

# 945 - E - 1619

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA  
1333 H STREET, N.W., SUITE 200, WEST TOWER  
WASHINGTON, DC 20005

## ORDER

May 31, 2007

**FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO  
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY  
PRACTICES, Order No. 14321**

### I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") grants the District Department of the Environment's Energy Office's ("DDOE") Motion for Extension of Time to Administer Ten Reliable Energy Trust Fund Programs ("DDOE Motion").<sup>1</sup> The Commission temporarily extends DDOE's authority to administer all ten (10) programs until September 30, 2007 and grants DDOE's request for additional funds subject to modifications described below.

### II. BACKGROUND

2. The District of Columbia Retail Competition and Consumer Protection Act of 1999 ("Act") requires the Commission to establish programs that will: 1) foster universal service by providing assistance to low-income customers; 2) promote energy efficiency; and 3) encourage the use of renewable energy sources.<sup>2</sup> By Order, the Commission designated DDOE to act as administrator of the Reliable Energy Trust Fund ("RETF"), which funds all three groups of programs.<sup>3</sup> On August 31, 2004, DDOE filed a revised RETF Long-Term Plan for the District. By Order No. 13475, the Commission acted on DDOE's revised plan and approved thirteen RETF programs on a two-year pilot basis.<sup>4</sup>

3. On May 11, 2007, DDOE filed a "Motion for Four-Month Extensions of Ten Reliable Energy Trust Fund Programs." In its Motion, DDOE asks the Commission to extend the following ten programs:

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<sup>1</sup> *Formal Case 945, In the Matter of the Investigation into Electric Service Market Competition and Regulatory Practices, ("F.C. 945")*, District Department of the Environment's Energy Office's Motion for Four-Month Extensions of Ten Reliable Energy Trust Fund Programs ("DDOE Motion"), filed May 11, 2007.

<sup>2</sup> D.C. Code § 34-1514 (c)(1)(A), (c)(2)(A), (c)(3) (2006).

<sup>3</sup> *F.C. 945*, Order No. 12778, rel. July 9, 2003.

<sup>4</sup> *F.C. 945*, Order No. 13475, rel. March 7, 2005.

- a. B-5 Distributed Generation and Net Metering
- b. C-3 Non-Profit Energy Efficiency Initiative
- c. C-5 Home Energy Rating System (“HERS”)
- d. C-10 Institutional Energy Efficiency Program (“IEEP”)
- e. C-12 Energy Star Rebates
- f. C-13 Small Business Energy Efficiency
- g. D-1 Low Income Home Energy Assistance Program (“LIHEAP”) Extension
- h. D-3 RAD Arrearages
- i. D-5 Energy Efficient Appliances
- j. D-6 Weatherization /Rehabilitation.

DDOE states that the C-3, C-5, C-10, C-12, C-13, and D-3 programs can be funded through September 2007 with funds that were previously budgeted for these programs.<sup>5</sup> As for the remaining four programs, B-5, D-1, D-5, and D-6, which require additional funding, DDOE argues that they should also be continued to avoid “enormous costs on any programs that the Commission later decided to continue.”<sup>6</sup> DDOE also includes a memorandum in support of its motion in which it describes the status and budgets of each of the ten programs.<sup>7</sup>

4. On May 18, 2007, OPC filed a motion for an extension of time to file comments on DDOE’s Motion.<sup>8</sup> By Order No. 14302, the Commission granted OPC’s motion.<sup>9</sup> OPC filed its substantive comments on May 24, 2007.<sup>10</sup> In its comments, OPC states that it supports DDOE’s motion with the exception of the four programs that would require additional funding.<sup>11</sup> OPC also states, “its decision to support DDOE’s request for the six programs should not be interpreted as support for their continuation on a permanent basis.”<sup>12</sup> OPC argues that it has had concerns about DDOE’s expenditures since 2006 and that it believes DDOE should not roll unspent money from year to year.<sup>13</sup>

<sup>5</sup> *F.C. 945*, DDOE Motion at 1.

<sup>6</sup> *Id.* at 2.

<sup>7</sup> *F.C. 945*, DDOE Motion at 5-23.

<sup>8</sup> *F.C. 945*, OPC Motion for Extension, filed May 18, 2007

<sup>9</sup> *F.C. 945*, Order No. 14302, rel. May 23, 2007.

<sup>10</sup> *F.C. 945*, Response of the Office of the People’s Counsel to the District Department of the Environment’s Energy Office’s Motion for Extension of Time to Administer Ten Reliable Energy Trust Fund Programs (“OPC Response”), filed May 24, 2007.

<sup>11</sup> *F.C. 945*, OPC Response at 1.

<sup>12</sup> *Id.*

<sup>13</sup> *Id.* at 5.

Rather, OPC interprets Commission Order No. 13475 to require DDOE to obtain Commission approval before transferring unspent funds.<sup>14</sup> Finally, OPC states that while it is sympathetic to DDOE's concern regarding program disruptions, it believes that DDOE's filing does not sufficiently explain what "enormous costs" will be borne.<sup>15</sup>

5. Finally, on May 25, 2007, the National Housing Trust and National Housing Trust Enterprise ("NHT") filed comments with the Commission regarding the C-12: Energy Star Rebates Program.<sup>16</sup> In its comments, NHT expresses its opinion that the Commission should extend the C-12 program as it has assisted NHT in its efforts to "save hundreds of affordable multifamily homes in DC."

### III. DECISION

6. After reviewing DDOE's motion and the comments received, we temporarily extend DDOE's authority to administer all ten (10) programs until September 30, 2007 and grant DDOE's request for additional funds, subject to the modifications referenced herein. With regard to the C-3 Non-Profit Energy Efficiency Initiative, C-5 HERS, C-10 IEEP, C-12 Energy Star Rebates, and the C-13 Small Business Energy Efficiency Program, DDOE has unspent funds available and we authorize DDOE to continue spending these funds to cover the total cost for these programs as listed in the attached table.<sup>17</sup> The amounts included in the total cost column of the attached chart include both programmatic and administrative costs for the programs for the four-month period.

7. With regard to the B-5 Distributed Generation and Net Metering Program and the D-1 LIHEAP Extension, we authorize the expenditure of \$16,667<sup>18</sup> for the B-5 program and \$283,333 for the D-1 program. The amount for the D-1 LIHEAP Extension is based on the program's annual budget of \$850,000 prorated over the four-month period.<sup>19</sup> With regard to DDOE's D-3 RAD Arrearages Retirement and Education Program, the Commission defers judgment and plans to address this program in a subsequent order.

8. We are concerned that DDOE's request for funding of the D-5 Energy Efficient Appliances and the D-6 Weatherization/Rehabilitation Program is based solely

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<sup>14</sup> *Id.* at 5-6.

<sup>15</sup> *Id.* at 7.

<sup>16</sup> *F.C. 945*, National Housing Trust and NHT/Enterprise Letter (May 25, 2007).

<sup>17</sup> *See* Attachment A.

<sup>18</sup> *F.C. 945*, Order No. 13475, rel. March 7, 2005; *see also* DDOE Motion at 22. The \$16,667 figure reflects one third of the annual budget for the B-5 program.

<sup>19</sup> *F.C. 945*, Order No. 13475, rel. March 7, 2005 at 49 (approving the funding for the LIHEAP Expansion at \$850,000 in year 1 and year 2).

on a prorated budget rather than a consideration of historical spending for these programs and it appears to request substantially more funding than may be warranted. Therefore, we reserve judgment on the funding of these programs and direct DDOE to file a new proposal showing that DDOE has considered historical spending in preparing the budget. The revised proposal shall be filed with the Commission within ten (10) days from the date of this Order.

9. Currently, DDOE has not provided the Commission with information on the remaining funds to date in each of the RETF program budgets. Nevertheless, to the extent that there are unspent funds in the C-5 HERS Program and the C-13 Small Business Energy Efficiency Program, the Commission would look favorably on a request to transfer any excess funding for these programs to D-5 and D-6.

10. We continue to be concerned about the lack of adequate information to perform a comprehensive assessment of the programs at this time. We note that DDOE has not provided the first-year All-Ratepayers Test ("ART") results for any of its programs and has not yet filed a Quarterly Report on Administrative Costs for the Reliable Energy Trust Fund for the period ending March 31, 2007 with the Commission.<sup>20</sup> Nevertheless, we recognize the need to temporarily extend the programs to prevent any disruptions or added costs to District residents.

**THEREFORE, IT IS ORDERED THAT:**

11. District Department of the Environment's Energy Office's Motion for Extension of Time to Administer Ten Reliable Energy Trust Fund Programs is **GRANTED** as described in this Order;

12. District Department of the Environment's Energy Office is directed to file a revised budget for the both the D-5 and D-6 programs within ten (10) days of the date of this Order;

13. District Department of the Environment's Energy Office is directed to review and possibly revise the C-5 and C-13 budgets within ten (10) days of the date of this Order;

14. Interested parties shall have twenty (20) days from the date of this Order to file comments and twenty-five (25) days from the date of this Order to file reply comments on DDOE's revised budget for the D-5, D-6, C-5, and 13 programs;

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<sup>20</sup> *F.C. 945*, District Department of the Environment's Office of Energy's Evaluation Report on Reliable Energy Trust Fund Programs to the Public Service Commission ("DDOE Impact Evaluation"), filed May 21, 2007.

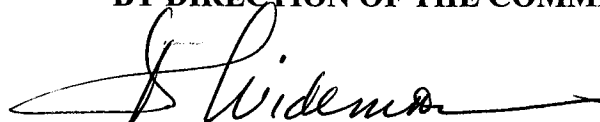
15. District Department of the Environment's Energy Office is directed to file its Quarterly Report on Administrative Costs for the Reliable Energy Trust Fund for the period ending March 31, 2007 with an addendum that explains the expenditures that have been spent by the date of this Order within fifteen (15) days of the date of this Order; and

16. Interested parties shall also have twenty-five (25) days from the date of this Order to file comments and thirty (30) days from the date of this Order to file reply comments on DDOE's Quarterly Report on Administrative Costs for the Reliable Energy Trust Fund for the period ending March 31, 2007.

**A TRUE COPY:**

**BY DIRECTION OF THE COMMISSION:**

**CHIEF CLERK**

A handwritten signature in black ink, appearing to read 'D. Wideman', with a long horizontal flourish extending to the right.

**DOROTHY WIDEMAN  
COMMISSION SECRETARY**

## ATTACHMENT A

APPROVED BUDGETS THROUGH SEPTEMBER 30, 2007

<b>Program</b>	<b>Total Cost<sup>21</sup></b>
C-3: Non-Profit Energy Efficiency	\$ 131,667
C-5: Home Energy Rating System (HERS)	\$ 226,500
C-10: Institutional Energy Efficiency	\$ 137,541
C-12: Energy Star Appliance and Lighting Rebates	\$ 200,000
C-13: Small Business Energy Efficiency	\$ 366,667
B-5: Distributed Generation and Net Metering	\$ 16,667
D-1: Low Income Home Energy Assistance Program (LIHEAP) Extension	\$283,333

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<sup>21</sup>

Total Cost includes both programmatic and administrative costs.