



**TESTIMONY OF**  
**WILLIE L. PHILLIPS, CHAIRMAN**  
**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA**  
**BEFORE THE**  
**COMMITTEE ON BUSINESS AND ECONOMIC DEVELOPMENT**  
**COUNCIL OF THE DISTRICT OF COLUMBIA**  
**JUNE 1, 2020**

Good Morning, Chairman McDuffie and Members of the Committee. I am Willie L. Phillips, Chairman of the D.C. Public Service Commission. I am pleased to appear before you today to provide testimony on the Mayor’s Fiscal Year 2021 budget request for the Commission. I am joined by our Agency Fiscal Officer, Gurmeet Scoggins and other members of the Commission’s management team, including our new Deputy Executive Director, Kirsten Williams.

**I. The Mayor’s Proposed Budget for the Commission**

For FY 2021, the Commission has requested, and the Mayor has proposed, a gross budget of \$17,545,601 and 89.6 Full Time Equivalent (FTE) positions. This represents an increase of approximately \$1.3 million over the FY 2020 budget of approximately \$16.3 million, or an increase of about 7%. Importantly, this increase includes the addition of 4 FTE positions. The overall budget increase is attributable to 1) a \$947,000 increase in labor expenses; 2) a \$238,000 increase in other services and charges, and 3) \$75,000 increase in all other expenses, including facilities, telecommunications and rent.

The proposed FY 2021 budget includes no local funds, \$16,950,601 in Special Purpose Revenue (O-Type Funds), \$581,000 in federal grants and \$14,000 in private donations. Special Purpose Revenue remains the funding source for approximately 97% of the Commission’s budget. Pursuant to D.C. Code, this revenue comes from assessments made

upon Pepco, Washington Gas, Verizon and all competitive electric, natural gas and telecommunications service providers licensed by the Commission. In the FY 2019 assessment, 107 companies contributed to the annual budget, including 15 natural gas supply companies, 50 competitive local exchange carriers, 39 electric supply companies, the two incumbent distribution utilities and the incumbent local exchange carrier. We expect the FY 2020 annual assessment numbers to be comparable. But one thing will be different this year. We have converted the annual assessment exercise to an automated process, where the revenue surveys and assessments will be electronically distributed through an automated form, rather than by mail. Obviously, this will speed up the process and make it easier and more convenient for the utilities and competitive service providers – and for our staff.

Consistent with previous years, the \$581k federal grant will be provided from the U.S. Department of Transportation as part of federal efforts to support state Natural Gas Pipeline Safety and Damage Prevention programs. These funds – supplemented by our own contribution from O-Type Funds - support 300-400 gas pipeline inspections and over 900 damage prevention inspections per year.

## **II. Addition of New Positions**

For Fiscal Year 2021, the Commission is requesting the addition of personnel. Specifically, we need two full-time environmental analysts in order to satisfy the requirements of the CleanEnergy DC Omnibus Amendment Act of 2018. That Act, as you know, added to our environmental responsibilities by requiring that we consider the effects on global climate change and the District’s public climate commitments when we evaluate utility proposals. We take this added responsibility very seriously.

Indeed, we initiated a Notice of Inquiry looking into the analytical approach that we should take to address our climate commitments. In response, we received comments from the Center for Biological Diversity, Solar United Neighbors of D.C. (DCSUN) and Pace Energy and Climate Center, District Department of Energy and Environment, Environmental Defense Fund, OPC, Pepco, Sierra Club, Washington Gas Light Company, and Daniel Marcin. On March 30 and April 30, we held virtual Technical Conferences with the stakeholders and a consultant that we retained to help our climate analysis, until we can bring additional personnel on board. And we are developing that analytical approach and will promulgate it in the near future.

In addition to the environmental analysts, we have requested two additional positions to aid with community engagement and infrastructure analysis. We have also made very satisfactory progress in reducing the number of vacancies we have carried. When I appeared before you in January for our Oversight Hearing, I reported that we had 13

vacancies. I am happy to report that we are now down to 9, despite having had several employees retire or resign.

### **III. Challenges and Initiatives**

The addition of new positions and the filling of vacancies are essential if we are to meet the challenges before us. As I explained at our Oversight Hearing, we continue to be focused on Grid Modernization, Infrastructure Improvements and Community Engagement, in addition to our on-going rate regulation responsibilities. With regard to Grid Modernization, we continue to make progress on our Power Path DC initiative. Most importantly, we have appointed organizational members to the Pilot Project Governance Board, and we expect the Board to begin its work soon. The culmination of our grid modernization efforts will be the launch of pilot projects funded by the financial commitments made by Pepco and Exelon.

Another aspect of Power Path DC is the Working Group recommendation that we create a new website to house up-to-date competitive energy supplier offers, as well as energy education material that would aid consumers in evaluating energy supply offers. We expect to launch what we call the DC Power Connect Retail Choice microsite this month to provide consumers – and suppliers – with an interactive forum to consider various energy supply options.

As a result of our grid modernization efforts, we are pleased to report some tangible results:

- We currently have 93 MW of RPS-certified solar power facilities physically located within the District, comprising 6,300 separate facilities;
- We will likely hit the milestone of 100 MW in FY 2021; and
- We have 21 fully operational Community Renewable Energy Facilities (CREFs).

With regard to Infrastructure Improvements, we adopted Order No. 20285 in January approving the Pepco/DDOT application for a Second Biennial Plan in DC PLUG, the undergrounding project. In March, the Commission extended WGL's PROJECTpipes 1 Plan by an additional six months to September 30, 2020 and set a six-month procedural schedule (through September 2020) to review WGL's PROJECTpipes 2 Plan.

Another important infrastructure project is Capital Grid, a 2018 Notice of Construction filed by Pepco involving the construction of transmission and distribution lines and substation renovation and construction. As I reported to you in January, we have approved the Capital Grid Project, including a Mt. Vernon substation. We believe the overall Capital Grid Project will help modernize the District's electric system and increase network capacity and accommodate more DERs, which will help the District achieve its

goals of 100% renewables, 50% carbon reduction, and 5% solar by 2032. We will continue to carefully monitor these infrastructure projects.

Turning to our efforts at Community Engagement, obviously some of our plans were deflected by the COVID-19 emergency, nevertheless, we have continued to operate as seamlessly as possible, using WebEx, Microsoft Teams and other teleconferencing capabilities. Since March 16, we have held Open Meetings weekly, have adopted 44 Orders, have conducted numerous Technical Conferences and Working Groups, and have maintained a high level of productivity. Obviously, our normal Outreach events have been suspended during the Public Health Emergency, but our Consumer Specialists have continued to mediate complaints and our Outreach Specialists have participated in virtual events. We expect that they will gradually return to a more aggressive outreach calendar, consistent with Mayor Bowser's directions on reopening the District.

Finally, I would like to say that I am proud of our Commission staff and the efficiency and resiliency they have shown during this difficult period. My highest priority is assuring the health and safety of our employees; therefore, we will continue to work remotely for the foreseeable future. We are learning new skills in teleconferencing, relying on our excellent IT staff, but we are aware of the isolating impact of remote work. I have asked managers to be sure to have frequent staff meetings so that everyone is "in the loop". We have also had two "Virtual All Hands" meetings to discuss matters of interest and concern. More importantly, the staff has undertaken two information sharing projects: a bi-weekly bulletin about the staff and their co-worker families and a bi-weekly "Virtual Social Hour" where staff members share recipes and stories and jokes. I am grateful to the team of employees who have spearheaded these efforts to be sure that our staff feels united and together.

Thank you, Mr. Chairman. I am happy to answer any questions.