

**GD-2019-04: Third Working Group Meeting  
1325 G Street, N.W., Suite 800  
Washington, D.C. 20005**



**GD-2019-04-M, IN THE MATTER OF THE IMPLEMENTATION OF THE 2019 CLEAN ENERGY DC OMNIBUS ACT COMPLIANCE REQUIREMENTS**

**THIRD WORKING GROUP  
MEETING MINUTES**

**Meeting Commencement**

Pursuant to the CleanEnergy DC Omnibus Amendment Act of 2018 (“CleanEnergy DC Act” or “Act”) enacted by the Council of the District of Columbia on March 22, 2019, Section 103 of the Act amends D.C. Code § 34-808.02 to require that, in supervising and regulating utility or energy companies, the Commission consider not only the public safety, the economy of the District, the conservation of natural resources, and the preservation of environmental quality, but also the “effects on global climate change and the District’s public climate commitments.” Therefore, the Clean Energy Act Implementation Working Group (“CEAIWG”) commenced its third meeting via conference call, on August 26, 2020, to discuss implementation of the Act’s directive.

**Attendees (Attachment No. 1)**

**Synopsis of Issues Discussed**

- **Introduction and Scope of Meeting**
  - Commission Staff announced that, as decisions are rendered in other related Formal Cases, this working group will be informed, and the direction of committees may change due to those decisions. The final work plan, which was circulated to CEAIWG members, will be reviewed by Commissioners and they could recommend changes to the work plan and timelines. Commission Staff invites comments on the work plan/timeline (Attachment No. 2), discussed at the meeting by Friday, September 4, 2020. Discussing the work plan, Commission Staff informed CEAIWG members that they are welcome to join any or all of the three committees. Each committee will have a person designated as a Chair and another person to take meeting minutes. Committee 1 will be chaired by Commission Staff Consultant, Smita Chandra Thomas, with The Clark Group. Committee 2 will be chaired by Grace Hu, Chief Economist, and Richard Herskovitz, Senior Attorney Advisor, at the Commission. Committee 3 will be chaired by OPC.

**GD-2019-04: Third Working Group Meeting**  
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- **Subject #1 – Underlying Measurements/Metrics**
  - Commission Staff and TCG discussed the scope of the committee meetings. Sectors could be buildings, transportation, and energy supply, and some programs can be further broken down into residential and commercial. DOEE noted that the Carbon Neutrality Strategy is a strategy to meet the District's 2050 carbon neutrality goal. A draft document has been completed but not released yet. DOEE can share the draft in a presentation for the CEAIWG. The Strategic Electrification Roadmap is expected to be finished in mid-2021. It is currently about halfway done. The study looks at the grid impacts and how to best mitigate any net adverse impacts to the grid. The Transportation Electrification study was pushed back due to COVID-19 and will also be completed in 2021. WGL asked about the information of the grid impact studied by DOEE and would like to participate. DOEE says WGL can join in the stakeholder review process. Commission Staff is also a part of the stakeholder review process, and DOEE will brief Staff again in September or October. The Transportation Electrification Roadmap is a vehicle-level study for compliance with the Clean Energy DC legislation. It is much more granular than the Strategic Electrification Roadmap, which looks at the grid impacts at impacted locations. DOEE believes the Carbon Neutrality Strategy and Transportation Electrification Roadmap may be important for the GHG emission interim targets. WGL asked if the level of electrification is already known, or if there are different scenarios/projections for that study? DOEE stated, the study is an end-goal look of how buildings will electrify.
  - WGL noted that data is needed to determine goals. DOEE stated that the goals are already in place, and the annual increments aren't going to be overly complicated or detailed from these studies. WGL clarified that the question is about the costs and impacts on the grid. Sierra Club noted that this CEAIWG is for setting the framework, not reviewing and analyzing all of the studies underway. WGL provided the example of electrification in New Jersey and asked if DOEE is incorporating that scenario into its study. DOEE confirmed that it is performing analyses under those scenarios but wonders how that is integral in setting interim targets. WGL stated that the level of electrification has impacts on costs, grid impact, and potential switching from summer to winter peaking. DOEE reasserted that the emissions targets will not change. OPC stated that the current discussion is about the merits of the study but doesn't believe the application of the study to this CEAIWG will be affected by arguments about the study itself. Commission Staff asked for a presentation on the carbon neutrality study for interested stakeholders to be better informed. Commission Staff asked about the quantification of costs for the three studies. DOEE responded that there's no cost analysis for the Carbon Neutrality Study. The Strategic Electrification Roadmap has high-level cost components, but the primary goal of the study is not to recommend in granular detail which changes should be made.
  - DOEE asked about the ability to add questions to the work plan. Commission Staff certainly welcomes stakeholder additions to each committee work plan and noted the document circulated is merely a draft. DOEE noted there's only 1-2 months for answering the first two committee questions and asks for an expansion of the

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timeline in that regard. DOEE confirmed that it may take more than one meeting for the individual committees to share documents, present, discuss and eventually answer all posed questions. WGL also has concerns about the tight timing. Commission Staff remains interested in the progress of DOEE's studies.

- Not all of the questions posed will make it into the final framework but are posited to the group to consider which are important enough to include. The CEAIWG will consider whether other emissions besides CO<sub>2</sub> will be a metric. The benefit/cost analysis may be impacted by the cost of carbon as it changes annually. Carbon accounting has to be determined whether it is to be considered on the District level or the PJM level. Finally, the time horizon used for emission measurement will be discussed. These factors should also be influenced by DOEE's studies, if the analysis has already been completed.
- WGL asked if there is a study on how RPS will be implemented, and the costs associated with implementation. WGL stated if there is a switch to winter peaking, that the impact of solar generation will be lessened. DOEE noted it will be looked at, but that the studies are not all-encompassing to address every topic.
- Pepco asked if the carbon inventory and decarbonization study refer to DOEE's studies. Commission Staff and DOEE confirmed that. DOEE indicates it may also discuss the carbon inventory baseline in the September meeting along with the carbon neutrality draft report. Pepco asked about carbon accounting overlapping the BCA framework subcommittee. Commission Staff agreed that this bullet can be moved to Subject #2.
- TCG noted that the CEAIWG will not be setting overall 2032 or 2050 goals given the legislation and will be focused on the factors and metrics to evaluate the utility proposals. Sierra Club asked about territorial scope – are these emissions including upstream/downstream emissions, whether its District only or more geographical region? TCG noted that that it will be part of the discussion in Subject 1. PJM has a task force discussing cost of carbon, and Commission Staff noted the cost differs between regions and the carbon cost is estimated at \$50/ton in certain PJM states. This question could be added as a bullet point to this subject. Commission Staff reiterates that the bullet points should be revised by each committee, then have a proposed timeline for each committee.

- **Subject #2 – Selection of the Benefit-Cost Analysis Framework**

- The Benefit Cost Analysis (“BCA”) tests were established by California and are generally used to this day. There is potential debate on which items should be included in costs and benefits, and which will be used for screening. Some jurisdictions used resiliency and reliability as qualitative impacts. The implementation of Interruption Cost Estimate (ICE) calculator is limited, and additional studies may need to be done. Pepco noted some conflict on reliability/resiliency as the bullets suggest it is important. Commission Staff reiterated that it is hotly debated as there are no good quantitative measures to apply to the District. The Commission's mission and PowerPath DC both have reliability and resiliency as important goals. *Formal Case No. 1160* EEDR Metrics discussions are related. Quantitative benefits and costs are a major part of the BCA,

**GD-2019-04: Third Working Group Meeting**  
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although qualitative measures may be included. The discount rate needs to be decided. Geographic setting should include all Wards. Commission Staff noted that Pepco is developing a benefits cost handbook for NWA.

- WGL believes there's a District Task Force for resiliency and believes they should be invited to contribute to this committee. DOEE asked about the process and sequencing; for example, should Subject 2 come first as Subject 1 would be incorporating the costs and benefits decided by Subject 2. Commission Staff stated that the BCA has been around already and there shouldn't be many major shifts due to committee's decisions. Deciding which test to use shouldn't be held up by the other committee's decisions. Both can run parallel. Figures can be used initially, such as PJM cost of carbon, and as decisions are made, they can be plugged in. DOEE stated that Committee 1 should know about which costs Committee 2 are moving forward with. Commission Staff wanted to reinforce feedback loops between committees and is comfortable with some topics of committees being adjusted in terms of timing. Grid2.0 noted that they want resiliency and reliability capture and is hopeful that the CEAIWG can find a way to include it in the framework. GRID2.0 also noted that there was a National Standard Practice Manual for BCA of distributed energy resources published for National Energy Screening Project. Commission Staff asked Pepco for timing details about the Benefit Cost Handbook. Pepco stated it will be available by the October 1 and thus, available to share/discuss in the CEAIWG October meeting.

- **Subject #3 – Utility Reporting Requirements**

- OPC noted there is work needed to be done to determine the current reporting requirements. The framework from the other committees will impact the decisions of this committee. Commission Staff asked about the utility emissions reports to the EPA. Pepco would need other staff to follow up on that. WGL noted its report is on fugitive emissions on pipelines, and it also posts on its website its emissions related to fleet and facilities. Scope 3 emissions are related to emissions based on customer usage, including carbon intensity. Pepco asked what the biennial plan bullet point means. Commission Staff stated it is a broad question, and the timing of each reporting requirement is up for discussion. Pepco asked if we will reconsider what has been recommended in other Working Groups? Commission Staff noted we will look at what has already been accomplished. It will be an evolving process, and new metrics or test selection will be able to be used in this Working Group. Commission Staff reiterated the feedback loop of related cases impacting this case.

- **General Comments**

- Pepco noted more time is appreciated for meeting of the committees. DOEE echoed Pepco's need for flexibility. Commission Staff asked about timing for DOEE presenting in the first meeting of Subject 1 committee. DOEE will let the group know next week if that is feasible and can suggest dates. WGL reiterated additional time is appreciated and asked about the process of minutes and comments. The meeting minutes will be separate from comments on the work plan.

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- **Meeting Action Items**
  - Stakeholders to submit comments on the Work Plan and Timeline by COB Friday, September 4.
  - Stakeholders to email their interest for joining committees by COB Monday, August 31.
- **Adjournment**
  - Having commenced at 10 a.m., the WG meeting adjourned at approximately 12:00 p.m.

**Next Steps**

- |   |                           |
|---|---------------------------|
| • Draft Minutes Circulated to Participants: | Friday, August 28, 2020   |
| • Comments from Participants to PSC Staff:  | Tuesday, October 1, 2020  |
| • Report Filed with Commission:             | Thursday, October 3, 2020 |

**GD2019-04-M: Third Working Group Meeting**

**Clean Energy Act DC Implementation WG (formerly Technical Conferences)**

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attended the August 26, 2020 meeting)**

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**GD-2019-04-M, Clean Energy Act Implementation****DRAFT: Preliminary Work Plan****for Initial Discussion Purposes****I. Objective**

The objective of this effort is to identify Benefit/Cost (“B/C”) analysis, measurements and reporting metrics, carbon pricing/costs used in the B/C test and utility reporting requirements to help the DC Public Service Commission (“Commission”) develop a framework for compliance with the Clean Energy Act. Recommendations concerning an analytical framework and underlying measurements/metrics for compliance with the Clean Energy Act should comport with the overall mission of serving the public interest, and helping to ensure that future utility service is provided in a safe, reliable, and quality manner at reasonable rates, while fostering grid modernization, conservation of natural resources, preservation of environmental quality, and advancement of the District's climate policy commitments.

**II. Scope**

The scope of this proceeding includes the following subjects. Each subject will be discussed in focused committee meetings, which will report out to the Working Group. Staff and its Consultants will ensure that minutes will be prepared and posted for any meetings of the overall working group, as well as committees. Similarly, copies of any presentations made at such meetings will also be posted.

Subject #1 – Underlying Measurements/Metrics

- Greenhouse Gas (“GHG”) emission targets
  - Emission reduction targets must be specific (*e.g.*, volumetric, annual, declining, and sectoral)
  - DOEE Studies – Carbon Neutrality Strategy and Strategic Electrification Roadmap
  - Are interim targets needed to get to the final GHG emissions reduction goals? (OPC/Sierra Club)
- Scope of GHG covered by framework – besides carbon dioxide, whether to include methane, NO<sub>x</sub>, SO<sub>x</sub>, Volatile Organic Compounds/chlorofluorocarbons,<sup>1</sup> carbon monoxide, ozone, particulates, mercury, lead, water vapor (Focusing on CO<sub>2</sub>, Methane, NO<sub>x</sub>, and SO<sub>x</sub>?) to arrive at the carbon dioxide equivalent value?
- Cost of carbon and carbon equivalents
- How to incorporate cost of carbon and what value should be used?
- Develop a baseline of emissions – carbon inventory, decarbonization study
- Carbon accounting in BCA—avoided energy and losses, other avoided costs and avoided damages (societal costs)

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<sup>1</sup> Volatile Organic Compounds, and chlorofluorocarbons, impact ozone etc. are regulated by the EPA.

- Time horizon to be used for measurement, (e.g., for methane impact what is the appropriate timeframe for measurement?)

### Subject #2 – Selection of the Benefit-Cost Analysis Framework

- Selection of, and pros/cons for, appropriate Benefit Cost Analysis (“BCA”) tests (Total Resource Cost Test, Societal Cost Test, Rate Impact Measure Test)– tests for screening, additional tests for reporting?
  - Is reliability/resiliency a concern in BCA at this point?
- FC1160 discussions – considering BCA developed for EE and DR by the Working Group
- BCA should include quantifiable benefits and costs; exceptions (qualitative factors)?
- B/C Attribution—generation, transmission, distribution
- Attribution for incremental program benefits (utility, participants or non-participants)
- Discount rate for evaluating the long-term Net Present Value of benefits and costs, and converting into today’s dollars
- How to make sure programs achieve “equity” among customers?
- In setting metrics and targets to advance DER, we should not reduce reliability/resiliency. In other words, energy grid reliability/resiliency should be maintained.

### Subject #3 – Utility Reporting Requirements

- Existing reporting by utilities (federal, state) – frequency, scope, emission reduction historical achievements and targets
- Best practices from other states and organizations (Such as NARUC, NRRI, RAP and NY, CA, MA etc.)
- Biennial plan?
- Reporting to DC PSC to implement Clean Energy DC Act
- What to report to customers, if anything?

## **III. Roles**

**Commission Staff** will facilitate Working Group meetings and advise the Commission regarding measurements and reporting metrics and propose a framework to implement the Act. Commission Staff will lead committee meetings for Subject 2, Selection of the BCA Framework.

**Commission contractor** will support the Commission Staff in meetings and lead committee meetings for Subject 1, Underlying Measurements/Metrics.

**The Office of the People’s Counsel (“OPC”)** will facilitate the committee meetings for Subject 3, Reporting Requirements.

**Working Group members** will participate in Working Group meetings, provide information to Commission Staff regarding available approaches within the scope of this effort, and draft a report making recommendations for Commission action.

**The Commission** will deliberate and select a framework to implement the Act.

#### **IV. Milestones**

<b>Milestone</b>	<b>Deadline</b>
Working Group Meeting: discussion of Work Plan and determination of Committee Members	August 2020
Committee Meetings: Subject 1 Underlying Measurements/Metrics	September 2020
Committee Meetings: Subject 2 Selection of the BCA Framework	October 2020
Working Group Meeting: Preliminary Report out of Committees 1 and 2, tentative conclusions for discussion/consensus	November 2020
Committee Meetings: Subject 3, Utility Reporting Requirements	December 2020
Working Group Meeting: Preliminary Report out of Committee 3, finalize any missing areas for Reports of Committees 1, 2, and 3, including discussion of implementation plan and future areas suggested by Committees	January 2021
Working Group Meeting: Draft Working Group Report for discussion	February 2021
Working Group Report to Commission	March 2021
Commission Decision	May 2021