

2016 District of Columbia Legislative and Political Report
Presented to the Utility State Government Organization, August 2016
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The District of Columbia Council operates in a manner similar to the state and federal system, but has several unique distinctions. The District has only one legislative body, the Council of the District of Columbia, led by the Council Chairman. The Chairman's duties and powers are similar to the Speaker of the House or Senate President at the state and federal level. Within the District of Columbia, the Mayor and independent charter agencies also can introduce bills through the Chairman. Unique to the District of Columbia, an approved Act of the Council must be sent to Congress for a 30-day review period before becoming effective as law. The District's legislative calendar mirrors the U.S. Congress, and will conclude the current two-year cycle at the end of December.

Though the 2015-2016 legislative cycle has not seen much in the way of utility legislation, there is never a shortage of political drama and scandal in the District.

Primary elections for the DC Council (four year terms, staggered elections every two years) held in June, 2016, saw voters tossing out three incumbents, including former PEPCO lobbyist Vincent Orange who chairs the committee charged with oversight of utilities.

The biggest news in June's primary election saw former one-term mayor Vincent Gray seek political redemption by running for a Council seat, which he won by a margin of almost 20%. Former mayor Gray, who lost his re-election bid to current mayor Bowser two years ago, suffered through a shroud of scandal his entire four year term due to a federal investigation of his campaign fund raising. Several members of his original mayoral campaign team were convicted of crimes related to Gray's mayoral campaign. Federal prosecutors finally announced earlier this year that no charges would be filed after five years of investigating Gray.

From a utility legislative standpoint, the most substantive energy legislation introduced, and passed, this term was B21-650 *Renewable Portfolio Expansion Amendment Act of 2016*.

Legislative Updates

- **B21-650 the “Renewable Portfolio Expansion Amendment Act of 2016”:** This legislation was spearheaded by Councilmember Cheh and was co-sponsored by Councilmembers Silverman, Grosso, Allen, Bonds, Alexander and Chairman Mendelson. The legislation amends the Renewable Energy Portfolio Standard Act of 2004 allowing sewage systems/wastewater treatment systems to qualify as a Tier one renewable source. The bill also increases the renewable portfolio standard to 50 percent by 2032 and the solar requirement to 5 percent by 2032. In addition to the changes to the renewable portfolio standards, this legislation also maintains the alternative compliance payment for the solar requirement, at its current level, 50 cents per kilowatt-hour, through 2023, and then allows for it to decline until it reaches 5 cents per kilowatt-hour in 2033. According to council, “keeping this fee at its current level supports the market for solar RECs, upon which the District’s booming solar industry is built...”
WGL Energy (an affiliate company of Washington Gas) was successful in advocating for an amendment to this legislation that ensures the grandfathering of any retail sales contracts that will be in force prior to the date of the law’s enactment. WGL Energy Services has retail sales contracts in force that extend out to 2020 in some cases. These contracts were priced to include the current alternative compliance fee, as it presently exists. Without this critical grandfathering provision, all competitive suppliers and/or their customers would have been forced to bear large and unexpected cost increases under their existing contracts.
- 2016 also saw the successful implementation of energy benchmarking and automatic data uploading to the EPA’s Energy Star Portfolio Manager program by PEPCO for large and medium sized commercial and large residential buildings. This was based on legislation passed in 2015 by the Council. Washington Gas is included in the legislation, though we secured an amendment to postpone participation until January 1, 2018, due to limitations in our billing system. Washington Gas intends to have a completely new billing system in place to be able to comply by the effective date for gas utilities.