

**PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, DC 20005**

ORDER

September 19, 2018

**FORMAL CASE NO. 1130, IN THE MATTER OF THE INVESTIGATION INTO
MODERNIZING THE ENERGY DELIVERY SYSTEM FOR INCREASED
SUSTAINABILITY, Order No. 19673**

I. INTRODUCTION

1. By this Order, the District of Columbia Public Service Commission (“Commission”) denies as moot the District of Columbia Department of Energy and Environment’s (“DOEE”) Motion for Limited Engagement of Consultants to Provide a Roadmap in *Formal Case No. 1130*.¹

II. BACKGROUND

2. The investigation into modernizing the energy delivery system in the District of Columbia was initiated in response to intervenors’ requests in both *Formal Case No. 1103*² and *Formal Case No. 1123*.³ In consideration of intervenor requests, technological advancements in the energy industry, and changing consumer preferences, on June 12, 2015, the Commission, by Order No. 17912, opened this proceeding to identify technologies and policies that can be implemented in the District to modernize the distribution energy delivery system for increased sustainability; and, in the near term, to make the distribution energy delivery system more reliable, efficient, cost effective, and interactive.⁴ Additionally, as a result of the PHI-Exelon Merger approved by the Commission in Order No. 18148 on March 23, 2016, a \$21.55 million MEDSIS Pilot Project Fund Subaccount was created and the funds therein were directed to be used to support pilot projects related to energy delivery system modernization under consideration in *Formal Case No. 1130*.

¹ *Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability* (“*Formal Case No. 1130*” or “MEDSIS”), Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed July 31, 2018 (“DOEE’s Motion”).

² *See Formal Case No. 1103, In the Matter of the Application of the Potomac Electric Power Company for Authority to Increase Existing Retail Rates and Charges for Electric Distribution Service* (“*Formal Case No. 1103*”), Order No. 17539, ¶ 120, rel. July 10, 2014 (“Order No. 17539”).

³ *Formal Case No. 1123, In the Matter of the Potomac Electric Company’s Notice to Construct a 230kV/138 kV/13 kV Substation and Four 230 kV/138 kV Underground Transmission Circuits on Buzzard Point* (“*Formal Case No. 1123*”), Order No. 17851, ¶ 19, rel. April 9, 2015 (“Order No. 17851”).

⁴ *Formal Case No. 1130*, Order No. 17912, rel. June 12, 2015.

3. On January 25, 2017, the Commission issued the MEDSIS Staff Report. After considering the comments filed on the MEDSIS Staff Report, on October 19, 2017, the Commission issued Order No. 19143, which included Staff's proposed Vision Statement for the MEDSIS Initiative and invited public comment on whether any guiding principles should be included in the Commission's vision statement; whether a full assessment of the current capabilities and characteristics of the District's current energy delivery system is warranted at this time; and, whether, and to what extent, a consultant would be useful to help move MEDSIS forward more expeditiously. On February 14, 2018, the Commission issued Order No. 19275, which adopted Staff's revised MEDSIS Vision Statement as the official "Vision Statement for the MEDSIS Initiative." In Order No. 19275, the Commission also recognized that several stakeholders favored the use of a consultant to establish and manage working groups in the MEDSIS Initiative. Therefore, on March 1, 2018, the Commission issued a Request for Proposals to obtain a qualified consultant. After engaging in a thorough competitive bidding process, the Commission awarded Contract No. PSC-18-08 for Phases 1 and 2 of the MEDSIS Initiative to the Smart Electric Power Alliance ("SEPA") on June 5, 2018.

4. On June 27, 2018, SEPA led the day-long MEDSIS Technical Conference at the Commission wherein stakeholders were able to provide input on whether a system assessment was needed and what working groups should be formed in Phase 2 of the MEDSIS Initiative. SEPA compiled stakeholder input in a detailed Technical Conference Report which was filed in the *Formal Case No. 1130* docket on July 20, 2018.⁵

5. On July 31, 2018, DOEE, through the Office of the Attorney General ("OAG") filed its Motion.⁶

6. Comments in support of DOEE's Motion were filed by Greentel Group ("Greentel"),⁷ the Institute for Market Transformation ("IMT"),⁸ Sierra Club,⁹ DC Water and

⁵ *Formal Case No. 1130*, June 27, 2018 Technical Conference Meeting Minutes, filed July 20, 2018 ("MEDSIS Technical Conference Report").

⁶ *See generally*, DOEE's Motion.

⁷ *Formal Case No. 1130*, Greentel Group's Response to Department of Energy and Environment's Motion for Limited Engagement of Consultants to Provide a Roadmap, filed July 31, 2018 ("Greentel Response").

⁸ *Formal Case No. 1130*, Institute for Market Transformation's Response to Department of Energy and Environment's Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 1, 2018 ("IMT Response").

⁹ *Formal Case No. 1130*, Sierra Club's Response to Department of Energy and Environment's Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 1, 2018 ("Sierra Club Response").

Sewer Authority (“DC Water”),¹⁰ DC Consumer Utility Board (“DC CUB”),¹¹ GRID2.0,¹² DC Climate Action (“DC Climate”),¹³ and Solar United Neighbors of D.C. (“DC SUN”).¹⁴

7. On August 7, 2018, DOEE filed with the Commission Comments in Furtherance of its Motion to offer a response relating to the scope of its proposed recommendation of additional consultants.¹⁵

8. On August 9, 2018, the Commission issued Order No. 19432, which, among other directives, approved SEPA’s recommendations to form six (6) working groups in Phase 2 of the MEDSIS Initiative and submit an application for free analytical support for the MEDSIS Initiative through the Electricity Markets and Policy Group’s “Analytical Support for Public Utility Commissions” program (“Program”) run by the United States Department of Energy (“US DOE”), in partnership with Lawrence Berkley National Laboratory, the National Renewable Energy Laboratory (“NREL”), and Pacific Northwest National Laboratory (“PNNL”).¹⁶

9. On August 10, 2018, the Potomac Electric Power Company (“Pepco”) filed its Response in Opposition to DOEE’s Motion.¹⁷

III. DISCUSSION

A. DOEE’s Motion

10. DOEE explains that, in order for the Commission to effectively achieve its vision of a modernized energy delivery system, it should develop a “roadmap” consisting of measurable objectives, capabilities, and standards. According to DOEE, such a roadmap has been used in

¹⁰ *Formal Case No. 1130*, District of Columbia Water and Sewer Authority’s Response to Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 2, 2018 (“DC Water Response”).

¹¹ *Formal Case No. 1130*, DC Consumer Utility Board’s Response to Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 3, 2018 (“DC CUB Response”).

¹² *Formal Case No. 1130*, GRID2.0’s Response to Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 2, 2018 (“GRID2.0 Response”).

¹³ *Formal Case No. 1130*, DC Climate Action Comments in Support of DOEE’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 2, 2018 (“DC Climate Comments”).

¹⁴ *Formal Case No. 1130*, Solar United Neighbors of D.C.’s Response to Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 3, 2018 (“DC SUN Response”).

¹⁵ *Formal Case No. 1130*, Department of Energy and Environment’s Comments in Furtherance of its Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 7, 2018 (“DOEE Comments”).

¹⁶ *Formal Case No. 1130*, Order No. 19432, ¶¶ 1, 8-10, and 14, rel. August 9, 2018 (“Order No. 19432”).

¹⁷ *Formal Case No. 1130*, Potomac Electric Power Company’s Response to Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap, filed August 5, 2018 (“Pepco Response”).

other jurisdictions and is useful in this case because it will identify, prioritize, and sequence tasks by appropriate working groups. DOEE believes that, without a roadmap and the establishment of grid design principles, the working groups will have no discernable means of ensuring that their recommendations are mutually supportive. In fact, in DOEE's view, the working groups would be discussing pilot projects in a vacuum and such a discussion would be antithetical to the coordinated and deliberate approach needed for advancing grid modernization. DOEE requests that we "engage on a limited basis the [DOE's Office of Electricity and the PNNL's] grid architecture team lead by Dr. Jefferey Taft, to provide technical assistance to the stakeholders and Smart Electric Power Alliance (SEPA) to develop a roadmap for grid modernization in the District."¹⁸

11. DOEE asserts that development of the roadmap will not delay the proceeding, noting that US DOE and the PNNL have experience doing similar work in other jurisdictions. DOEE avers that US DOE and PNNL "have indicated to DOEE that they would do the same for this Commission."¹⁹ DOEE concludes that it is confident in SEPA's ability to facilitate the overall process of this proceeding.²⁰

B. Greentel Group Response

12. On July 31, 2018, Greentel, filed comments supporting DOEE's Motion noting that establishing a roadmap "will empower the Commission to identify strategic working groups and pave the path towards the most advanced grid in the country;" therefore, it respectfully requests the Commission to engage US DOE and PNNL as recommended by DOEE to assist in creating a roadmap.²¹

C. Institute for Market Transformation Response

13. On August 1, 2018, IMT filed its Response to DOEE's Motion, stating that it supports DOEE's initiative and believes that "[s]uch a roadmap could establish the priorities and order of operations for evolving the technical capabilities of the grid, thus helping stakeholders make more informed decisions about pilot projects."²² Thus, it encourages the Commission to consider the offer.

D. Sierra Club Response

14. On August 1, 2018, Sierra Club filed a response in support of DOEE's Motion stating that "it is critical that an entity with technical capability assist the creation of a roadmap that will lay out the standards and capabilities that the grid should have in order to guide the

¹⁸ DOEE Motion at 1-2.

¹⁹ DOEE Motion at 2.

²⁰ DOEE Motion at 2.

²¹ Greentel Response at 1.

²² IMT Response at 1.

stakeholder working groups and realize the vision of grid modernization;” therefore, it also requests that the Commission approve this recommendation in a timely manner.²³ Sierra Club further states and supports the PNNL’s and US DOE’s “willingness to provide services at no charge” asserting that it “is a no-lose proposition for the District.”²⁴

E. DC Water and Sewer Authority Response

15. On August 2, 2018, DC Water filed its Response supporting DOEE’s Motion asserting that in order to achieve the Commission’s goals it “requires not only the best ideas and minds in the District . . . [, it also requires] nationally available experts to allow the Commission and stakeholders to address the often-competing demands of [] [the Commission’s] Vision Statement.”²⁵

F. DC Consumer Utility Board Response

16. On August 3, 2018, DC CUB submitted its response supporting DOEE’s Motion. DC CUB notes that in developing a robust grid around “Distributed Energy Resources capable of providing clean and affordable energy throughout the 21st Century” requires broad goals, principles, criteria, and parameters.²⁶ DC CUB asserts that, to achieve this, the Commission should support robust stakeholder and ratepayer input in the planning process of a smart grid.²⁷ DC CUB encourages the Commission to refocus its parameters around the “‘Vision Statement’ and produce specifications for a coherent or integrated SmartGrid.”²⁸ Therefore, DC CUB recommends that SEPA “gather[] stakeholder input on goals, principles and criteria for . . . the purposes of producing a ‘Roadmap’ for Grid Modernization.”²⁹ DC CUB notes that DOEE’s proposition is a “viable alternative to SEPA’s focus on pilot projects” and urges the Commission to accept the recommendation.³⁰

²³ Sierra Club Response at 1.

²⁴ Sierra Club Response at 1.

²⁵ DC Water Response at 2

²⁶ DC CUB Response at 1.

²⁷ DC CUB Response at 2.

²⁸ DC CUB Response at 3.

²⁹ DC CUB Response at 3.

³⁰ DC CUB Response at 4.

G. GRID2.0 Response

17. On August 2, 2018, GRID2.0 submitted its response to DOEE's Motion noting that it supports the initiative given the fact that the proposition addresses GRID2.0's concern about the working groups "lack of necessary instruction, coherence and integration to perform optimally."³¹ Overall GRID2.0 believes that the initiative has the potential to "shape a 'roadmap' [that] can [] help translate the Commission's vision . . . into measurable objectives that will help identify, prioritize, and sequence tasks . . . established [] by stakeholder working groups."³²

H. DC Climate Action Response

18. On August 2, 2018, DC Climate filed comments in support of DOEE's Motion, noting that it is important to get "stakeholder input and agreement for a future-oriented roadmap [that] is fundamental to building common objectives, . . . for moving a strongly coordinated process forward efficiently and cost-effectively."³³ DC Climate supports and believes DOEE's recommendation is a benefit to the Commission given that they are offering to provide their services for free. Therefore, they encourage the Commission to embrace the opportunity to consult with the PNNL and US DOE.³⁴

I. Earthjustice/ Solar United Neighbors of D.C. Response

19. On August 3, 2018, DC SUN filed comments in support of DOEE's Motion, noting that establishing "a roadmap consisting of measurable objectives, capabilities, and standards will be crucial to achieving" both the Commission's vision and DC SUN's interests.³⁵

J. DOEE Comments in Furtherance of Motion

20. On August 7, 2018, DOEE filed Comments in Furtherance of its Motion to offer a response relating to the scope of its proposed recommendation of additional consultants.³⁶ More specifically, DOEE notes that the involvement of US DOE and PNNL are limited in the sense that it would last only a few weeks, the development of the roadmap would occur concurrently with SEPA's designations and handling of pilot projects, and the progress of the roadmap is "not intended to hinder [or delay] any short-term [or long-term] projects" but actually complement set actions.³⁷ Lastly, DOEE reiterates its belief that "a roadmap, drafted with input from stakeholders,

³¹ GRID2.0 Response at 1.

³² GRID2.0 Response at 1.

³³ DC Climate Response at 2.

³⁴ DC Climate Response at 2.

³⁵ DC SUN Response at 1.

³⁶ *See generally*, DOEE Comments.

³⁷ DOEE Comments at 2.

is necessary to provide measurable objectives, capabilities, and standards that will enhance this proceeding's overall likelihood of success.”³⁸

K. Order No. 19432

21. In Order No. 19432, after careful review and consideration of SEPA's working group recommendations (which were included as Attachment B) stemming from input provided by stakeholders at the June 27, 2018 Technical Conference, the Commission approved the six (6) working groups proposed,³⁹ concluding that they were “reasonable and appropriate” and “will cover a wide range of important topics specific to the District's energy delivery systems and will answer many of the questions raised in the MEDSIS Staff Report and being considered across the energy landscape.”⁴⁰ The Commission, acknowledging DOEE's Motion, which was filed before SEPA's recommendations were made public, also noted that the Data and Information Access and Alignment (“DIAA”) working group approved by the Order was tasked with developing “a framework and roadmap” for the MEDSIS Initiative collaboratively with stakeholders and that the Order directed SEPA to submit an application for free analytical support through the Program run by DOE, in conjunction with national laboratories, like PNNL, by the August 31, 2018 deadline.⁴¹

L. Pepco Response

22. On August 10, 2018, Pepco filed its Response in Opposition to DOEE's Motion, asserting that the Commission should deny the recommendation given the fact that the Commission already considered stakeholder input and hired SEPA as the technical consultant for Phases 1 and 2 of the MEDSIS Initiative.⁴² Pepco notes that its unnecessary and inappropriate to engage additional consultants at this moment given the high potential of delaying the proceeding.⁴³ Pepco mentions that the Commission has already provided sufficient directives to SEPA, such as the MEDSIS Vision Statement, Guiding Principles, and overall working group process currently handled by SEPA.⁴⁴ Pepco asserts that throughout this proceeding, the Commission had an open and inclusive process with stakeholders and that it believes the Commission's competitive procurement process, where months were allocated to consider candidates to run the working group process, should be respected. Pepco adds that the competitive bid process was well-handled with the end result of selecting SEPA, who has “significant experience in facilitating large,

³⁸ DOEE Comments at 2.

³⁹ (1) Data and Information Access and Alignment, (2) Non-wires Alternatives to Grid Investments, (3) Future Rate Design, (4) Customer Impact, (5) Microgrids, and (6) Pilot Projects.

⁴⁰ Order No. 19432, ¶ 7.

⁴¹ Order No. 19432, ¶¶ 6 n.8, 14. On August 29, 2018, the US DOE issued an extension of time, until September 6, 2018, for the submission of applications responsive to the Call.

⁴² Pepco Response at 1.

⁴³ Pepco Response at 2.

⁴⁴ Pepco Response at 3.

collaborative, and results producing working groups throughout the U.S. and is well-informed on grid modernization issues” in the District.⁴⁵

23. Furthermore, Pepco states that DOEE has already developed a recommended roadmap, with the help of US DOE and PNNL as consultants, which it submitted as part of its April 10, 2017 Comments.⁴⁶ Pepco asserts that the Commission took DOEE’s comments into consideration when DOEE and other stakeholders met to discuss and assist the Commission in developing and formulating the Guiding Principles.⁴⁷ Pepco also notes that despite recommending the US DOE and PNNL as additional consultants, DOEE’s Motion fails to explain how the new roadmaps differ or compare to the ones already considered by the Commission. Given this, and because Order No. 19432 assigns the DIAA Working Group with charting the roadmap, Pepco asserts it is unnecessary and duplicative to allow US DOE and PNNL to develop a roadmap, concluding that doing so will only delay the progress of the working groups.⁴⁸

24. Additionally, Pepco also notes that “the scope of US DOE-PNNL’s commitment to perform the activities for which DOEE offers them to the Commission” is unclear, noting that though they “may have worked for DOEE in the past, neither is affiliated with DOEE” and “DOEE lacks the authority to commit US DOE-PNNL or any other entity to perform work on behalf of the Commission.”⁴⁹ DOEE gives unclear scope of the duties of the US DOE and PNNL and that DOEE lacks authority to commit the entities to complete work on behalf of the Commission, especially when they are not affiliated with DOEE.⁵⁰ To conclude, Pepco reiterates that if the Commission engages another consultant, that duty lies with the Commission through its developed requests for proposals process or an application process.⁵¹ Therefore, Pepco asserts that DOEE’s Motion should be rejected because its unnecessary and unwarranted, noting “[t]o the extent DOEE wishes to engage US DOE-PNNL to provide technical assistance to DOEE, the Commission’s denial of the Motion does not impact DOEE’s ability to do so.”⁵²

IV. DECISION

25. DOEE and commenters on the DOEE Motion assert that the Commission should develop a roadmap in order for the Commission to effectively achieve its vision of a modernized energy delivery system. In Order No. 19432, we approved the formation of six working groups.

⁴⁵ Pepco Response at 4.

⁴⁶ Pepco Response at 6, *referencing Formal Case No. 1130*, Comment by the Department of Energy and Environment, filed April 10, 2017.

⁴⁷ Pepco Response at 5-6.

⁴⁸ Pepco Response at 6.

⁴⁹ Pepco Response at 6.

⁵⁰ Pepco Response at 6.

⁵¹ Pepco Response at 6-7.

⁵² Pepco Response at 7.

One of those working groups—DIAA Working Group—is responsible for, among other things, addressing the alignment of the MEDSIS Vision Statement with the Working Group process to chart a common framework and roadmap.⁵³ It is not clear whether DOEE is asking us to establish a separate working group process run by the PNNL and US DOE or whether it is asking us to insert the PNNL and US DOE into SEPA’s existing process in order to develop the roadmap. If DOEE is asking us to establish a separate process, then we see little justification for it in the motion. If, however, DOEE is asking that we involve the PNNL and US DOE in the process, SEPA has already extended an invitation to the US DOE and PNNL to make a presentation at the next DIAA Working Group meeting on September 21, 2018. The US DOE accepted the invitation, but SEPA has yet to hear from the PNNL. Inasmuch as SEPA has extended an offer to both groups to participate, we view DOEE’s request as moot.

26. It is worth noting here that there seems to be a lack of consensus in the industry, and potentially amongst the commenters, regarding what actually constitutes a “roadmap.” We leave it to SEPA to ensure that working group participants can fully express their views and reach a consensus early enough in the process so that no one is “working in a vacuum” given that a roadmap is an important component for MEDSIS.

27. If, during the course of the working group process, SEPA believes additional support, analytical or otherwise, is needed, then we encourage SEPA to raise the matter with the Commission.

THEREFORE, IT IS ORDERED THAT:

28. The District of Columbia Department of Energy and Environment’s Motion for Limited Engagement of Consultants to Provide a Roadmap in *Formal Case No. 1130* is **DENIED** as moot.

A TRUE COPY:

BY DIRECTION OF THE COMMISSION:



CHIEF CLERK:

**BRINDA WESTBROOK-SEDGWICK
COMMISSION SECRETARY**

⁵³ Order No. 19432, ¶ 6.

ATTACHMENT A

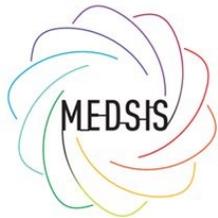


PUBLIC SERVICE COMMISSION of the District of Columbia

APPLICATION FOR ANALYTICAL SUPPORT

To: Galen Barbose - GLBarbose@lbl.gov
Juliet Homer - Juliet.homer@pnnl.gov
Elizabeth Doris - Elizabeth.doris@nrel.gov
PUCSupport@lbl.gov

SUMMARY OF REQUEST:



Modernizing the Energy Delivery
System for Increased Sustainability

The Public Service Commission of the District of Columbia (DCPSC) requests that assistance be given to support modeling and rate impact analysis for our Modernizing the Energy Delivery System for Increased Sustainability (MEDSIS) Initiative. Over the next several months, the DCPSC, through its contractor SEPA, will be convening stakeholder working groups as part of the MEDSIS Initiative to identify policies and technologies that can be implemented to modernize the distribution energy delivery system in the District of Columbia. The following working groups will be convened: WG1: Data and Info Access and Alignment; WG2: Non-wires Alternatives (NWAs) to Grid Investments; WG3: Future Rate Design; WG4: Customer Impact; WG5: Microgrids; and WG6: Pilot Projects.

We are seeking support to create a model for assessing the costs and benefits of deploying NWAs over traditional utility infrastructure investments. We want to select the most cost-effective solutions for resolving distribution/transmission constraints. We also want to develop a systematic method of assessing which proposed pilot project ideas best align with and further the MEDSIS vision, the methodology will include how to prioritize and facilitate the scoring of pilot proposals to receive MEDSIS funding. Last but not least, we are seeking support to assess innovative rate designs and their rate impact to customers.

BACKGROUND:

The investigation into modernizing the energy delivery system in the District of Columbia was initiated in response to intervenors' requests in both *Formal Case No. 1103* and *Formal Case No. 1123*. In consideration of intervenor requests, technological advancements in the energy industry, and changing consumer preferences, on June 12, 2015, the Commission, by Order No. 17912, opened *Formal Case No. 1130* to identify technologies and policies that can be implemented in the District to modernize the distribution energy delivery system for increased

sustainability; and, in the near term, to make the distribution energy delivery system more reliable, efficient, cost effective, and interactive. Additionally, as a result of the PHI-Exelon Merger approved by the Commission in Order No. 18148 on March 23, 2016, a \$21.55 million MEDSIS Pilot Project Fund Subaccount was created and the funds therein were directed to be used to support pilot projects related to energy delivery system modernization under consideration in *Formal Case No. 1130*.

On January 25, 2017, the Commission issued the MEDSIS Staff Report, which, among other things, identified regulatory barriers to distribution-system modernization and proposed parameters for evaluating pilot projects that would receive funding from the MEDSIS Pilot Project Fund Subaccount. After considering the comments filed on the MEDSIS Staff Report, on October 19, 2017, the Commission issued Order No. 19143, which included Staff's proposed Vision Statement for the MEDSIS Initiative and invited public comment on whether any guiding principles should be included in the Commission's vision statement; whether a full assessment of the current capabilities and characteristics of the District's current energy delivery system is warranted at this time; and, whether, and to what extent, a consultant would be useful to help move MEDSIS forward more expeditiously. On February 14, 2018, the Commission issued Order No. 19275, which adopted Staff's revised MEDSIS Vision Statement as the official "Vision Statement for the MEDSIS Initiative." In Order No. 19275, the Commission also recognized that several stakeholders favored the use of a consultant to establish and manage working groups in the MEDSIS Initiative. Therefore, on March 1, 2018, the Commission issued a Request for Proposals to obtain a qualified consultant. After engaging in a thorough competitive bidding process, the Commission awarded Contract No. PSC-18-08 for Phases 1 and 2 of the MEDSIS Initiative to SEPA on June 5, 2018.

On June 27, 2018, SEPA facilitated the MEDSIS Technical Conference at the Commission wherein stakeholders were able to provide input on whether a distribution system assessment was needed and what working groups should be formed in Phase 2 of the Initiative. SEPA compiled stakeholder input in a detailed Technical Conference Report which was filed in the *Formal Case No. 1130* docket on July 20, 2018. Based on stakeholder comments filed in the *Formal Case No. 1130* docket and stakeholder input provided at the MEDSIS Technical Conference, SEPA submitted recommendations to the Commission to: (a) not conduct a full system assessment; and (b) form six (6) working groups in Phase 2 of the Initiative. SEPA also recommended that the Commission apply for analytical support for the MEDSIS Initiative through the National Labs program.

On August 9, 2018, the DCPSC issued Order No. 19432, approving SEPA's recommendations and authorizing SEPA to file an application for Analytical Support through this program.

MEDSIS Informational Links:

www.dcgridmod.com

www.dcpsc.org/MEDSIS

DATE OF REQUEST: September 5, 2018

ORGANIZATION REQUESTING ASSISTANCE: Public Service Commission of the District of Columbia – 1325 G Street N.W., Suite 800, Washington, D.C., 20005 Telephone: (202) 626-5100

POINTS OF CONTACT:

1. **Naza Shelley**, Attorney Advisor DCPSC, MEDSIS Case Manager, nshelley@psc.dc.gov, 202-626-0200
2. **Sharon Allan**, DCPSC MEDSIS Consultant, sallan@sepapower.org, 919-414-2173

JUSTIFICATION FOR SUPPORT:

The Commission seeks unbiased technical support that will complement our current stakeholder process which is being run by our contractor SEPA.

- **Non-Wires Alternative (NWA) Cost/Benefit Assessment Model:** The Commission seeks analytical support for our NWA stakeholder working group. The supplemental support will assist in creating an analytical model that will be used to evaluate, prioritize, and assess the technologies available to offset the need for traditional utility distribution infrastructure investments in the District. The intention of developing the model is to ensure that the “best” NWA projects – those that are both in-line with the Commission’s expressed vision for the MEDSIS Initiative as well as those that will further the District’s long-term energy policy goals – are implemented in the District. This will entail capturing, in a holistic manner, the costs and benefits of various NWAs and assigning a method for comparing alternatives and assessing their viability in the District. The model should also provide guidance on how to assess the costs and benefits of alternate ownership approaches. A two-step process could be employed to develop the model/framework, with the first step being crafting screening and/or categorizing criteria to help determine when a potential NWA is a viable solution to address a particular issue or scenario. For example, some DERs might be better for power factor correction and others might be better for peak shaving. Once the various types of DERs are screened, the second step could be to analyze the costs of deploying the DER as a measure to defer or avoid the need for traditional wires solutions.
- The framework will be vetted by the stakeholders participating in the process. Additionally, as few states have a model for assessing NWAs and the states developing a model are doing so based upon their state’s specific needs, we believe the analytical work performed for MEDSIS Initiative, which will assess all NWAs, will be beneficial not only to our Initiative but also to other state utility commissions.
- **Analytical Method for Scoring Pilot Project Proposals:** The Commission seeks assistance in creating a scoring model for assessing pilot project proposals that: (1) aligns with the vision of the MEDSIS Initiative; and (2) prioritizes the proposals most worthy of being awarded funding. Input for creating the evaluation criteria will be garnered from stakeholders in the MEDSIS working groups as well as knowledge the National Labs

provides. It is important that a fair, transparent, and technology neutral method be developed to score pilot proposals that is consistent with the vision, the District's long-term energy policy goals, and that ensures the projects funded will be capable of being replicated or scaled.

- **Rate Design Analysis:** The Future Rate Design Working group will look at the impact on customers of various rate design models. Lab support would be valuable in assessing various rate design options, their potential impact on customers, and the viability of implementation from a regulatory standpoint.

The MEDSIS stakeholder working groups will commence in late August; therefore, we anticipate there being sufficient information to begin crafting the desired models, frameworks, scoring, and/or analysis towards the end of 2018 or in early 2019.

DESIRED OUTCOMES:

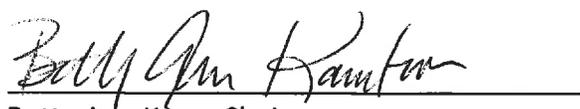
- Framework and model for evaluation NWAs;
- Method to evaluate, assess, and prioritize proposed pilot projects; and
- Analysis/Method to evaluate impact of new rate designs on customers.

BENEFITS/VALUE-ADDED:

The DCPCSC is committed to an open and transparent process for defining the needs of the MEDSIS Initiative, the objectives to get there, and an analytical framework for assessing investments in the District. The team assembled from the selected national lab will collaborate with appropriate technical and legal Commission staff personnel on these deliverables.

TYPE OF TECHNICAL ASSISTANCE REQUESTED: (Mark all that apply)

- X Consultation (expertise on NWA evaluations, Rate Analysis)
- X Presentation (presentation on model/tools/assessments when developed)
- X Support for workshops, collaboratives (technical expert participation)
- Technical review of proposed commission policies, guidelines or legislation
- General information/education to inform the development of rules, regulations, or guidelines
- Uncertain about what type of assistance is required
- x Other (Specify): Models, Assessment tools, Analysis of Rates

Signed: 
Betty Ann Kane, Chairman
Public Service Commission of the District of Columbia