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November 5, 2018

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission of the
District of Columbia
1325 G Street, N.W., Suite 800
Washington, DC 20005

**Re: RM-40-2017-01, 15 DCMR Chapter 40 – District of Columbia Small
Generator Interconnection Rules and**

**Formal Case No. 1050, In the Matter of the Investigation of Implementation
Interconnection Standards in the District of Columbia**

Dear Ms. Westbrook-Sedgwick:

Please find enclosed for filing an original and three (3) copies of the *Reply Comments of the Office of the People's Counsel for the District of Columbia Regarding the Notice of Proposed Rulemaking* in the above-referenced proceeding.

If there are any questions regarding this matter, please contact me at (202) 727-3071.

Sincerely,

Barbara L. Burton
Assistant People's Counsel

cc: All parties of record

**BEFORE
THE DISTRICT OF COLUMBIA
PUBLIC SERVICE COMMISSION**

In the Matter of

**15 DCMR Chapter 40 – District
of Columbia Small Generator
Interconnection Rules**

and

**The Investigation of Implementation of
Interconnection Standards in the
District of Columbia**

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RM-40-2017-01

Formal Case No. 1050

**REPLY COMMENTS OF THE OFFICE OF THE PEOPLE’S COUNSEL FOR THE
DISTRICT OF COLUMBIA REGARDING THE NOTICE OF THIRD PROPOSED
RULEMAKING**

I. INTRODUCTION

Pursuant to the Public Service Commission of the District of Columbia’s (“Commission” or “PSC”) Notice of Third Proposed Rulemaking¹ published in the *D.C. Register* on September 21, 2018, the Office of the People’s Counsel for the District of Columbia (“OPC” or “Office”), the statutory representative of District of Columbia ratepayers with respect to utility matters, hereby submits the *Reply Comments of the Office of the People’s Counsel for the District of Columbia Regarding the Notice of Third Proposed Rulemaking* (“Third NOPR”). Through its Third NOPR, the Commission proposes to amend Chapter 40, Title 15, of the District of Columbia Municipal Regulations.

¹ *RM-40-2017-01, In the Matter of 15 DCMR Chapter 40 – District of Columbia Small Generator Interconnection Rules, (“RM40-2017-01”) and Formal Case No. 1050, In the Matter of the Investigation of Implementation of Interconnection Standards in the District of Columbia (“Formal Case No. 1050”), “Notice of Third Proposed Rulemaking, 65 D.C. Reg. 9763-9799 (September 21, 2018) (“Third NOPR”).*

II. PROCEDURAL BACKGROUND

On September 21, 2018, the Commission issued a Third NOPR in this proceeding wherein it proposed to amend Chapter 40, Title 15, of the District of Columbia Municipal Regulations (“DCMR”). Specifically, the Commission’s Third NOPR proposes to revise limited aspects of Chapter 40’s net-energy metering provisions.² OPC filed initial comments on October 22, 2018; reply comments are due November 5, 2018. To date, in addition to the Office, the District Department of Energy and Environment (“DOEE”)³ and Potomac Electric Power Company (“Pepco”)⁴ have each also filed initial comments in this proceeding regarding the Commission’s Third NOPR.

III. REPLY COMMENTS

OPC’s *Reply Comments* address certain arguments set forth in DOEE and Pepco’s respective initial comments.

A. DOEE’s Comments

DOEE makes two recommendations: (1) increase visibility and stakeholder participation into Pepco’s hosting capacity methodology and (2) increase transparency and predictability around interconnections, particularly Level 4.⁵ OPC supports both. DOEE explained that “[d]etermining the hosting capacity of a feeder is a key component to enabling the modernization of the electric distribution system and the deployment of local solar generation.”⁶ Further, due to

² *RM-40-2017-01 and Formal Case No. 1050*, Third NOPR at p. 009763.

³ *RM-40-2017-01 and Formal Case No. 1050*, Comments by the Department of Energy and Environment on behalf of the District of Columbia Government, filed October 22, 2017 (“DOEE Comments”).

⁴ *RM-40-2017-01 and Formal Case No. 1050*, Initial Comments of Potomac Electric Power Company, filed October 22, 2018 (“Pepco Comments”).

⁵ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at pp. 1-2.

⁶ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at p. 4.

the dynamic nature of hosting capacity, DOEE believes that Pepco's current method of using static pictures of Pepco's hosting capacity provided through its geographic information system map "may not accurately convey hosting capacity opportunities and constraints in a meaningful way."⁷ Rather, DOEE believes that "a more accurate methodology that would increase visibility, transparency and enable the most effective placement of distributed energy resources (DERs) on the distribution grid" could be identified.⁸ OPC supports an outcome that allows for the integration of more DERS into the electric distribution grid because it aligns with OPC's objectives and the goals established in the MEDSIS Vision Statement as well as the District's broader energy-efficiency goals and initiatives.⁹

With respect to increasing transparency and predictability in relation to interconnections, particularly Level 4, DOEE commented that transparency and clarity around the cost, timing, and likelihood of approval for interconnection can help reduce the risk faced and cost borne by DER developers.¹⁰ DOEE's transparency concerns focus specifically on Sections 4007.2 (EDC notification about application completeness) and 4008.13 (cost of distribution system upgrades). Regarding 4007.2, DOEE seeks increased transparency with respect to Pepco's good faith estimates. OPC believes this is a reasonable concern as unreliable cost estimates negatively impact the budgets of DER developers, may discourage them from participating in programs that benefit low-income residents, or both.

⁷ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at p. 4.

⁸ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at pp. 1-2.

⁹ *Formal Case No 1130, Modernizing the Energy Delivery System for Increased Sustainability ("Formal Case No. 1130")*, Order No. 19275, Attachment A (rel. February 14, 2018) ("MEDSIS Vision Statement").

¹⁰ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at pp. 2, 9-10.

With respect to Section 4008.13, DOEE is concerned Pepco will make determinations about required distribution system upgrades and costs for DER projects without complete transparency. Further, DOEE is concerned the costs will be assigned fully to the Community Renewable Energy Facility (CREF) developer, even if those upgrades could be fairly rate-based or shared across renewable energy projects on the feeder(s) in question.¹¹ OPC notes that while DOEE's recommendation for transparency appears reasonable, DOEE does not provide any specific language to address its concerns. OPC recommends DOEE propose specific language so the PSC and stakeholders will be better informed about its position.

Finally, while DOEE supports the \$300 non-refundable processing fee for a Pre-Application Report (Report) to help developers in identifying sites for the installation of generator-based resources, DOEE asserts the fee may deter use of the Report and could negatively impact projects that would serve residents in underserved communities.¹² Accordingly, DOEE recommends that the fee for Level 4 projects benefiting low-income customers be waived.¹³ OPC does not oppose DOEE's recommendation because it is consistent with OPC's goal to ensure that all District residents have access to and benefit from DER services.

¹¹ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at p. 9.

¹² *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at p. 10.

¹³ *RM-40-2017-01 and Formal Case No. 1050*, DOEE Comments at p. 10.

B. Pepco's Comments

(1) Timelines for Pepco to make available the power flow-based studies¹⁴

In Sections 4003.3(e), 4004.2(h), 4005.2(m) and 4011(i), the Commission allows Pepco to perform a power flow-based study for each Interconnection Customer so long as Pepco provides the Commission a copy of the study within 30 days of its completion.¹⁵ Pepco is proposing that the EDC provide the Commission a copy of its power flow-based study for each Interconnection customer within 30 days *after receipt of the Commission's request*. Pepco contends that it typically completes power flow analyses for interconnection customers well “more than 30 days in advance of receiving a request from the Commission for a copy of the analysis.”¹⁶ OPC opposes Pepco's proposed amendment because there is no apparent reason to require the Commission to wait 30 days for a study the Company readily acknowledges is regularly completed well before any such request. For this reason, OPC recommends that Sections 4003.3(e), 4004.2(g), 4005.2(m), and 4011(i) be amended by striking the language “within thirty (30) days after analysis completion.” This change does not provide any timeline for the EDC and presumes the EDC would respond to a request for the already completed study immediately.

(a) Retain stages of the existing interconnection process¹⁷

Pepco proposes language for the Level 1 interconnection process that would inform customers they will not be assigned a queue position until they submit a complete application.¹⁸ A

¹⁴ RM-40-2017-01 and Formal Case No. 1050, Pepco Comments at p. 2.

¹⁵ RM-40-2017-01 and Formal Case No. 1050, Pepco Comments at p. 1.

¹⁶ RM-40-2017-01 and Formal Case No. 1050, Pepco Comments at p. 2.

¹⁷ RM-40-2017-01 and Formal Case No. 1050, Pepco Comments at p. 2.

¹⁸ RM-40-2017-02 and Formal Case No. 1050, Pepco Comments at p. 2.

queue position may be essential for fairness because it determines which application receives attention first. In the event that only one of several interconnection requests can be met immediately due to constraints, the queue position determines which request is addressed first. On the other hand, the EDC could rely on the “complete application” provision to delay progress on an application. For example, this provision would allow the EDC to delay progress on an application should the customer not provide information as relatively minor as the electrical contractor’s facsimile number.

If the Commission adopts Pepco’s proposed language regarding the queue position, OPC recommends the PSC also adopt language to help Level 1 customers complete their requests more easily and quickly. Specifically, OPC recommends that Pepco’s proposed queue- position language be designated as letter “(c)”, and OPC’s proposed language (i.e., “When the Interconnection Request is deemed incomplete, the EDC shall provide a written list detailing all information that must be provided to complete the request.”) be added beforehand as letter “(c)”.

(b) Lengthen time for EDC to complete Adverse System Impact Screen

Pepco, again, seeks to lengthen the time allotted to complete the Level 1 Adverse System Impact Screen from five days to 15.¹⁹ OPC maintains its position that the shorter time benefits customers and advances public policy objectives and, therefore, opposes Pepco’s recommendation. Contrary to Pepco’s unsupported assertion, OPC does not believe the EDC will “jeopardize the safety and reliability of the distribution system” when adhering to the shorter time frame.²⁰

(c) Allow for increased Level 1 interconnections within a spot or area network²¹

¹⁹ See *RM-40-2017-01 and Formal Case No. 1050*, Initial Comments of Potomac Electric Power Company, p. 7, filed December 1, 2017 (“Pepco December 2017 Comments”).

²⁰ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 3.

²¹ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 3.

Pepco correctly observes that limiting the aggregate generating capacity of DERs on spot networks or area networks—including Level 1 generators—to no more than 50 percent of the network’s anticipated minimum load may be overly constraining. Pepco is currently allowing Level 1 interconnections to exceed the 50% limit when the EDC has determined there will be no negative impact on reliability, for example.²² As a result, Pepco proposes changing Section 4004.2(e) to allow the aggregate generating capacity of DERS on spot or area networks to exceed 50% “unless the EDC determines that there will be no adverse impact on reliability.”²³ OPC supports this proposed change because it will allow for greater DER penetration here in the District without jeopardizing reliability or safety.

(d) Retain current process of providing an executed copy of the interconnection agreement along with the authorization to operate²⁴

Pepco opposes the proposed requirement in the definition “Approval to Install” that would require the EDC to provide an executed copy of the Interconnection Agreement along with the Approval to Install because “this proposed requirement does not reflect Pepco’s existing interconnection review process.”²⁵ Pepco proposes instead to maintain its current process, one that includes a 20-day delay between the time Pepco receives the Certificate of Completion and the signed inspection certificate from the interconnection customer and when Pepco issues an Authorization to Operate. Pepco asserts that changes to “the timing of either

²² *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 4.

²³ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments, Appendix A at p. 6.

²⁴ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 4.

²⁵ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 5.

Pepco's or the customer's obligations during the review process will cause confusion and thereby delay the interconnection process."²⁶ Pepco also resists the proposed acceleration of the process because "the review process is similar in Maryland, Delaware and New Jersey, where Pepco's affiliate utilities operate," and "consequently...is what customers, contractors, and other stakeholders have come to expect from Pepco."²⁷

Pepco's argument has no merit. Providing the Interconnection Agreement with the Approval to Install adds certainty for the developer, at no cost or inconvenience to Pepco. Furthermore, the newly proposed process may allow the DER to become operational more quickly following inspection. Finally, as even Pepco describes,²⁸ issuing the Interconnection Agreement earlier in the process may be of benefit to CREF projects in the District of Columbia. For these reasons, OPC does not support Pepco's proposal.

(e) Adopt changes in the Level 1 Interconnection Agreement²⁹

Pepco reports that Level 1 customers have been confused because of the two different provisions regarding the assignment or transfer of ownership that appear in the interconnection agreement and the Net Energy Metering Contract. To minimize confusion, Pepco has proposed to add an Interconnection Agreement Change Notice that would serve as the determinative document when ownership of a generator changes.³⁰ Pepco states the "document would provide

²⁶ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 5.

²⁷ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 5.

²⁸ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 5.

²⁹ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 6.

³⁰ *RM-40-2017-01 and Formal Case No. 1950*, Pepco Comments at p. 6.

clear guidance to customers as to what is required of them when they are the recipient of a small generator facility transfer or assignment and will provide clear notice to Pepco that the transaction has taken place.”³¹ OPC supports this recommendation.

(f) Eliminate the Level 2, 3, and 4 EDC acknowledgement³²

Pepco proposes removing the acknowledgement of a complete and fully paid Level 2, 3, or 4 interconnection request form because, in adherence to Section 4005.4(a), Pepco will notify the requesting party shortly afterward—within five business days of receiving Part 1 of the interconnection request. If the EDC is handling the application expeditiously, the letter seems superfluous. If, however, the EDC is not meeting its timetable, both letters may demonstrate the EDC’s failure to meet the deadlines. Although Pepco’s proposed amendment seems innocuous, OPC questions how, without the first acknowledgement, a customer will be able to clearly demonstrate whether Pepco is processing the application within the five required days. OPC opposes Pepco’s request pending a demonstration from Pepco that elimination of the acknowledgement form will not impact recording of compliance with the five-day application processing requirement.

³¹ *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 6.

³² *RM-40-2017-01 and Formal Case No. 1050*, Pepco Comments at p. 6.

CERTIFICATE OF SERVICE

**RM-40-2017-01--District of Columbia Small Generator Interconnection Rules
Formal Case No. 1050 -- In the Matter of the Investigation of Implementation of
Interconnection Standards in the District of Columbia**

I hereby certify that on November 5, 2018, a copy of the *Reply Comments of the Office of the People's Counsel for the District of Columbia Regarding the Notice of Third Proposed Rulemaking* was served on the following parties of record by hand delivery, first class mail, postage prepaid, or electronic mail:

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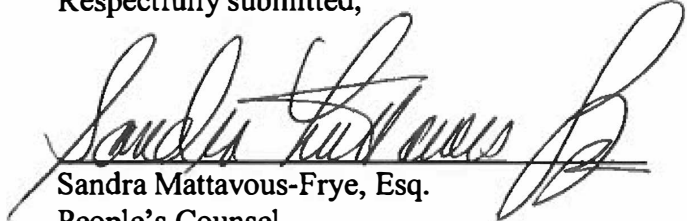
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IV. CONCLUSION

WHEREFORE, for the foregoing reasons, the Office respectfully requests that the Commission adopt the recommendations set forth herein.

Respectfully submitted,



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Dated: November 5, 2018

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