

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

POWER PATH DC ORDER

April 9, 2021

**FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO
MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED
SUSTAINABILITY, Order No. 20724**

I. INTRODUCTION

1. By law, the Public Service Commission of the District of Columbia (“Commission”) has been prescribed a critical regulatory role that requires the Commission and the utilities we regulate to take into account in all cases meaningful steps to achieve the District of Columbia’s (“District”) energy and climate change commitments while ensuring affordable, reliable, and secure electric and natural gas distribution service for all customers. If the District is to meet its targeted energy and climate goals in 12 years, then time is of the essence, and we will have to replace a business as usual approach with a consideration of options that result in an expansion of the regulatory paradigm.

2. In January and June 2020, the Commission issued orders that outlined the critical next steps the Commission and stakeholders will need to embark on to achieve the PowerPath DC vision and help facilitate the District in meeting its energy and climate policies set forth in statute and its clean energy, climate and sustainability plans.¹

3. In the Orders, the Commission adopted, with modifications, the following proposed recommendations contained in the Final Working Group Report filed on May 31, 2019,² and Staff Proposed Order No. 19984 (“Staff Order,” “Order No. 19984” or “Staff Proposed Order”), issued in this proceeding on August 2, 2019:³

- (a) The Distribution System Planning and Non-Wires Alternative (“NWA”) Process;
- (b) Creation of a secure web portal;
- (c) Creation of a customer microsite for energy service providers;

¹ *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability* (“*Formal Case No. 1130*”), Order No. 20286, rel. January 24, 2020; Order No. 20364, rel. June 5, 2020.

² *Formal Case No. 1130*, Final Report v1.0 of the DCPSC MEDSIS Stakeholder Working Groups, filed May 31, 2019 (“*Final Working Group Report*”).

³ *Formal Case No. 1130*, Order No. 19984, rel. August 2, 2019 (“*Staff Proposed Order No. 19984*”).

- (d) Establishment of the rate design working group and the creation of a time of use rate;
- (e) Establishment of a microgrid proceeding;
- (f) Formation of the Pilot Project Governance Board;
- (g) The funding of various studies from the Modernizing the Energy Delivery System for Increased Sustainability (“MEDSIS”) Pilot Project Fund Subaccount;
- (h) A rulemaking proceeding proposing definitions for “advanced inverters” and “Non-Wires Alternative;”
- (i) Enhancement of customer data access and protection;
- (j) Stakeholder input on Commission Rules pertaining to Distributed Energy Resources (“DER”) Ownership;
- (k) Revision to the language in the PowerPath DC (f/k/a MEDSIS) Vision Statement;
- (l) Development of a publicly available system-level data webpage;
- (m) Alignment of PowerPath DC/MEDSIS with the CleanEnergy Omnibus Act (“CleanEnergy DC Act”);⁴
- (n) Continuation of improvements to the small generator interconnection process;
- (o) Pepco updates to Hosting Capacity Maps on a monthly basis;
- (p) The need for demonstrating NWA projects in the District;
- (q) Establishment of stakeholder workshops around IEEE 1547-2018 Standards and Advanced Inverter Deployment;
- (r) Consideration of Performance Based Regulation in the District; and
- (s) The opportunity to have resilience hubs in the District.

4. In this Order, the Commission will address the remaining five (5) Recommendations and Learnings in the Final Working Group Report and Staff Order as follows:

- (a) Enhance and Consolidate Customer Education Materials;
- (b) Energy Efficiency (“EE”) Programs for Master-Metered Apartment (“MMA”) Buildings: submetering;
- (c) Enhance Customer Participation in Low-Income Programs;
- (d) Revise the Consumer Bill of Rights (“CBOR”) to Support the MEDSIS Pilot Projects Phase; and
- (e) Ensure Connection Between Customers’ Energy Usage and the Environmental Impact.

5. As we stated in previous orders, “[w]e believe that our initiative to modernize the District’s energy delivery system vision recognizes our role in the District’s plan to meet its

⁴ See CleanEnergy DC Omnibus Amendment Act of 2018, D.C. Law 22-257, effective March 22, 2019 (“CleanEnergy DC Act”).

targeted energy and climate goals and expected actions which are set forth” in detail in that Order.⁵ We will not reiterate in this Order the various District energy policies and goals which we seek to promote in the PowerPath DC proceeding. Those policies and goals, including recent legislation, can be reviewed in Order No. 20286, paragraphs 5-14. Despite the recent impact of the COVID-19 pandemic, the Commission continues to align PowerPath DC with the CleanEnergy DC Act to facilitate meeting the energy goals of the District.

II. BACKGROUND

6. Staff Proposed Order No. 19984 addressed the 42 recommendations and learnings submitted by the MEDSIS working groups in their Final Working Group Report. In the Staff Order, the Commission indicated that, due to the unprecedented nature of the MEDSIS proceeding, it would provide interested persons a period of time from the Staff Order to file additional Comments, which the Commission would consider in its final decision.

7. Initial Comments on Staff’s Proposed Order were filed by the Office of the People’s Counsel for the District of Columbia (“OPC”), District Department of Energy and Environment (“DOEE”), Potomac Electric Power Company (“Pepco”), Washington Gas Light Company (“WGL”), the Apartment and Office Building Association of Metropolitan Washington (“AOBA”), Advanced Energy Management Alliance, DC Climate Action (“DCCA”), Grid 2.0 Working Group (“Grid 2.0”), DC Consumer Utility Board (“DCCUB”), and the DC Chapter of the Sierra Club (“Sierra Club”), Solar United Neighbors of D.C. (“DCSUN”) and Pace Energy and Climate Center (“PACE”), Edison Electric Institute (“EEI”), Energy Storage Association, Fluence, GridWise Alliance, Oracle, PJM Interconnection, LLC, and Uplight Company.⁶

8. Reply Comments were filed by DOEE, Pepco, DCCUB/Sierra Club/Grid2.0, and DCSUN/PACE.⁷

⁵ *Formal Case No. 1130*, Order No. 20286, rel. January 24, 2020.

⁶ *Formal Case No. 1130*, Office of the People’s Counsel’s Comments ; District of Columbia Department of Energy and Environment’s Comments (“DOEE’s Comments”); Potomac Electric Power Company’s Comments (“Pepco’s Comments”); Washington Gas Light Company’s Comments (“WGL’s Comments”); Apartment and Office Building Association of Metropolitan Washington’s Comments; Advanced Energy Management Alliance’s Comments; DC Climate Action’s Comments; Solar United Neighbors of D.C. and Pace Energy and Climate Center’s Comments; Edison Electric Institute’s Comments, (“EEI’s Comments”); Energy Storage Association’s Comments; Fluence Energy’s Comments; GridWise Alliance Comments (“GridWise Alliance’s Comments”); Oracle’s Comments; PJM Interconnection, LLC’s Comments; and Uplight’s Comments. All the Comments were filed on September 16, 2019.

⁷ *Formal Case No. 1130*, District of Columbia Department of Energy and Environment’s Comments (“DOEE’s Reply Comments”); Potomac Electric Power Company’s Reply Comments (“Pepco’s Reply Comments”); and Grid 2.0 Working Group, DC Consumer Utility Board and DC Chapter of Sierra Club’s Comments (“DCCUB/Sierra Club/Grid2.0’s Reply Comments”); all filed on October 1, 2019. Solar United Neighbors of D.C. and Pace Energy and Climate Center’s Reply Comments were filed on October 2, 2019. DCCUB/Sierra Club/Grid2.0 filed Corrected Reply Comments on October 4, 2019.

III. DISCUSSION

A. Customer Impact Working Group

(1) CIWG (R-5.4.1): Enhance and Consolidate Customer Education Materials

i. Working Group Recommendation, Staff Order Recommendation

9. In the Final Working Group Report (“Final WG Report”), the Customer Impact Working Group (“CIWG”) recommended that the Commission consolidate energy educational material along with information on MEDSIS in one place on our website. The CIWG also recommended that this information be easily accessible with links to complementary information on the DOEE, District of Columbia Sustainable Energy Utility (“DCSEU”), Pepco, WGL, and OPC websites and should be supported by clear, consistent, and persistent communications to consumers through the Commission’s marketing and promotional channels.⁸ The CIWG stated that customers can be skeptical of information being provided in a marketing context and that customers may not always know where to find educational materials or know who to trust for this information.⁹ The CIWG also cautioned that, inasmuch as a variety of organizations provide information to customers, confusion and uncertainty may arise regarding what information is correct and who can be trusted. Additionally, referring to OPC’s categorization of District customers as either: (1) Legacy Consumers; (2) Present Day Consumers; or (3) Consumers of the Future, the CIWG recommended that treatment of these customers regarding education and marketing be tailored to the group’s particular needs.¹⁰

10. Staff Order No. 19984 noted that the majority of the stakeholders supported this recommendation. It recommended that the Commission also support the consolidation of energy educational material along with information on MEDSIS in one place on the Commission’s website and that this information should be easy to access and include appropriate referral links to outside resources.¹¹ Therefore, Staff recommended that the Commission direct the Commission’s Office of Consumer Services (“OCS”) to conduct an initial review of the currently available information, and to submit an Action Plan, after consulting with the Utility Discount Program Education Working Group, to the Commission within 30 days of the date of that Order indicating what changes are needed to the website to implement this recommendation, including whether an outside service provider is needed.¹² Staff Order No. 19984 also recommended that the Commission further direct that the approved updates to the Commission’s website be completed within 120 days of the date of that Order and direct that stakeholders be responsible for keeping

⁸ Final WG Report at 140.

⁹ Final WG Report at 141.

¹⁰ Final WG Report at 141.

¹¹ Staff Order No. 19984, ¶ 69.

¹² Staff Order No. 19984, ¶ 69.

the information on their respective websites up-to-date so that District residents are able to fully realize the benefits of this effort.¹³ Lastly, Staff Order No. 19984 also noted that the website will include information from DOEE, DCSEU, Pepco, OPC, WGL and the District of Columbia Department of Consumer Regulatory Affairs on the website.¹⁴

ii. Stakeholder Comments to Staff Order

11. Pepco states that it supports “the proposal to direct OCS to enhance and consolidate the Commission’s consumer education materials.”¹⁵

iii. Commission Decision

12. The Commission accepts Staff’s recommendation and directs OCS and Office of External Affairs (“OEA”) to submit an Action Plan for consolidating energy educational material along with information on MEDSIS, after consulting with the Utility Discount Program Education Working Group, to the Commission within 60 days of the date of this Order indicating what changes need to be made to the Commission’s website to implement this recommendation, including whether an outside service provider is required.

(2) CIWG (R-5.4.4): EE Programs for MMA Buildings: Submetering

i. Working Group Recommendation, Staff Order Recommendation

13. The CIWG recommended that the Commission direct Pepco to develop EE programs that encourage participation by residents in MMA buildings. The CIWG stated that incentive-based programs need to offer measures targeted at both landlords and renters so both can benefit from these programs. The CIWG also recommended that any program developed be designed and implemented in coordination with EE programs offered by the DCSEU and other District organizations, especially programs targeted at low-income populations.¹⁶

14. The CIWG discussed the wave of EE and financing programs being developed to address MMA buildings and related issues such as submetering prohibitions that arise with such endeavors. The CIWG noted that DOEE and DCSEU are currently engaging in a pilot program to review related constraints of MMAs, but indicated that the program will not be completed until the end of 2019.¹⁷ OPC commented that “in the District there are constraints on what areas can be submetered which are the jurisdiction of other District government agencies” and not the

¹³ Staff Order No. 19984, ¶ 69.

¹⁴ Staff Order No. 19984, ¶ 69.

¹⁵ Pepco Comments at 24.

¹⁶ Final WG Report at 149.

¹⁷ Final WG Report at 150.

Commission.¹⁸ The CIWG believed that opportunities are available to create programs that allow both renters and landlords in master-metered buildings to benefit from energy efficiency.¹⁹ Overall, the stakeholders supported this recommendation, but AOBA noted the need for “an amendment to existing law to authorize the use of submetering and/or the use of energy allocation systems to improve the sensitivity of end users to the costs of utility services in master-metered apartments.”²⁰ OPC dissented noting that “Pepco can develop EE programs currently, and as supported by the passage of the CleanEnergy DC Act, there is no need for the Commission to direct Pepco to develop EE programs.”²¹

15. Staff Order No. 19984 recommended that the Commission approve this recommendation in part. First, the Commission should direct Pepco, in accordance with the CleanEnergy DC Act, to submit EE programs for the Commission’s consideration that do not duplicate programs offered by the DCSEU.²² Second, regarding the recommendation that the Commission direct Pepco to establish EE programs that would allow residential submetering in master-metered buildings, Staff Order No. 19984 stated that there is confusion as to the nature of the prohibition on residential submetering in the District.²³ The Commission banned all submetering in 1928.²⁴ In 2008, when the Council passed the Clean and Affordable Energy Act, it only overturned the Commission’s 1928 submetering ban with respect to nonresidential rental units.²⁵ To gauge interest in revising the Commission’s 1928 ban on residential submetering and assess under what conditions residential submetering might be appropriate, Staff Order No. 19984

¹⁸ Final WG Report at 150.

¹⁹ Final WG Report at 151.

²⁰ Final WG Report at 151.

²¹ Final WG Report at 151.

²² Staff Order No. 19984, ¶ 79; CleanEnergy DC Act at 15. We find it noteworthy to point out that the Commission is currently implementing a Deep Energy Retrofit energy efficiency program for master-meter apartments in *Formal Case No. 1148* with the \$11.25 million from the Pepco-Exelon Merger. Additionally, the CleanEnergy DC Act requires DOEE to create Building Energy Performance Standards along with the Building Energy Performance Standard Task Force, which was created to advise DOEE on creation of an implementation plan for Building Energy Performance. The Commission will continue to monitor the development of these standards and their nexus, if any, to the Commission’s regulatory role for implementation purposes.

²³ Staff Order No. 19984, ¶ 79.

²⁴ See *Formal Case No. 152, In the Matter of a Reduction in the Rates of the Potomac Electric Power Company*, Order No. 737 at 12, rel. December 31, 1928. (“It is expressly understood and agreed that electric service furnished to the consumer shall be for his (hers or their) own use and may not be remetered (or submetered) by the consumer for the purpose of selling electric service to another or others.”). Affirmed in *Lewis, et al. v. Potomac Electric Power Company*, 64 F.2d 701 (D.C. Cir. 1933).

²⁵ DC Code § 34-1552 (a) (2019) (Supp. 2008) (“The Commission shall promulgate rules, including standards, under which any owner, operator, or manager of a building which is not individually metered for electricity or gas for each nonresidential rental unit may install submetering equipment or energy allocation equipment . . .”).

recommended that the Commission issue a Notice of Inquiry (“NOI”) on residential submetering within 30 days from the date of that Order.²⁶

ii. Stakeholder Comments to Staff Order

16. AOBA supports the “recommendation that the Commission investigate reversing a 1928 decision that prohibits residential sub-metering in mastered-metered buildings” because AOBA “believes that the Commission should create a regulatory pathway for residential sub-metering in mastered metered buildings.”²⁷ AOBA submits “that residential sub-metering in mastered metered buildings would ensure that ‘opportunities are available to create programs that allow both renters and landlords in residential mastered-metered buildings to benefit from energy efficiency.’”²⁸ AOBA also states that “sub-metering in multi-family housing has been allowed for over thirty years in both Maryland and Virginia.”²⁹

17. Pepco notes that “anticipating the improved coordination and customer access gains to be made as a result of the soon-to-be launched energy efficiency working group called for in the CleanEnergy Act,” it supports the Commission’s “proposed directives and looks forward to working with the DCSEU on energy efficiency issues, especially as they relate to master metered apartments.”³⁰

18. Pepco comments in its Reply that the Company appreciates the support of AOBA for addressing issues surrounding submetering for master metered apartments and reiterates the Company’s support for both the Commission issuing an NOI on residential submetering and for Commission consideration of Pepco energy efficiency programs that do not duplicate DCSEU energy efficiency programs.³¹

iii. Commission Decision

19. The CIWG recommended that the Commission direct Pepco to develop EE programs that encourage participation by residents in MMA buildings. It is the Commission’s goal to help the District meet its clean energy and climate goals. Toward that end, the Commission notes that in Order No. 20654 it directed Pepco and WGL to submit energy efficiency programs in *Formal Case No. 1160*. As a result, the recommendation to direct Pepco to develop EE programs that encourage participation by residents in MMA buildings is now moot as that issue will be

²⁶ Staff Order No. 19984, ¶ 79.

²⁷ AOBA Comments at 23.

²⁸ AOBA Comments at 23.

²⁹ AOBA Comments at 23.

³⁰ Pepco’s Comments at 26.

³¹ Pepco’s Reply Comments at 24.

resolved in *Formal Case No. 1160*. Furthermore, the CIWG also recommended that the Commission direct Pepco to establish energy efficiency programs that would allow residential submetering in master-metered buildings. Staff Order No. 19984 notes that the Commission banned all submetering in 1928,³² which was partially overturned in 2008 by the passage of the Clean and Affordable Energy Act, with respect to nonresidential rental units only.³³ The Commission recognizes that the residential submetering issue requires further examination by the Commission. Additionally, a related issue is whether parking spaces in master-metered buildings can be carved out of residential submetering as it relates to transportation electrification, discussed by the Transportation Electrification Working Group in *Formal Case No. 1155*.³⁴ Therefore, the Commission rejects Staff Order No. 19984's recommendation to issue an NOI on residential submetering. However, the Commission will address the submetering of parking space carve-out issue for electric vehicles in *Formal Case No. 1155*.

(3) CIWG (R-5.4.5): Enhance Customer Participation in Low-Income Programs

i. Working Group Recommendation, Staff Order Recommendation

20. The CIWG recommends that the Commission enhance customer participation in low-income programs by: (1) ensuring programs are created that target underserved communities for solar, electric vehicle, energy efficiency, time variant rates, and demand response programs so long as they do not have adverse impacts; (2) incorporating a scoring criteria in the Pilot Project Selection and Scoring process that assigns points and/or sufficiently considers projects that benefit low-income groups; (3) considering the development of programs that allow small businesses to participate in assistance programs; (4) enhancing the visibility of low-income programs; (5) considering the possibility of transferring customer data across initiatives; and (6) considering future directives to enable more District residents to qualify for need-based assistance programs and to incorporate other disadvantaged populations.³⁵

21. The stakeholders, for the most part, support this recommendation with various exceptions, conditions and additions.³⁶ DOEE, while in support of the recommendations, noted that “[w]here possible . . . the reduction of duplication and coordination across low-income programs” should be considered.³⁷ EEI mentioned that, while they support equal opportunity and

³² See footnote 24 herein.

³³ See footnote 25 herein.

³⁴ *Formal Case No. 1130 and Formal Case No. 1155, In the Matter of the Application of the Potomac Electric Power Company for Approval of Its Transportation Electrification Program (“Formal Case No. 1155”),* Transportation Electrification Working Group Report, filed January 29, 2020.

³⁵ Final WG Report at 152-153.

³⁶ Final WG Report at 155-157.

³⁷ Final WG Report at 155.

access to technology programs for all District residents, they recognize that “there is limited precedent for utilities targeting solar at low-income customers because of the high-cost, when those customers would be better served through lower-cost, utility-scale renewables and/or bill support programs.”³⁸ As pointed out by the CIWG, low-income populations would likely prioritize the principle of “affordability” over other MEDSIS principles.³⁹ The Commission takes no issue with that conclusion and also recognizes, as did the CIWG, that expanding DER opportunities in the District, especially DERs for public infrastructure, can result in benefits to low-income customers and potentially increase access to public/private services like buses, trains, and rideshare programs of importance to that class of customers.⁴⁰

22. Staff Order No. 19984 recommended that the Commission approve the CIWG recommendation to enhance the visibility of low-income programs and the creation of a consolidated offerings list on the Commission’s website and to direct OCS to implement the recommendation in conjunction with our Recommendation 5.4.1 directive (enhance customer education materials) above, within 180 days from the date of this Order.⁴¹ The Staff Order also recommended that the Commission direct OCS to consider the goals outlined by the CIWG and submit an Action Plan, including additional actionable recommendations, on how to enhance customer participation in low-income programs in the District within 90 days from the date of this Order.⁴²

ii. Comments to Staff Order

23. Pepco supports the proposal to enhance the visibility of low-income assistance programs and to create a consolidated offerings list on the Commission website. Pepco states that OCS may want to review the PowerPath DC Customer Impact Working Group record, where innovative utility programs were presented by the Edison Electric Institute.⁴³

24. DOEE’s Reply states that “Pepco lists various utility programs recommended by Edison Electric Institute from other States” but “the purpose of proposed Directive R-5.4.5 is to enhance customer participation in low-income assistance programs by streamlining the process for participation in multiple, existing low-income assistance programs at the same time.”⁴⁴ DOEE

³⁸ Final WG Report at 155.

³⁹ Final WG Report at 154.

⁴⁰ For example, in Order No. 19898 in *Formal Case No. 1130* and *Formal Case No. 1155*, rel. April 12, 2019, the Commission, among other things, directed Pepco to provide “make-ready” infrastructure for public electric vehicle charging and public transportation charging to facilitate the deployment of public electric vehicle charging stations. This can benefit low-income customers by increasing available clean lower-cost transportation alternatives.

⁴¹ Staff Order No. 19984, ¶ 82.

⁴² Staff Order No. 19984, ¶ 82.

⁴³ Pepco’s Comments at 26, citing DOEE comments at 4-5.

⁴⁴ DOEE’s Reply at 10.

states that it “was not intended as a forum for proposing new low-income assistance programs.”⁴⁵ DOEE asserts that, while “Pepco has been given authority for utility energy efficiency and demand response programs under the CleanEnergy Omnibus Amendment Act of 2018 to primarily benefit low income residents,” it “looks forward to the proposals that will be discussed in the Energy Efficiency and Demand Response Working Group before the Commission.”⁴⁶

25. Pepco notes in its Reply that the Company supports the proposed directive and “agrees with DOEE regarding the importance of ensuring that grid modernization benefits all communities in the District and that the [low-to-middle income] LMI community, in particular, enjoys the benefits of the hard work ahead.”⁴⁷ Pepco further notes that “if the creation of a new low-income working group, with Pepco as a member, assists the District in attaining this end state, Pepco supports the creation of such a standing working group. Before the decision to create a new LMI working group is made, the Commission should evaluate the current LMI community groups and their outreach efforts to determine if leveraging existing groups or establishing a new group is the most effective solution to achieve the Commission’s goals.”⁴⁸ Pepco also comments that it “has demonstrated its focus on ensuring that the LMI community is benefitting from the grid modernization advancements,” for instance, collaboration with stakeholders in the District of Columbia help to bring to the District the Jubilee Resiliency Center, “the first-of-its-kind resiliency center associated with an affordable housing project in the Columbia Heights neighborhood.”⁴⁹ Pepco also states that they “strongly endorsed the recommendation to use PowerPath DC to create a resiliency center in Ward 7.”⁵⁰

iii. Commission Decision

26. The Commission accepts Staff Order No. 19984’s recommendation to enhance the visibility of low-income programs and the creation of a consolidated offerings list on the Commission’s website. The Commission directs OCS and OEA to implement the recommendation in conjunction with our Recommendation 5.4.1 directive (enhance customer education materials),

⁴⁵ DOEE’s Reply at 10.

⁴⁶ DOEE’s Reply at 10.

⁴⁷ Pepco’s Reply Comments at 25. DOEE’s comments included a presentation attachment which noted that “the District should create actions to directly support to at-risk communities including low-to-middle income (LMI) populations and populations of color.” See Clean Energy DC presentation at 42.

⁴⁸ Pepco’s Reply Comments at 26.

⁴⁹ Pepco’s Reply Comments at 27. The Jubilee Resiliency Center consists of a 70.2 kilowatt (kw) rooftop solar array combined with battery storage to power an on-site Resiliency Center capable of powering a community space for three days during a potential power outage – providing refrigeration for medication and perishables, lighting, outlets for charging cell phones and other communication devices, and a television. Available at <https://www.pepco.com/News/Pages/Press%20Releases/PepcoGrantSupportsInnovativeHousingPilotResiliencyProgram.aspx>

⁵⁰ Pepco’s Reply Comments at 27.

above in Paragraph 12 within 60 days of the date of this Order. The Commission also directs the Office of Consumer Services to consider the goals outlined by the CIWG in its action plan to implement this recommendation.

(4) CIWG (R-5.4.6): Revise the CBOR to Support the MEDSIS Pilot Projects Phase

i. Working Group Recommendation, Staff Order Recommendation,

27. The CIWG recommends that the Commission review the Consumer Bill of Rights (“CBOR”) and update it to address the MEDSIS Vision for a modern grid in time to support the Pilot Projects phase.⁵¹ More specifically, the CIWG requests that the Commission’s revised CBOR rules address, among other things, customers’ rights and responsibilities and adjudication of complaints that may arise in the MEDSIS process.⁵² Additionally, the CIWG also recommends that the Commission appropriately develop outreach programs to inform customers about the impact of the MEDSIS process as a whole.⁵³ CIWG members, including OPC, generally support this recommendation.⁵⁴ EEI recommends that the CBOR updates should “ensure customers are notified and informed about their rights when participating or impacted by MEDSIS pilot projects [and] that customers should have clear guidance for initiating complaints” during the pilot project phase.⁵⁵ Pepco notes that “the types of pilot projects listed [in the Final Report] that merit consumer protection consideration by the [Commission] is not exhaustive and the [Commission] should consider robust customer protections for all MEDSIS pilots.”⁵⁶ The CIWG also recommends that the Commission notify customers about their rights with respect to the implementation of MEDSIS Pilot Projects through town hall meetings, notices on the Commission’s website, and other effective outreach measures.⁵⁷

28. Staff Order No. 19984 states that the CIWG’s recommendation is appropriate given the importance of consumer protections, especially when pilot projects, experimental business structures, and new technologies are deployed.⁵⁸ Given this, Staff Order No. 19984 recommends that the Commission reconvene the CBOR Working Group within 60 days from the date of this Order to discuss and propose: (1) revisions to the Commission’s CBOR rules to align them with

⁵¹ Final WG Report at 158.

⁵² Final WG Report at 158.

⁵³ Final WG Report at 158.

⁵⁴ Final WG Report at 160.

⁵⁵ Final WG Report at 160.

⁵⁶ Final WG Report at 160.

⁵⁷ Final WG Report at 158.

⁵⁸ Staff Order No. 19984, ¶ 85.

the MEDSIS Vision; (2) interim CBOR rules that will be applicable to the MEDSIS Pilot Programs; and (3) appropriate outreach methods to effectively inform customers of the CBOR rule changes.⁵⁹ Staff Order No. 19984 also recommends that the Working Group: (1) submit its initial recommendations to the Pilot Projects Governance Board for review and input within 120 days of its first meeting; and (2) submit its final recommendations to the Commission, including a proposed NOPR, within 180 days of its first meeting.

ii. Comments to Staff Order

29. Pepco supports Staff Order No. 19984's recommendation.⁶⁰ There were no other comments in response to Staff's recommendation on this matter.

iii. Commission Decision

30. Consumer protections, especially when pilot projects, experimental business structures, and new technologies are deployed in the District, are of utmost importance to the Commission's goals as we modernize the grid in the District. The Customer Bill of Rights is a regulatory framework that allows the Commission to protect customers as new technologies and structures are implemented in the District. Given the many changes that will be needed to support grid modernization, the Commission accepts the recommendation in Staff Order No. 19984 that the Commission reconvene the CBOR Working Group within 60 days from the date of this Order to discuss and propose: (1) revisions to the Commission's CBOR rules to align them with the MEDSIS Vision; (2) interim CBOR rules that will be applicable to the MEDSIS Pilot Programs; and (3) appropriate outreach methods to effectively inform customers of the CBOR rule changes.⁶¹ With regard to changes to the CBOR to support pilot projects that are vetted through the Pilot Project Governance Board, the Commission directs the CBOR Working Group to consult with the Pilot Project Governance Board before submitting its final recommendations to the Commission, including a proposed NOPR, within 180 days of its first meeting.

(5) CIWG (R-5.4.8): Commission to Ensure Connection Between Customers' Energy Usage and their Environmental Impact

i. Working Group Recommendation, Staff Order Recommendation

31. The CIWG recommends that the Commission ensure a direct connection between customers' energy usage and their environmental impact through the deployment of home energy reports that display customers' carbon impact information, which would aid customer decision-making around participating in Pepco or third-party programs/offers and encourage customer

⁵⁹ Staff Order No. 19984, ¶ 85.

⁶⁰ Pepco's Comments at 27.

⁶¹ Staff Order No. 19984, ¶ 85.

investment in non-carbon DER opportunities.⁶² Generally, the stakeholders support this recommendation. Grid 2.0, DCCUB, Sierra Club, and DCCA note that “Washington Gas should also provide comparable data to its customers on their gas use.”⁶³ DCSEU concludes that this recommendation “should be closely coordinated with other activities occurring in the District such as the Clean and Affordable Energy Act Benchmarking Requirement and the CleanEnergy DC Act Building Energy Performance Standard.”⁶⁴ Pepco supports “the use of a Maryland-type home energy report program and the notion of developing tools for customers to estimate their total lifestyle carbon footprint, which may go beyond the scope of home electricity usage.”⁶⁵ WGL Energy states that it “does not support and opposes this recommendation to the extent it asserts that third party energy suppliers must offer customers energy reports. While many suppliers and third-party providers may choose to offer such programs, the Commission only has authority to require that the utilities offer certain products as rate regulated entities.”⁶⁶

32. Staff Order No. 19984 recognizes the CIWG’s recommendation to deploy Home Energy Reports that display customer’s usage and carbon footprint information is a replica of Pepco Home Energy Reports (“HER”) approved in Maryland and paid for from EE funds and the MD Empowerment Initiative. According to Staff Order No. 19984, Pepco previously proposed implementing the same program in the District as a part of *Formal Case No. 1148*,⁶⁷ and while Pepco indicates that the cost of providing the home energy report is nominal, the Commission is also interested in the public utility’s ability to gather additional information regarding the methodology that would be used to calculate a customer’s carbon footprint considering the fuel mix report from Pepco and third-party energy suppliers.⁶⁸ Therefore, Staff Order No. 19984 recommends that the Commission direct Pepco and WGL to submit proposals regarding the feasibility of including the carbon footprint metric on customers’ usage reports, including an explanation of the methodology they would use to do so.⁶⁹ Staff Order No. 19984 also acknowledges that WGL Energy opposes the applicability of these reports on third-party suppliers; therefore, approval would initially only apply to Pepco and WGL. Thus, Staff Order No. 19984

⁶² Final WG Report at 165.

⁶³ Final WG Report at 166.

⁶⁴ Final WG Report at 166.

⁶⁵ Final WG Report at 167.

⁶⁶ Final WG Report at 167.

⁶⁷ *Formal Case No 1148, In the Matter of the Investigation into the Establishment and Implementation of Energy Efficiency and Energy Conservation Programs Targeted towards both Affordable Multifamily Units and Master Metered Multifamily Buildings which include Low and Limited Income Residents in the District of Columbia*, Potomac Electric Power Company’s Initial Comments in Response to Order No. 19145, filed January 19, 2018; Staff Order No. 19984, ¶ 91.

⁶⁸ Staff Order No. 19984, ¶ 91.

⁶⁹ Staff Order No. 19984, ¶ 91.

recommends that the Commission direct Pepco and WGL to submit a feasibility report within 30 days of the date of the Order.⁷⁰

ii. Comments to Staff Order

33. Oracle comments that “Home Energy Reports [HER] are the powerful foundation of behavioral energy efficiency because they deliver personalized energy insights to each customer, generating electricity savings of 1.5 - 2.5% and upwards of 1.5% for natural gas savings” and “have saved over \$2 billion on customers’ bills and enough energy to power 1.2 million homes for a year.”⁷¹ Oracle further states that “Pepco and Washington Gas and Light (WGL) offer HERs as part of their energy efficiency portfolios in Maryland and Virginia (Washington Gas-only),” and one of the benefits is that “customers receive print and email HERs that are personalized, data driven, and informed by behavioral science.”⁷² Oracle points out that another aspect of “the behavioral energy efficiency program is the online energy management portal that, when layered on to the HER offering, drives an additional 1.5% energy savings by engaging customers in a deeper exploration of their energy use and actions they can take to better manage their energy consumption.”⁷³ Oracle states that they “understand[] the inclination to look to the HER to effectively communicate a customer’s carbon footprint as HERs are designed and tested to communicate complex data in a way that is easily comprehended by all customers and actionable.”⁷⁴

34. Oracle notes that there are two feasibility perspectives for including carbon metrics through the behavioral energy efficiency program. The first is to build on the existing functionality in the online energy management portal to communicate a customer’s carbon impact. Within the customer’s online portal, when viewing a household’s energy usage or costs over the past year, the utility is able to communicate the CO2 miles driven equivalent based on the customer’s energy usage over the last 12 months. This data-driven insight utilizes and links to the U.S. Environmental Protection Agency (“U.S. EPA”) Carbon Equivalencies Calculator. The Home Energy Report could be leveraged to drive customers to the online energy management portals. The second perspective is to incorporate a marketing message in the HER of the aggregate carbon reduction the utility has achieved to date through customers’ behavioral changes or the broader energy efficiency portfolio. This message would likely make the most sense to deliver in a communication

⁷⁰ Staff Order No. 19984, ¶ 91.

⁷¹ Oracle Comments at 3.

⁷² Oracle Comments at 4.

⁷³ Oracle Comments at 4.

⁷⁴ Oracle Comments at 4.

annually rather than in every HER.⁷⁵ Oracle also recommends that the Commission “pursue the delivery of joint gas-electric Home Energy Reports. Unless a utility is a dual-fuel provider.”⁷⁶

35. Oracle also submits that, “should the Commission decide to communicate carbon dioxide equivalent metrics to customers via behavioral energy efficiency, Oracle recommends taking an approach that will best preserve the energy savings potential of Home Energy Reports. Configuring and activating the carbon footprint insight in the online energy management portals for Pepco and WGL offers the best path forward to achieve the goals of communicating a customer’s carbon footprint and maintaining the focus of the HER on energy savings.”⁷⁷ Lastly, Oracle notes that “any communication of a customer’s carbon footprint beyond the insight offered in the online energy management portal should be considered through the lens of a pilot so that the Commission, utilities, and stakeholders may learn the best ways to communicate carbon metrics to customers and how the incorporation of carbon metrics impacts energy savings.”⁷⁸

36. WGL asserts that “Home Energy Reports are a third-party, verified and cost-effective energy efficiency program that would be the most appropriate mechanism to deliver a carbon footprint metric to Washington Gas customers. Creating a coordinated or joint Home Energy Report between utilities is not feasible due to customer data privacy issues, IT system constraints, and associated costs.”⁷⁹ WGL states that its “Home Energy Report vendor, Oracle, provides a carbon footprint metric on a Home Energy Report online portal it administers for one other client. Potential options for integration of a carbon footprint metric on HERs could include providing a carbon footprint metric, like that on their portal, showing the customer’s reduction to date through behavioral changes on the Home Energy Report online portal or converting energy savings tips to carbon reduction potential by updating marketing messages.”⁸⁰

37. According to WGL, “one key consideration about integrating a carbon footprint metric on the Home Energy Reports is that Home Energy Reports are designed, administered, and verified to change behavior that reduces energy consumption. It is not known if updated reports including a carbon footprint metric will continue to drive the same proven behavior changes that the current reports provide.”⁸¹ WGL further notes that “unintended consequences of adding more metrics, updating the standard report format, and deviating from the core goal of the Home Energy Reports to drive energy savings through behavior change should be taken into consideration prior

⁷⁵ Oracle Comments at 5-6.

⁷⁶ Oracle Comments at 9.

⁷⁷ Oracle Comments at 9-10.

⁷⁸ Oracle Comments at 9-10.

⁷⁹ WGL’s Comments at 5.

⁸⁰ WGL’s Comments at 5-6.

⁸¹ WGL’s Comments at 6.

to implementing this requirement.”⁸² WGL states that “energy reduction, through the more efficient use of natural gas, results in carbon reductions, and the impact of adding carbon information is untested and may enhance, or detract, from the desired result.”⁸³ WGL proposes that, given these unknown elements, “any updates to Home Energy Reports to show a carbon footprint metric be thoroughly evaluated to ensure energy savings can still be achieved by customers.” Should the Commission decide that the inclusion of a carbon footprint metric is beneficial, and WGL proposes through its Energy Efficiency programs to implement a behavioral program in the District that includes implementing HERs, additional Commission guidance and analysis of potential impacts will be necessary.⁸⁴

38. Pepco supports the proposed directive that Pepco and WGL submit proposals regarding the feasibility of including a carbon footprint metric on customers’ usage reports.⁸⁵ Pepco notes that national experience with usage reports, in general, indicates that they can have the potential to drive system-wide savings of up to 1 percent, and given that Pepco offers such usage reports in other jurisdictions, it welcomes the opportunity to do so in the District.⁸⁶ Pepco further comments that, while the addition of a carbon footprint metric to a usage report will only be possible for the utility’s SOS customers, the Company looks forward “to developing other tools to enable customers to achieve a more holistic view of their total lifestyle carbon footprint, which accounts for the impacts of the many choices they may make far beyond their home electric and gas usage.”⁸⁷

iii. Commission Decision

39. The CIWG recommended that the Commission ensure a direct connection between customers’ energy usage and their environmental impact through the deployment of home energy reports that display customers’ carbon impact information, which would aid customer decision-making around participating in Pepco or third-party programs/offers and encourage customer investment in non-carbon DER opportunities. Staff Order No. 19984 recommended that the Commission direct Pepco and WGL to submit proposals regarding the feasibility of including the carbon footprint metric on customers’ usage reports, including an explanation of the methodology they would use to do so.⁸⁸ Staff Order No. 19984 also acknowledged that WGL Energy opposes the applicability of these reports on third-party suppliers and, therefore, recommended that

⁸² WGL’s Comments at 6.

⁸³ WGL’s Comments at 6.

⁸⁴ WGL’s Comments at 6-7.

⁸⁵ Pepco’s Comments at 28.

⁸⁶ Pepco’s Comments at 28-29.

⁸⁷ Pepco’s Comments at 29.

⁸⁸ Staff Order No. 19984, ¶ 91.

approval would initially only apply to Pepco and WGL.⁸⁹ The Commission accepts the recommendation in Staff Order No. 19984, in part, and directs Pepco and WGL to submit proposals to deploy HERs that display customers' carbon impact information as part of their energy efficiency program portfolio for Commission approval in *Formal Case No. 1160*. Pepco and WGL are directed to include an explanation of the methodology they would use to implement this program. Lastly, the Commission accepts the recommendation in Staff Order No. 19984 to limit the applicability of these reports to Pepco and WGL.

IV. CONCLUSION

40. The Commission affirms its commitment to address the District's mandate for a clean energy future by ensuring that the utilities we regulate act in accordance with the District's energy and climate change commitments that facilitate a reduction in the District's GHG emissions by 50% below 2006 levels by 2032, achieve carbon neutrality by 2050, reduce energy use by 50% by 2032, and increase the use of renewable energy to 100% of the supply by 2032."⁹⁰

41. This Order finalizes the Commission's decisions on all remaining recommendations provided by the MEDSIS Working Group process. This Order also continues to advance the PowerPath DC vision by taking a series of meaningful steps consistent with the guiding principles of PowerPath DC.

THEREFORE, IT IS ORDERED THAT:

42. The Commission's Office of Consumer Services and the Office of External Affairs will **SUBMIT** to the Commission within 60 days of the date of this Order, an Action Plan for consolidating energy educational material, along with information on MEDSIS and a low-income program, on the Commission's website after consulting the Utility Discount Program Education Working Group;

43. The Commission **REJECTS** Staff Order No. 19984's recommendation to issue an NOI on residential submetering. However, the Commission will address the submetering of parking space carve-out issue for electric vehicles in *Formal Case No. 1155*;

44. The Commission **DIRECTS** the CBOR Working Group to reconvene within 60 days from the date of this Order to discuss: (1) revisions to the Commission's CBOR rules to align them with the MEDSIS Vision; (2) interim CBOR rules that will be applicable to the MEDSIS Pilot Programs; and (3) appropriate outreach methods to effectively inform customers of the CBOR rule changes, and submit its final recommendations to the Commission, including a proposed Notice of Proposed Rulemaking, within 180 days of its first meeting; and

45. The Commission **DIRECTS** Pepco and WGL to submit a proposal to deploy Home Energy Reports that display customers' energy usage and carbon impact information for Commission approval in *Formal Case No. 1160*. The Commission **DIRECTS** Pepco and WGL

⁸⁹ Staff Order No. 19984, ¶ 91.

⁹⁰ Clean Energy DC: The District of Columbia Climate and Energy Plan, August 2018. Available at <https://doee.dc.gov/cleanenergydc>. See CleanEnergy DC Act.

to include their Home Energy Reports proposal as part of their energy efficiency program portfolio in *Formal Case No. 1160*.

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**