

# 945 - E - 1366

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1333 H STREET N.W., 2ND FLOOR, WEST TOWER  
WASHINGTON, D.C. 20005

## ORDER

November 1, 2005

### FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY PRACTICES, Order No. 13796

#### I. INTRODUCTION

1. On August 11, 2005, the Public Service Commission of the District of Columbia ("Commission") held a roundtable discussion regarding the future of the District's Reliable Energy Trust Fund ("RETF") programs. Participants from the District of Columbia Energy Office ("DCEO"), Office of the People's Counsel ("OPC"), Potomac Electric Power Company ("PEPCO"), U.S. Environmental Protection Agency ("EPA"), American Council for an Energy Efficient Economy ("ACEEE"), Alliance to Save Energy ("ASE"), Energy Programs Consortium ("EPC"), and Coalition for Nonprofit Housing and Economic Development ("CNHED") joined the discussions on RETF programs with the Commission. Chairperson Yates indicated that the Commission would provide some general guidance for the Working Group to develop future programs.<sup>1</sup> The purpose of this order is to provide that guidance.

#### II. BACKGROUND

2. Presently, sixteen (16) programs are funded through the RETF. By Order issued March 7, 2005, the Commission approved 13 new programs on a two-year pilot basis, in addition to three (3) already existing programs.<sup>2</sup> Currently, these 13 new programs are either operational or in the process of implementation. The authorized budget for the all 16 programs totals \$9.5 million for the first year and \$10.5 million for the second year. The budgets cover renewable energy projects, energy awareness programs, rebates for efficient appliances, and low-income energy assistance.

3. At the August 11, 2005 roundtable discussion, DCEO highlighted eight (8) prospective new RETF programs for consideration.<sup>3</sup> DCEO indicated that six (6) of these

---

<sup>1</sup> See Tr. at 165.

<sup>2</sup> *Formal Case No. 945, In the Matter of the Investigation Into Electric Services Market Competition and Regulatory Practices, ("F.C. 945")*, Order No. 13475, rel. March 7, 2005 (Order No. 13475).

<sup>3</sup> Tr. at 26-76.

programs are "full-blown proposals."<sup>4</sup> OPC, PEPCO, EPA, ACEEE, ASE, EPC, and CNHED also offered their viewpoints regarding future programs that should be funded through RETF.

4. On August 24, 2005, OPC filed its response to questions Commissioner Morgan had asked of OPC's representative at the roundtable.<sup>5</sup> In its response, OPC expressed, among other points, the concern that RETF-funded programs should be cost-effective and provide real and tangible benefits to D.C. ratepayers within a reasonable timeframe.<sup>6</sup>

5. On October 3, 2005, EPA filed its response to questions Commissioner Richard E. Morgan asked as a follow-up to the proceedings on August 11, 2005.<sup>7</sup> EPA offered a number of suggestions regarding future RETF-funded energy efficiency programs.

### III. DISCUSSION

6. Due to increased fuel costs nationwide, there is a renewed interest in implementing energy efficiency programs. To that end, the Commission has previously provided cost-effective evaluation guidelines, most recently in our March 7, 2005 Order.<sup>8</sup>

7. At the roundtable, DCEO provided a number of intriguing ideas for future programs. We encourage the Working Group to discuss these ideas, especially those which have proven to be successful in other jurisdictions and those that focus on the small and large commercial sectors.

8. In addition, while current RETF programs place considerable emphasis on the low-income sector, we note that there are no programs targeting those customers with borderline incomes, i.e., those households with incomes just above the poverty level who have difficulty paying growing energy bills as prices rise. We encourage the Working Group to discuss cost-effective methods for targeting this group because such households may have a strong incentive to reduce their consumption if they have access to the means to do so.

---

<sup>4</sup> Tr. at 26.

<sup>5</sup> F.C. 945, Response of the Office of the People's Counsel to the Questions Posed by Commissioner Richard Morgan During the August 11, 2005 Commission Roundtable on the Future of Reliable Energy Trust Fund Programs, filed Aug. 24, 2005.

<sup>6</sup> *Id.* at 3.

<sup>7</sup> Letter from Kathleen Hogan, Director, Climate Protection Partnership Division, EPA, to Richard E. Morgan, Commissioners, Public Service Commission of the District of Columbia ("Commission") (Oct. 3, 2005) (on file with the Office of the Commission Secretary).

<sup>8</sup> Order 13475 at 17-18.

9. Specifically, we would like the Working Group to evaluate the eight (8) prospective new RETF programs that DCEO described at the roundtable in light of views expressed by the participants on August 11, 2005 and by OPC and U.S. EPA in their post-roundtable filings. The Working Group should also recommend any other RETF-funded programs for the Commission's consideration that it believes are meritorious.

10. Accordingly, the Working Group is directed to convene within 30 days of this Order and submit a Report on potential new RETF programs within 90 days of this Order. Non-consensus comments and any other comments are to be filed at that time as well. Organizations that attended the roundtable, but are not members of the Working Group, may file comments and are encouraged to attend and participate in the Working Group meeting.

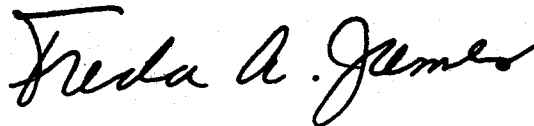
**THEREFORE, IT IS ORDERED THAT:**

11. Consistent with this Order, the Working Group should convene within 30 days of the date of this Order and submit a Report on potential new Reliable Energy Trust Fund programs within 90 days of the date of this Order; and

12. Consistent with this Order, non-consensus comments and any other comments must also be filed within 90 days of the date of this Order.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**



**CHIEF CLERK**

**FREDA A. JAMES  
ACTING COMMISSION SECRETARY**