



ELECTRONIC FILING

March 6, 2017

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
D.C. Public Service Commission
1325 G Street, N.W., Suite 800
Washington, DC 20005

Re: Formal Case No. 1130 – In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability.

Dear Ms. Westbrook-Sedgwick:

DC Solar United Neighborhoods respectfully submits the attached comments addressing issues raised in the February 28, 2017 Town Hall. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

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

**IN THE MATTER OF THE INVESTIGATION
INTO MODERNIZING THE ENERGY DELIVERY
SYSTEM FOR INCREASED SUSTAINABILITY**

Formal Case No. 1130

TOWN HALL COMMENTS OF DC SOLAR UNITED NEIGHBORHOODS

DC Solar United Neighborhoods (“DC SUN”)¹ respectfully submits the following comments in response to the District of Columbia Public Service Commission’s (“Commission”) Notice of Town Hall on Modernizing the Energy Delivery System for Increased Sustainability. (“MEDSIS”).²

I. BACKGROUND

On June 12, 2015, the Commission opened this investigatory proceeding “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.”³ According to the Commission, this proceeding reflects the need to review the current energy delivery system and related policies in the District; determine whether these policies support the District’s sustainability, clean energy, and affordability goals, as provided in the Mayor’s Plan for a Sustainable DC and other key legislative mandates; and pursue existing opportunities and

¹ DC SUN, a part of the Community Power Network, is an umbrella organization for eleven neighborhood solar cooperatives located throughout the District. DC SUN aims to make rooftop solar power accessible and affordable for District communities. *See* Initial Comments of DC SUN Addressing the Prelim. Scope of the Proceeding at 2-3 (Aug. 31, 2015).

² *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability* (“*Formal Case No. 1130*”), Order (January 25, 2017).

³ Order No. 17912 ¶ 1 (June 12, 2015).

necessary reforms to secure a more sustainable, reliable, and affordable energy system.⁴ The Order also established a series of three workshops which were held between October 2015 and March 2016.

At the conclusion of the workshops, the Commission announced the development of a MEDSIS Staff Report which would incorporate information presented at the workshops and comments filed in the *Formal Case No. 1130* docket, provide guidance as to how the MEDSIS Initiative would proceed, as well as present Staff's recommendations for achieving MEDSIS goals. Staff completed the MEDSIS Staff Report and submitted it to the Commission for consideration in January 2017. On January 25, 2017, the Commission released the MEDSIS Staff Report for public comment.

On February 10, 2017, the Commission announced that a MEDSIS Town Hall would be held on February 28, 2017, to garner public comment on Section VII of the MEDSIS Staff Report. In Section VII, Staff addresses how to select District-specific pilot and demonstration projects, as well as how to allocate funds from the \$21.55 million MEDSIS Pilot Project Fund Subaccount, that was created as a condition of the PHI-Exelon Merger approved by the Commission in Order No. 18148.⁵

II. MEDSIS STAFF REPORT – SECTION VII.

In Section VII, Staff proposes preliminary parameters addressing how the funding from the MEDSIS Subaccount Fund can be used to implement pilot and demonstration projects. Staff proposes a five phase process and timeline to implement the MEDSIS Pilot Project program, including how Requests for Qualifications will be submitted, how projects will be selected, and

⁴ *See id.* ¶ 4.

⁵ *Formal Case No. 1119*, Order No. 18148, rel. March 23, 2016.

what aspects of projects are eligible for funding from the MEDSIS Subaccount. Staff also proposes on-going monitoring, reporting, and evaluation requirements for all MEDSIS Pilot Projects as well as an annual accounting and full reconciliation of the MEDSIS Fund Subaccount. Staff also recommends that all eligible project submissions be reviewed by an advisory board that makes a recommendation to the Commission for which projects should be selected, with the Commission making the ultimate selections. Lastly, Staff recommends that a MEDSIS Town Hall be held by the Commission to garner public comment specifically on this section of the Report before initial comments are due.

III. THE COMMISSION MUST ADOPT GUIDING PRINCIPLES AND DEFINE THE CONCEPT OF “MODERNIZING THE ENERGY DELIVERY SYSTEM” PRIOR TO ANY CONSIDERATION OF THE PILOT AND DEMONSTRATION PROJECT SELECTION PROCESS

As discussed previously, DC SUN supports the overall goal of this proceeding—to explore ways to modernize the District’s energy delivery system so as to increase sustainability, reliability, and the integration of solar and other Distributed Energy Resources (“DERS”). In particular, distributed solar generation and equitable access to this and other DERs are key components of a more sustainable grid.

In the Report, Staff states that “the implementation of a robust pilot and demonstration program that can yield tangible and long-lasting benefits for District ratepayers” should be one of the goals of the MEDSIS Initiative.⁶ DC SUN respectfully disagrees. Pilot and demonstration projects should be the means to an end; not a goal in and of themselves.

The Commission should launch this process by providing a statement of guiding principles in the form of fundamental policy objectives. Adoption of guiding principles is

⁶ Staff Report at iv.

absolutely essential for ensuring that the Commission’s policy objectives are ultimately achieved. Providing guiding principles will allow stakeholders to seek solutions which are consistent with those principles.

DC SUN recommends that the Commission adopt the following guiding principles at the outset, which will help set the course for the proceeding:

1. Consumers should have the right to access all retail electricity services, including clean energy resources, real-time usage data, and dynamic pricing;
2. Individual consumers, businesses, and communities (not just private developers, government, and utilities) should have the right to aggregate consumer electricity services and implement DG microgrids;
3. New and improving technologies are driving fundamental change in DC’s electric distribution system, and changes to the regulatory structure, projects or programs are required to ensure the seamless integration of technologies that will result in clear benefits – including cost reductions – for DC’s ratepayers;
4. The distribution utility must be held accountable to consumers for specific performance goals, which could include goals concerning support for alternative energy, reliability, and customer service;
5. Electric distribution companies and cooperatives must serve as impartial grid operators, particularly when non-regulated affiliates are market participants;
6. Distribution utility revenues must be based on the quality, efficiency, and reliability of the utility’s distribution service, not on electricity consumption; and
7. Materials should be created and disseminated that describe the MEDSIS process in language that is accessible as possible to the public.

In the Report, Staff also asserts that “The MEDSIS Pilot Project Fund is a tool to further the goal of the MEDSIS proceeding ‘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.”⁷ However, DC SUN respectfully contends that it will be impossible for pilot and demonstration projects to achieve this goal in the absence of a Commission designated framework which defines the phrase “modernize our energy delivery system.”

Therefore, rather than focusing on a process for selecting specific pilot and demonstration projects, the Commission should specifically articulate its vision of a modern energy delivery system. Using previous input from stakeholders, the Commission should define what “modernizing” the grid means as it relates to the specific goals the Commission seeks to achieve in this proceeding. DC Sun believes a modern energy delivery system should:

1. Reduce the environmental impact of electricity and natural gas generation and usage;
2. Improve energy efficiency and demand management;
3. Permit the use of diverse energy sources—specifically, the grid should accommodate the integration of DG and other DERs;
4. Improve reliability and resilience;
5. Eliminate the significant amount of waste that occurs with the current system;
6. Support growth in low income resiliency programs that benefit community stakeholders;
7. Support the creation of community owned and managed micro-grids; and
8. Give consumers greater control over where their electricity comes from and how it's managed.

At this point it would be extremely premature to start setting parameters and taking comments on how funding should be administered on MEDSIS pilot projects. Without developing the overarching goals of this proceeding, considering public comments on grid

⁷ Staff Report at 91, citing *Formal Case No. 1130*, Order No. 17912, ¶ 1, rel. June 12, 2015.

modernization, and truly grappling with how spurring renewable energy will affect the current grid system, the Commission cannot expect to be successful at spending the funds strategically and effectively. Overall, DC SUN believes it will be extremely difficult, if not impossible, for community stakeholders to effectively and efficiently select appropriate projects without the establishment of overarching guiding principles and goals at the program's inception.

Therefore, we recommend that once the Commission articulates its vision of a modern energy delivery system and establishes the set of guiding principles to be applied to the consideration of any pilot or demonstration project, stakeholders will be better able to craft and implement a pilot and demonstration project selection process specifically designed to meet those established principles.

IV. CONCLUSION

For the reasons discussed above, DC SUN respectfully requests that the Commission develop a set of guiding principles and a working definition of modernization of the electric delivery system prior to seeking public input on a proposed project selection process. Once these foundational elements are established, including the framework, process, objectives and role of community stakeholders, stakeholders will be better able to address the legal and regulatory questions that arise.

Respectfully submitted,

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