

# MEDSIS Staff Report

**MADRI**

*March 7, 2017*



# MEDSIS STAFF REPORT: OVERVIEW

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**GOAL:** The major goal of this MEDSIS Staff Report is to both identify the barriers to modernization of the energy delivery system that existing rules and regulations in the District present and to then provide actionable solutions to removing these barriers in a manner that comports with the Commission's statutory duties and the District's goal of promoting a clean energy economy.



Staff proposes a host of changes to Commission regulations to facilitate DER



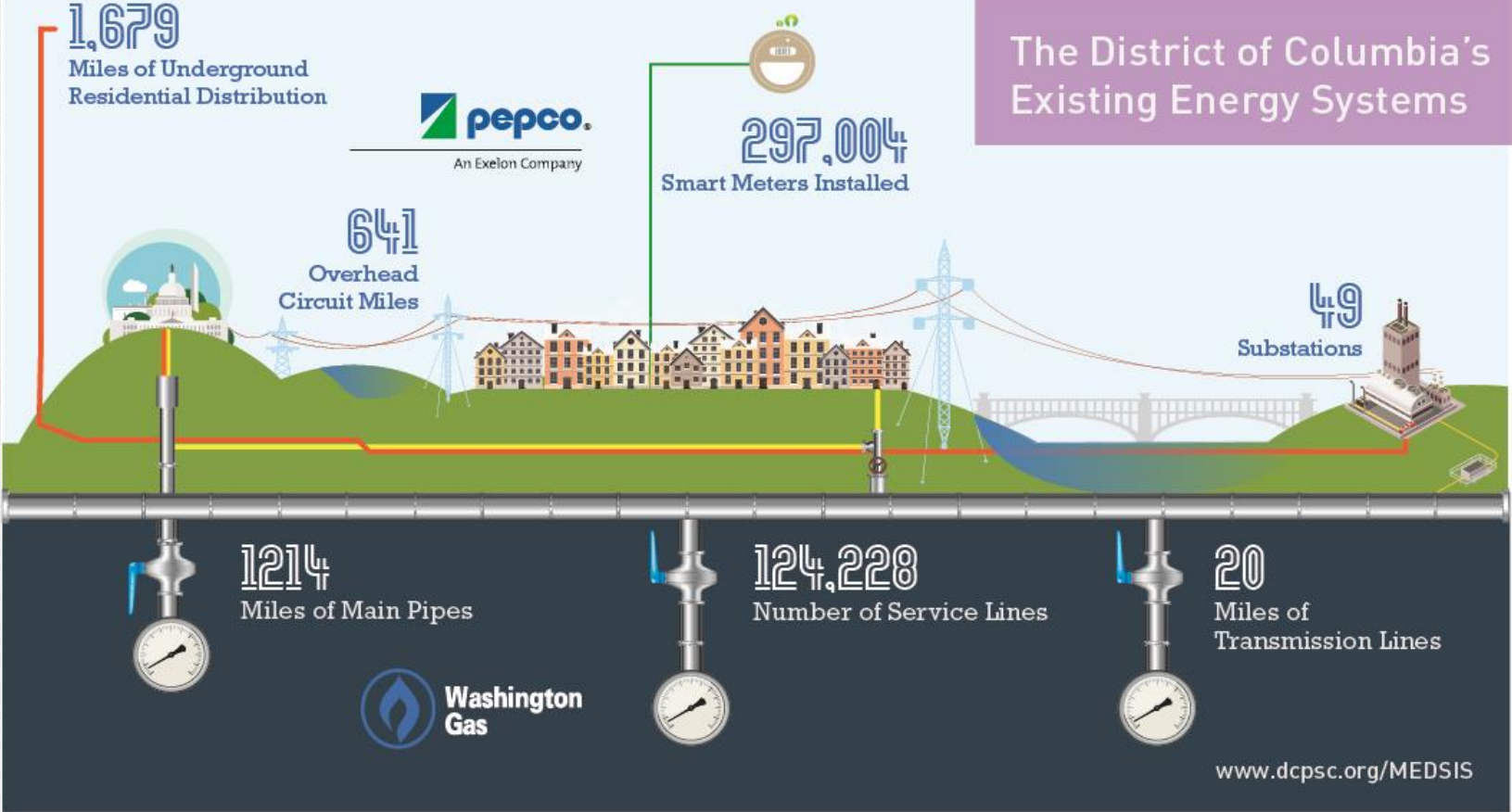
Broad public participation –

- Held three workshops from October 2015 - April 2016
- Provided extended comment and reply comment period – March 27<sup>th</sup> and April 27<sup>th</sup>





# The District of Columbia's Existing Energy Systems



# District of Columbia Energy Delivery System

- DC Unique Characteristics
  - Restructured market under PJM
  - Small -- Not NY or CA
  - Urban – lack of renewable hinterland
  - Regulate only one gas utility and one electric utility
  - Shared jurisdiction with Maryland
  - Heightened Critical Infrastructure concerns



## CONCURRENT COMMISSION PROCEEDINGS, RULEMAKINGS, AND RELATED REPORTS



In Appendix B to the Report, Commission Staff provides a more detailed discussion of related Commission proceedings, existing rulemakings, and other industry reports.

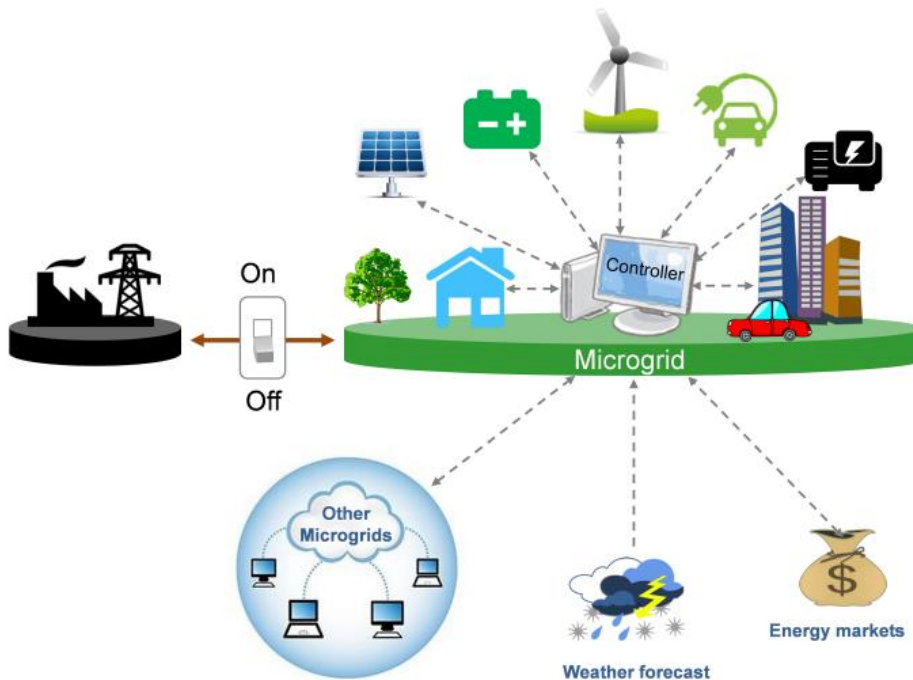
- Formal Case No. 1050 – Interconnection
- Formal Case No. 1137 – Washington Gas rate case
- Formal Case No. 1139 – Pepco’s rate case
- Formal Case No. 945 – Energy Supplier Rules
- DOEE’s Solar For All Plan
- DOEE’s – Clean Energy DC Plan
- OPC Value of Solar Study

# RECOMMENDED REGULATORY CHANGES

- New definitions
- “Electrical Company” and “Electricity Supplier,”
- Streamline Notice of Construction rules for renewable generating facilities.
- Discussion of Public-sited microgrids in the District’s regulatory framework.



# MICROGRIDS AS DISTRIBUTED GENERATION



Copyright Berkeley Lab

Microgrids raise concerns for regulators:

- Campus vs. Public Purpose
- Microgrids as an “electrical company”
- Microgrids and retail choice
- Consumer protection concerns (CBOR), cost sharing (RAD and other surcharges)
- Health and safety concerns – construction standards



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Economic Issues

Pilot Projects

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## ECONOMIC ASPECTS

- Open rate cases
- Benefit-cost
- Rate design issues
- System planning

# MEDSIS PILOT PROJECT FUND

- “Exelon shall provide funding in the amount of \$21.55 million to the Formal Case No. 1130 MEDSIS Pilot Project Fund Subaccount within the Formal Case No. 1119 Escrow Fund.”
- Exelon has transferred funds to the Escrow Account.

**Eligible Pilot Projects could include**, but are not limited to, the following types of distributed energy resources:



advanced control systems



cogeneration systems



demand management



electric vehicles



energy storage



fuel cells



microgrids



photovoltaic systems ("PV")



voltage regulation



district heating and cooling



smart inverters



# IMPLEMENTATION TIMETABLE

- Most of Staff's timing recommendations are tied to the issuance of Commission decisions in Formal Case No. 1137 (Washing Gas) – Order No. 18712 released, March 3, 2017, and Formal Case No. 1139 (Pepco) - Pending
- Ongoing reporting and tracking recommendations
  - Monitor other jurisdictional developments
  - MEDSIS Annual Report



## NEXT STEPS

- Commission held a MEDSIS Town Hall on February 28th
- Public comments on the Staff Report – Currently due on March 27<sup>th</sup> but DC Government has filed a Motion for an extension of time until April 10<sup>th</sup>
- Staff to review public comments on the proposed regulatory changes and submit additional or revised recommendations to Commission
- Commission decision on Staff's final recommendations



# QUESTIONS?

Follow the MEDSIS Initiative – [www.dcpssc.org/medsis](http://www.dcpssc.org/medsis)