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ELECTRONIC FILING

June 28, 2019

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

RE: Rulemaking (RM) 29

Dear Ms. Brinda Westbrook-Sedgwick,

3Degrees Group Inc. submits for filing a Motion to File Comments Out of Time and Comments in the above-referenced proceeding.

Please call me if there are questions regarding this filing.

Respectfully submitted,

/s/ Maya Kelty

Maya Kelty
Senior Manager, Regulatory Affairs
3Degrees Group Inc.
email: mkelty@3degreesinc.com
phone: (628) 333 2679

cc: Service List

Steven Mickelsen
General Counsel, 3Degrees Group Inc

BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA

IN THE MATTER OF)	
15 DCMR CHAPTER)	
29-RENEWABLE ENERGY)	RM29-2019-01-M-1
PORTFOLIO STANDARD-)	
CLEANENERGY DC OMNIBUS)	
AMENDMENT ACT OF 2018)	

3DEGREES GROUP INC.'S
MOTION TO FILE COMMENTS OUT OF TIME

On May 3, 2019, the Public Service Commission of the District of Columbia ("Commission") issued a Notice of Proposed Rulemaking ("NOPR"), proposing revisions to Chapter 29 (Renewable Energy Portfolio Standard) ("RPS") of Title 15 (Public Utilities and Cable Television) of the District of Columbia. According to the NOPR, interested persons were invited to provide comments and reply comments within 30 days and 45 days, respectively, from the date of publication of the NOPR in the *D.C. Register*.

Pursuant to Rules 105.8 and 117.5 of the Commission's Rules of Practice and Procedure, and as specified below, 3Degrees Group, Inc. ("3Degrees") respectfully requests to file comments to the NOPR out of time.

MOTION TO FILE COMMENTS OUT OF TIME

3Degrees respectfully requests the ability to file comments on the NOPR out of time.

3Degrees is a leading provider of comprehensive clean energy and carbon services that enable organizations and individuals to transition towards a low-carbon economy. 3Degrees is one of the largest buyers and sellers of RECs in the country and serves hundreds of businesses, utilities, and other load serving entities.

Over the past decade, 3Degrees has worked closely with suppliers in the District of Columbia in order to support them in meeting the District's RPS goals. 3Degrees also works closely with purchasers and generators participating in the voluntary market. The voluntary

market is made up of millions of individuals and businesses who seek to purchase renewable energy above and beyond state mandates.

3Degrees engaged actively and directly in the legislative process to get B22-0904 passed, alongside other renewable energy and environmental stakeholders. The content of the bill and the resulting rulemaking directly impact 3Degrees and its clients.

3Degrees was not initially aware that the NOPR was issued and as such did not respond during the allotted time. The importance of the proposed rules in meeting the District's climate goals and by virtue of 3Degrees' expertise in the issues covered therein, 3Degrees believes its comments will assist the creation of a full and accurate record for the Commission to make its decision. 3Degrees is filing its NOPR comments concurrently with this motion. 3Degrees respectfully requests that the Commission grant this motion.

Respectfully submitted,

/s/ Maya Kelty

Maya Kelty
Senior Manager, Regulatory Affairs
3Degrees Group Inc.

Date: June 28, 2019

BEFORE THE
PUBLIC SERVICE COMMISSION
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IN THE MATTER OF)	
15 DCMR CHAPTER)	
29-RENEWABLE ENERGY)	RM29-2019-01-M-1
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COMMENTS OF 3DEGREES GROUP, INC
REGARDING NOTICE OF PROPOSED RULEMAKING RM29-2019-01-M

Pursuant to the Notice of Proposed Rulemaking ("NOPR") published in the D.C. register on May 3, 2019 proposing revisions to Chapter 29 (Renewable Energy Portfolio Standard) ("RPS") of Title 15 (Public Utilities and Cable Television) of the District of Columbia, and the invitation therein for interested parties to file comments, 3Degrees Group Inc. ("3Degrees") hereby files these comments.

3Degrees is a leading provider of comprehensive clean energy and carbon services that enable organizations and individuals to transition towards a low-carbon economy. 3Degrees is one of the largest buyers and sellers of RECs in the country and serves hundreds of businesses, utilities, and other load serving entities.

Over the past decade, 3Degrees has worked closely with suppliers in the District of Columbia in order to support them in meeting the District's RPS goals. 3Degrees also works closely with purchasers and generators participating in the voluntary market. The voluntary market is made up of millions of individuals and businesses who seek to purchase renewable energy above and beyond state mandates.

3Degrees appreciates the opportunity to provide comments on the Commission's intent to amend certain subsections of Chapter 29 of the RPS in accordance with the Clean Energy Act. 3Degrees specifically addresses subsection 2999.1 of Chapter 29.

3DEGREES COMMENTS

Subsection 2999.1

3Degrees seeks clarification on subsection 2999.1 regarding the Commission's interpretation of the definition of "PJM Interconnection region". The definition of PJM Interconnection region states:

"PJM Interconnection region – the area within which the movement of wholesale electricity is coordinated by the PJM Interconnection, L.L.C. With respect to qualifying RECs, the following states are deemed within the PJM Interconnection Region as of October 2011: Delaware, the District of Columbia, Illinois, Indiana, Kentucky, Maryland, Michigan, New Jersey, North Carolina, Ohio, Pennsylvania, Tennessee, Virginia, and West Virginia."

The definition's two sentences are in conflict regarding whether facilities that are located in a listed state but are not in an "area within which the movement of wholesale electricity is coordinated by the PJM Interconnection" are able to deliver DC RPS eligible Tier One RECs to the same extent as facilities which are in the PJM Interconnection. 3Degrees seeks the clarification that in order for a facility to be within the "PJM Interconnection region" as defined in subsection 2999.1, in states which are only partially coordinated by the PJM Interconnection, the facility must be in the portion of the state where wholesale electricity movement is coordinated by the PJM Interconnection. Facilities located in the other parts of the state are served by other transmission authorities (e.g. MISO) and counting that delivery towards the DC RPS would make DC's satisfaction of the goals in the Clean Energy DC Plan highly unlikely and frustrate the intent of the DC Council in B22-0904.

The first sentence in the definition states that the wholesale electricity in the area where the facility is located must be coordinated by the PJM Interconnection. A facility that has its wholesale electricity activities coordinated by an alternative transmission operator, such as MISO, is not under the jurisdiction of the PJM Interconnection in any way and as such is not coordinated by the PJM Interconnection. Facilities located in areas that are not coordinated by the PJM Interconnection plainly do not fit within the first sentence of the definition.

The second sentence lists the states where some electric facilities are connected to the PJM Interconnection. Facilities in these states whose wholesale electricity movement is coordinated by the PJM Interconnection are eligible to deliver DC Tier One RECs even if other facilities in the state are not eligible because their wholesale electricity movement is not coordinated by the PJM Interconnection. The definition leaves open whether facilities in the deemed states but not in the area coordinated by the PJM Interconnection are in-fact in the PJM Interconnection region. In many cases these facilities will be hundreds of miles from the nearest PJM Interconnection point. For example, in Michigan the northernmost PJM Interconnection point is near Covert Township, Michigan. Copper Harbor, Michigan is 500 miles northwest of Covert Township, Michigan and over 1000 miles from Washington DC! RECs generated from facilities in the areas of the deemed states not coordinated by the PJM Interconnection are more properly treated as RECs from an Adjacent PJM State. The Commission should clarify that facilities that are (1) not in areas coordinated by the PJM Interconnection and (2) in the states deemed to be within the PJM Interconnection region are not within the PJM Interconnection region as defined in 2999.1.

Clarifying that only facilities in the portion of each state where wholesale electricity movement is coordinated by the PJM Interconnection will codify the most straightforward reading of the PJM Interconnection region definition, provide certainty to market participants, ensure that the District is best positioned to meet the goals laid out in the Clean Energy DC Plan and which were specifically referenced within the B22-0904 legislative process, and express the intent of the DC Council in B22-0904.

Goals of the Clean Energy DC Plan

The key goals of the Clean Energy DC Plan are to increase the GHG reduction potential of the RPS and lead to new renewable energy build within the local grid.¹ These goals will not be met if the geographic eligibility of Tier One RECs exceeds the area physically coordinated by the PJM Interconnection. Aligning the RPS amendments with these goals of the Clean Energy DC Plan is referenced in both Committee Reports.² The Clean Energy DC Plan specifically references that, in order for the District to meet its GHG reduction goals, 57% of the RECs used

¹ For more information see p.137-140 of [Clean Energy DC Plan](#).

² See [Committee on Transportation and the Environment](#) (p.9) and [Committee on Business and Economic Development](#) (p.4).

for the RPS must be located within the RFC-East region, which is comprised of Pennsylvania, New Jersey, Delaware, Maryland, and the District.³ The Committee Report on Transportation and the Environment goes further and states: “Restricting the location from which RECs can be purchased to the PJM will likely increase this percentage significantly, to about 80%.”⁴ Meeting DC’s clean energy goals also requires that more *new* generation be developed in the region as a result of the RPS. The goals of the Clean Energy DC Plan are only met by incentivizing local, PJM Interconnection generation, not generation hundreds of miles away from the nearest PJM Interconnection point.

DC Council Intent

The intent of the Council who authored and passed B22-0904 was to restrict the geographic eligibility of Tier One RECs to be the area coordinated by the PJM Interconnection only. In the November 20, 2018 Committee Report published by the Committee on Transportation and the Environment, the Committee specifically references that the goal of the bill is to align the District’s Tier One geographic eligibility with the requirements of other state RPS policies. Specifically it states: “The District is an outlier in allowing RECs to be purchased from outside of the PJM. Every other state in the PJM limits the purchase of RECs to the PJM.”⁵ Other key RPS markets in the region (including Pennsylvania, Maryland, and New Jersey) and the District have chosen to limit geographic eligibility to the PJM interconnection in order to limit renewable energy sourcing to generators that actually serve the state. Permitting generators that are not located in areas actually coordinated by the PJM Interconnection will result in many DC Tier One RECs being sourced from areas of Michigan and Illinois that are over 700 miles away from the District. Incentivizing new generation within the PJM Interconnection was the DC Council’s intent and would be best served by 3Degrees’ proposed clarification to restrict RPS eligibility to facilities in the areas coordinated by the PJM Interconnection.

A failure by the Commission to align the DC Tier One geographic eligibility with other RPS’ in the region would make it unlikely that the District would meet its greenhouse gas reduction goal or the goal of creating more *new* generation within the region. Without aligning the Tier One geography with other RPS programs in the region, the District’s Tier One obligation is likely to

³ [Clean Energy DC Plan](#), p. 28.

⁴ [Committee on Transportation and the Environment](#), p.9.

⁵ [Committee on Transportation and the Environment](#), p.8.

be met almost exclusively with renewable energy resources that are not eligible for other regional RPS markets. This means the District's Tier One requirement would likely be met with RECs from the portions of North Carolina, Illinois, Indiana, Michigan, and Kentucky that are not within the PJM Interconnection. 3Degrees' analysis demonstrates that in 2024, the DC Tier One market would be oversupplied by well over 25,000,000 RECs (including banked RECs) if parties seek to meet RPS obligations using solely existing supply and non-PJM resources in Illinois and North Carolina.⁶ The DC Tier One obligation could be met almost indefinitely with the non-PJM resources of Illinois and North Carolina, and never actually lead to new renewable energy generation within the PJM Interconnection. This result would be contrary to the DC Council's intent in passing B22-0904.

CONCLUSION

3Degrees respectfully requests that the Commission clarify that in order for a facility to be within the "PJM Interconnection region" as defined in subsection 2999.1, in states which are only partially coordinated by the PJM Interconnection, eligible facilities must be in the portion of the state where wholesale electricity movement is coordinated by the PJM Interconnection. This clarification would properly express the written definition and incentivize new generation in areas where the movement of wholesale energy is coordinated by the PJM Interconnection, as intended by the DC Council.

Respectfully submitted,
/s/ Maya Kelty
Maya Kelty
Senior Manager, Regulatory Affairs
3Degrees Group Inc.

cc: Steven Mickelsen
General Counsel, 3Degrees Group Inc.

Date: June 28, 2019

⁶ 3Degrees would be willing to provide the Commission with this analysis upon request.

CERTIFICATE OF SERVICE

I hereby certify that on this 17th day of June 2019, I caused true and correct copies of the foregoing Motion to File Comments Out of Time and Comments of 3Degrees Group Inc. to be emailed to the following:

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