December 2024).

Synapse's analysis confirmed that the trend in the historical data used to develop Washington Gas' forecast is not statistically significant, but they still criticized Washington Gas for not including a trend in its regression models, stating that, "when presented with results that show a trend, but not a statistically significant trend, the best estimate is still the trend itself unless

[59] DCG Comments, at 4.
[60] DCG Comments, at 5.
[61] 15-Year Plan, at 23-25.
[62] DCG Comments, at 8.

there are strong theoretical or contextual reasons to dismiss this result."[63] As explained in the Company's 15-Year Plan, the Company explored the use of a trend variable in each of its regression models, but the trend variable was not statistically significant (i.e., it had a large significance level) and therefore was excluded from the final model (except for the GMA use per customer model).[64] Excluding independent variables (i.e., parameter values) that are not statistically significant from regression models is consistent with standard statistical practice, and this has been explicitly recognized by utility regulatory commissions. For example, the Massachusetts Department of Public Utilities ("DPU") rejected a forecast filed by NSTAR Gas Company in part because it included parameters that were not significant in the regression (aka econometric) forecast models:

> The Department's second reason for rejecting the Company's forecast is that the estimated parameter values in the Company's models demonstrate large significance levels. In econometric modeling, the significance level signifies the likelihood that a wrong variable has been included in the model; the significance level is generally set low (i.e., at one percent to five percent) to make the probability of an erroneous decision as small as possible… While there are instances where an econometrician may increase the significance level from five percent to ten percent, increasing the significance level to beyond ten percent, as NSTAR Gas has done (by setting a minimum 't' value to one) is not acceptable.[65]

Therefore, it is reasonable for Washington Gas to exclude variables that are not statistically significant from its regression models.

Synapse's third criticism is that Washington Gas' Base Forecast assumes normal weather as the most recent 30-year historical average, rather than building in a pattern assuming increasingly warmer weather in the forecast period.[66] Washington Gas' choice to define normal weather as the 30-year average is consistent with Commission rate case precedent that has approved the calculation of "normal" billing determinants and "normal" revenue based on the 30-

[63] DCG Comments, at 5.
[64] 15-Year Plan, at 23-25.
[65] Massachusetts Department of Public Utilities, D.P.U. 10-75 Order, July 22, 2011, at 35-36.
[66] DCG, at 6.

year average of weather.[67] Moreover, Synapse's reference to the ConEd Rate case is misleading.[68] ConEd's proposal to reduce the normal heating degree days in future years was criticized by New York Department of Public Service Staff testimony and has not been adopted by the Commission, as the case is still pending.[69]

Finally, Synapse provides an alternative base forecast based on annual, system-level data that incorporates a negative time trend as well as a pattern of warming weather in the forecast period.[70] This alternative forecast suffers from the same issues described above. It does not provide the necessary detail for the 15-Year Plan (i.e., it is not monthly, and it does not provide customer segment level detail), and the normal weather definition is inconsistent with Commission precedent. Therefore, Synapse's alternative forecast should be ignored, but at a minimum, it does not justify rejecting the Company's filing.

C. Washington Gas' Emissions Calculations are Sound and Consistent with the Commission's Order.

In its comments, OPC further criticizes Washington Gas' methodological approach, stating that the "Company further compounds its poor business-as-usual projection by clinging to a 2006 emissions baseline, thereby inflating apparent progress."[71] What OPC fails to recognize is that the 2006 baseline was established in the Climate Commitment Act of 2022, not by Washington Gas. Therefore, it is reasonable for Washington Gas to use 2006 as a baseline to be consistent with a statute expressly identified in the Commission's order.[72]

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[67] *See*, *e.g.*, *Formal Case No. 1169, In the Matter of the Application of Washington Gas Light Company for Authority to increase Existing Rates and Charges for Gas Service*, Order No. 21939 at 55 (rel. Dec. 22, 2023).
[68] DCG, at 7-8.
[69] Prepared Testimony of: Staff Sales Forecasting Panel, Cases 25-E-0072 and 25-G-0073, May 2025, at 18-19.
[70] DCG, at 10-11.
[71] OPC Comments, at 31.
[72] Order No. 22313, at 8.

OPC also inappropriately criticizes Washington Gas' emissions reporting, suggesting the Company is "minimizing the extent of upstream gas leakage," and therefore "ignores the full scope of its climate liability and shifts responsibility away from supply-chain mitigation to marginal end use efficiencies."[73] In fact, when Washington Gas reported that end-user combustion accounted for 94% of 2023 emissions in the 15-Year Plan, it explicitly identified that upstream emissions reporting has not been required to date. Therefore, the Company was not minimizing anything.[74] But importantly, OPC ignores that Washington Gas then went on to *voluntarily* calculate and report upstream emissions associated with production, processing, and transmission in its 15-Year Plan.[75] Washington Gas is neither minimizing the extent of upstream emissions, nor is it ignoring the scope of the impact of its business on the climate.

OPC also claims that by using the 100-year global warming potential ("GWP") rather than the 20-year GWP when calculating GHG emissions, Washington Gas "systematically undercounts the climate impact of its commodity and diverts responsibility for real mitigation."[76] But here too OPC oversteps. The use of the 100-year GWP was not done to "undercount" or "divert" responsibility. Instead, the 100-year GWP was used to be consistent with the annual reporting quantifying GHG emissions associated with the Company's gas distribution system that is required by the Commission.[77] Using anything other than the 100-year global warming potential would render the calculated GHG emissions in the 15-Year Plan useless when attempting to compare against other reporting obligations in the District.

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[73] OPC Comments, at 33.
[74] 15-Year Plan, at 18.
[75] 15-Year Plan, at 28-30.
[76] OPC Comments, at 33.
[77] *See generally, Formal Case No. 1162*, *Application for Authority to Increase Existing Rates* (wherein Washington Gas files its Annual GHG Emissions Report). Further, the use of 100-year GWP values is a globally recognized standard for GHG accounting as outlined by the United Nations Framework Convention on Climate Change.
(UNFCCC) and implemented in international agreements. Using an alternate methodology would be inconsistent with international practices as well as those in the District.

Along the same lines, Synapse's claim that "WGL's emission forecast consists of projections of Scope 1 (WGL system and operations) and Scope 3 (end-user and upstream gas) emissions, without any accounting for sales trends" is incorrect.[78] As shown in the Company's 15-Year Plan, the GHG emissions calculations are dependent upon the sales forecast produced by multiplying the customer count forecast by the use per customer forecast and summing across all customer segments. The customer count forecast is an input into the number of services and the total miles of main included in the Scope 1 emissions calculations, and the demand forecast is an input into the Scope 3 upstream and end-user emissions calculations.[79]

III. Washington Gas' Portfolio of Emission Reduction Options Provide Realistic, Actionable Solutions for Commission Consideration.

Both Sierra Club and OPC criticize Washington Gas' "menu of options" approach to presenting the emission reduction options.[80] Sierra Club falsely claims "WGL has otherwise failed to propose meaningful emissions reduction programs,"[81] when, in fact, Washington Gas provided detailed information on six potential emission reduction options in its 15-Year Plan. OPC falsely claims that Washington Gas "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."[82] First, Washington Gas provided substantial documentation regarding the six emission reduction options it modeled and an explanation for additional strategies not considered. There is a description of

[78] DCG Comments, at 2.
[79] 15-Year Plan, at 26-28.
[80] Sierra Club also falsely claims "WGL now touts its replacement activities and its "updated" District "SAFE" plan…as *emissions reduction efforts*" (emphasis added) and cites pages 19-21 of the 15-Year Plan.[80] In fact, nowhere on those pages, nor anywhere else in the 15-Year Plan does Washington Gas claim the purpose of its District SAFE Plan is for emission reductions.
[81] Sierra Club Comments, at 8.
[82] OPC Comments, at 27.

each option in the 15-Year Plan main report, a specific appendix for each that contains detailed assumptions, and a description of the methodology used, as well as detailed spreadsheets containing all calculations. Second, as described in the 15-Year Plan, Washington Gas has not identified any of the six decarbonization options as "preferred", but instead, Washington Gas presents a menu of possible options for the Commission to consider.

A. Energy Efficiency Supports Climate Objectives by Providing Cost-effective GHG Emissions.

Energy efficiency programs are commonly recognized as a useful tool in reducing GHG emissions by reducing customer consumption of energy. Washington Gas modeled three typical energy efficiency programs for residential customers as potential emission reduction options in its 15-Year Plan: providing incentives to weatherize buildings, sending home energy reports to encourage consumer behavioral changes, and providing incentives to install highly efficient gas furnaces.[83] DCG/Synapse, OPC, and Sierra Club all criticize the energy efficiency programs included in Washington Gas' 15-Year Plan.

First, DCG/Synapse, OPC, and Sierra Club all claim that providing incentives to promote the installation of efficient gas furnaces somehow "lock" customers into relying on gas appliances and staying on the gas system for the next 15-20 years.[84] This is simply untrue. Nowhere in the Company's existing or proposed energy efficiency programs in this or other dockets does receiving an incentive for efficient gas furnaces require a customer to remain on the gas system for any length of time. Customers always retain the right to choose the source of energy to heat their home.

[83] 15-Year Plan, at 33-35.
[84] DCG Comments, Synapse Report, at 3, 16; OPC Comments, at 12; Sierra Club Comments, at 10-11.

In addition, in its discussion criticizing the installation of high-efficiency gas furnaces, OPC falsely claims that electric "emissions-free models are now ubiquitous and reliable."[85] The use of electric air source heat pumps is not "emissions-free," however, as the generation, transmission, and distribution of the electricity used in the District currently has material GHG emissions, and this is expected to continue for the foreseeable future, as demonstrated by US EPA eGrid data provided in the Company's 15-Year Plan.[86] In fact, the marginal emissions associated with electricity generation in the PJM region are as much as four times the emissions coefficient for combustion of natural gas in homes and businesses.[87] Also, there is currently no widespread "emissions-free" solution to providing "reliable" heat using an electric heat pump when there is a power outage in the District. OPC's claims to the contrary are inaccurate at best, and do not constitute sufficient or reliable record evidence on which the Commission might act.

Moreover, OPC criticizes the 15-Year Plan's efficiency options by arguing that "cost savings for customers upgrading their gas appliances… may not materialize" due to the assumption "that most gas customers switch to heating with electric heat pumps."[88] As discussed above, this directly contradicts the argument that customers are "locked" into gas by the program. Also, there is no empirical evidence to date that most gas customers have switched or will switch to heating with electric heat pumps. Washington Gas acknowledges that there are several climate-related laws, initiatives, policies, and plans that seek to reduce GHG emissions, but nothing currently

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[85] OPC Comments, at 12.
[86] 15-Year Plan, at D-4.
[87] The marginal carbon dioxide emissions rate for PJM generation as of September 30, 2025, at 12:00pm was 1641 lb./MW, which is over 4 times more than the U.S. Energy Information Administration's carbon dioxide emissions coefficient for natural gas combustion in homes and businesses. *See* PJM, Hourly Marginal Emissions (September 30, 2025) https://dataminer2.pjm.com/feed/hourly_marginal_emissions/definition; EIA, Carbon Dioxide Emissions Coefficients (September 30, 2025) https://www.eia.gov/environment/emissions/co2_vol_mass.php; EIA, Energy Conversion Calculators (September 30, 2025) https://www.eia.gov/energyexplained/units-and-calculators/energy-conversion-calculators.php.
[88] OPC Comments, at 12.

requires gas customers to remove their existing gas heating equipment and install electric heat pumps. In the 15-Year Plan, Washington Gas demonstrated that there are real savings associated with a gas customer installing an efficient gas furnace (95% AFUE) compared to installing a baseline furnace (80% AFUE).[89]

Relatedly, OPC's claim that "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"[90] is demonstrably false. As shown in Figure V-7 of Washington Gas' 15-Year Plan, highly efficient furnaces have among the lowest cost per unit of emission reduction,[91] meaning that a dollar spent on efficient gas furnaces has a larger impact on emissions than a dollar spent on other emission reduction options.

Next, OPC claims that "WGL fails to account for adoption barriers such as customer hesitancy, upfront costs, lack of rebates and subsidies, and market saturation for gas appliances…[and]… WGL provides no plausible study of the willingness of consumers to adopt natural gas furnaces in light of the District's climate policy."[92] This claim indicates a lack of understanding of some of the fundamental premises of Washington Gas' 15-Year Plan. First, the purpose of Washington Gas' inclusion of efficient furnaces as a potential emissions reduction option, is precisely to develop a program to address potential adoption barriers. As discussed, the program, if approved by the Commission, would be "designed to encourage the installation of highly efficient gas appliances in existing homes by providing financial incentives to offset some or all of the incremental upfront cost associated with the installation of the highly efficient

[89] 15-Year Plan, at 36.
[90] OPC Comments, at 12.
[91] 15-Year Plan, at 49.
[92] OPC Comments, at 14.

equipment."[93] That is, rebates and subsidies would be provided to reduce the upfront costs for customers. Second, the purpose of the analysis included in Washington Gas' 15-Year Plan is to provide information necessary to compare GHG emission reductions and understand the relative cost per unit of GHG emission reduction, assuming a fixed $1M annual investment. The goal of this analysis is to demonstrate the relative efficiency of each emission reduction option, assuming the same up-front cost, and to identify which emission reduction options may warrant more detailed filings.[94] Therefore, the willingness of customers to adopt efficient gas furnaces is not the subject of the current filing. In addition, the District and Washington Gas' own recent experience suggests that there is little interest in electrification, indicating that gas furnaces are likely to continue to be installed by customers if permitted.[95] [96]

OPC also attempts to find fault with Washington Gas' analysis on weatherization programs and claims the 15-Year Plan assumes that weatherization will cut natural gas customer usage in half and stating that "OPC is not aware of any published research studies providing evidence for this magnitude of efficiency savings from weatherization."[97] However, OPC's predicate is incorrect. As shown in the 15-Year Plan, Washington Gas assumes that weatherization could reduce customer gas ***heating*** usage from 571 therms under the baseline to 409 therms post

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[93] 15-Year Plan, at 35.

[94] 15-Year Plan, at 32.

[95] In 6 out of the 10 projects completed by the DCSEU, the customer elected to retain their existing gas service for cooking for reasons including the following: "[i]n one home, it was prohibitively intrusive for the contractor to run wiring to the stove. In four houses, the customer or the customer's partner ultimately refused the conversion. The final home's owner is a baker, and her existing gas stove was professional level including a convection oven". *See* Low-Income Decarbonization Pilot Report https://www.dcseu.com/uploads/documents/reports/dcseu-lidp-report-2023.pdf at 25.

[96] *Ratepayer Protection Act: HB 419 Natural Gas – Strategic Infrastructure Development and Enhancement (STRIDE) Before the S. Comm. on Economic Matters*, 2025 LEGISLATIVE SESSION, 447th session of General Assembly convened in Annapolis, Maryland (Mar. 13, 2025), Testimony of Kevin Murphy, Vice President of Engineering, Asset Management and Gas Supply Operations, Washington Gas at 6 (zero of 2600 customers eligible for accelerated replacement of service lines in 2025 notified the Company of plans for electrification when surveyed).

[97] OPC Comments, at 14-15

weatherization,[98] which is a decrease of 28%, nowhere near "half." This assumption regarding the impact of weatherization on heat use is consistent with the New York State Climate Action Council Scoping Plan, which assumes that "space heating demands are reduced by 27-44% with the basic [building] shell [weatherization] package."[99]

Synapse claims that Washington Gas' energy efficiency programs risk potential overlap, market confusion, conflict, and/or coordination challenges with the DC Sustainable Energy Utility ("DC SEU") because DC SEU also offers some energy efficiency programs.[100] None of these potential challenges is material enough to ignore the potential benefits of the programs. Washington Gas is confident that if the Commission determines that Washington Gas should move forward with energy efficiency programs as an emission reduction option, reasonable solutions can be identified through collaboration with DC SEU and others to ensure effective implementation.

Further, Sierra Club and OPC wrongly claim that providing incentives for gas appliances works against climate objectives.[101] In fact, as stated in the Company's 15-Year Plan, energy efficiency measures, including replacing existing furnaces with efficient gas furnaces, reduce gas consumption, which in turn reduces Scope 3 GHG emissions through reducing combustion and reducing the need to produce and transport the associated gas supplies.[102] Therefore, incentivizing customers to replace older, inefficient furnaces with newer, efficient gas furnaces is fully consistent with climate objectives that are focused on reducing GHG emissions. And, if efficient gas furnaces are paired with other options, including weatherization and replacing a portion of conventional

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[98] 15-Year Plan, at C-6.
[99] New York State Climate Action Council Scoping Plan, Appendix G: Integration Analysis Technical Supplement, December 2022, Page 35.
[100] DCG Comments, Synapse Report, at 15-16.
[101] Sierra Club Comments, at 10-11; OPC Comments, at 12.
[102] 15-Year Plan, at 33.

natural gas supplies with renewable natural gas ("RNG"), GHG emissions can be reduced even further.

B. Dual Fuel Systems Present a Balanced, Cost-Effective, and Scalable Pathway to Reducing Emissions.

As explained in the 15-Year Plan, dual-fuel heating systems offer a balanced, cost-effective, and scalable pathway to lowering emissions in the District. By pairing electric air-source heat pumps ("ASHPs") with efficient gas-fired heating systems, these configurations reduce emissions and customer energy costs while maintaining reliability during peak winter conditions. This hybrid approach allows for right-sizing of ASHPs for summer cooling loads and leverages gas furnaces or boilers for winter heating, thereby avoiding costly electric system upgrades both in the home and on the grid to meet peak winter demand.[103] Washington Gas modeled dual-fuel heating systems separately for residential heating customers and small commercial businesses.[104]

Critiques from OPC, DCG/Synapse, and Sierra Club overlook key economic and infrastructure realities. Contrary to DCG/Synapse, OPC, and Sierra Club claims that dual-fuel systems are less affordable than all-electric heat pumps due to continued investments in both gas and electric systems,[105] recent studies—including the 2022 Baltimore Gas and Electric's Integrated Decarbonization Strategy Report (referenced by Sierra Club)—demonstrate that integrated energy systems leveraging both gas and electric infrastructure are *lower cost* and *less challenging* to implement than full electrification.[106] (emphasis added)

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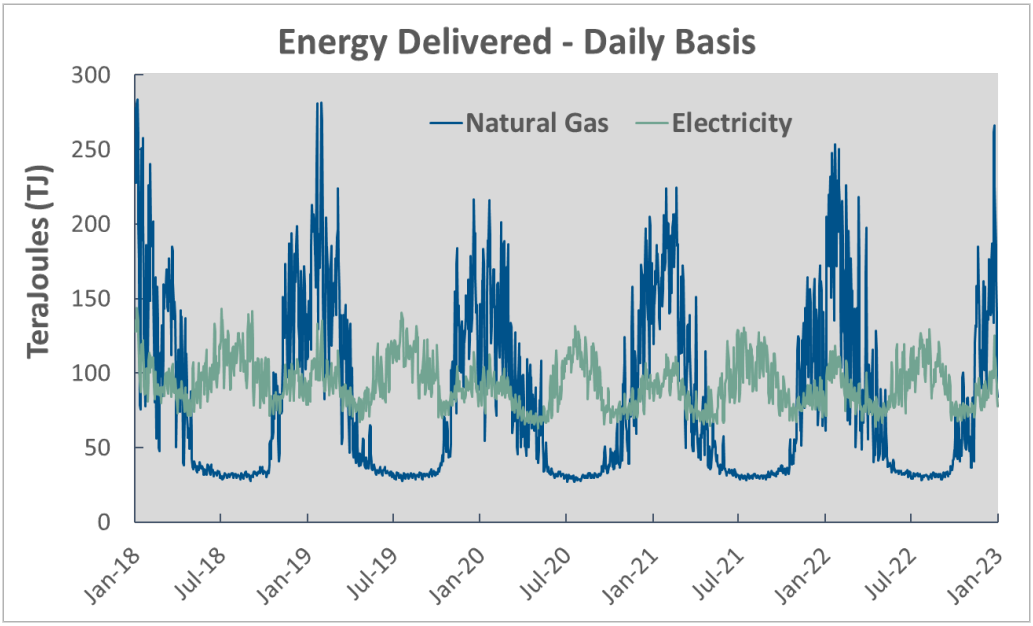
[103] 15-Year Plan, at 37.
[104] 15-Year Plan, at 38.
[105] DCG Comments, Synapse Report, at 5, 16-17; OPC Comments, at 16; Sierra Club Comments, at 11-12.
[106] Maryland Public Service Commission Case No. 9692, In the Matter of Baltimore Gas and Electric Company's Application for an Electric and Gas Multi-Year Plan, BGE Integrated Decarbonization Strategy Report at pages 5-6. (October 2022) available at https://www.ethree.com/wp- content/uploads/2022/10/BGE-Integrated-Decarbonization-White-Paper_2022-11-04.pdf

MIT Energy Initiative's 2025 study reinforces this conclusion. It shows that hybrid heating systems dramatically reduce peak electric demand compared to electric resistance heating necessary during the coldest winter periods. Under the Medium Electrification scenario in the study, New England peak demand reaches 56.8 GW with electric heating, versus just 20.0 GW with hybrid heating systems—a 184% increase.[107] Retaining gas backup avoids uneconomical electric grid expansion.

OPC separately criticizes Washington Gas' 15 Year Plan analysis of dual-fuel systems for failing to integrate with electric grid readiness assessments.[108] The conclusion from the MIT Study, while focused on New England, is applicable to the District due to similar seasonal usage patterns. The District's seasonal usage and heavy reliance on gas for space heating use is shown in Figure 1 below. Continued reliance on existing natural gas for space heating on peak cold winter days functions as a form of energy storage and ensures system reliability. Without it, the region could face winter energy shortages, as there may not be enough electric capacity to meet heating demands during cold weather—quite literally leaving customers out in the cold.

Figure 1: Daily Energy Delivered to Consumers in the District of Columbia.[109]

[107] "Cost-effective planning of decarbonized power-gas infrastructure to meet the challenges of heating electrification" by Rahman Khorramfar et all, published in Cell Report Sustainability 2, 100307, February 28, 2025.
[108] OPC Comments, at 16.
[109] Figure is based on internal Washington Gas analysis. *See* Formal Case No. 1130, *In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability (*"Formal Case No. 1130"), Washington Gas Light Company Comments on the Synapse Value of Distributed Energy Resource Study (June 14, 2024).



Other critiques are likewise inapt. Synapse's modeling errors belie their criticism of the dual-fuel heating option. Synapse evaluated an all-electric option using Washington Gas' bill impact model and simply changed the switchover temperature from 40°F to 15°F.[110] This will result in significant additional electricity consumption, but their analysis fails to account for the significant costs of additional electric generation, transmission, and/or distribution infrastructure required for widespread adoption of all-electric heat pumps. As an example of just one component of electric system costs ignored by Synapse, the DC Pepco Zone electric capacity prices surged from $49.49/MW-day to $269.92/MW-day for the 2025/2026 delivery year, as noted in a report authored by Synapse for the OPC.[111] Synapse's omission of these costs when Synapse allegedly evaluated electric bills for an all-electric option dangerously understates the affordability of full electrification. Moreover, Synapse's own recent report prepared for the OPC cites "increases in demand as a result of electrification" as one main cause of the "unprecedented", "soaring [electric

[110] DCG Comments, Synapse Report, at 16-20.
[111] "Drivers of PJM's Capacity Market Price Surge and its Impacts on Electricity Consumers in the District of Columbia" by Synapse Energy Economics, Inc. April 25, 2025. (available online PJM-Capacity-Market-Report-FINAL-OPC-Synapse.pdf)

capacity] prices, which have led to concerns about the region's ability to effectively and affordably meet demand."[112]

Sierra Club's claim about cold-climate ASHPs is a red herring. Specifically, Sierra Club claims that "WGL's analysis does not accurately reflect the ability of conventional air source heat pumps… to meet even the coldest weather demands, as has been proven in much colder climates than DC."[113] The issue is not whether cold-climate ASHPs can heat in cold climates, but whether their deployment is affordable or feasible, as the up-front installation and electric infrastructure upgrade costs are enormous. Dual fuel systems mitigate these concerns by reducing strain on the electric grid and offering customers flexibility, all while reducing GHG emissions.

Finally, DCG's criticisms regarding emission modeling[114] ignore regional realities. DCG claims that Washington Gas' dual-fuel heating analysis overstates grid emissions from heat pumps in the District, because Washington Gas' analysis uses EIA's generation mix forecast for the PJM region. Washington Gas' use of the PJM generation mix is appropriate for estimating actual emissions impacts because roughly 98% of the District's electricity is imported from PJM.[115] Pepco's compliance with Renewable Portfolio Standards ("RPS") through purchasing Renewable Energy Credits ("RECs"), long-term contracts, and alternative compliance payments[116] does not ensure zero-emission electricity is delivered to the District.

C. Combined Heat & Power ("CHP") Offers a Realistic Opportunity for Emissions Reductions.

[112] "Drivers of PJM's Capacity Market Price Surge and its Impacts on Electricity Consumers in the District of Columbia" by Synapse Energy Economics, Inc. April 25, 2025. (Available online PJM-Capacity-Market-Report-FINAL-OPC-Synapse.pdf)

[113] Sierra Club Comments, at 12.

[114] DCG Comments, Synapse Report, at 20.

[115] U.S. Energy Information Administration. District of Columbia State Profile and Energy Estimates. (Last Updated March 20, 2025) (available online at www.eia.gov/state/analysis.php?sid=DC, Accessed 9/25/2025).

[116] "Renewable Energy Portfolio Standard – A Report for Compliance Year 2024" by Public Service Commission, District of Columbia. May 1, 2025 (Available online 2025-RPS-Report-FINAL.aspx).

As explained in the 15-Year Plan, CHP systems offer a pragmatic and immediate pathway to emissions reductions by replacing conventional gas heating and grid electricity—both of which are subject to inefficiencies such as electric line losses—with on-site gas-fired generation.[117] These systems capture and reuse waste heat, significantly improving overall energy efficiency. In Washington Gas' 15-Year Plan, CHP modeling includes two system types: 0.32 MW microturbine generators and 1.14 MW reciprocating engines, both gas-fired.[118]

OPC's assertion that CHP diverts attention from scalable electrification alternatives is misleading.[119] The goal of decarbonization is not the elimination of specific technologies, but the reduction of GHG emissions. Washington Gas' plan presents CHP as one of several viable options, not a wholesale replacement for electrification. OPC's framing conflates decarbonization with a singular focus on electrification, disregarding the multifaceted nature of emissions reduction strategies and the Commission's order precipitating this filing.

DCG's critiques regarding CHP market size, project risks, and cost recovery[120] lack context. The 15-Year Plan presents a strategic framework of emission reduction options—not a final investment proposal. Its purpose is to compare the costs and benefits of various emission reduction options, including CHP. As stated several times in the 15-Year Plan, should the Commission approve further exploration, Washington Gas expects to conduct detailed feasibility studies addressing market potential, risk profiles, and cost recovery mechanisms.

Moreover, OPC and DCG overlook the transitional value of CHP. Electrification pathways such as networked geothermal and sewer heat recovery require significant infrastructure investment and long lead times. CHP, by contrast, can be deployed much more rapidly and flexibly,

[117] 15-Year Plan, at 31.
[118] 15-Year Plan, at 41.
[119] OPC Comments, at 17.
[120] DCG Comments, at 21-22.

serving as a bridge technology that nevertheless achieves measurable emissions reductions while longer-term solutions are developed.

D. RNG Should be Evaluated as Part of the Menu of Options.

RNG is a substitute for traditional natural gas and can be injected into a natural gas pipeline system to replace a portion of traditional natural gas without the need to modify the gas system or customer equipment. It produces emissions benefits in two ways: (i) the process captures methane that would have otherwise entered the atmosphere and transforms these methane emissions into a product that can be used by customers, and (ii) RNG that is directly connected to a gas distribution system avoids emissions that otherwise would have resulted from producing, gathering, processing and transporting traditional natural gas.[121] In its comments, Sierra Club makes several broad claims about RNG, including that it does not "meaningfully reduce emissions," it has "wildly variable emissions that are sometimes higher than those of fossil gas," it is "very expensive compared to electrification," and it has "dire emissions risks associated with leaks of this substance."[122] Tellingly, there are no citations or sources provided for any of these claims. Sierra Club also states, "RNG supplies are currently very limited and unlikely to grow substantially in the future—a concern that has been acknowledged by the American Gas Association ("AGA")".[123] This sentiment is echoed by both OPC and DCG. Here, however, Sierra Club cites outdated sources. In a more recent 2024 study, Guidehouse and RNG Coalition state the "US RNG industry is poised to continue to grow in future years. Planned RNG facilities have an estimated production capacity of 106 trillion British thermal units – representing a 60% increase from the production capacity of facilities that are currently operational or in construction."[124] A July 2025 American Gas

[121] 15-Year Plan, at 43.
[122] Sierra Club Comments, at 12.
[123] Sierra Club Comments, at 13.
[124] "Renewable Natural Gas Economic Impact Analysis," Guidehouse and RNG Coalition, December

Foundation study estimates "that RNG production in the United States is 120-140 trillion British thermal units ("tBtu") annually from landfills, animal manure digesters, and WRRFs, and has sustained a compound annual growth rate of 25-35% since 2013."[125]

OPC claims, "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."[126] OPC's argument is misplaced. First, Washington Gas' RNG analysis specifically excludes animal waste sites since there is very little agriculture in the District metropolitan area, so there is no reliance on "large concentrated animal agriculture farming operations" as claimed by OPC.[127] In addition, and more importantly, reliance upon outside actors beyond utility practices is necessary for the implementation of most aspects of decarbonization, and it is not unique to RNG. For example, power producers will be relied upon to install renewable electric generation, electric transmission developers will be relied upon to build electric transmission to deliver renewable electricity, customers will be relied upon to choose to install energy-efficient and low-emission equipment, manufacturers will be relied upon to make efficient equipment, contractors will be relied upon to install equipment, etc. This concept is also not new, as today customers in the District are dependent upon electricity generated from outside actors from outside the District. Participation from many outside actors will be required to make progress on decarbonization.

OPC also makes several questionable claims about Washington Gas' RNG analysis, including: (i) "WGL fails to demonstrate how investment in RNG compares with other alternatives

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2024, at 40.
[125] American Gas Foundation, "Renewable Natural Gas Supply Assessment: Final Report," July 2025, at 9.
[126] OPC Comments, at 19.
[127] 15-Year Plan, at 44 and at F-1.

in terms of emission reductions…,"[128] (ii) "WGL ignores RNG feedstock competition from other utilities, transportation, aviation, and other sectors...," [129] and (iii) "WGL also ignores pipeline blending limits due to gas quality constraints…"[130] On the contrary, Washington Gas does in fact compare how investment in RNG compares with other alternatives in terms of emissions reductions in Figure I-4 in the 15-Year Plan.[131] In addition, Figure V-7 in the 15-Year Plan includes a cost per emissions savings comparison of RNG and other emissions reductions options.[132] Washington Gas also does not ignore RNG feedstock competition, since forecasted RNG prices account for competition, and Washington Gas does not ignore pipeline blending limits, since RNG is pipeline-quality gas.[133] Finally, OPC makes another incorrect claim, stating that "WGL also fails to acknowledge the premium pricing of RNG, which often exceeds many multiples of the cost of fossil gas."[134] Washington Gas agrees that RNG bundled with environmental attributes is expected to be at a premium price compared to conventional natural gas, and properly accounts for the premium in its 15-Year Plan analyses.[135]

E. Offsets are a Proven and Accepted Emissions Reduction Option.

Carbon offsets can reduce emissions by the purchase of credits associated with carbon avoidance, reduction, and removal projects, which would not otherwise be developed without credit purchases, because they are generally necessary to fund the project.[136] The concept of using financial tools to reduce emissions has been widely adopted across the country in a variety of

[128] OPC Comments at 20-21.
[129] OPC Comments, at 20.
[130] OPC Comments, at 20.
[131] 15-Year Plan, at 6.
[132] 15-Year Plan, at 49.
[133] American Gas Foundation, "Renewable Natural Gas Supply Assessment: Final Report," July 2025, at 9.
[134] OPC Comments, at 19.
[135] 15-Year Plan, at F-2-F-3.
[136] 15-Year Plan, at 45.

sectors. RECs, RGGI carbon credits, and other market mechanisms are accepted methods to achieve emissions reductions, including in the District and by the Commission.[137]

OPC claims "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",[138] while DCG expresses concern over fluctuations in pricing and states, "WGL's plan does not provide any specifics of how it will address the availability and quality concerns related to carbon offsets."[139] Washington Gas' 15-Year Plan acknowledges the risks, however, and specifically states that "carbon offset pricing can vary significantly depending on the quality and stringency standards of the offsets."[140] The modeling uses a midpoint of the range of three pricing benchmarks to account for " the uncertainty and variability of offset pricing."[141] Importantly, these risks can be evaluated in more depth if the Commission were to approve an offset program, and ignoring the viability of offsets due to assumed issues is premature.

More concerning are OPC's claims that "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"[142] and their presentation of "evidence" from four states cited as alleged support. OPC's own cited documents demonstrate undercut its claims. OPC's first example, California's Voluntary Carbon Market Disclosures Act, does not seek to limit the use of carbon offsets at all—it simply creates greater transparency by requiring disclosure of carbon offset details.[143] OPC's second example, a Massachusetts Department of Public Utilities Order that

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[137] *FC1017, In the matter of the Development and Designation of Standard Offer Service in the District of Columbia, Order No. 21413, August 3, 2022.*

[138] *OPC* Comments, at 24.

[139] DCG Comments, at 23.

[140] 15-Year Plan, at 45.

[141] 15-Year Plan, at G-1.

[142] OPC Comments, at 23.

[143] OPC Comments, fn. 53, Persefoni, *AB 1305 Explained: Navigating California's Voluntary Carbon Markets Disclosures*, Nov. 18, 2024, https://www.persefoni.com/blog/ab-1305

allegedly directed LDCs to "prioritize NPAs over offsets… finding that paper credits do not advance the Commonwealth's decarbonization mandate,"[144] references decisional material that simply does not exist. Nowhere in the cited order does the MA DPU discuss the use of carbon offsets or carbon credits or even use the word "paper" at all.[145] OPC's third claim that the New York Public Service Commission declined to approve National Fuel Gas' 20-year plan due to "the utility's over-reliance on offsets…"[146] is similarly incorrect. National Fuel Gas' 20-year plan did not include the use of any offsets, and the cited NY PSC Order never discusses or even mentions carbon offsets or carbon credits.[147] OPC's fourth example that the Minnesota Natural Gas Innovation Act "explicitly discourage[es] 'financialized' offset strategies that leave underlying fossil assets untouched"[148] is also mistaken. In reality, Minnesota has approved gas utility plans under the Natural Gas Innovation Act that include carbon offsets, directly contradicting OPC's claims.[149] Finally, OPC cites independent research that allegedly finds that spending on targeted electrification yields significant GHG reductions compared to purchasing offset credits.[150] However, the study cited by OPC never mentions carbon offsets or carbon credits at all.[151] Every

[144] OPC Comments, at 23.
[145] OPC Comments, fn. 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.
[146] OPC Comments, at 24.
[147] OPC Comments, fn. 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
[148] OPC Comments, at 24.
[149] OPC Comments, fn. 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/
[150] OPC Comments, at 25.
[151] OPC Comments, fn. 57, Energy + Environmental Economics, *Benefit-Cost Analysis of Targeted Electrification and Gas Decommissioning in California*, Dec. 2023, https://www.ethree.com/wpcontent/uploads/2023/12/E3_Benefit-Cost-Analysis-of-Targeted-Electrification-and-GasDecommissioning-in-California_u.pdf

example cited by OPC to support their claim that regulators are opposing the use of carbon credits lacks evidentiary support and cannot justify excluding carbon offsets from consideration.

II. Conclusion

For the reasons set forth above, the Commission should approve Washington Gas' 15-Year Plan. The Plan complies with the Commission's directives and applicable law, provides a robust framework for evaluating emissions reduction options, and reflects Washington Gas' statutory obligations to provide safe, reliable, and affordable service. The Commission should identify which of the emissions reduction options it believes Washington Gas should pursue and direct the Company to submit further, more detailed proposals on those options. This approach is consistent with the iterative process envisioned by the Commission in Order Nos. 22313 and 22339 and will ensure continued progress toward the District's climate goals.

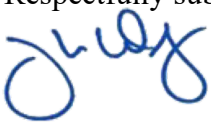
Rejecting the 15-Year Plan, allowing discovery, or requiring resubmittal based on the inapt and legally unsupported arguments advanced by OPC, Sierra Club, and DCG would not move the conversation forward—rather, it would stall it. These commenters conflate technical disagreements with legal noncompliance and misrepresent both the Commission's orders and the statutory framework governing Washington Gas' operations. Their critiques do not justify delaying the Commission's review or undermining the thoughtful and data-driven analysis presented in the Plan.

Additionally, the Commission should reject DCG's invitation to open a separate "Future of Heat" docket in lieu of proceeding with its review of the Plan. As stated in comments in this docket regarding thermal planning, proceeding with coordinated energy systems planning with *both* the

gas and electric sectors is something Washington Gas could support.[152] But entirely abandoning the current efforts surrounding this Plan and the iterative process laid out by the Commission in Order No. 22313 for yet another formal case would be duplicative and counterproductive. The appropriate path forward is to continue building on this foundation—not to fragment the process further.

Washington Gas stands ready to work with the Commission to refine and implement emissions reduction options that are cost-effective, scalable, and consistent with its statutory obligations. The Commission should seize this opportunity to advance the District's climate goals in a manner that is both pragmatic and legally sound.

Respectfully submitted,



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October 6, 2025

[152] *Formal Case 1167*, Washington Gas Comments on Establishing a Thermal Planning Proceeding, (April 28, 2025).

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 6TH day of October 2025, I caused copies of the foregoing **REPLY COMMENTS** to be hand-delivered, mailed postage prepaid, or electronically delivered to the following:

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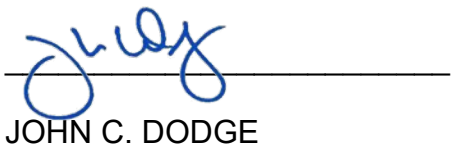

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