

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
March 5, 2026

Good afternoon, Chairman Allen and members of the Committee. I am Emile C. Thompson, Chairman of the D.C. Public Service Commission. Thank you for the opportunity to testify here today. It is an honor to appear on behalf of the Commission to discuss the work we have undertaken over the past year to fulfill our core mission of ensuring that District residents and businesses receive safe, reliable, and affordable utility services, while responsibly advancing the District’s clean energy and climate commitments. My testimony will focus on three central areas that define the Commission’s work: supporting the clean energy transition, protecting affordability for customers, and strengthening Commission education and engagement to meet the changing needs of the District.

Clean Energy Transition

Electric Integrated Distribution System Planning and Thermal Gas Planning

The Commission recognizes the importance of addressing the transition of electric and gas infrastructure through climate-aligned strategies. An electric Integrated Distribution System Planning (IDSP) process was initiated in November 2024 through Formal Case No. 1182. IDSP focuses on optimizing and modernizing the distribution system to meet evolving demands from ratepayers by incorporating advanced technologies, data analytics, and distributed energy resources. On January 20, 2026, the Commission contracted Energy and Environmental Economics (“E3”), a nationally trusted advisor to lead the IDSP process. On February 11, 2026, the Commission convened the first IDSP Working Group meeting.

Regarding gas planning, the Commission directed interested stakeholders to file comments in Formal Case No, 1167 on the feasibility of establishing a thermal gas planning proceeding addressing the transition of gas infrastructure in accordance with the District’s climate goals. The Commission is in the process of methodically reviewing the comments that were filed to determine next steps for a new thermal gas planning proceeding.

Pilot Projects Governance Board

The Commission has also shown leadership through its work with the Pilot Project Governance Board, which evaluates and advances innovative pilot initiatives designed to modernize the District's energy delivery system. At present, the Commission is overseeing four active pilots: the Community Heat Pump pilot, the Solar Aggregation and Advanced Inverter pilot, the Transactive Neighborhood Renewable Microgrid pilot, and the Virtual Power Plant pilot. I am pleased to report that each of these initiatives is moving forward and demonstrating meaningful progress.

The Community Heat Pump pilot has awarded two contracts for \$2.5M each: one at the Barry Farm Redevelopment which is in the construction phase, and another at the Meadow Green Court apartment community which is in the design phase. For the Solar Aggregation and Advanced Inverter pilot, a \$3M contract was awarded in November 2024 to aggregate DER resources at three locations in the District. For the Microgrid pilot, the Commission issued a RFP with \$10M in available funding and the submitted proposals are currently being evaluated. Finally, the Commission issued a RFP for the Virtual Power Plant pilot in July 2025. Proposals were due on January 22, 2026, and are currently being evaluated.

Solar Interconnection and RPS Program

Solar interconnection is essential to the Commission's work because making it easier and faster to connect solar projects to the grid is one of the most practical ways the Commission can help turn the District's clean energy goals into real, working renewable power for residents and businesses. Significant progress has been made in the formal investigation into Pepco's interconnection procedures under Formal Case No. 1050. Several technical conferences have been held since February 2025. In December 2025, an Interim Status Report was filed which summarized, among other things, the consensus and non-consensus recommendations. The Commission expects a Final Status Report expected later this year. The Commission promulgated two final rulemakings in the fall of 2025 which revised the District's interconnection rules in 15 DCMR 40. One rulemaking clarifies cost transparency issues and the other rulemaking provides new language regarding customer-owned Meter Socket Adapters (MSAs), which is hardware installed between a meter socket and a utility's billing meter to accommodate streamlined interconnection of DERs.

The Commission remains focused on advancing the District toward its target of achieving 100 percent renewable energy by 2032. In support of this goal, we are continuing to effectively administer the Renewable Portfolio Standard program, which ensures that the mandates established in the Local Solar Expansion Amendment Act of 2022 are met. In calendar year 2025, the Commission certified 4,209 new solar facilities within the District for participation in the RPS program, including 457 new CREFs.

Gas Pipe Replacement

The Commission recognizes the importance of maintaining a safe and reliable natural gas distribution system that is in alignment with the District's climate goals. After the Commission rejected WGL's PROJECTpipes 3 application in June 2024, WGL filed its District SAFE Plan on September 27, 2024. Since that time, the docket in Formal Case No. 1179 has been quite active. The

Commission held an evidentiary hearing on December 9, 2025, with additional filings extended into 2026. A decision on the District SAFE Plan is pending by the Commission.

Affordability

Washington Gas Rate Case – Formal Case No. 1180

On August 5, 2024, WGL filed an application with the Commission requesting authority to increase rates and charges for gas services in the District. The Commission scheduled three community hearings in Wards 2, 4, and 7 in April 2025 for the public to provide input. An evidentiary hearing was held on August 14, 2025, to address material issues of fact such as depreciation, capital expenditures, and the use of ratepayer funds.

On November 20, 2025, the Commission granted in part and denied in part WGL's application. The decision reduced WGL's initial \$45.6 million request by about 27%, allowing a \$33.4 million increase effective January 1, 2026. This includes moving \$12.5 million from the PROJECTpipes surcharge to base rates. The decision also included important protections for low-income households through existing discount and arrearage management programs and rejected WGL's proposed Weather Normalization Adjustment.

Utility Discount Programs (UDPs)

To help ensure these rate impacts do not affect the most vulnerable customers, the PSC oversees various assistance and discount programs that help reduce utility costs for low-income residents. This includes Pepco's Residential Aid Discount (RAD), WGL's Residential Essential Service (RES), and Verizon's Economy II program. Additionally, through the Utility Discount Program Education Working Group (UDPEWG), which includes Commission staff, DOEE, OPC, and the regulated utilities, we vigorously educate residents about the District's various utility discount programs. Looking ahead, the Commission will continue examining the UDPs to determine how we can further support these programs to increase awareness and participation rates.

PJM Capacity Prices

The Commission is aware of the heightened concern around the rising cost of electricity throughout the PJM region—a cost which is not regulated by the Commission. To address capacity issues that are increasing electricity costs for consumers, the Commission is acting primarily through two dockets—Formal Case Nos. 1017 and 1183.

In Formal Case No. 1017, the Commission is monitoring changes to the Standard Offer Service (SOS) supply mix and contract terms. In this docket, the Commission issued a Public Notice on December 23, 2025, to seek comments on a comprehensive list of issues for the Biennial Review of the Standard Offer of Service Program.

Additionally, in Formal Case No. 1183, the Commission established a PJM Capacity Auction Task Force in December 2024 to study the immediate and long-term financial impact of the July 2024 PJM capacity auction, develop an education and outreach plan to help consumers understand and prepare for the new charges, and learn what changes Pepco plan to make to its business strategy in

light of the capacity auctions. On July 31, 2025, the Task Force submitted the Part One report, which focuses on customer education and outreach and on January 23, 2026, the Task Force submitted the Part Two report, which focuses on improvements that can be made to address capacity market impacts on District consumers.

Affordability Docket- Formal Case No. 1186

On January 15, 2026, the Commission granted OPC's petition to establish an energy affordability proceeding to perform a holistic evaluation of energy affordability in the District. The public and stakeholders were asked to comment on OPC's petition and provide feedback on topics such as existing programs and proceedings impacting affordability, including issue consolidation; affordability metrics; and creation of targeted and specialized rate design for large loads such as data centers being built in the region that impact District ratepayers' energy costs.

Commission Education and Activities

Community Outreach

To promote transparency and public understanding of the Commission's work, the Commission's Office of Consumer Service (OCS) participated in roughly 50 community outreach events in 2025. These efforts reflect our strong commitment to meeting residents in their communities across all 8 wards and providing clear information about utility scams, available discount programs, energy efficiency resources, and the Commission's role in helping resolve consumer complaints.

Supplier Diversity Hearing

The Commission held its fourth Supplier Diversity hearing on July 24, 2025. During the proceeding, the Commission evaluated the utilities' commitment to their respective voluntary MOUs which encourage them to award at least 25 percent of their total procurement spend to minority, women, service-disabled veterans, veterans, and LGBT-owned businesses. As of May 30, 2025, Verizon is no longer participating in the MOU, but Pepco and Washington Gas are still participating. At the hearing, Pepco reported that their 2024 diverse supplier spend percentage was 43% and Washington Gas reported that their 2024 diverse supplier spend percentage was 35.9%. The Commission plans to continue its evaluation of the utilities' use of diverse suppliers as a contribution to economic vitality in the District.

Conclusion

As I reflect on what the Commission has accomplished in 2025 and look ahead to the journey in 2026, I believe our staff is truly embracing the core values that they chose for the agency: Respect, Collaboration, Service, Adaptability, and Equity. As the Chairman, I am devoted to modeling these values which serve as the foundation for our mission and guide our actions in serving District constituents.

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 am proud of the team's steadfast commitment to advancing the Commission's

core mission, and I look forward to collaborating with the Committee in support of these priorities. With that, I am happy to answer any questions you may have.