

# Energy Efficiency and Electric Infrastructure in Washington, D.C.

The simple choice for energy efficiency.



In any given state, there are a range of stakeholders well-positioned to contribute to the design and delivery of effective energy efficiency programming. This factsheet provides an overview of relevant entities in Washington D.C., along with highlights of state policies and practices related to energy efficiency. The entity types described and highlighted below are typically involved in electricity and/or energy efficiency related matters in states. Other important stakeholders such as trade associations, industry, and local businesses are not included as they vary significantly from state to state.

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## Electric Market Overview

### Electric Utilities

Privately- and publicly-owned electric utilities generate, transmit, distribute, and/or sell electricity primarily for use by the public. These include investor-owned electric utilities, municipal and state utilities, Federal electric utilities, and rural electric cooperatives.<sup>1</sup> The following summarizes electric utilities in Washington D.C. by type:

- *Investor-Owned Electric Utility:*  
Potomac Electric Power Company (PEPCO): <https://www.pepco.com/>
- Since 2001, electric rates for Washington, D.C. residents have been separated or “unbundled” into generation, transmission and distribution services. Electric customers can choose their electric generation and transmission supplier, while PEPCO remains the sole electric distribution company. For a complete list of suppliers: [http://www.dcpsec.org/pdf\\_files/customerchoice/electric/EGTS\\_Aproved.pdf](http://www.dcpsec.org/pdf_files/customerchoice/electric/EGTS_Aproved.pdf)
- *Other:* 15 Generation and Transmission, 1 Retail Power Marketer<sup>2</sup>

*Electric utility service areas (as available):*

<http://www.pepco.com/connect-with-us/doing-business-with-us/builders-and-inspectors/resources/service-area-map/>

### Status of Electric Industry Restructuring

Vertically integrated utilities are responsible for generation, transmission and distribution of power to customers. In the 1990's, many states began to unbundle the electricity supply and distribution functions of investor-owned utilities on the theory that only the wires (the fixed network system) constituted a natural monopoly, while the generation of power did not. In states that have undergone restructuring, individual retail customers can choose their supplier but still receive delivery over the power lines of the local utility.<sup>3</sup>

- The District of Columbia has a restructured electric industry.  
<http://www.eia.gov/electricity/policies/restructuring/dc.html>

### Regional Transmission Organization (RTO)/Independent System Operator(ISO)

About 60% of U.S. electric power supply is managed by RTOs or ISOs: independent, membership-based organizations that ensure reliability and usually manage the regional electric supply market for wholesale electric power. In the rest of the country, electricity

<sup>1</sup> Source: EIA

<sup>2</sup> Sources: EIA 2013 Form EIA-861 Utility Data (<http://www.eia.gov/electricity/data/eia861/>) and District of Columbia Public Service Commission: (<http://www.dcpsec.org>)

<sup>3</sup> Source: RA

systems are operated by individual utilities or utility holding companies. RTOs/ISOs engage in long-term planning that involves identifying effective, cost-efficient ways to ensure grid reliability and system-wide benefits. Coordination and cooperation between utilities, state PUCs and RTOs/ISOs is often required to advance energy efficiency goals.<sup>4</sup>

- Washington D.C. is part of the RTO Pennsylvania Jersey Maryland (PJM): <http://www.pjm.com/>

## Utility Oversight and Planning

### Utility Oversight

Public utility commissions (PUCs) oversee goals, investments, and ratemaking for investor-owned electric utilities. Most of this oversight is conducted via specific regulatory proceedings. Municipally-owned utilities are governed by a local city council or an elected commission, and member-owned/cooperative utilities are governed by a board elected by members. In a few states, PUCs have oversight over some aspects of municipally and member-owned utility performance such as energy efficiency resource standards.<sup>5</sup>

- The Public Service Commission of the District of Columbia was established by the US Congress in 1913 as an independent District Government agency to regulate the electric, natural gas and telephone companies serving the District. Since January 2001, all residential and commercial electricity customers can choose their supplier of generation and transmission (G&T) services, while PEPCO is the sole provider of distribution services: [http://www.dcpsc.org/Electric/Electric\\_FAQ.asp#A2](http://www.dcpsc.org/Electric/Electric_FAQ.asp#A2)

### Integrated Resource/Procurement Planning

Integrated resource plans (IRPs) are utility plans for meeting forecasted annual peak and energy demand through a portfolio of supply-side and demand-side resources over a specified future period. As of early 2015, integrated resource planning is required or present in more than 30 states, including most vertically integrated/non restructured states. In states that are restructured, regulated distribution only utilities may be required to develop procurement plans to service customers that do not choose a competitive retail supplier. Energy efficiency is considered as a demand-side resource but the degree to which it is included in resource/procurement planning is influenced by other factors including policies such as energy efficiency resource standards or requirements that all cost effective energy efficiency be considered.<sup>6</sup>

- There is currently no policy in place that treats energy efficiency as a resource. [www.database.aceee.org/state/energy-efficiency-resource](http://www.database.aceee.org/state/energy-efficiency-resource)

### Statewide Planning Process

States sometimes undertake executive or legislatively driven statewide energy planning processes. These plans may be completely independent of utilities or may explicitly engage utilities.

- Sustainable DC (2012): [http://www.sustainabledc.org/wp-content/uploads/2012/10/SDC-Final-Plan\\_0.pdf](http://www.sustainabledc.org/wp-content/uploads/2012/10/SDC-Final-Plan_0.pdf)
- Clean and Affordable Energy Act (2008): [http://www.naseo.org/Data/Sites/1/documents/stateenergyplans/DC\\_mandate.pdf](http://www.naseo.org/Data/Sites/1/documents/stateenergyplans/DC_mandate.pdf)

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<sup>4</sup> Source: [EPA Energy and Environment Guide to Action](#)

<sup>5</sup> Sources: [EPA Energy and Environment Guide to Action](#) and RAP

<sup>6</sup> Source: [EPA Energy and Environment Guide to Action](#)

## Energy Efficiency Potential Studies

Energy efficiency potential studies determine the amount of technical, economic, and achievable potential for energy efficiency in a region, state, or utility service territory. Energy efficiency potential studies may be undertaken by state agencies or energy efficiency advocacy organizations, or by utilities as part of or to inform compliance with a regulatory requirement. The following are recent energy efficiency potential studies:

- Electric and Natural Gas Energy Efficiency and Demand Response Potential for the District of Columbia Final Draft (2013): <http://ddoe.dc.gov/sites/default/files/dc/sites/ddoe/publication/attachments/ELECTRIC%20AND%20NATURAL%20GAS%20ENERGY%20EFFICIENCY%20AND%20DEMAND%20RESPONSE%20POTENTIAL%20FOR%20THE%20DISTRICT%20OF%20COLUMBIA.pdf>
- Estimating the Energy-Efficiency Potential in the Eastern Interconnection (2013): <http://info.ornl.gov/sites/publications/files/Pub40408.pdf>

## Energy Efficiency Policies/Activities

### Statewide Clean Energy Policy/Energy Efficiency Energy Resource Standard(s)

Energy efficiency resource standards (EERSs) require obligated parties—usually regulated retail distributors of electricity—to meet a specific portion of their electricity demand through energy efficiency. As of March 2015, 27 states have some type of energy efficiency requirement or goal.<sup>7</sup>

- Washington D.C. does not have a mandatory energy efficiency resource standard.

### Current Utility-Administered Energy Efficiency Programs

Energy efficiency is regarded as an important utility resource with co-benefits that include reducing air pollution, saving customers on utility bills, and creating local jobs. While the majority of large-scale energy efficiency programs are funded by utility ratepayers, program administration may be by the utility, the state, an independently awarded program administrator or a combination of entities. Below are available links related to ratepayer-funded energy efficiency programs offered:

- In 2008, the Council of the District of Columbia enacted the Clean and Affordable Energy Act (CAEA), which established a Sustainable Energy Trust Fund and the creation of a “Sustainable Energy Utility”, which is operated by the Vermont Energy Investment Corporation under contract to the Department of Energy & Environment (DOEE). The Sustainable Energy Utility is responsible for administering sustainable energy programs in the District (<https://www.dcseu.com/about-dcseu>)
- *Program Administrator:* DC Sustainable Energy Utility (DCSEU): <https://www.dcseu.com/for-my-home> and <https://www.dcseu.com/for-my-business>  
Most recent program filing: <https://www.dcseu.com/docs/DCSEU-AnnualReport14-FinalWeb.pdf>  
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## Other Key Stakeholders

### State Air Office:

- Department of Energy and Environment: [www.doe.dc.gov](http://www.doe.dc.gov)

### State Energy Office:

- Department of Energy and Environment, Air Quality Division: [www.doe.dc.gov/air](http://www.doe.dc.gov/air)

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<sup>7</sup> Ibid.

## Consumer Advocate(s)

Most states also have one or more consumer advocacy organizations. Consumer Advocates are often concerned with maintaining low rates and ensuring equitable treatment of all customer classes.<sup>8</sup>

- District of Columbia Office of People's Counsel: [www.opc-dc.gov](http://www.opc-dc.gov)

## Others Public Interest Groups

Groups representing environmental and other public interests are often involved in providing public input or technical expertise during regulatory proceedings or stakeholder processes. The following energy efficiency organizations/nonprofits are active in the state or region:

- Northeast Energy Efficiency Partnerships: <http://www.neep.org/>
- Alliance to Save Energy: [www.ase.org](http://www.ase.org)
- DC Environmental Network (DCEN): <http://www.dcen.net>
- DC Divest: <http://dcdivest.org/>

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\* Revised December 21, 2015. To alert the U.S. EPA of substantial policy changes or program updates, please contact [eeaccountmanager@icfi.com](mailto:eeaccountmanager@icfi.com)

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<sup>8</sup> Source: [EPA Energy and Environment Guide to Action](#)