

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

ORDER

July 26, 2007

FORMAL CASE NO. 945, IN THE MATTER OF THE INVESTIGATION INTO
ELECTRIC SERVICE MARKET COMPETITION AND REGULATORY PRACTICES,
Order No. 14394

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") approves the budgets for the D-5 Energy Efficient Appliances ("D-5"), D-6 Weatherization and Rehabilitation ("D-6"), C-5 Home Energy Rating System ("C-5"), and C-13 Small Business Energy Efficiency ("C-13") as described herein.¹

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.² By Order, the Commission designated the District Department of the Environment's Energy Office ("DDOE") to act as administrator of the Reliable Energy Trust Fund ("RETF"), which funds all three groups of programs.³ By Order No. 13475, the Commission approved thirteen RETF programs on a two-year pilot basis.⁴ Programs D-5 Energy Efficient Appliances, D-6 Weatherization /Rehabilitation, C-5 Home Energy Rating System ("HERS"), and C-13 Small Business Energy Efficiency are four of the thirteen approved pilot programs.

3. On May 11, 2007, DDOE filed its "Motion for Four-Month Extensions of Ten Reliable Energy Trust Fund Programs."⁵ In this Motion, DDOE asked the Commission to extend

¹ *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 Revised Budgets for Reliable Energy Trust Fund Programs D-5 and D-6, ("DDOE Revised D-5 and D-6 Budgets"), filed June 12, 2007.

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

³ *F.C. 945*, Order No. 12778, rel. July 9, 2003.

⁴ *F.C. 945*, Order No. 13475, rel. March 7, 2005.

⁵ *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 for Four-Month Extension"), filed May 11, 2007.

ten RETF programs, including the D-5, D-6, C-5, and C-13 programs.⁶ At that time, DDOE proposed the following budgets for these programs: \$473,333 for D-5, \$333,333 for D-6, \$226,500 for C-5, and \$366,667 for C-13.⁷ DDOE asserted that the D-5 and the D-6 programs had “little or no funds left,” whereas the C-5 and the C-13 programs had unspent funds that were available to cover the cost of their respective budgets.⁸

4. By Order No. 14321, the Commission extended DDOE’s authority to administer the D-5, D-6, C-5, and C-13 programs.⁹ However, we also directed DDOE to file revised budgets for D-5 and D-6 and to review, and possibly revise, the C-5 and C-13 budgets.¹⁰

5. On June 12, 2007, DDOE filed revised budgets for the D-5, D-6, C-5, and C-13 programs.¹¹ For the D-5 program, DDOE proposed to lower the budget to \$399,420 to fund the installation of 438 refrigerators and 288 air conditioners.¹² DDOE explained that the funding would come from unspent funds within the D-5 budget and the C-5 budget. For the D-6 programs, DDOE proposed to lower the budget to \$274,400 to weatherize 98 units. Again, DDOE proposed to use unspent funds from the D-6 and C-13 budgets to fund the D-6 program.

6. On July 6, 2007, the Commission directed DDOE to answer questions regarding the D-5, D-6, C-5, and C-13 revised program budgets.¹³ On July 11, 2007, DDOE filed its responses.¹⁴

⁶ *F.C. 945*, DDOE Motion for Four-Month Extension at 1 (The ten RETF programs included: D-5 Distributed Generation and Net Metering; C-3 Non-Profit Energy Efficiency Initiative, C-5 Home Energy Rating System (“HERS”), C-10 Institutional Energy Efficiency Program (“IEEP”), C-12 Energy Star Rebates, C-13 Small Business Energy Efficiency, D-1 Low Income Home Energy Assistance Program (“LIHEAP”) Extension, D-3 RAD Arrearages, D-5 Energy Efficient Appliances, and D-6 Weatherization /Rehabilitation).

⁷ *F.C. 945*, DDOE Motion for Four-Month Extension at 21-22.

⁸ *Id.*

⁹ *F.C. 945*, Order No. 14321, rel. May 31, 2007; see also Order No. 14341, rel. June 20, 2007 (directing DDOE and Pepco to implement the D-3 program as per Commission instruction within that order).

¹⁰ *F.C. 945*, Order No. 14321, rel. May 31, 2007 at 4.

¹¹ *F.C. 945*, DDOE Revised D-5 and D-6 Budgets, filed June 12, 2007.

¹² *Id.* at 1.

¹³ *F.C. 945*, Order No. 14359, rel. July 6, 2007.

¹⁴ *F.C. 945*, District Department of the Environment’s Responses to Public Service Commission Order No. 14359 in Formal Case No. 945, In the Matter of the Investigation into Electric Service Market Competition and Regulatory Practices (“DDOE’s Response”), filed July 11, 2007.

III. DISCUSSION

7. After reviewing DDOE's revised budget and its responses to the Commission's questions, we approve the budgets for the D-5, D-6, C-5, and C-13 programs as described below.

a. D-5 Budget:

By Order No. 14359, the Commission asked DDOE to verify the total budget for the D-5 programs including the individual components. The Commission also asked DDOE to clarify the amounts to be used from the unspent funds of the D-5 program and the unspent funds of the C-5 program to cover the proposed budget.¹⁵

In response, DDOE proposes a total budget of \$440,000 for the D-5 program.¹⁶ Of the \$440,000, DDOE avers that the program costs are \$400,000 and the administrative costs are \$40,000. DDOE proposes to use \$193,976 from the unspent funds of the D-5 program and \$246,024 from the unspent funds of the C-5 program to cover the total \$440,000 proposed budget for the D-5 program.¹⁷

After reviewing DDOE's revised budget and response, we approve \$440,000 for the D-5 budget from the date of this Order until September 30, 2007. Specifically, we approve the use of \$400,000 for program costs and \$40,000 for administrative costs. We also approve the use of \$193,976 from unspent D-5 funds and \$246,024 from unspent C-5 funds to be used to cover the \$440,000 D-5 budget.

b. C-5 Budget:

In Order No. 14359, the Commission asked DDOE to clarify the C-5 budget in light of the remaining C-5 funds.¹⁸ In response, DDOE proposes \$457,814 for the C-5 budget.¹⁹ However, DDOE does not provide any rationale for raising the C-5 budget from its proposed \$226,500²⁰ to \$457,814. Therefore, the Commission maintains that the C-5 budget will be \$226,500 from the date of this order until September 30, 2007. The program costs portion shall be \$203,850 and the administrative costs portion shall be \$22,650.

¹⁵ *F.C. 945*, Order No. 14359 at 3.

¹⁶ *F.C. 945*, DDOE Response at 2.

¹⁷ *Id.*

¹⁸ *F.C. 945*, Order No. 14359 at 3.

¹⁹ *F.C. 945*, DDOE Response at 2.

²⁰ *F.C. 945*, DDOE Motion for Four-Month Extension at 21-22.

c. D-6 Budget:

With regard to the D-6 program, the Commission asked DDOE to clarify the total budget for the program and to state the number of units it intends to weatherize.²¹ In response, DDOE proposes \$274,120 as the total budget for the D-6 program and proposes to weatherize 89 units.²² DDOE states that \$249,200 is for program costs and \$24,920 is for administrative costs. According to its revised budget filing, DDOE proposes to cover the entire D-6 budget by using unspent funds from the C-13 program. According to DDOE, the C-13 program has sufficient funds, i.e. \$274,918, to cover the D-6 budget.²³

The Commission approves the D-6 budget of \$274,120 from the date of this Order until September 30, 2007. Specifically, we approve \$249,200 for program costs and \$24,920 for administrative costs. We approve the use of C-13 unspent funds to cover the budget of the D-6 program.

d. C-13 Budget:

Per Order No. 14359, the Commission directed DDOE to review and possibly revise the C-13 budget. Neither DDOE's June 12th revised budget filing nor DDOE's July 11th response filing propose any changes to the C-13 budget. Therefore, the C-13 budget remains authorized at a total budget of \$366,667, which includes \$330,000.30 for program costs and \$36,666.70 for administrative costs.²⁴

THEREFORE, IT IS ORDERED THAT:

8. The budgets for the D-5, D-6, C-5, and C-13 programs are approved consistent with paragraph seven (7) of this Order from the date of this Order to September 30, 2007.

A TRUE COPY:**BY DIRECTION OF THE COMMISSION:****CHIEF CLERK****DOROTHY WIDEMAN
COMMISSION SECRETARY**

²¹ F.C. 945, Order No. 14359 at 4.

²² F.C. 945, DDOE Response at 2-3.

²³ F.C. 945, DDOE Revised D-5 and D-6 Budgets at 2.

²⁴ See Order No. 14321 at Attachment A.