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

ORDER

May 13, 2021

RM29-2020-02, IN THE MATTER OF 15 DCMR CHAPTER 29-RENEWABLE ENERGY PORTFOLIO STANDARD, Order No. 20740

I. <u>INTRODUCTION</u>

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") adopts the attached final amendments to Chapter 29, "Renewable Energy Portfolio Standard ('RPS')," of Title 15 of the District of Columbia Municipal Regulations amending the Commission's RPS rules consistent with the Distributed Generation Amendment Act of 2011 ("DGAA)¹ regarding the certification of solar energy systems that are not located in the District to meet the solar portion of the Tier One requirement of the RPS.² Specifically, the DGAA amended D.C. Official Code § 34-1432(e) to require that only solar energy systems located within the District or in locations served by a distribution feeder (cross border feeder) serving the District are eligible for certification to meet the solar portion of the Tier One requirement of the RPS after January 31, 2011.³ The amendments as shown in Attachment A shall become effective upon publication of the Notice of Final Rulemaking in the *D.C. Register*.

II. <u>BACKGROUND</u>

2. Chapter 29 establishes the Commission Rules governing the Renewable Energy Portfolio Standard which are applicable to all District of Columbia retail electricity sales as provided in D.C. Official Code §§ 34-1431 through 34-1439 and, among other things, governs the certification and eligibility of solar energy systems to qualify for participation in the RPS program.⁴ Because of the numerous inquiries, the Commission received regarding the solar Renewable Energy Credits ("SREC") eligibility of solar energy systems on cross border feeders and other matters, the Commission issued a Notice of Proposed Rulemaking ("First NOPR") to revise the Commission's RPS rules to clarify the operation of certain provisions of the DGAA.⁵ Specifically, the DGAA amended D.C. Official Code § 34-1432(e) to require that only solar energy

Distributed Generation Amendment Act of 2011, D.C. Law 19-36, effective October 20, 2011 ("DGAA"). See D.C. Code § 34-1432(e) (2020).

² 67 DCR 7507-7509 (June 12, 2020).

³ DGAA, Section 2(a)(3).

⁴ 15 DCMR §§ 2900 et. seq. (2020).

⁵ 67 DCR 7507-7509 (June 12, 2020).

systems located within the District or in locations served by a distribution feeder serving the District are eligible for certification to meet the solar portion of the District's Tier One RPS requirement after January 31, 2011.⁶

A. FIRST NOPR

- 3. The First NOPR amended Subsection 2902.1 of the Commission's rules. Subsection 2902.1 presently states that renewable generators must be certified as qualified resources in order to participate in the District's RPS program and details the circumstances under which solar energy systems may be certified to meet the solar portion of the District's Tier One requirement of RPS. The First NOPR added a new paragraph (a) which generally described the circumstances under which a solar energy system can be certified to produce SRECs to meet the solar portion of the Tier One requirement of the RPS. A new paragraph 2902.1(b) was added clarifying that solar energy systems that are not located within the District and are not in locations served by a distribution feeder serving the District (i.e., cross border feeders) can only be certified to produce Renewable Energy Credits to meet the non-solar portion of the Tier One requirement of the RPS. A new paragraph (c) was also added to make clear that the electric company's (hereinafter, the "Potomac Electric Power Company" or "Pepco") Cross Border Feeder Map is the source for and identifies the street addresses on the distribution feeders serving the District that are eligible for certification to produce SRECs to meet the solar portion of the Tier One requirement of the RPS. A new paragraph (d) was added clarifying the duration of certification for those solar energy systems on cross border feeders that have been previously certified by the Commission to meet the solar portion of the Tier One requirement of the RPS. A new paragraph (e) details the circumstances under which previously certified solar energy systems on cross border feeders may be expanded or replaced and continue to produce SRECs that are eligible to meet the solar portion of the Tier One requirement of the RPS.
- 4. A new paragraph (f) was added to allow solar energy systems not located within the District and not in locations served by a distribution feeder serving the District, to become eligible under certain narrow circumstances, through a service connection and/or an extension of the distribution system, to produce SRECs to meet the solar portion of the Tier One requirement of the RPS.
- 5. Finally, a new paragraph (g) was added to allow solar energy systems that were certified by the Commission prior to February 1, 2011, and not located within the District and not in locations served by a distribution feeder serving the District, to remain eligible to produce SRECs to meet the solar portion of the Tier One requirement of the RPS, at the capacity the system was originally certified by the Commission. In addition, under this provision, we clarified that if these solar energy systems were expanded or replaced, the expanded or replaced facilities would not be eligible to meet the solar portion of the Tier One requirement of the District's RPS. However, any such expansions or replacements previously approved by the Commission would remain eligible to meet the solar portion of the Tier One requirement of RPS.⁷ Finally, the

⁶ DGAA, Section 2(a)(3).

⁷ 67 DCR 7507-7509 (June 12, 2020).

Commission amended Section 2999 adding definitions for "Electric Company" and "Solar Energy System." Most of the comments filed in response to the First NOPR addressed the service connection or line extension connectivity authorized by proposed Subsection 2902.1(f). Maryland-DC-Delaware-Virginia Solar Energy Industries Association commented that proposed Subsection 2902.1(f) went beyond the D.C. Council's legislative intent and could result in excessively long connections to District serving feeders which could, in turn, result in "Maryland projects flooding the D.C. SREC market." The District of Columbia Department of Energy and Environment ("DOEE") expressed similar concerns that the potential introduction of large, utility-scale solar developments in Maryland to the District's SREC market could suppress District SREC prices. DOEE recommended that a limit be created for the maximum length of service connections and/or feeder extensions, as measured from the existing feeder to the point of interconnection. The District of Columbia Water and Sewer Authority echoed DOEE's comment.

B. SECOND NOPR

- 6. In response to concerns expressed by the commenters, the Commission issued a Second NOPR on October 23, 2020.¹³ The Second NOPR amended proposed Subsection 2902.1(b) to make clear that solar energy systems not located within the District or in a location served by a distribution feeder serving are not eligible for SREC certification through new service connections or line extensions, and deleted proposed Subsection 2902.1(f) which allowed solar energy systems to connect to distribution feeders serving the District through service connections and/or extensions of the distribution system.¹⁴
- 7. While Pepco supported the proposed rule change, some commenters to the Second NOPR indicated that the proposed Second NOPR was excessively restrictive and would prevent solar energy systems that are not located in the District but which are able to connect with a distribution feeder serving the District from being certified to produce District compliance eligible

⁸ 67 DCR 7509 (June 12, 2020).

See generally RM29-2020-02, In the Matter of 15 DCMR Chapter 29-Renewable Energy Portfolio Standard ("RM29-2020-02"), Comments of the Maryland-DC-Delaware-Virginia Solar Energy Industries Association on First Notice of Proposed Rulemaking ("NOPR"), filed July 13, 2020 ("MDV-SEIA's Comments on First NOPR"); Comments of the District of Columbia Department of Energy and Environment on First NOPR, filed July 13, 2020 ("DOEE's Comments on First NOPR"); Comments of Ameresco on First NOPR, filed July 15, 2020; and Motion to File Late Comments and Comments of the District of Columbia Water and Sewer Authority on First NOPR, filed July 17, 2020 ("DC Water's Comments on First NOPR"). Ameresco filed its comments after the deadline for filing. Ameresco's late-filed comments are accepted into the record. DC Water's Motion is hereby granted, and its comments are accepted into the record.

MDV-SEIA's Comments on First NOPR at 2.

DOEE's Comments on First NOPR at 5-6.

DC Water's Comments on First NOPR at 4.

¹³ 67 DCR 12460-12463 (October 23, 2020).

¹⁴ 67 DCR 12460-12463 (October 23, 2020).

SRECs.¹⁵ DOEE recommended that the Commission allow solar energy systems that are not located in the District but which are able to connect through a service connection, but not through an extension of the distribution system with a distribution feeder serving the District to be certified to produce District compliance eligible SRECs.¹⁶

C. THIRD NOPR

- 8. Based on comments on the Second NOPR the Commission issued a Third NOPR revising Subsections 2902.1(b)(1) to make clear that non-District solar energy systems not connected to Pepco's distribution system will not be eligible for District SRECs by requesting a service connection and/or a line extension of the distribution system except under the narrow and specific circumstances where Pepco reconfigures its system to address load or other distribution system needs.¹⁷ The Third NOPR revised Subsection 2902.1(b) read as follows:
 - (1) A Solar Energy System which is currently connected to the Electric Company's distribution system, is not located in the District, and is not currently served by a distribution feeder serving the District shall not be eligible for certification to meet the solar portion of the Tier One requirement of the RPS through an extension of the distribution system and/or a new service connection. The Electric Company shall not reconfigure its distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS; and
 - (2) A Solar Energy System which is not currently connected to the Electric Company's distribution system and is not located in the District may be eligible for certification to meet the solar portion of the Tier One requirement of the RPS, if the appropriate connection point as determined by the Electric Company is on a distribution feeder serving the District. The Electric Company shall not reconfigure its

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See generally RM29-2020-02, Comments of DOEE on Second NOPR at 4, filed November 23, 2020; Comments of the Sierra Club on the Second NOPR, filed November 20, 2020; Comments of the Montgomery County Green Bank on the Second NOPR, filed November 20, 2020; Comments of Solvitect on the Second NOPR, filed November 23, 2020; Comments of the Potomac Electric Power Company ("Pepco") on the Second NOPR, filed November 23, 2020; Comments of New Columbia Solar on the Second NOPR at 3, filed November 23, 2020; Comments of Groundswell on the Second NOPR, filed November 24, 2020; Comments of MDV-SEIA on the Second NOPR, filed November 24, 2020; Comments of the Potomac Electric Power Company on the Second NOPR, filed December 8, 2020. Pepco filed additional comments after the deadline for filing. Pepco's late-filed comments are accepted into the record.

¹⁶ Comments of DOEE on Second NOPR at 6.

¹⁷ 68 *DCR* 1717-1720 (February 5, 2021).

distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS;¹⁸

III. <u>DISCUSSION</u>

A. Comments on Third NOPR

- 9. In response to the Third NOPR, the Chesapeake Solar and Storage Association ("CHESSA") contends that the intent of the DGAA was to allow a solar energy systems located outside-of-the District to be eligible for certification to meet the Tier One Solar RPS requirement if it meets "two tests: 1) the system is located on a distribution feeder serving the District of Columbia, and 2) the system is able to connect to a distribution feeder serving the District of Columbia." In addition, CHESSA argues that "systems that meet the above test, regardless of system configuration (i.e., receiving net metering behind the meter, virtual net metering or a new service in front of the meter, wholesale compensation), are eligible for SRECs" to meet the solar portion of the Tier One RPS requirement. On this basis, CHESSA recommends that the Commission delete the phrase "or new service connections" in Subsection 2902(b)(2).21
- 10. CHESSA and SunPower also request a more formal process for updating, publishing, and approving updates to Pepco's Cross Border Feeder map.²² DOEE also proposes that greater transparency and predictability for eligible locations can be achieved by requiring the Electric Company to file a static version of its Cross Border Feeder Map and a list of eligible cross border feeders with the Commission.²³ DOEE states this would also allow DOEE to "monitor changes to the list of eligible cross border feeders over time and assesses the impact of the cross border feeder provisions of the RPS on the District of Columbia's solar energy market."²⁴
- 11. Pepco objects to DOEE's recommendation for a 'static' Cross Border Feeder Map asserting that "having a 'live' and regularly updated Cross Border Feeder Map" provides "a transparent depiction of the *current* status of Pepco's cross-border feeders." Pepco further argues

¹⁸ 68 *DCR* 1717-1720 (February 5, 2021).

Comments of Chesapeake Solar and Storage Association on Third NOPR at 2, filed March 5, 2021(emphasis in original) ("CHESSA's Comments on Third NOPR.")

²⁰ CHESSA's Comments on Third NOPR at 3.

²¹ CHESSA's Comments on Third NOPR at 3.

²² CHESSA's Comments on Third NOPR at 4-5; SunPower's Comments on Third NOPR at 3.

DOEE's Comments on Third NOPR at 4.

DOEE's Comments on Third NOPR at 4-5.

Pepco's Reply Comments on Third NOPR at 3 (emphasis in original).

that a static map that diminishes "the timeliness of updates would do a disservice to potential developers." Pepco further notes, that the Cross Border Feeder Map is a merger commitment that stems from *FC 1119*, Order No. 18148,²⁷ and that the Company "has committed to updating the Cross Border Feeder Map, has done so, and will continue to do so in the future."

IV. <u>DECISION</u>

A. Subsection 2902.1 Generator Certification and Eligibility

- 12. The intent of the proposed amendments to Section 2902.1 is to limit non-District solar energy systems' participation in the District's SRECs program consistent with D.C. Code § 34-1432(e) and prohibit Pepco from extending the District's distribution system through a line extension and or service connection solely for the purpose of accommodating non-District solar energy systems' participation in the District SRECs program.²⁹ Thus we reject CHESSA's recommendation to delete the phrase "new service connections" from the proposed amendments because it runs directly counter to the rule change. However, if Pepco reconfigures its system, based on the Company's engineering assessment to address load or other distribution system needs, that connects non-District solar energy systems to the District's distribution system (i.e., District Feeder) that system would become eligible for participation in our SREC program.
- 13. We concur with Pepco that a static map would be outdated and would not provide the regularly updated information that the Cross Border Feeder Map currently provides. Pepco states that it is required to update its Cross Border Feeder Map as a condition of the Exelon/Pepco merger. Commitment 120 requires Pepco to provide on its website service territory maps of circuits that include the area where circuits are restricted, and to what size systems the restrictions apply, and to update those maps at least quarterly. This map appears to be Pepco's restricted circuit map.³⁰ However, Pepco does maintain a separate map entitled "Cross Border Feeder Map" on its website.³¹ The Commission will require Pepco to update its Cross Border Feeder Map quarterly.
- 14. Accordingly, the Commission adopts the proposed amendments as final. Subsection 2902.1 shall read as follows:
 - 2902.1 Renewable generators, including behind-the-meter (BTM) generators, shall be certified as qualified resources by the Commission:

Pepco's Reply Comments on Third NOPR at 3.

^{30 &}lt;u>https://www.pepco.com/SmartEnergy/MyGreenPowerConnection/Pages/RestrictedCircuitMap.aspx</u>

https://www.pepco.com/MyAccount/MyService/Pages/DC/CrossBorderFeederMap.aspx

(a) Solar Energy Systems no larger than fifteen megawatts (15 MW) in capacity (unless a facility is located on property owned by the Government of the District of Columbia or by any agency or independent authority of the Government of the District of Columbia in which case the facility can be larger than fifteen megawatts (15 MW) in capacity) that are located within the District or in locations served by a distribution feeder serving the District are eligible for certification to meet the solar portion of the Tier One requirement of the renewable energy portfolio standard (RPS);

- (b)(1) A Solar Energy System which is currently connected to the Electric Company's distribution system, is not located in the District, and is not currently served by a distribution feeder serving the District shall not be eligible for certification to meet the solar portion of the Tier One requirement of the RPS through an extension of the distribution system and/or a new service connection. The Electric Company shall not reconfigure its distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS; and
 - (2) A Solar Energy System which is not currently connected to the Electric Company's distribution system and is not located in the District may be eligible for certification to meet the solar portion of the Tier One requirement of the RPS, if the appropriate connection point as determined by the Electric Company is on a distribution feeder serving the District. The Electric Company shall not reconfigure its distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS;
- (c) Solar Energy Systems that are not located within the District and not in locations served by a distribution feeder serving the District, regardless of capacity, may be certified to meet the non-solar portion of the Tier One requirement of the RPS;

(d) Eligibility for certification to meet the solar portion of the Tier One requirement of the RPS, for Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, is based on the Electric Company's current Cross Border Feeder Map posted on its website;

- (e) Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, once certified by the Commission to meet the solar portion of the Tier One requirement of the RPS, will remain certified and in good standing to produce solar Renewable Energy Credits (SRECs) that are eligible to meet the solar portion of the Tier One requirement of the RPS;
- (f) Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, once certified by the Commission to meet the solar portion of the Tier One requirement of the RPS, may be expanded or replaced and continue to produce SRECs that are eligible to meet the solar portion of the Tier One requirement of the RPS, provided that the Solar Energy System is served by a distribution feeder serving the District at the time of the replacement or expansion, subject to approval consistent with the provisions of Section 2902.12 of this chapter; and
- (g) Solar Energy Systems that are not located within the District and not in locations served by a distribution feeder serving the District, but were certified by the Commission prior to February 1, 2011, may continue to produce SRECs that are eligible to meet the solar portion of the Tier One requirement of the RPS, at the capacity of the system as originally certified by the Commission. Any SRECs produced by any expansions or replacements of such systems, including the replacement of individual solar panels, not previously approved by the Commission, shall not be eligible to meet the solar portion of the Tier One requirement of the RPS.

B. Section 2999, Definitions

15. Finally, the Commission amended Section 2999 adding definitions for Electric Company and Solar Energy System. No one commented on the proposed definitions therefore the Commission adopts these definitions as final. The new definitions are as follows:

Electric Company – includes every corporation, company, association, joint-stock company or association, partnership, or person doing business in the District of Columbia, their lessees, trustees, or receivers appointed by any court whatsoever, physically transmitting or distributing electricity in the District of Columbia to retail electric customers, excluding any person or entity distributing electricity from a behind-the-meter generator to a single retail customer behind the same meter and located on the same premise as the customer's meter. In addition, the term excludes any building owner, lessee, or manager who, respectively, owns, leases, or manages, the internal distribution system serving the building and who supplies electricity and other electricity related services solely to the occupants of the building for use by the occupants. The term also excludes a person or entity that does not sell or distribute electricity and that owns or operates equipment used exclusively for the charging of electric vehicles.

Solar Energy System – a system that produces Solar Energy consistent with the definition of Solar Energy in this chapter.

V. <u>CONCLUSION</u>

16. The amendments to Chapter 29 clarify the operation of certain provisions of the Distributed Generation Amendment Act of 2011 in order to provide more regulatory certainty. Specifically, the DGAA amended D.C. Official Code § 34-1432(e) to require that only solar energy systems located within the District or in locations served by a distribution feeder serving the District are eligible for certification to meet the solar portion of the Tier One requirement of the RPS after January 31, 2011.³² We believe that the provisions in proposed Subsection 2902(b)(2) accomplish that directive. Therefore, the Commission adopts as final Subsection 2902(b)(2) as published in the Third NOPR. Accordingly, the Commission adopts the attached amendments (Attachment A) to Chapter 29 of the Commission's rules, "Renewable Energy Portfolio Standard," which shall become effective upon publication in the *D.C. Register*.³³

Attachment B is a redline version of the proposed changes to the rules.

DGAA, Section 2(a)(3).

THEREFORE, IT IS ORDERED THAT:

17. The attached amendments to Chapter 29 of Title 15 of the District of Columbia Municipal Regulations as discussed in this Order are **ADOPTED** and shall become effective upon publication of a Notice of Final Rulemaking in the *D.C. Register*; and

18. The Potomac Electric Power Company shall update the Cross-Border Feeder Map quarterly consistent with paragraph 13 of this Order.

Brinde Derthart . Selgwill

A TRUE COPY: BY DIRECTION OF THE COMMISSION:

CHIEF CLERK: BRINDA WESTBROOK-SEDGWICK

COMMISSION SECRETARY

ATTACHMENT A – ORDER NO. 20740

Chapter 29, RENEWABLE ENERGY PORTFOLIO STANDARD, of Title 15 DCMR, PUBLIC UTILITIES AND CABLE TELEVISION, is amended as follows:

Section 2902, GENERATOR CERTIFICATION AND ELIGIBILITY, is amended as follows:

- 2902.1 Renewable generators, including behind-the-meter (BTM) generators, shall be certified as qualified resources by the Commission:
 - (a) Solar Energy Systems no larger than fifteen megawatts (15 MW) in capacity (unless a facility is located on property owned by the Government of the District of Columbia or by any agency or independent authority of the Government of the District of Columbia in which case the facility can be larger than fifteen megawatts (15 MW) in capacity) that are located within the District or in locations served by a distribution feeder serving the District are eligible for certification to meet the solar portion of the Tier One requirement of the renewable energy portfolio standard (RPS);
 - (b)(1) A Solar Energy System which is currently connected to the Electric Company's distribution system, is not located in the District, and is not currently served by a distribution feeder serving the District shall not be eligible for certification to meet the solar portion of the Tier One requirement of the RPS through an extension of the distribution system and/or a new service connection. The Electric Company shall not reconfigure its distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS; and
 - (2) A Solar Energy System which is not currently connected to the Electric Company's distribution system and is not located in the District may be eligible for certification to meet the solar portion of the Tier One requirement of the RPS, if the appropriate connection point as determined by the Electric Company is on a distribution feeder serving the District. The Electric Company shall not reconfigure its distribution system, including extensions of the system or new service connections, solely to allow a solar energy system to become eligible for certification to meet the solar portion of the Tier One requirement of the RPS.
 - (c) Solar Energy Systems that are not located within the District and not in locations served by a distribution feeder serving the District, regardless of capacity, may be certified to meet the non-solar portion of the Tier One requirement of the RPS;

- (d) Eligibility for certification to meet the solar portion of the Tier One requirement of the RPS, for Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, is based on the Electric Company's current Cross Border Feeder Map posted on its website;
- (e) Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, once certified by the Commission to meet the solar portion of the Tier One requirement of the RPS, will remain certified and in good standing to produce solar Renewable Energy Credits (SRECs) that are eligible to meet the solar portion of the Tier One requirement of the RPS;
- (f) Solar Energy Systems not located within the District and in locations served by a distribution feeder serving the District, once certified by the Commission to meet the solar portion of the Tier One requirement of the RPS, may be expanded or replaced and continue to produce SRECs that are eligible to meet the solar portion of the Tier One requirement of the RPS, provided that the Solar Energy System is served by a distribution feeder serving the District at the time of the replacement or expansion, subject to approval consistent with the provisions of Section 2902.12 of this chapter; and
- (g) Solar Energy Systems that are not located within the District and not in locations served by a distribution feeder serving the District, but were certified by the Commission prior to February 1, 2011, may continue to produce SRECs that are eligible to meet the solar portion of the Tier One requirement of the RPS, at the capacity of the system as originally certified by the Commission. Any SRECs produced by any expansions or replacements of such systems, including the replacement of individual solar panels, not previously approved by the Commission, shall not be eligible to meet the solar portion of the Tier One requirement of the RPS.

. . .

Section 2999, DEFINITIONS, is amended as follows:

2999.1 For the purposes of this chapter, the following terms and phrases have the following meanings:

Electric Company – includes every corporation, company, association, joint-stock company or association, partnership, or person doing business in the District of Columbia, their lessees, trustees, or receivers appointed by any court whatsoever, physically transmitting or distributing electricity in the District of Columbia to retail electric customers, excluding any person or entity distributing electricity from a behind-the-meter generator to a single retail

customer behind the same meter and located on the same premise as the customer's meter. In addition, the term excludes any building owner, lessee, or manager who, respectively, owns, leases, or manages, the internal distribution system serving the building and who supplies electricity and other electricity related services solely to the occupants of the building for use by the occupants. The term also excludes a person or entity that does not sell or distribute electricity and that owns or operates equipment used exclusively for the charging of electric vehicles.

. . .

Solar Energy System – a system that produces Solar Energy consistent with the definition of Solar Energy in this chapter.

. . .