

AN AMENDMENT

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

September 17, 2013

Amendment offered by: Councilmember Kenyan McDuffie (D-Ward 5)

To: Bill 20-57, the "Community Renewable Energy Amendment Act of 2013"

Version:	Introduced	_____
	Committee Print	_____
	First Reading	_____
	Amended First Reading	_____
	Engrossed	<u>  X  </u>
	Enrolled	_____
	Amendment in the Nature of a Substitute	_____

1.     **Sec. 2**                                 **Page 2**                                 **Line 11-16**

Is amended to read as follows:

“(13a) “CREF Credit Rate” means a credit rate applied to subscribers of Community Renewable Energy Facilities which shall be equal to the standard offer service rate for the General Service Low Voltage Non-Demand customer class or its successor, as determined by the Commission, based upon section 118 of the Retail Electric Competition and Consumer Protection Act of 1999, effective May 9, 2000 (D.C. Law 13-107; D.C. Official Code § 34-1518).

**RATIONALE:**

This amendment removes language (“and would replace the current definition for CREF”) that was inadvertently added to the definition of the “CREF Credit rate”. Additionally it clarifies the definition of the CREF Credit rate by reorganizing the structure of the remaining language.

**2.      Sec. 2                      Page 6                      Line 17-18**

Is amended by striking the phrase “incorporate the following provisions into its rules and shall”

**RATIONALE:**

This amendment removes redundant language.

**3.      Sec. 2                      Page 7                      Line 7-8**

Is amended to read as follows:

“(C) Prices paid for subscriptions and contractual matters in a community  
renewable energy facility shall not be subject to ~~regulation by~~ the jurisdiction of the  
Commission.

**RATIONALE:**

This amendment clarifies that "contractual matters" related to a CREF will not be subject to the jurisdiction of the Commission. This revision is consistent with the language in new Sec. 121, regarding "Consumer disclosure requirements".

**4.      Sec. 2                      Page 10                      Line 9**

A new subsection (f) is added to read as follows:

“Sec 122. Recovery of CREF Implementation Costs

“(f) Pursuant to D.C. Official Code §34-901 and §34-1101, the electric company may seek recovery of any costs associated with the implementation of this act in a base rate case. In a base rate case filing that includes recovery of such costs, the electric company shall include in its filing with the Commission any benefits, and costs to the electric company. Any recovery of the net costs by the electric company, as approved by the Commission, shall occur solely through a rate assessment on the subscribers.”.

## **RATIONALE:**

The amendment first establishes, within the existing statutory framework for determining “just and reasonable” costs, a mechanism for the DC Public Service Commission (“Commission”) to exercise its authority to render decisions on any request by Pepco for cost recovery related to the implementation of the legislation. The exercise of such authority will occur within the context of a base rate case. Should Pepco file a request in a rate case, then any such recovery will be subject to the Commission’s review and scrutiny. The request for cost recovery will not only be scrutinized by the Commission, but other stakeholders, including the Office of the People’s Counsel and other parties who will be able to participate in the case and contest any cost recovery assertions by Pepco.

Second, when filing a request for cost recovery, in addition to identifying costs borne by the Company, Pepco must also include a statement of any benefits of distributed solar generation. Recent research conducted in states and communities considering the costs and benefits of distributed solar generation, indicate that numerous benefits may be created by Community Renewable Energy Facilities (CREFs). The Commission must deduct such benefits from any costs asserted by Pepco.

Finally, the amendment explicitly states that if Pepco seeks cost recovery and the Commission finds that Pepco’s costs are warranted (*i.e.* just and reasonable), the net costs will be passed on only to the subscribers who will be receiving the direct benefit from the additional equipment and systems that the Company found necessary to make community net metering and these CREFs possible. Further according to the Commission, this amendment comports with the standard practice of the utility company. Traditionally, when a utility company has to construct new facilities to serve new customers, the associated construction costs are to be borne by the customers served. Such standards are set forth in existing tariffs for Pepco, Washington Gas, and Verizon.