

The Role of State Utility Commissions in Renewable Energy and Energy Efficiency

Presentation to
South Asia Women In Energy
Executive Exchange



Betty Ann Kane, Chairman
DC Public Service Commission
1333 H Street, NW
2nd Floor West Tower
Washington, DC 20005

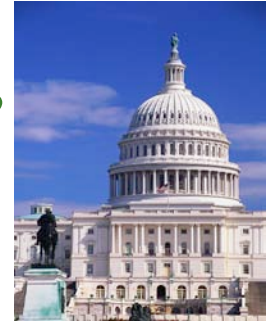
May 15, 2009





District of Columbia Public Service Commission

- Created by Congress in 1913 to regulate gas, electric, telephone, common carriers
- Independent Home Rule Charter agency
- Two Commissioners and Chairman appointed by the Mayor with the advice and consent of the D.C. Council
- Staggered four year terms





DC PSC Commissioners



Richard E. Morgan



Betty Ann Kane



Lori Murphy Lee



PSC Staff

- Staff of 68, attorneys, engineers, economists, consumer specialists





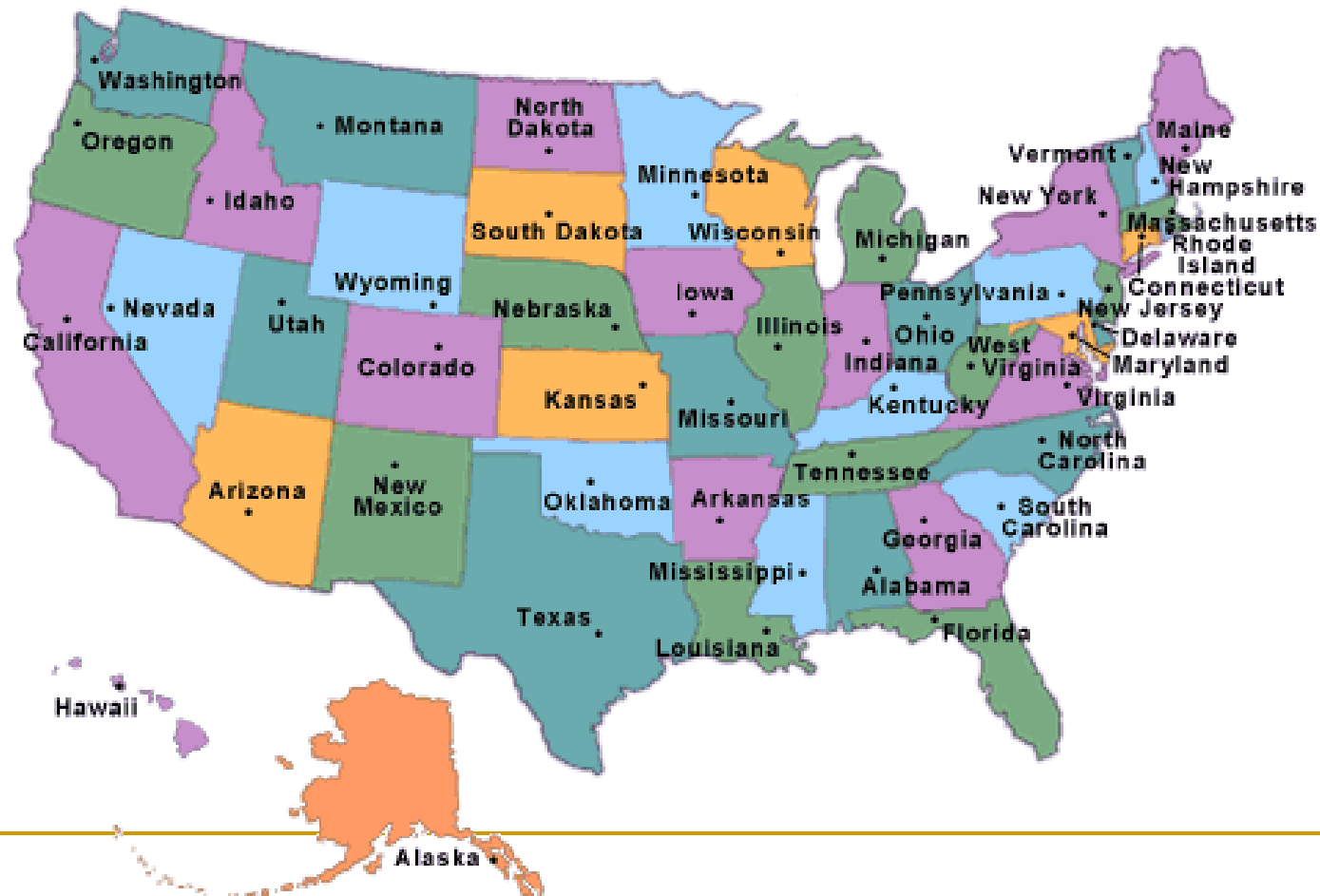
DC Public Service Commission (Con't)

- Regulates electric, gas, telecommunications companies operating with the District of Columbia
- Regulates payphones, pipeline safety
- Provides consumer education
- Additional responsibilities regarding renewable energy, energy efficiency
- Gas and electric utilities are distribution only
- Retail consumer choice



State Utility Commissions in General

- Every state has a Utility Commission

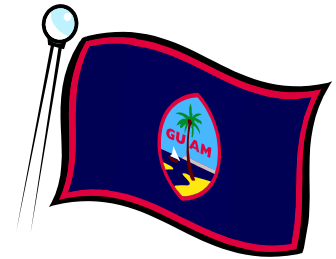


US Territories

□ DC



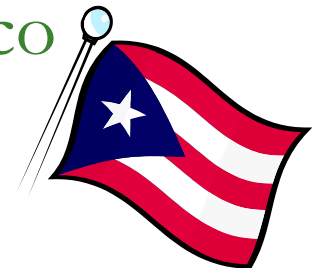
□ Guam



□ Virgin Islands



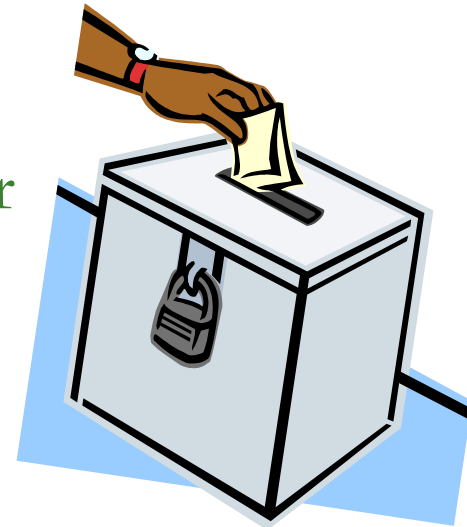
□ Puerto Rico



Various Names

- Public Utility Commission
 - Public Service Commission
 - Corporation Commission
 - State Regulatory Authority, etc.
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- Created by state legislature, operate under state laws
 - Have 3 to 7 Commissioners
 - Appointed by the state Governor
 - Confirmed by state Legislature
 - Some are elected



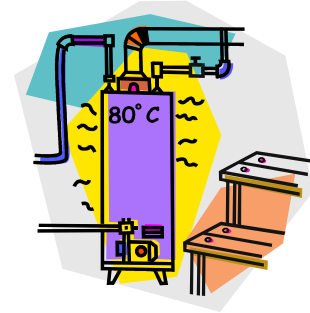
Women Represented

- 16 Female Chairmen



Utility Commissions

Regulate gas



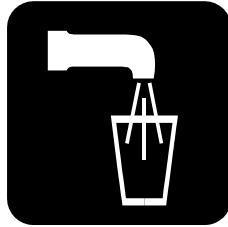
Electric



Telephone

Some Also Regulate

- Water



- Cable television

- Taxicabs

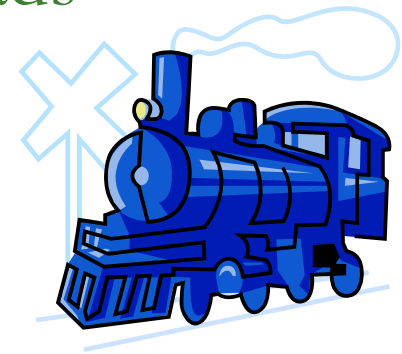


- Ferries

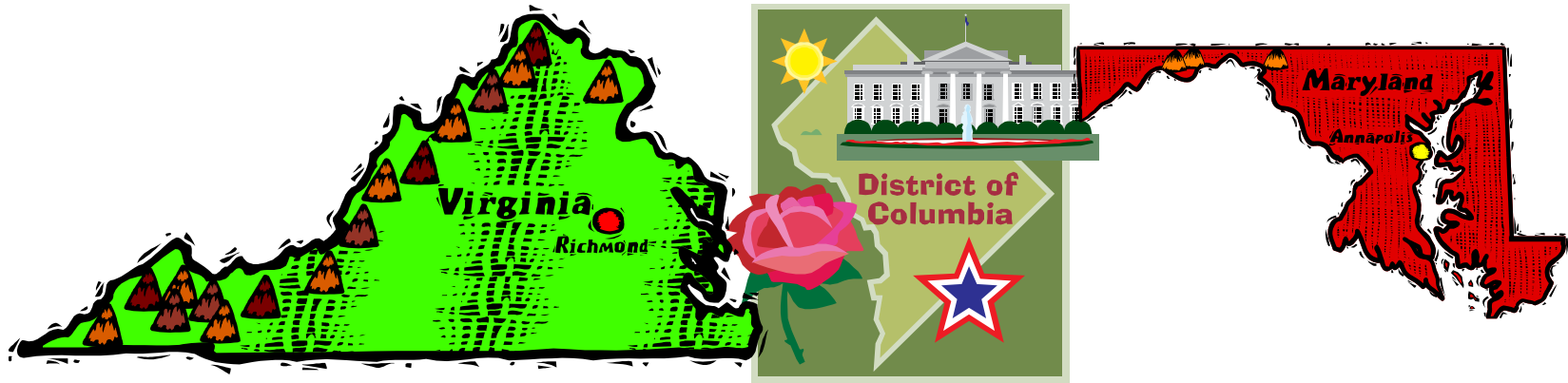


- Trucks

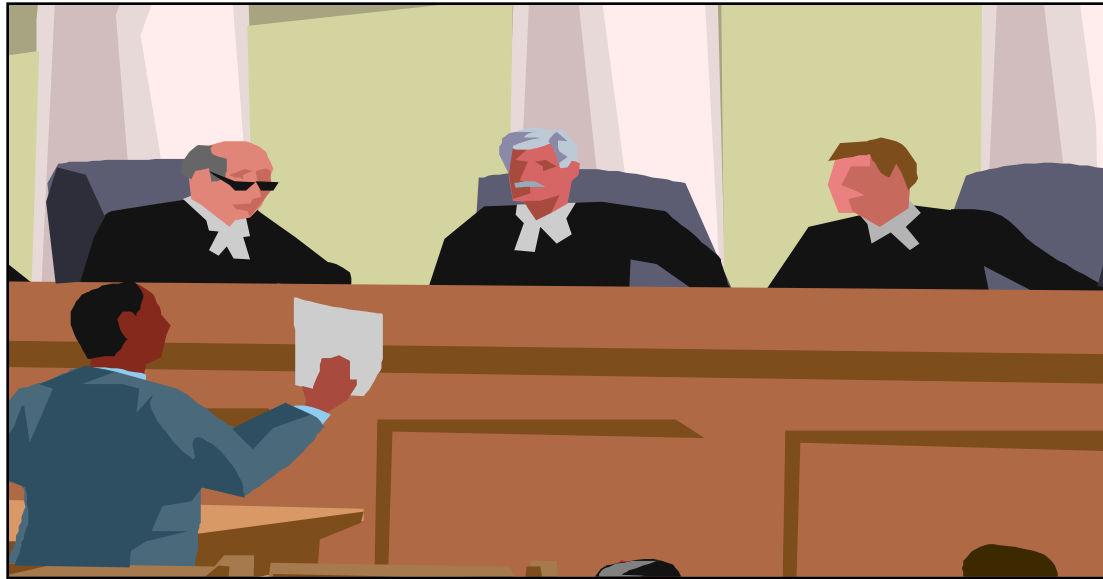
- Railroads



- Jurisdiction is intrastate only



- Function as quasi-judicial body
 - Issue orders
 - Make rules
 - Conduct investigations

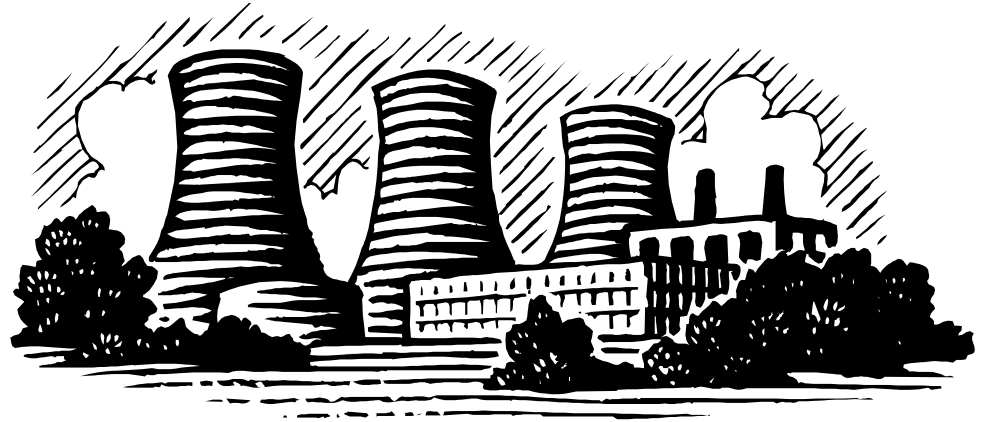


- Decisions are appealable to state court , sometimes to federal court



Traditional Role in Energy

- Regulate rates
- Service quality
- Location of transmission lines
- Approve construction of power plants
- Handle consumer complaints



Typical Mandate from State Legislatures

There shall be a Public Service Commission whose function shall be to insure that every public utility doing business within the District of Columbia is required to furnish service and facilities reasonably safe and adequate and in all respects just and reasonable. The charge made by any such public utility for any facility or services furnished, or rendered, or to be furnished or rendered, shall be reasonable, just, and nondiscriminatory. Every unjust or unreasonable or discriminating charge for such facility or service is prohibited and is hereby declared unlawful.

Newer Role in Energy

- Promote competition
 - Provide consumer choice
 - Educate consumers
 - Assist low income consumers through subsidized rates
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Newest Role in Energy

- Promote energy efficiency
 - Implement renewable energy requirements
 - Address climate change
 - Achieve energy independence
 - Manage sustainable energy utilities
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Tools Used by State Utility Commissions

- To promote renewable energy & energy efficiency
 - Programs to encourage less energy use by consumers
 - Consumer education
 - Appliance rebates
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Energy audits

- Smart thermostats and smart meters



Tools (Cont)

- ❑ Weatherization assistance



Free compact fluorescent light bulbs

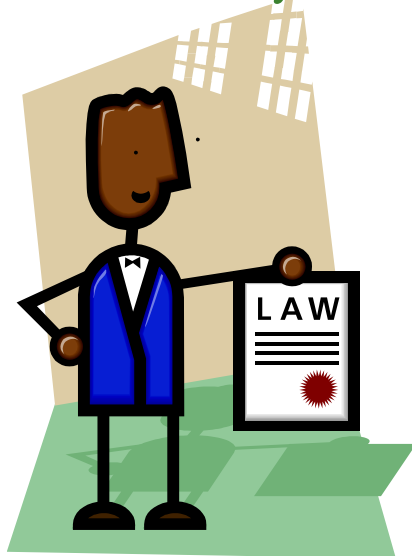
- ❑ Appliance Rebates



These programs are often rate payer funded

Renewable Portfolio Standards

- Enacted by state law

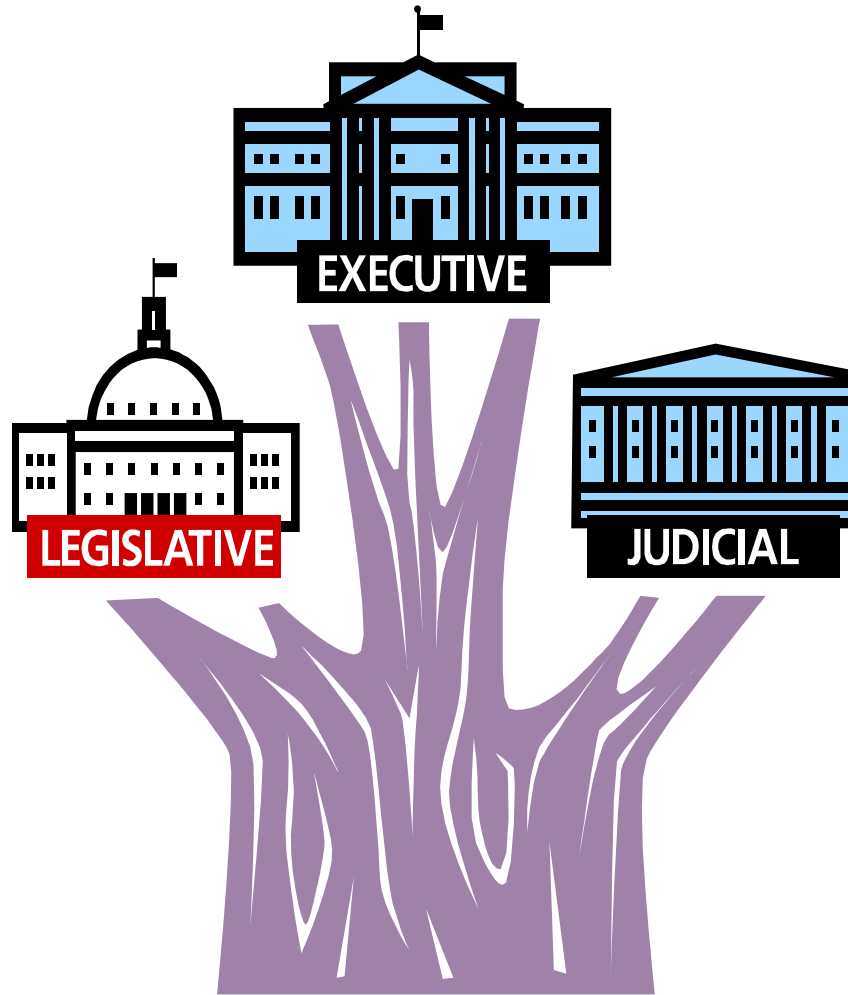


- Percent of supply that must come from

- Solar
- Wind
- Geothermal
- Hydro
- Biomass—



- May soon be superseded by national law

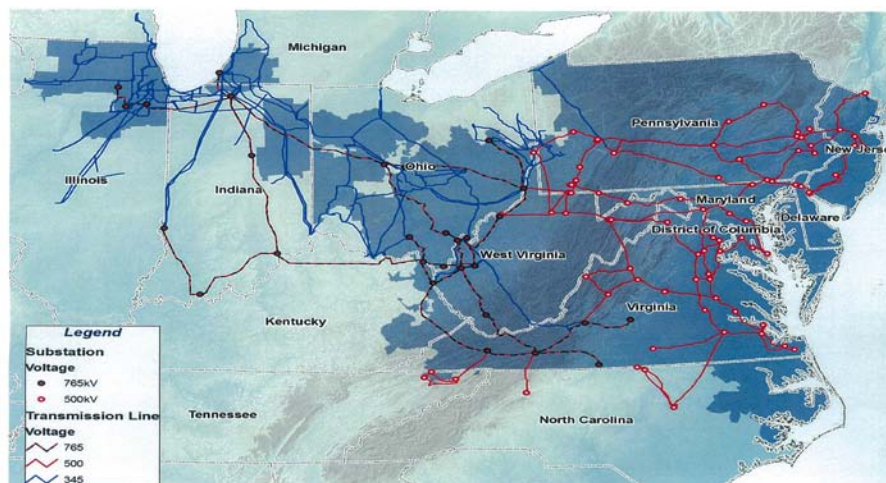


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- 28 states plus the District of Columbia have adopted RPS policies or mandates
 - DC passed legislation that raised the RPS requirements to 20% by 2020, and has increased certain compliance fees
 - states license alternative suppliers
 - monitor compliance
 - Grants, loans, tax credits for installing solar, geothermal equipment
 - Net metering and interconnection rules
-

Challenges



- Wind more expensive
- Upfront solar costs
- State by state approach
- Transmission is interstate, regional
- Federal preemption debate



Role of Other State & Local Agencies

- Coordination challenge
- State energy office
- State legislature
- Building codes



Future Tools

- Rate design
 - Dynamic pricing
 - Tiered pricing
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The End
