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Commissioner Betty Ann Kane
DC Public Service Commission
1325 G St. NW, Suite 800
Washington, DC 20005

Re: Formal Case No. 1130, Modernizing the Energy Distribution System for Improved Sustainability

Dear Commissioners,

We write to express concerns about Formal Case No. 1130, Modernizing the Energy Distribution System for Improved Sustainability. This case was opened over two years ago, to “identify technologies and policies that can modernize our energy delivery system for increased sustainability and will make our system more reliable, efficient, cost-effective, and interactive.” A recently issued staff vision statement for the case proposes qualities that the District’s modernized energy distribution system must include—good planning, safety, reliability, security, affordability, sustainability interactivity, and non-discrimination. We believe it is clearly in the public interest to establish a “smart” grid in the District with these qualities that is capable of supporting and usefully allocating the ever-increasing amount of distributed energy generation in the District, and we commend the Commission for taking such forward-thinking action to identify the technology and policy changes that will be needed. The modernization of the grid should democratize and increase the equity and efficiency of the grid, while also decarbonizing and improving its reliability and resilience.

However, we have concerns about how Formal Case No. 1130 has proceeded. More than two years in, there is no easily identifiable set of public specifications, benchmarks, or criteria for a modern grid in the District, and there has been little chance for the public to provide input on what those should be. Clearly defined and agreed-upon specifications for a modern grid would guide the Commission in creating a concrete plan of action for remaking the District’s grid into one that can support significant distributed generation.

Rather than engaging the interested parties—such as the DC Consumer Utility Board, whose members first raised these issues before the Commission in

2013¹—through a working group or stakeholder process, the PSC has convened three workshops in the form of seminars featuring the utility, DC government agencies, and private sector energy contractors. The docket for FC 1130 is peppered with concerns from District advocacy groups about its lack of focus, yet the Commission has not addressed the issue. PSC Commissioner Richard Beverly’s comment that “the time is right to consider either convening a working group or establishing a stakeholder Board so that all relevant issues can be discussed in a more fluid give and take manner”² has also earned no response.

The Commission’s January 25, 2017 FC 1130 Staff Report³ recommended a pilot project funding process using Exelon’s settlement money from the contested merger, and rulemakings to define and address distributed energy resources, streamline approvals of renewable generation construction, and amend the definition of electricity supplier. This indicates that the PSC believes that rulemakings and pilot projects will achieve the goals of Formal Case No. 1130, though a public vision statement for the case was not proposed until October 18, 2017.

The Commission’s staff report is concerned primarily with identifying and removing barriers to modern technology in existing laws and regulations, and supporting pilot projects involving modern technology. Although these are admirable goals, they are not a plan for the design and implementation of a Smartgrid that will power the District through the 21st century. A public process to set benchmarks for achieving the outcome of Formal Case No. 1130 could correct this lack of scope.

A paradigm shift is underway involving technologies that allow increased local electricity generation and distribution, including demand management, efficiency, renewables, storage, and Microgrids. This shift means that ratepayers—commercial and residential—can benefit from better management of their own consumption and from local generation of efficiency and renewables. The success of the grid of the future is dependent upon meeting ratepayer needs and enlisting ratepayer participation, and the District needs a grid that is designed to both allow and encourage this. A distribution system that functions only as a “tollbooth” for the utility incentivizing it to build and rate-base more infrastructure will not address the public’s needs.

¹ Direct Testimony of Karl R. Rabago on behalf of the Washington, D.C. Chapter of the Sierra Club and the Grid 2.0 Working Group, Formal Case No. 1103, pg. 4, available at http://edocket.dcpsc.org/edocket/docketsheets_pdf_FS.asp?caseno=FC1103&docketno=90&flag=D&show_result=Y


² See FC1130, appended to the MEDSIS Staff Report, Statement of Commissioner Richard Beverly, pp. 3-4., available at file:///I:/Agency%20Reports%20and%20Plans/PSC/cdavis_1252017_1139_1_MEDSIS_Staff_Report.pdf


³ Available at http://edocket.dcpsc.org/edocket/docketsheets_pdf_FS.asp?caseno=FC1130&docketno=88&flag=D&show_result=Y


We do not presume to tell the PSC how to structure a process to plan the modernization of the distribution grid. We are concerned, however, that the outcome of a process that fails to establish clearly articulated, publicly vetted objectives and specifications for a modernized grid will not be a good investment of ratepayer or taxpayer dollars.

We encourage the Public Service Commission to convene a stakeholder planning process as soon as possible, as was requested by public intervenors in Formal Case No. 1103⁴, suggested in PSC Order No. 17912 when the Commission opened Formal Case No 1130, and recommended by PSC Commissioner Beverly. It should address the broad specifications and criteria that will enable a modernized energy distribution system capable of meeting the needs of this community and its ratepayers through the 21st century. If the Commission feels that designing a plan for the modernization of our grid is beyond the scope of the current case, then we urge you to open a new one with this goal.


Regards,

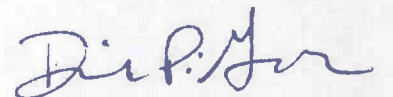

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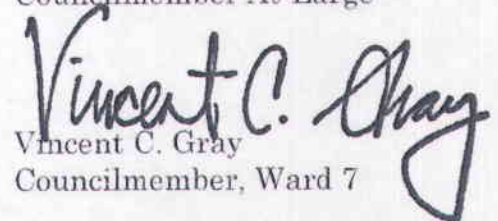

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⁴ See Formal Case No. 1103, In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service, Order No. 17539, rel. July 10, 2014, at ¶ 120.