



ADVISORY NEIGHBORHOOD COMMISSION 3E

TENLEYTOWN AMERICAN UNIVERSITY PARK FRIENDSHIP HEIGHTS
c/o Lisner-Louise-Dickson-Hurt Home 5425 Western Avenue, NW Washington, DC 20015
www.anc3e.org

Public Service Commission Case 1103; Resolution Regarding Pepco's Proposed rate increase

Whereas, Pepco has a pending rate increase of \$44.1 million dollars before the DC Public Service Commission (PSC), and

Whereas, the DC City Council previously tasked the PSC to consider the preservation of environmental quality in the [Clean and Affordable Energy Act of 2008](#), and

Whereas, to date Pepco has not adequately invested in smart grid technology in order to improve reliability, enable energy efficiency or substantially increase the incorporation of renewable power and this failure means Pepco has neither responded to the serious and credible threat of global warming nor has Pepco utilized smart grid technology for demand side efficiency and conservation, and

Whereas, reducing dependence on fossil fuels through demand –side efficiency and adoption of distributed generation (DG) warrants a heightened commitment by Pepco, and

Whereas, ANC 3E believes it is time to plan, design and build a new distribution system that is based on locally produced energy that reduces the cost of electricity for all and keeps businesses, jobs and tax revenues for power local, and

Whereas, ANC 3E also believes that the apparent continued reliance by Pepco on large, centralized electricity generation perpetuates the [dependence on fossil fuels](#) and contributes to global warming which in turn is a significant contributor to the increase in severe weather events that cause many of Pepco's extended and widespread power outages, and

Whereas, historically, Pepco's plan to minimize future outages, or to appear to be taking such action in as highly visible but minimally expensive manner, has been to send out crews to trim or remove trees instead of making investments in infrastructure that would obviate that need, and

Whereas, the citizens of DC value our tree canopy, and the Mayor's office has under two administrations pledged a commitment to attain a 40% canopy goal, and

Whereas, [Casey Trees' most recent report card](#) gave the District an "F" (failing grade) for Tree Protection , and

Whereas, Pepco's net income (not revenue) [as reported](#) last year was \$285 million, up \$25 million from the year before, which was up \$121 million from the year before that. Pepco's Gross Profits the past three years (2012, 2011, 2010); has been; \$1.52 Billion, up from \$1.41 Billion the year before, which was up from \$1.38 Billion the year before that. Such financial

information combined with Pepco's lack of significant investment in smart grid technology, and infrastructure improvements that would better protect the district's tree canopy (because it would seem it is cheaper to pay the tree cutting fees—which according to Casey Trees are 10 years out of date—than find alternatives), would seem to indicate a regulatory dynamic that allows Pepco to put shareholders before customers and the citizens of DC,

Whereas, PEPCO purchased at a premium prime Wisconsin Avenue frontage, zoned commercial, to expand a substation within our boundaries without, apparently, conducting a serious search for cheaper alternatives that might prove suitable, and without first consulting with the community about alternatives.

Now therefore be it resolved, ANC 3E urges the PSC to examine Pepco's investments and evaluate whether they promote reduced energy use and CO2 emissions through building capacity for DG by renewables. ANC 3E further urges the PSC to align the utility's standards and requirements with the DC Renewable Portfolio Standards. To that end the PSC must require Pepco to implement practices that enable District residents and businesses to reduce their reliance on fossil fuels and mitigate CO2 emissions. Such practices shall include support for the development of locally produced clean energy and reforming the Distribution Rate Increase process that requires rate payers to pay Pepco more money for programs and projects that do not improve efficiency among all rate classes.

Be it further resolved, ANC3E urges the PSC to examine implementing a performance-based system in which there is a direct relationship between reliability and the rates Pepco is permitted to charge, with outages incurring substantial penalties levied against Pepco (sufficient to incentivize Pepco to take proactive steps to address the issues indicated) that would go both toward affected customers and could be used to fund alternative fuel options, smart grid technologies, and improved infrastructure that would protect our trees while providing more reliable service.

Be it further resolved, ANC 3E urges the PSC to make PEPCO show that it has done due diligence in substation and other equipment siting decisions, including without limitation making a serious attempt to explore cost-effective alternatives and consulting with the community before purchasing new land, and that PSC not pass the costs of such siting to ratepayers unless PEPCO demonstrates that no suitable cheaper alternative existed.

Be it further resolved, ANC3E urges the PSC to examine the current fee level for special tree removals and adjust it to better dis-incentivize tree removal.

Be it further resolved, ANC3E urges the PSC to consider a similar fee system for the pruning of trees in public space.

Be it further resolved, ANC3E urges PSC to carefully look into pruning practices that lead to compromised and weak trees (which eventually will require removal—while circumventing the fee process in its entirety).

Be it further resolved, ANC3E believes that combining a performance-based system (as described above) with adequate and suitable protections for the trees of this city will result in a

system that incentivizes Pepco to make the sort of investments in a modern utility system designed for the future—one this city should have, and the citizens of this city deserve.

Be it further resolved, ANC 3E believes that reducing global warming requires cooperation and contributions from multiple levels of society and to date Pepco has not demonstrated such a commitment and we believe the PSC should not approve Pepco’s proposed rate increase without first requiring from Pepco a comprehensive smart-grid design and investment plan with broad-based stakeholder participation.

ANC 3E approved this resolution at its meeting on October 10, 2013, which was properly noticed and at which a quorum was present. The resolution was approved by a vote of 5-0-0. Commissioners Jonathan Bender, Matthew Frumin, Tom Quinn, Sam Serebin and Kathryn Tinker were present.

ANC 3E

By Jonathan Bender, Chairperson