

GOVERNMENT OF THE DISTRICT OF COLUMBIA  
OFFICE OF THE ATTORNEY GENERAL



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ATTORNEY GENERAL

Public Advocacy Division  
Public Integrity Section

*E-Docketed*

July 9, 2019

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

**Re: Formal Case No. 1142 – In the Matter of the Merger of Alta Gas, Ltd., and WGL Holdings, Inc.**

Dear Ms. Westbrook-Sedgwick:

On behalf of the District of Columbia Government, enclosed is its Response Pursuant to Commission Order No. 19942 regarding AltaGas Ltd.'s June 17, 2019 Commitment 5 Compliance Filing. If you have any questions about this filing, please do not hesitate to contact me.

Sincerely,

KARL A. RACINE  
Attorney General

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

**In the Matter of**

**the Merger Application of AltaGas  
Ltd. and WGL Holdings, Inc.**

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**Formal Case No. 1142**

**RESPONSE OF THE DISTRICT COLUMBIA GOVERNMENT  
PURSUANT TO COMMISSION ORDER NO. 19942**

The District of Columbia Government (DCG or the District), by and through its Office of the Attorney General, respectfully submits this Response to the AltaGas Ltd.'s (AltaGas) Revised Compliance Filing Regarding Commitment No. 5 mandated by the Public Service Commission of the District of Columbia's (Commission) Order Nos. 19883 and 19942 in Formal Case No. 1142.<sup>1</sup> The District offers its conditional support for AltaGas's approach to meeting its merger commitment to install 10 megawatts (MW) of distributed energy resources (DERs) through rooftop solar photovoltaic (PV) systems and battery storage because these technologies will help the District meet ambitious Renewable Portfolio Standard requirements. However, DCG requests that the Commission require AltaGas to provide significantly more detail on how it will achieve other District priorities, in particular, alleviating grid capacity constraints through Non-Wires Alternatives (NWA).

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<sup>1</sup> Rel. April 5, 2019 and May 29, 2019, respectively.

## II. COMMENTS

### A. AltaGas should prioritize siting projects in capacity constrained areas.

The District strongly recommends siting DER projects in capacity constrained areas in order to help defer grid infrastructure upgrades. In its filing, AltaGas asserts “based on preliminary discussions with PEPCO, the sites being considered for solar PV and battery storage will be focused in areas where PEPCO has the highest potential for allowing connection **with minimum distribution impact and upgrade cost**; PEPCO has also indicated that their interconnection may be less complex and have lower impact and cost on their overhead and underground non-network areas.” [emphasis added]<sup>2</sup> The District has serious concerns with this statement, as it seems to run contrary to the Commission’s stated expectation that AltaGas will use best efforts to target projects in capacity constrained areas. Instead, this statement implies AltaGas’s willingness to prioritize convenience and cost to the Potomac Electric Power Company (Pepco) over addressing capacity constraints when siting projects.

In assessing the reasonableness of any site / project selection, the Commission should weigh the interconnection complexity and costs against the potential for ratepayer savings achieved by deferring construction of new electric distribution plant in favor of NWA. In furtherance of this recommendation, AltaGas should be required to provide detailed interconnection cost estimates for all projects it considers, including those projects that it does not ultimately propose.

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<sup>2</sup> AltaGas Revised Compliance Filing, Commitment No. 5, Exhibit 1 at pg. 5 (June 17, 2019).

Relatedly, AltaGas appears to have already dismissed siting DER projects that could support the area served by Pepco's proposed Mt. Vernon substation,<sup>3</sup> citing a lack of sufficient roof space for solar PV or building space to house battery storage: "these sites will typically be in the 100KW to 200KW range and may not be feasible due to the lack of economy of scale for the solar and battery installations."<sup>4</sup> The Commission should direct AltaGas to provide additional detail to support this statement as it is the Department of Energy and Environment's (DOEE) understanding that the Mt. Vernon Convention Center roof space alone could conservatively support a solar array with capacity of at least 2 MWs.<sup>5</sup> The District also recommends that the Commission require AltaGas to consider a minimum number of projects for siting in the area that would be served by Pepco's proposed Mt. Vernon substation, and report to the Commission on the feasibility of each such site considered, including the interconnection cost information discussed above.

Additionally, AltaGas states that "a higher percentage of the capacity being considered" will come from battery storage.<sup>6</sup> The Commission should direct AltaGas to clarify approximately what percentage of the 10 MWs they expect to deliver as new solar capacity versus battery storage. Moreover, given that AltaGas expects most of its developed capacity to come from battery storage, it is unclear how limited roof space to support solar PV in the Mt. Vernon area would impede

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<sup>3</sup> See Formal Case No. 1144.

<sup>4</sup> *Id.*, pg. 6

<sup>5</sup> See <https://www.mapdwell.com/en/solar/dc/building/5579528:6396768> DOEE (and anyone else) can access the online Mapdwell software program developed by MIT to assess the potential solar capacity of rooftops throughout DC.

<sup>6</sup> *Id.*, pg 5

AltaGas's ability to develop a battery storage solution for Mt. Vernon. The Commission should require AltaGas to include in its quarterly compliance filings discussed below, efforts undertaken to specifically develop a site in the Mt. Vernon area where Pepco has proposed building a new substation.

**B. The process should require stakeholder review and Commission approval prior to project finalization.**

AltaGas states that the Commission will have final approval of development projects and contract details. In order to ensure that critical District goals are achieved, such as pursuing NWAs to address grid capacity constraints, the District requests that the Commission continue to hold regular meetings of the Working Group established in Order No. 19942,<sup>7</sup> whereby parties to Formal Case No. 1142, including DCG, will have an opportunity to review and comment at various milestones well before project finalization. This should include an ability for parties to help determine and for the Commission to issue final approval of site selections, project scopes, and technologies to be deployed, including types of battery technology.

To this end, the Commission should require AltaGas to make quarterly compliance filings with the Commission, so the parties can monitor AltaGas's progress in fulfilling Commitment 5. The compliance filings should contain the specific information described at a high level in Alta-Gas's response to Commission Question No. 2 on how AltaGas will measure compliance with timelines and other

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<sup>7</sup> Rel. May 29, 2019

Commitment 5 filing requirements: i.e. “progress meeting minutes, project schedules, design and development reviews, quarterly management reports, etc.”<sup>8</sup>

**C. Request for additional details on proposed ownership models.**

AltaGas indicated that they are considering various ownership and/or lease models for these DER projects. To ensure that these projects continue to perform optimally for the life of the technology, the District requests that AltaGas provide further detail on the structure of these proposed ownership and lease models to clarify roles and responsibilities for various parties.

### **III. CONCLUSION**

Wherefore, the District requests that the Commission adopt the recommendations set forth in this Response as follows:

1. In determining the reasonableness of a proposed project or site, the Commission should weigh interconnection complexity and costs against the potential for ratepayer savings achieved by deferring construction of new electric distribution plant in favor of NWA;
2. AltaGas should be required to provide detailed interconnection cost estimates for all projects it considers, including those projects that it does not ultimately propose;
3. AltaGas should provide additional support for the statement “these [Mt. Vernon area] sites will typically be in the 100KW to 200KW range and may not

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<sup>8</sup> Revised Compliance Filing, Exhibit 1, pg. 7

be feasible due to the lack of economy of scale for the solar and battery installations”;

4. AltaGas should be required to consider a minimum number of projects for siting in the area that would be served by Pepco’s proposed Mt. Vernon substation;

5. AltaGas should be directed to clarify approximately what percentage of the 10 MW they expect to deliver as new solar capacity versus battery storage;

6. The Commission should continue to hold ongoing quarterly Working Group meetings throughout completion of the 10 MW project. AltaGas should also be directed to make quarterly compliance filings on its progress in fulfilling Commitment 5, including progress meeting minutes, project schedules, design and development reviews, quarterly management reports, as well as the feasibility of each Mt. Vernon site considered, including interconnection cost information for all projects considered; and

7. AltaGas should provide further detail on the structure of proposed ownership and lease models to clarify roles and responsibilities of various parties.

Respectfully submitted,

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July 9, 2019

*Attorneys for the District of Columbia  
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## CERTIFICATE OF SERVICE

I hereby certify that on this 9th day of July 2019, I caused true and correct copies of the foregoing District of Columbia Response Pursuant to Commission Order No. 19942 to be delivered to the following parties:

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