

Testimony of Emile C. Thompson
Chairman, Public Service Commission of the District of Columbia
Before the Committee on Transportation and the Environment
Performance Oversight Hearing

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Good afternoon Chairman Allen and members of the Committee. My name is Emile C. Thompson and I am proud to serve as the Chairman of the Public Service Commission of the District of Columbia. I want to begin by thanking you for the opportunity to testify.

I've thought long and hard about how I wanted to frame my testimony today. Initially, I planned to present my testimony as I usually do, with a focus on major accomplishments and future plans. But, I think we can both agree that the reality of what people feel at this moment and what was said during last week's hearing warrants a thoughtful, tailored response to truly meet this moment. I have submitted my previously planned testimony to the record and invite all to review it, as my team and I remain proud of what the Commission accomplished in 2025.

My team and I listened and reflected on the public witness testimony from last week. Through that testimony, four key themes emerged: 1) Rising costs of utility bills, 2) The need for a clean energy future, 3) Infrastructure updates, particularly as they relate to our aging underground gas pipes, and 4) Commission leadership. My testimony today will be centered around, and responsive to, those themes. I truly welcome and look forward to a good discussion with this Committee on these items.

Rising Cost of Utility Bills

I'd like to begin my testimony today by discussing the rising cost of utility bills. The Commission understands the frustration around the increased cost of utility bills. DC is not alone as utility bills have risen nationwide. There is no debating that utility bills have gotten more expensive, and the significant cost increases put a strain on many DC residents. That is a real fear and concern we should be addressing in a collaborative manner. But before I go further though, I do want to note that low-income customers enrolled in the Residential Aid Discount Program or Residential Essential Services program remain exempt from any rate increase the Commission approves.

I know that many witnesses who testified last week spoke explicitly about their Pepco bills. I'd like to spend some time today breaking down the cost factors that impact a DC resident's electric bill.

Currently, there are four costs that comprise Pepco electric bills: surcharges, generation, transmission, and distribution. As of January 2026, surcharges account for 7% of the bill, generation accounts for 58%, transmission 8%, and distribution 27%. The Commission's decisions only impact the distribution charges, or just over a quarter of the total bill amount. The other three-quarters of the bill are decided by either the DC Council or regional and federal decisionmakers, such as PJM Interconnection and FERC. This is not finger-pointing; rather, needed context that we can use to inform much-needed next steps.

Distribution charges change after an extensive review of a proposed rate change by the utility. The Commission never approves a rate increase request at face value. Instead, through careful analysis and deliberation, the Commission often reduces the proposed increase to balance the needs of both consumers and utility service providers. For example, in Formal Case No. 1176, the Commission reduced Pepco's initial request by 35%, or \$67.3 million. I'm happy to provide additional examples upon request.

Any sustainable solution to address rising utility costs must be a collaborative one. To that end, the DCPSC will be hosting an Affordability Summit later this year, where we'll explore ways to reduce the cost burden of utility services, while balancing the tenants of reliability, safety and sustainability. The DCPSC and Office of People's Counsel have also established an energy affordability proceeding (Formal Case No. 1186) to perform a holistic evaluation of energy affordability in DC.

The DCPSC is eager to work collaboratively with the DC Council, as well as regional and federal stakeholders, to develop and implement innovative, effective, and sustainable solutions around the rising cost of utility service provision in the District.

The Need for a Clean Energy Future

Now, I'd like to talk about the District's energy goals and the Commission's role in pursuing them. The DCPSC wants a clean energy future to ensure both the health of our environment and the resiliency of our city. In light of the many recent global events, the resiliency of the District is more important now than ever. I want to be clear, the Commission remains committed to the energy commitments set by the DC Council.

The District of Columbia is not behind in achieving our clean energy commitments. In fact, we are on track, or ahead, of where we need to be. The installation and use of solar panels continues to rise in the District. Last year, the Commission certified 4,209 new solar facilities that participate in the Renewable Portfolio Standards (RPS) program, including 457 new Community Renewable Energy Facilities (CREFS). This work is done through the Commission's administration of the RPS program, which ensures that the mandates established in the Local

Expansion Amendment Act of 2022 are met. The Commission also partners with and promotes the Solar for All initiative, supporting low-income residents.

These accomplishments are made even more impressive when you consider the size of the District. We don't have mountains or rolling hills for wind turbines or acres of flat land for solar panels. But as we always do in the District, we make it work, and work well, at that.

I know that much of the witness testimony last week centered around moving away from natural gas in the District. Yesterday, the Commission issued an order opening an Integrated Natural Gas Distribution System Planning docket to ensure future decisions align with the District's legal and policy framework.

The Commission will continue to prioritize projects that put the District one step closer to achieving its energy commitments. One example is the Distribution System Planning Working Group meetings, whose work will help the District optimize and modernize our electricity distribution system. The Commission is also overseeing four active pilots through our work with the Pilot Project Governance Board. These projects are: the Community Heat Pump pilot, the Solar Aggregation and Advanced Inverter pilot, the Transactive Neighborhood Renewable Microgrid pilot, and the Virtual Power Plant pilot. My original testimony, which has been submitted to the record, includes updates on each of these projects.

Infrastructure Updates

We can't discuss the District's energy commitments without discussing the city's energy infrastructure.

When it comes to supplying energy to a city built on an aging infrastructure, two realities must be navigated at once: The DCPSC has a duty to ensure safe and reliable utility service provision given existing infrastructure *and* we must work together toward a new energy infrastructure that aligns with the District's energy commitments and resiliency needs.

As we can see from the recent break of the Potomac Interceptor, when infrastructure is aging and breaks, it's harder and more costly to fix it reactively. We must be proactive. The DCPSC's mission to ensure the utilities provide safe and reliable utility service to the District compels us to be proactive to fortify aging infrastructure before they begin to fail. I'm proud of the fact that in 2025, and 2026 to-date, we have had no major incidents. Through the Commission's work, we've also seen a 29% reduction in gas leaks between 2019 and 2024.

Yesterday we issued an order in Formal Case 1179, which approved a modified District SAFE plan that represents a structural departure from the Project Pipes. Instead of focusing on

wholesale replacement of pipes of a certain material, this program will focus on replacing the riskiest pipe in the system. In addition to new reporting requirements, WGL must provide a detailed written summary as to why NPAs, including realigning and other emerging technologies, are not appropriate for each project on the list.

We agree that there is an energy future that looks much different than our current energy landscape. At the same time, we need to maintain the infrastructure we have by ensuring it is reliable and safe. Much of our local economy relies on our current system, including DC's restaurant industry, many residents and the federal government.

Both the entire Commission and I are eager to engage in conversations around what our energy future can look like—and work in collaboration with the DC Council, utility service providers, residents, and other stakeholders to meet DC's energy commitments.

Commission Leadership

Finally, I'd like to discuss both my, and the Commission's, leadership.

As both the Chairman of the DCPSC and a proud native Washingtonian, I remain committed to the District and its residents. In listening to last week's hearing, there is always more the DCPSC can and will do, particularly regarding communications on our initiatives, decision-making process, and opportunities for public comment.

However, there is a lot that I am proud of at the Commission. We have ensured that low-income residents are still protected from rate increases through RAD, RES and Economy II program. Since my appointment, we've also increased the number of public roundtables, workgroups, technical conference and hearings, allowing us to receive more input on our work.

The Commission proactively seeks to learn from its decisions, and to that end, we established a Lessons Learned Working Group in 2025 following the approval of the Multi-Year Rate Case. Following 11 stakeholder meetings in 2025, the Lessons Learned Working Group filed a report detailing a framework for multi-year rate plan application evaluation requirements on December 19, 2025. These stakeholder meetings were held with a number of different stakeholder groups. Public comments were due on January 28, 2026. We are currently reviewing the report and comments and will issue an Order on the framework that sets out the evaluation requirements for multi-rate increase applications moving forward. This framework will be used to evaluate the current MYP and Pepco cannot file another one until this has been completed. That is important I would also note that the MYP contained several other consumer protection provisions, such as an automatic credit adjustment to rate consumers to adjust for any potential over earning, compliance filings to reflect update on forecasted capital additions, an independent management

audit to review the accuracy of the utilities spending. and prudency review of utility capital investments.

Conclusion

In closing, I would like to express my sincere appreciation to Commissioner Beverly, Commissioner Trabue, and the dedicated staff of the Commission for their continued hard work and professionalism. I would also like to thank the DC residents who provide public comments during our proceedings, attend our community education events, and even testify at our Performance and Budget Oversight Hearings. I would note that during last week's hearing there was mention of staff and their capabilities. I want to be on record as standing behind and supporting our staff. Our staff is top notch – they are dedicated public servants who come to work every day to deliver the best results for District consumers.

It is my hope that my testimony today reflects that we are working and engaging around what was shared during public testimony last week, and offers new insights or tangible solutions around how we can move forward – together – to create an energy future in DC that we can take pride in. Chairman Allen, myself, and the entire Commission want to be a trusted collaborator and partner in aligning on and creating solutions for these complex issues.

Thank you again for your time. I am happy to answer any questions you may have.