

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA

NOTICE OF PROPOSED RULEMAKING

FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED SUSTAINABILITY;

RM-09-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 9 — NET ENERGY METERING;

RM-13-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 13 — RULES IMPLEMENTING THE PUBLIC UTILITIES REIMBURSEMENT FEE ACT OF 1980;

RM-29-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 29 — RENEWABLE ENERGY PORTFOLIO STANDARD;

RM-36-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 36 — ELECTRICITY QUALITY OF SERVICE STANDARDS;

RM-40-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 40 — DISTRICT OF COLUMBIA SMALL GENERATOR INTERCONNECTION RULES;

RM-41-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 41 — THE DISTRICT OF COLUMBIA STANDARD OFFER SERVICE RULES;

RM-42-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 42 — FUEL MIX AND EMISSIONS DISCLOSURE REPORTS; AND

RM-44-2017-01, IN THE MATTER OF 15 DCMR CHAPTER 44 — SUBMETERING AND ENERGY ALLOCATION

1. The Public Service Commission of the District of Columbia (“Commission”) hereby gives notice, pursuant to Section 34-802 of the District of Columbia Official Code (“D.C. Official Code”) and in accordance with Section 2-505 of the D.C. Official Code,¹ of its intent to amend the following provisions of Title 15 (Public Utilities and Cable Television) of the District of Columbia Municipal Regulations (“DCMR”): Chapter 9 (Net Energy Metering); Chapter 13 (Rules Implementing the Public Utilities Reimbursement Fee Act of 1980); Chapter 29 (Renewable Energy Portfolio Standard); Chapter 36 (Electricity Quality of Service Standards); Chapter 40 (District of Columbia Small Generator Interconnection Rules); Chapter 41 (The District of Columbia Standard Offer Service Rules); Chapter 42 (Fuel Mix and Emissions Disclosure Reports); and Chapter 44 (Submetering and Energy Allocation).

2. The Government of the District of Columbia has established a clear policy of encouraging the deployment of Distributed Energy Resources (“DER”), including distributed

¹ D.C. Official Code § 34-802 (2012 Repl.); D.C. Official Code § 2-505 (2016 Repl.).

generation, such as solar energy and cogeneration facilities both standing alone as well as part of microgrids. As deployment of distributed generation (“DG”) expands and adjusts to meet demand, the Commission must examine how it can best use its regulatory authority to support the District’s energy goals while simultaneously adhering to current statutes that prohibit the construction of generators and the sale of electricity without first obtaining Commission approval.

3. On March 17, 2016, in Order No. 18144, the Commission sought comments on more general but related questions concerning distributed generation deployment and the nature of a retail sale. These comments were considered by Staff and summarized in the Modernizing the Energy Delivery System for Increased Sustainability (“MEDSIS”) Staff Report, issued in *Formal Case No. 1130* on January 25, 2017. In the MEDSIS Staff Report, Commission Staff also identifies various potential regulatory issues that create uncertainty in the deployment of new technologies on the District’s natural gas and electricity distribution grids and provides recommended actions to address the issues identified. Most notably, Staff recommends that the Commission adopt and amend pertinent DER related definitions in our regulations in order to establish a consistent language for addressing the complex issues related to modernizing the District’s energy systems, especially as it relates to DER deployment, going forward.

4. This NOPR, along with NOPRs issued concurrently concerning Chapter 46 (Electric Supplier Licensing) and Chapter 21 (Provisions for Construction of Electric Generating Facilities and Transmission Lines), aim to provide regulatory clarity. Further, establishing a consistent set of definitions will facilitate public input into modernizing the District’s energy systems. The content of this NOPR is subject to revision should future developments in the MEDSIS Initiative so warrant.

5. Amendments to the above referenced chapters shall take effect in not less than sixty (60) days from the date of publication of this Notice of Proposed Rulemaking (“NOPR”) in the *D.C. Register*.

Title 15 DCMR, PUBLIC UTILITIES AND CABLE TELEVISION, is amended as follows:

The following chapters, sections, and subsections are amended as follows:

Chapter 9, NET ENERGY METERING, Section 999, DEFINITIONS, Subsection 999.1;

Chapter 41, THE DISTRICT OF COLUMBIA STANDARD OFFER SERVICE RULES, Section 4199, DEFINITIONS, Subsection 4199.1; and

Chapter 42, FUEL MIX AND EMISSIONS DISCLOSURE REPORTS, Section 4299, DEFINITIONS, Section 4299, DEFINITIONS, Subsection 4299.1:

The definition of “Electric Company” is amended to read 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.

The following chapters, sections, and subsections are amended as follows:

Chapter 9, NET ENERGY METERING, Section 999, DEFINITIONS, Subsection 999.1;

Chapter 13, RULES IMPLEMENTING THE PUBLIC UTILITIES REIMBURSEMENT FEE ACT OF 1980, Section 1399, DEFINITIONS, Subsection 1399.1;

Chapter 29, RENEWABLE ENERGY PORTFOLIO STANDARD, Section 2999, DEFINITIONS, Subsection 2999.1:

Chapter 36, ELECTRICITY QUALITY OF SERVICE STANDARDS, Section 3699, DEFINITIONS, Section 3699, DEFINITIONS, Subsection 3699.1:

Chapter 41, THE DISTRICT OF COLUMBIA STANDARD OFFER SERVICE RULES, Section 4199, DEFINITIONS, Subsection 4199.1;

Chapter 42, FUEL MIX AND EMISSIONS DISCLOSURE REPORTS, Section 4299, DEFINITIONS, Section 4299, DEFINITIONS, Subsection 4299.1; and

Chapter 44, SUBMETERING AND ENERGY ALLOCATION, Section 4499, DEFINITIONS, Section 4499, DEFINITIONS, Subsection 4499.1:

The definition for “electricity supplier” or “competitive electricity supplier” is amended as follows:

“Electricity supplier” or “competitive electricity supplier” means a person, including an Aggregator, Broker, or Marketer, who generates electricity; sells electricity; or purchases, brokers, arranges or markets electricity or electric generation services for sale to customers. The term excludes the following:

- (a) Building owners, lessees, or managers who manage the internal distribution system serving such building and who supply electricity solely to the occupants of the building for use by the occupants;**

- (b) Any Person who purchases electricity for its own use or for the use of its subsidiaries or affiliates;
- (c) Any apartment building or office building manager who aggregates electric service requirements for his or her building or buildings, and who does not: (i) Take title to electricity; (ii) Market electric services to the individually-metered tenants of his or her building; or (iii) Engage in the resale of electric services to others;
- (d) Property owners who supply small amounts of power, at cost, as an accommodation to lessors or licensees of the property;
- (e) Consolidators;
- (f) Community Renewable Energy Facilities (CREFs) as defined in Section 4199.1 and as described in Sections 4109.1 through 4109.3 of Title 15, pursuant to the Community Renewable Energy Amendment Act of 2013;
- (g) An Electric Company;
- (h) Nontraditional Marketers; and
- (i) Any person or entity that owns a behind-the-meter generator and sells or supplies the electricity from that generator to a single retail customer or customers behind the same meter located on the same premise.

The following chapters, sections, and subsections are amended as follows:

Chapter 9, NET ENERGY METERING, Section 999, DEFINITIONS, Subsection 999.1;

Chapter 13, RULES IMPLEMENTING THE PUBLIC UTILITIES REIMBURSEMENT FEE ACT OF 1980, Section 1399, DEFINITIONS, Subsection 1399.1;

Chapter 36, ELECTRICITY QUALITY OF SERVICE STANDARDS, Section 3699, DEFINITIONS, Subsection 3699.1;

Chapter 41, THE DISTRICT OF COLUMBIA STANDARD OFFER SERVICE RULES, Section 4199, DEFINITIONS, Subsection 4199.1;

Chapter 42, FUEL MIX AND EMISSIONS DISCLOSURE REPORTS, Section 4299, DEFINITIONS, Subsection 4299.1; and

Chapter 44, SUBMETERING AND ENERGY ALLOCATION, Section 4499, DEFINITIONS, Subsection 4499.1;

The definition for “behind the meter generator” is added to clarify the meaning of “electricity supplier” as follows:

“Behind-the-meter generator” – an on-site generator that is located behind a retail customer’s meter such that no Electric Company-owned transmission or distribution facilities are used to deliver the energy from the generating unit to the on-site load.

The following chapters, sections, and subsections are amended as follows:

Chapter 9, NET ENERGY METERING, Section 999, DEFINITIONS, Subsection 999.1; and

Chapter 40, DISTRICT OF COLUMBIA SMALL GENERATOR INTERCONNECTION RULES, Section 4099, DEFINITIONS, Subsection 4099.1:

The following definitions are added:

“Battery” – A device that is able to store electrical energy in the form of chemical energy, and convert that energy into electricity.

“Back-up generation” – Any electric generating facility, as defined in D.C. Code Section 34-205, which is connected to the electric distribution system in the District of Columbia and not subject to the Commission’s Small Generator Interconnection Rules because it does not operate parallel to the electric distribution system or operates in parallel less than 100 milliseconds.

“Cogeneration facility” or “combined heat and power (CHP) facility” – A system that produces both electric energy, steam, or other forms of useful energy (such as heat) that are used for industrial, commercial, heating, or cooling purposes.

“Demand response” – A reduction or modification in the consumption of electric energy by customers from their expected consumption in response to either an increase in the price of electric energy or to incentive payments.

“Distributed energy resource” or “DER” – A source or sink of power sited close to the customer’s load that can provide all or some of the customer’s energy needs and can also be used by the system to either reduce demand (such as demand response) or increase supply to satisfy the energy, capacity, or ancillary service needs of the distribution or transmission system. The resources, if providing electricity or thermal energy, are small in scale, connected to the distribution system, and close to the load. Types of DER include, but are not limited to: photovoltaic solar, wind, cogeneration, energy storage, demand response, electric vehicles, microturbines, biomass, waste-to-energy, generating facilities, and energy efficiency.

“Distributed generation” – Any electric generating facility, as defined in D.C. Code Section 34-205, which is connected to the electric distribution

system in the District of Columbia and subject to the Commission's Small Generator Interconnection Rules.

"Electric vehicle" – A vehicle which is powered by an electric motor drawing current from rechargeable storage batteries, fuel cells, or other portable sources of electrical current, and which may include a non-electrical source of power designed to charge batteries and components thereof.

"Electric storage" – A resource capable of absorbing electric energy, storing it for a period of time and thereafter dispatching the energy regardless of where the resource is located on the electric distribution system. These resources include all types of electric storage technologies, regardless of their size, storage medium (e.g., batteries, flywheels, electric vehicles, compressed air), or operational purpose.

"Fly-wheel" – A device that is able to store electrical energy in the form of kinetic energy, and convert that energy into electricity.

"Fossil fuel generator" – Any electric generating facility that utilizes coal, natural gas, or any other petroleum product as a fuel.

"Fuel cell" – A device that produces electricity through a chemical reaction between a source fuel and an oxidant.

"Microgrid" – A collection of interconnected loads, generation assets, and advanced control equipment, installed across a limited geographic area and within a defined electrical boundary that is capable of disconnecting from the larger electric distribution system. A microgrid may serve a single customer with several structures or serve multiple customers. A microgrid can connect and disconnect from the distribution and or transmission system to enable it to operate in both interconnected or island mode.

"Microturbine" – A small combustion turbine with an output of 25 kW to 500 kW.

"Smart Inverter" – An inverter that allows Distributed Energy Resources to be controlled or aggregated to perform power support operations that enhance grid reliability. Smart inverters can be used where any inverter-based DC generation is converted into AC and provided to the grid. This includes solar, energy storage, wind, and electric vehicles.

Chapter 9, NET ENERGY METERING, Section 999, DEFINITIONS, Subsection 999.1, amends the definition of "eligible customer generator" to clarify that the term is synonymous with the term "net energy metering facility":

"Eligible customer-generator" or "net energy metering facility" means a customer-generator whose net energy metering system for renewable

resources, cogeneration, fuel cells, and or microturbines meets all applicable safety and performance standards.

6. The MEDSIS Staff Report may be reviewed at the Office of the Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005, between the hours of 9:00 a.m. and 5:30 p.m., Monday through Friday as well as on the Commission's web site at www.dcpssc.org. Once at the website, open the "EDOCKET SYSTEM" tab, click on the "Search Current Dockets" and input "FC1130" as the case number and "88" as the item number. Copies of the MEDSIS Staff Report are also available upon request, at a per-page reproduction cost, by contacting the Commission Secretary at (202) 626-5150 or psc-commissionsecretary@dc.gov.

7. All persons interested in commenting on the content of this NOPR are invited to submit written comments and reply comments no later than sixty (60) and thirty (30) days, respectively, after the publication of this NOPR in the *D.C. Register*. Written comments should be filed with: Brinda Westbrook-Sedgwick, Commission Secretary, Public Service Commission of the District of Columbia, 1325 G Street, N.W., Suite 800, Washington, D.C. 20005, submitted via email to psc-commissionsecretary@dc.gov, or through the Commission's website at <http://edocket.dcpssc.org/comments/submitpubliccomments.asp>.