GOVERNMENT OF THE DISTRICT OF COLUMBIA

ADVISORY NEIGHBORHOOD COMMISSION 3A



December 12, 2023

DC Public Service Commission 1325 G St NW #800 Washington, DC 20005

ANC 3A Resolution Regarding Washington Gas Light (WGL) PROJECTpipes

At our duly noticed public meeting on December 12, 2023, Advisory Neighborhood Commission 3A held a discussion of the Washington Gas Light (WGL) PROJECT*pipes*, including the request for PSC approval of additional spending in coming years. At previous meetings, we heard public concerns about the proposed Phase 3, and the Commissioners wanted to gather additional facts and perspectives. At our December meeting, the Commissioners and residents heard presentations by John Dodge, Associate General Counsel and Director of Regulatory Matters for Washington Gas, and Ankush Nayar, Assistant People's Counsel in the DC Office of the People's Counsel (OPC). The meeting provided time for the speakers to present information, respond to each other's points, and also answer questions from Commissioners and other participants.

We understand that beginning in 2014, WGL has been conducting what was described as a 40-year program of accelerated pipe replacement under PROJECT*pipes*, with the goal of accelerated replacement of all aging and leaky gas pipes in the District of Columbia. The total cost is now estimated to amount to as much as \$4.5 billion over the entire length of the program.

WGL is currently seeking approval from the DC Public Service Commission (PSC) in Formal Case 1175 for a proposed Phase 3 of PROJECT*pipes*, at a cost of \$671.8 million over 5 years, to be paid by customers through a surcharge on their monthly gas bills. This proposed cost of PROJECT*pipes* Phase 3 is significantly higher than any previous phase of PROJECT*pipes*, and more than 6 times the amount approved by the PSC for Phase 1 in June 2013. OPC and other parties in the case have raised questions about the WGL proposal in Phase 3, as well as the WGL proposal to extend Phase 2 of PROJECT*pipes*. OPC is asking the PSC to put a pause on Phase 3 of PROJECT*pipes* and not approve the extension of Phase 2.

Therefore, ANC 3A voted 5-0 to adopt a resolution to support OPC's recommendation that the PSC should put a pause on PROJECT*pipes*. We hope that more of the questions and concerns about the process and magnitude of the project can be addressed, and the PSC will give full attention to all comments and recommendations for planning and funding gas infrastructure in the District in future years.

Thank you for your consideration.

Sincerely

Thaddeus Bradley-Lewis Chair

Advisory Neighborhood Commissioners (January 1, 2023-December 31, 2024)Website: www.anc3a.org3A013A023A033A043A05Thaddeus Bradley-LewisJudy HavemannHans MillerJeremy Del MoralAnn Lane Mladinov

This resolution was approved by the Commission by a vote of 5 - 0 at a duly noticed public meeting on December 12, 2023, at which a quorum was present. (Three of the five Commissioners constitute a quorum.)

By the same vote the Commission authorizes the Chair or his designee to represent the Commission in this matter.

BACKGROUND POINTS FOR ANC 3A LETTER ON FC 1175 PROJECTpipes

In the presentations at the ANC 3A public meeting on December 12, 2023, the Commissioners and residents learned:

• WGL uses a computer model or "algorithm" to identify gas pipes that are at highest risk of leaks or failures. OPC has raised questions about whether the model WGL is using is being used appropriately or if it is reliable for use in the District.

• In addition, a significant number of the gas pipes that WGL replaces each year as part of PROJECT*pipes* are in a different category, "compelled by others," which can include pipes that run under streets where there is work being done by Pepco, DC PLUG, etc., but have not been identified as leaking or at high risk of failure.

• The proposed scope of PROJECT*pipes* appears to indicate that a very large share of all the gas pipes in the District would be replaced under that program.

• At the same time, the District has adopted Clean Energy goals that call for a shift away from burning natural gas for heat and other appliances in DC residential and commercial buildings, as the District works to reach net zero carbon emissions by 2045. The speakers discussed whether that transition would mean significant changes in the near term.*

• If the DC Clean Energy goals remain in effect and commercial and residential buildings transition to using electricity for heating, cooking and other purposes now served by gas, that could mean that much of the current WGL network of gas pipes in the District would not be needed or at least would not be fully used in the next decade or two. There is also considerable concern that many households and establishments would have difficulty making a transition to electricity because of the costs of new appliances or HVAC systems. That could mean that the remaining WGL ratepayers with the lowest ability to pay could be left to bear most of the costs for the gas infrastructure.

• OPC and others are working to ensure that information and assistance, such as through rebates and subsidies, will be available to ensure equity in this process. This will be vital for the District to ensure safe, reliable, and economical utility service for residents in houses and other buildings and meet equity as well as energy and climate goals.

- The District has reported a 36% reduction in Greenhouse Gas Emissions compared to 2006 levels through 2021.
- DC Clean Energy plans call for reduction in Greenhouse Gas Emissions in the District (including carbon dioxide and methane) by 50% by 2032 compared to the levels in 2006, and carbon neutrality by 2045.
- The District's current Renewable Portfolio Standards have goals for the share of electricity used in the District that is coming from "tier one renewable sources" in the PJM regional transmission grid or the states adjacent to the PJM, including a target of 45% in 2024 and 100% in 2030.

^{*} Other materials reviewed by the Commissioners indicate the District's Clean Energy plans have near-term and long-term goals and show progress toward the goals: