

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

ORDER

April 22, 2020

**RM9-2020-01, IN THE MATTER OF 15 DCMR CHAPTER 9 — NET ENERGY
METERING — COMMUNITY RENEWABLE ENERGY AMENDMENT ACT OF 2013,
Order No. 20334**

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia (“Commission”) adopts the attached amendment to Chapter 9, Subsection 906.1 of Title 15 of the District of Columbia Municipal Regulations (“DCMR”) eliminating the requirement that a community renewable energy facility (“CREF”) be directly connected with the electric company’s distribution system in the District of Columbia (“District”). The amendment in Attachment A shall become effective upon publication of the Notice of Final Rulemaking (“NOFR”) in the *D.C. Register*.

II. BACKGROUND

2. On September 27, 2019, the Potomac Electric Power Company (“Pepco”) filed with the Commission a Motion to Waive part of Subsection 906.1 of Title 15 DCMR to allow for interconnection of a demonstration community renewable energy facility at Gallaudet University.¹ Pepco noted that Subsection 906.1 “requires a CREF [facility to] be directly connected to Pepco’s distribution system,” and as proposed the “Gallaudet CREF demonstration project would violate Subsection 906.1” because the project would not be directly connected to Pepco’s system.² Pepco further noted that the necessary improvements to make the CREF system interconnect with Pepco’s system directly would be “cost prohibitive” and time consuming given the developmental timeframe of the project.³ As such, Pepco requested a waiver so that “project participants would be able to submit an interconnection request for the microgrid, including the virtual CREF,” within the installation timeframe and Pepco’s review and technical assessment.⁴ Pepco also stated that

¹ RM9-2015-01, *In the Matter of 15 DCMR Chapter 9 – Net Energy Metering – Community Renewable Energy Amendment Act of 2013* (“RM9-2015-01”), Potomac Electric Power Company’s Motion for Partial Waiver of Subsection 906.1, filed September 27, 2019 (“Motion”).

² Motion at 2-3.

³ Motion at 4.

⁴ Motion at 4.

“granting this waiver for evaluation of a demonstration project will allow many learnings that may be applicable to future projects that are similarly in line with the District’s energy goals.”⁵

3. On November 25, 2019, the Department of Energy and Environment (“DOEE”) filed Comments in support of Pepco’s Motion noting that the “waiver is needed to avoid costly trenching and additional laying of wires . . . needed to physically connect the CREF to Pepco’s distribution system,” but more importantly this waiver will allow the CREF to “be interconnected behind-the-meter, and will be a Virtual CREF that uses metering and billing software to achieve the same outcome as an in front-of-the-meter CREF.”⁶ On December 3, 2019, Gallaudet University filed additional information indicating, among other things, that this waiver would substantially reduce the cost of solar installation, “lower cost and increased flexibility of the Virtual CREF,” and “provide a concrete demonstration of how to implement a Virtual CREF for future installations in the District.”⁷

4. On December 19, 2019, by Order No. 20271, the Commission granted a “temporary, partial waiver so that the technical feasibility assessment [of the project] can be completed and [noted that the partial waiver] does not extend to the construction or implementation of the virtual CREF.”⁸ The Commission further noted “if the virtual CREF is determined to be viable, a permanent waiver request must be supported and approved before implementation.”⁹

5. Subsequently, on February 14, 2020, the Commission published a Notice of Proposed Rulemaking eliminating the requirement that CREFs be directly connected with the electric company’s distribution system.¹⁰ On March 13, 2020, the Maryland-DC-Delaware-Virginia Solar Energy Industries Association (“MDV-SEIA”) and DOEE filed comments in support of the proposed amendment.¹¹

III. DISCUSSION

A. Chapter 9 Overview

6. Chapter 9 establishes the rules governing Net Energy Metering in the District of Columbia, and Section 906 specifically deals with CREFs. Subsection 906.1 (a) requires that a CREF

⁵ Motion at 5.

⁶ RM9-2015-01, Department of Energy and Environment Comments, filed November 25, 2019.

⁷ RM9-2015-01, Gallaudet University Additional Information, filed December 3, 2019.

⁸ RM9-2015-01, Order No. 20271, rel. December 19, 2019 (“Order No. 20271”).

⁹ Order No. 20271, ¶ 8.

¹⁰ 67 D.C. Reg. 001603-001604 (February 14, 2020).

¹¹ RM9-2020-01, *In the Matter of 15 DCMR Chapter 9 – Net Energy Metering* (“RM9-2020-01”), Department of Energy and Environment Comments in Response to Notice of Proposed Rulemaking RM9-2020-01, filed March 13, 2020 (“DOEE Comments”); Maryland-DC-Delaware-Virginia Solar Energy Industries Association Comments, filed March 13, 2020 (“MDV-SEIA Comments”).

be directly interconnected with the electric company's distribution system and that the CREF enter into an interconnection agreement with the electric company. Eliminating the direct connection requirement in Subsection 906.1 could eventually facilitate the potential implementation of a virtual CREF, using a behind-the-meter configuration that does not require the facilities to be directly interconnected with the electric company's distribution system, thus increasing renewable energy production opportunities in the District.

B. Parties' Comments

7. **DOEE's Comments.** In its Comments, DOEE commends the Commission and notes that this rule amendment "will create more affordable CREFs by allowing them to connect behind-the-meter and to use metering solutions to allocate the benefits of solar generation, rather than relying on unnecessary physical infrastructure and direct interconnection to the distribution grid."¹² Furthermore, DOEE requests that the Commission "oversee the prompt implementation of virtual CREFs under the existing timelines in the Small Generator Interconnection Rules" given the fact that during the RM9 working group meetings, "CREF developers expressed that they already have production meters installed in most cases for determining Solar Renewable Energy Credit compensation, and therefore are well-positioned to interconnect virtual CREFs and to enable accounting for appropriate compensation levels by providing generation data from the CREF facilities."¹³

8. **MDV-SEIA's Comments.** In its Comments, MDV-SEIA enthusiastically supports this amendment because this "would essentially allow a solar developer to interconnect an array in the manner congruent with a Net Energy Metered (NEM) system, while maintaining a CREF billing scheme, in which subscribers not located on the premises of the solar facility could subscribe to the allocated energy generated."¹⁴ MDV-SEIA notes that "[t]his simple amendment will have a tremendous impact on one of the Mayor's cornerstone programs for reaching the District's renewable energy goals, Solar for All" and "agree[s] with the sentiment that given the District's clean energy goals and policy directives to move aggressively towards a 100% renewable energy future, eliminating the direct connection could eventually facilitate the potential implementation of a virtual CREF (VCREF)."¹⁵

IV. CONCLUSION

9. The Commission hereby adopts the final rule eliminating the requirement that CREFs be directly connected with the electric company's distribution system in Chapter 9, Subsection 906.1 of Title 15 of the DCMR as shown in Attachment A to this Order. The Commission is persuaded by the arguments advanced by DOEE and CREF developers that the proposed amendment will facilitate the virtual CREF model for CREF interconnection and thus advance the

¹² DOEE Comments at 1.

¹³ DOEE Comments at 1-2.

¹⁴ MDV-SEIA Comments at 1.

¹⁵ MDV-SEIA Comments at 1-2.

District's clean energy and policy goals. However, the Commission believes it is prudent to await the implementation results of the Gallaudet University virtual CREF concept, prior to moving ahead with more extensive virtual CREF modifications to our rules as DOEE proposes. Furthermore, the Commission recognizes that the continuing obligation of safety and reliability still rests with parties involved in a virtual CREF project, to ensure that any net power injected back into the grid at any time, from a behind-the-meter virtual CREF pilot project, does not create a safety and reliability concern. This amendment shall become effective upon publication in the *D.C. Register*.

THEREFORE, IT IS ORDERED THAT:

10. The rule amendment in Chapter 9 of Title 15 of the District of Columbia Municipal Regulations as shown in Attachment A to this Order is **ADOPTED** and shall become effective upon publication of a Notice of Final Rulemaking in the *D.C. Register*.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:

A handwritten signature in black ink, reading "Brinda Westbrook-Sedgwick". The signature is written in a cursive, flowing style.

CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

Chapter 9, IN THE MATTER OF 15 DCMR CHAPTER 9 — NET ENERGY METERING, of Title 15 DCMR, PUBLIC UTILITIES AND CABLE TELEVISION, is amended as follows:

906 COMMUNITY RENEWABLE ENERGY FACILITIES

906.1 A CREF: (a) shall be interconnected with the Electric Company's distribution system and shall execute an Interconnection Agreement and CREF Rider with the Electric Company; (b) may be built, owned or operated by a third party under contract with a Subscriber Organization; (c) may add capacity and Subscribers to its facility if the added capacity and Subscribers do not reduce the electrical production benefit to existing Subscribers or cause the CREF to exceed five (5) megawatts in capacity; and (d) may update its Subscribers no more frequently than once per quarter, by providing the following information about its Subscribers to the Electric Company: (i) name, address and account number of each Subscriber; and (ii) the percentage interest of each Subscriber in the capacity of the CREF. Under no circumstances shall a CREF sell Subscriptions totaling more than one hundred percent (100%) of its energy generation.