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

Presentation to South Asia Women In Energy Executive Exchange

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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
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
- Virgin Islands
- Guam
- Puerto Rico
Various Names

- Public Utility Commission
- Public Service Commission
- Corporation Commission
- State Regulatory Authority, etc.
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
- Tucks
- 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
Newest Role in Energy

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

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