

**BEFORE THE
PUBLIC SERVICE COMMISSION
OF THE DISTRICT OF COLUMBIA**

**In the Matter of Washington Gas
Light Company's Application for
Authority to Increase Existing Rates
and Charges for Gas Service in the
District of Columbia**

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Formal Case No. 1169

**SURREBUTTAL TESTIMONY
AND SUPPORTING EXHIBITS OF
ELIZABETH A. STANTON, PHD**

Exhibit OPC (2E)

**On Behalf of the
Office of the People's Counsel
for the District of Columbia**

May 19, 2023

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

3 A. My name is Elizabeth A. Stanton, PhD. My business address is 1012 Massachusetts
4 Avenue, Arlington, MA 02476.

5 **Q. BY WHOM AND IN WHAT CAPACITY ARE YOU EMPLOYED?**

6 A. I am employed by the Applied Economic Clinic as its Director and Senior Economist.

7 **Q. ON WHOSE BEHALF DO YOU APPEAR IN THIS PROCEEDING?**

8 A. I am testifying on behalf of the Office of the People’s Counsel for the District of Columbia
9 (“OPC” or “Office”) in response to Washington Gas Light Company’s (“WGL”,
10 “Washington Gas”, or “Company”) Application to the Public Service Commission of the
11 District of Columbia (“Commission” or “PSC”) for authority to increase existing rates and
12 charges for gas service (“Application”)¹ and, specifically, the rebuttal testimony submitted
13 by the Company on January 6, 2023 in Formal Case No. 1169 (“FC 1169”).²

14 **Q. ARE YOU THE SAME DR. ELIZABETH A. STANTON WHO SUBMITTED**
15 **DIRECT TESTIMONY IN THIS PROCEEDING ON BEHALF OF OPC?**

16 A. Yes.

17 **Q. WHAT IS THE PURPOSE OF YOUR SURREBUTTAL TESTIMONY?**

18 A. The purpose of this surrebuttal testimony is to respond to WGL’s rebuttal testimony on
19 certain points related to greenhouse gas (“GHG”) emissions and the Company’s claimed

¹ *Formal Case No. 1169, In the Matter of the Application of Washington Gas Light Company for Authority to Increase Existing Rates and Charges for Gas Service (“Formal Case No. 1169”), Washington Gas Light’s Application, Direct Testimony and Supporting Exhibits, filed April 4, 2022 (“Application”).*

² *Formal Case No. 1169, Washington Gas Light Rebuttal Testimony, filed January 6, 2023 (“WGL Rebuttal Testimony”).*

1 benefits and need for approval of its proposed Climate Action Recovery Tariff (“CART”)
2 mechanism and programs, as proposed and discussed in the Company’s Application and
3 rebuttal testimony.

4 **Q. WAS THIS TESTIMONY PREPARED BY YOU OR UNDER YOUR DIRECT**
5 **SUPERVISION AND CONTROL?**

6 A. Yes.

7 **II. SUMMARY**

8 **Q. PLEASE SUMMARIZE YOUR SURREBUTTAL.**

9 A. My surrebuttal addresses and responds to the rebuttal testimonies of WGL witnesses
10 Adams, Yardley, and Raab regarding the Company’s overall emissions and the emission
11 reductions of its specific climate program proposals, WGL’s claim that my direct testimony
12 fails to critique the Company’s specific CART program proposals, WGL’s claimed
13 benefits of the CART programs, and WGL’s claimed justification for approving the CART
14 mechanism now. In addition, my surrebuttal testimony reiterates the conclusions in my
15 direct testimony, namely that WGL is prematurely seeking approval of a special cost
16 recovery mechanism (*i.e.*, CART mechanism) for programs that have yet to be fully
17 evaluated and have not yet been demonstrated to advance the District’s climate goals. I
18 reach the same conclusion with regard to the Company’s Climate Progress Adjustment
19 (“CPA”). Accordingly, I recommend that the Commission reject and/or defer
20 consideration of WGL’s proposed CPA and CART until conclusion of the Commission’s
21 other open and ongoing climate proceedings and that any approval of WGL’s CPA or
22 CART proposals should be subject to reevaluation based on any determinations made in

1 the Commission’s other climate dockets in which the Commission provides guidance or
2 direction impacting the Company’s proposed climate measures in this proceeding.

3 **III. OVERALL EMISSIONS AND OTHER CLIMATE PROCEEDINGS**

4 **Q. PLEASE DESCRIBE WGL’S REBUTTAL TESTIMONY RESPONDING TO THE**
5 **ANALYSIS IN YOUR DIRECT TESTIMONY ON WGL’S OVERALL**
6 **EMISSIONS.**

7 A. WGL Witness Adams states that my direct testimony is “distracted by [my] view of the
8 Company’s overall emissions and other issues that are being considered in other
9 proceedings.”³ Witness Adams also states that I “offer[] other criticisms regarding the
10 Company’s overall emissions which are not relevant to this case.”⁴

11 **Q. DO YOU AGREE WITH WITNESS ADAMS’ STATEMENTS?**

12 A. No. The Company’s overall emissions and the Commission’s other climate proceedings,
13 some of which are considering the very climate programs WGL proposes in FC 1169, are
14 directly relevant to this proceeding and thus entirely appropriate for consideration.

15 **Q. IS THERE A DISTRICT STATUTE REQUIRING THE COMMISSION TO**
16 **CONSIDER CLIMATE CHANGE WHEN REGULATING UTILITIES?**

17 A. Yes. By statute, the Commission is required to consider “the public safety, the economy
18 of the District, the conservation of natural resources, and the preservation of environmental

³ Exhibit WG (2L) (Adams) at 7:11-12.

⁴ *Id.* at 7:4-6.

1 quality, including effects on global climate change and the District’s public climate
2 commitments”⁵ in supervising and regulating District utilities like WGL.

3 **Q. BASED ON YOUR TECHNICAL EXPERTISE AND EXPERIENCE, DOES**
4 **CONSIDERATION OF “GLOBAL CLIMATE CHANGE” AND “THE**
5 **DISTRICT’S PUBLIC CLIMATE COMMITMENTS” ENCOMPASS**
6 **ANALYZING WGL’S OVERALL EMISSIONS?**

7 A. Yes. An examination into the effects of utilities’ proposals on “global climate change” and
8 “the District’s public climate commitments” necessarily involves examining and analyzing
9 the utility’s overall emissions. Indeed, the District has ambitious climate goals with the
10 primary goal of reaching certain GHG emission reduction targets. The Clean Energy DC
11 Omnibus Act of 2018 (“Clean Energy Act”), for instance, revises the District’s Renewable
12 Energy Portfolio (“RPS”) to mandate 100 percent renewable electricity by 2032.⁶ In
13 addition, the Climate Commitment Amendment Act of 2022 (“Climate Commitment Act”)
14 mandates that the District reduce GHG emissions 85% below 2006 levels by 2040 and
15 achieve net-zero emissions by 2045.⁷ Thus, because the District’s statutes are specifically
16 focused on achieving certain GHG emission reduction targets, it is entirely appropriate for
17 the Commission to consider the Company’s overall emissions—as addressed in my direct
18 testimony—in determining the effects of WGL’s proposals on “global climate change” and

⁵ D.C. Code § 34-808.02 (2023), <https://code.dccouncil.gov/us/dc/council/code/sections/34-808.02>

⁶ D.C. Law 22-257, *CleanEnergy DC Omnibus Amendment Act of 2018*, <https://code.dccouncil.gov/us/dc/council/laws/22-257>.

⁷ DC Law 24-176, *Climate Commitment Amendment Act of 2022*, <https://code.dccouncil.gov/us/dc/council/laws/24-176>

1 the “District’s public climate commitments.” It is also appropriate to consider the specific
2 expected emission reductions of each of WGL’s individual climate proposals in its
3 Application in determining if such proposals advance the District’s climate goals and
4 achieve the District’s emission reduction targets.

5 **Q. HAS THE COMMISSION RECOGNIZED ITS AUTHORITY TO CONSIDER THE**
6 **COMPANY’S OVERALL EMISSIONS?**

7 A. Yes. In Order No. 21593 issued on April 6, 2023 in Formal Case No. 1167 (“FC 1167”),
8 the Commission addressed the scope of its statutory authority regarding WGL’s
9 implementation of electric and natural gas climate change proposals.⁸ The Commission
10 stated that it may and will “use its existing authority to reduce [GHG] emissions from the
11 Company’s operations.”⁹ To reduce GHG emissions under its existing authority, the
12 Commission must necessarily examine and assess the Company’s overall emissions and
13 the estimated emission reductions of the Company’s individual climate proposals to
14 determine if the Company is advancing the District’s climate goals and what measures, if
15 any, are necessary to further reduce GHG emissions. Further, it is not unprecedented for
16 the Commission to require District utilities, including WGL, to evaluate the alignment of

⁸ *Formal Case No. 1167*, Order No. 21593, rel. April 6, 2023. On May 8, 2023, OPC, the District of Columbia Government, and Sierra Club filed a Joint Request for Reconsideration and Clarification of Order No. 21593, urging the Commission to reconsider and reverse its decision and “instead find that it possesses the required statutory authority to order electrification, in whole or in part, as necessary to meet the District’s climate objectives, [] the Commission’s obligations under its enabling statute,” and other District climate laws. *Formal Case No. 1167, In the Matter of the Implementation of the Business Climate Plan (“Formal Case No. 1167”)*, Joint Request of the Office of the People’s Counsel for the District of Columbia, the District of Columbia Government, and the Sierra Club for Reconsideration and Clarification of Order No. 21593, at page 4, filed May 8, 2023. Washington Gas filed its response to the Joint Request on May 15, 2023. *Formal Case No. 1167*, Washington Gas’s Response to Request for Reconsideration and Clarification, filed May 15, 2023.

⁹ *Formal Case No. 1167*, Order No. 21593 ¶ 1.

1 proposed programs with the District’s climate goals. In Formal Case No. 1160 (“FC
2 1160”), for instance, the Commission adopted the Energy Efficiency and Demand
3 Response (“EEDR”) Working Group Report, required WGL and Pepco to conduct an
4 EEDR Technical Potential Study, and set forth “the principles to successful
5 implementation of an EEDR program” to include: (1) “goals that align with the District[’s]
6 [] energy and climate targets and goals”; and (2) goals that are “regularly and transparently
7 reviewed and independently evaluated for future improvement.”¹⁰ Order No. 20654 also
8 adopted the EEDR Working Group’s recommendations on measuring the cost-
9 effectiveness of EEDR programs.¹¹

10 **Q. DOES WGL’S REBUTTAL TESTIMONY CHANGE YOUR VIEWS ON**
11 **WHETHER THE COMPANY IS MAKING ANY PROGRESS IN ADVANCING**
12 **THE DISTRICT’S CLIMATE GOALS?**

13 A. No. As discussed in my direct testimony, WGL’s Application failed to provide sufficient
14 or adequate information about the specific expected emissions reductions from its climate
15 related proposals.¹² Indeed, WGL has not conducted any emissions reduction studies or
16 benefit cost analyses for any of its climate-related proposals.¹³ Based on the limited
17 information WGL did provide, however, I concluded that WGL’s climate proposals would
18 provide very little in terms of reducing emissions.¹⁴ WGL’s Application focuses on

¹⁰ See *Formal Case No. 1160*, Order No. 20654 ¶¶ 74, 81, rel. October 30, 2020.

¹¹ See *id.* ¶ 86.

¹² See, e.g., Exhibit OPC (E) (Stanton) at 84:12–85:2.

¹³ *Id.* at 54:4-21 (citing Exhibit OPC (E)-17 (WGL Response to OPC Data Request No. 16-26)).

¹⁴ *Id.* at 84:15-17.

1 reducing emissions from smaller sources, such as leaks in the local distribution system and
2 WGL's operations and fleet.¹⁵ While leak reduction is an important initiative, it is
3 insufficient to assist the District in achieving its goal of a 60% emission reduction by
4 2030.¹⁶ WGL's continued reliance on gas resources and failure to calculate emissions
5 impacts for proposed programs puts the District at risk of not meeting its renewable energy
6 targets and the electrification goals set forth in the Clean Energy Act and the Climate
7 Commitment Amendment Act. Moreover, investments in programs that are not aligned
8 with the District's pathway to decarbonization have the potential to pass unnecessary
9 program costs onto ratepayers. WGL's rebuttal testimony has not assuaged these concerns
10 as discussed further below.

11 **Q. HAS WGL'S REBUTTAL CHANGE YOUR VIEWS ON WHETHER WGL'S**
12 **PROPOSAL PROVIDES A PATHWAY TO DECARBONIZATION?**

13 A. No. As discussed in my direct testimony, WGL has failed to submit evidence
14 demonstrating the role of its proposed investments in contributing to a decarbonization
15 pathway.¹⁷ The Company's choice to name its climate programs as consistent with a "fuel
16 neutral decarbonization pathway" in no way substitutes for concrete evidence of the
17 emissions impacts of its proposal as compared to alternative programs. My direct
18 testimony explained that WGL's Application does not provide for sufficient emissions
19 reductions to achieve the District's 2030 target of reducing total emissions by 60%.¹⁸ I

¹⁵ Exhibit OPC (E) (Stanton) at 84:20-22.

¹⁶ *Id.* at 84:22-85:2.

¹⁷ *See id.* at 17:9-18:17.

¹⁸ *Id.* at 58:1-3.

1 remain concerned that approval of WGL’s climate proposals at this time, and prior to the
2 conclusion of the Commission’s determinations in the other ongoing proceedings which
3 will establish the Commission’s preferred pathway towards decarbonization, may result in
4 approval of programs that are inconsistent with the preferred approach towards
5 decarbonization and will thus lead to unreasonable costs, which will be borne by WGL’s
6 customers. For these reasons, I believe the Commission should reject and/or defer
7 consideration of WGL’s proposed CPA and CART until conclusion of those ongoing
8 proceedings. Furthermore, I continue to recommend that any approval of WGL’s CPA or
9 CART proposals should be subject to reevaluation based on any determinations made in
10 the Commission’s other climate dockets in which the Commission provides guidance or
11 direction impacting the Company’s proposed climate measures in this proceeding.¹⁹

12 **Q. DID WITNESS ADAMS’S REBUTTAL TESTIMONY ADDRESS THESE**
13 **CONCERNS RAISED IN YOUR DIRECT TESTIMONY ABOUT THE**
14 **COMPANY’S CLIMATE PROPOSALS FAILING TO ADVANCE THE**
15 **DISTRICT’S CLIMATE GOALS?**

16 **A.** No. Witness Adams did not address or respond to my concerns or provide any further
17 information to support the Company’s claims that its proposed climate programs in FC
18 1169 will advance the District’s climate goals. Instead, Witness Adams merely states that
19 I am distracted by the Company’s overall emissions, which, as discussed above is no
20 distraction at all but entirely within the scope of the Commission’s statutory authority for
21 analysis and review in this proceeding. Further, Witness Adams’ rebuttal testimony merely

¹⁹ *Id.* at 85:18–86:3.

1 provides an update on the Company’s progress in implementing its proposed climate
2 programs²⁰ with no additional information or support on how the Company’s programs
3 will advance the District’s climate goals and achieve the District’s emission reduction
4 targets.

5 **Q. DOES WGL’S REBUTTAL TESTIMONY MAKE ANY REFERENCE TO**
6 **EMISSIONS REDUCTIONS?**

7 A. Yes. First, WGL Witness Raab’s rebuttal testimony references the April 2020 ICF study
8 commissioned by the Company, which he claims addressed “alternative approaches to
9 emission reduction strategies.”²¹ However, this study does not address the specific
10 emission reductions to be achieved by the proposals in this case. Second, WGL Witness
11 Adams’ reference to emissions reductions *further* supports the conclusion in my direct
12 testimony that WGL has failed to demonstrate that its climate proposals advance the
13 District’s climate goals. In her rebuttal testimony, Witness Adams states that WGL “has
14 not yet undertaken detailed studies as to the emission reduction estimates or final
15 expenditure estimates” of its climate proposals.²² This supports the conclusion I made in
16 my direct testimony that WGL has provided insufficient information in its Application to

²⁰ Exhibit WG (2L) (Adams) at 5:18–6:2 (noting the Company completed Phase 1 of the ALD Pilot in June 2022 and expects to complete Phase 2 in 2023); 11:1-6 (noting the Company released a hydrogen fuel cell vehicle request for proposal in December 2022 to 29 vendors and expects to review vendor submissions in February 2023); 16:3-12 (noting that since WGL’s direct testimony was filed, the Company has signed an agreement with Bloom Energy and installed and begun operating the fuel cell at its Springfield Operations Center).

²¹ Exhibit WG (2N) (Raab) at 60:19–61:13.

²² Exhibit WG (2L) (Adams) at 17:10-11. When WGL conducts these studies, Witness Adams states WGL plans to “share these findings and learnings with the Commission, customers, and other parties who might also benefit.” In response to OPC Data Request No. 32-11, WGL explained that it “plans to share this information . . . when requesting cost recovery for FCEV mobility project or hydrogen compatible fuel cells. We expect that we will also provide additional information with respect to other items in the CART for which we will request cost recovery.” WGL Response to OPC Data Request No. 32-11 (Exhibit OPC (2E)-1).

1 satisfy its burden of proof and demonstrate any advancement in the District’s climate goals
2 and, with what little information the Company did provide, WGL has failed to demonstrate
3 that its proposed climate programs will in any meaningful way achieve the District’s
4 emission reduction targets. That WGL has not conducted any such emission reduction
5 studies is particularly concerning given the Company’s October 26, 2022 filing in FC 1167
6 in which WGL made a correction and *lowered* the emissions reductions achieved for
7 PROJECT*pipes* by 10,000 metric tons of carbon dioxide equivalent emissions,²³ which
8 raises concerns about the Company’s capabilities to accurately measure performance of
9 their programs and is indicative of the Company’s unproven ability to accurately measure
10 performance of their programs. Instead, Witness Adams states that the Company’s climate
11 program proposals are “pilots” for which “the purpose . . . is to gain deeper insights as to
12 emissions reductions, operational considerations, and overall costs.”²⁴

13 **Q. DO YOU HAVE ANY CONCERNS WITH WGL SEEKING APPROVAL OF**
14 **PILOT CLIMATE PROGRAMS IN THIS PROCEEDING?**

15 A. Yes. As discussed in my direct testimony, WGL is prematurely seeking approval of its
16 pilot climate proposals in this proceeding. The Commission has several open climate
17 dockets (*e.g.*, FC 1167, FC 1160, and GD-2019-04-M) for which the Commission is
18 reviewing District utilities’ climate and energy efficiency proposals and establishing the

²³ Compare Exhibit WG (L) (Adams) at 9:21-25 (“For the period 2014 through 2020, PROJECT*pipes* has been a key driver of the Company’s net cumulative reduction of approximately 22,000 metric tons of carbon dioxide equivalent emissions, the equivalent of taking 4,785 vehicles off the road for one year.”), with Formal Case No. 1167, Washington Gas Light’s Revision to Climate Change Action Program – Part 1, filed October 26, 2022 (“Specifically, for the period 2014-2020, PROJECT*pipes* has contributed to a reduction of approximately 12,000 metric tons of carbon dioxide equivalent emissions, the equivalent of taking 2,600 gasoline powered vehicles off the road for one year.”).

²⁴ Exhibit WG (2L) (Adams) at 17:11-14.

1 benefit cost analysis (“BCA”) framework the Commission will use to evaluate such
2 proposals. These are open and ongoing proceedings in which some of WGL’s very
3 proposals in this proceeding are being considered and evaluated. Indeed, WGL’s near-
4 term CART programs through which WGL proposes cost recovery through the CART
5 mechanism in this proceeding are included in the Company’s Climate Business Plans filed
6 and being considered in FC 1167.²⁵ Most recently, the Company filed its Application for
7 Approval of Energy Efficiency Programs in FC 1160.²⁶ The Company relies on these
8 energy efficiency programs as justification for approval of the CPA proposed in this
9 proceeding.²⁷ Thus, it would be entirely premature to approve the Company’s climate
10 related proposals in this case (*e.g.*, CART programs, CART mechanism, and CPA) when
11 the Commission is still considering and evaluating these and related proposals in other
12 open, ongoing Commission dockets and also developing the very BCA framework that
13 underlies the Commission’s evaluation. Further, as discussed above, WGL has not
14 conducted any emission reduction studies for its climate related proposals in this
15 proceeding and has failed to demonstrate that the Company’s climate proposals would
16 advance the District’s climate goals. In the absence of a supported BCA, WGL’s proposed
17 programs and subsequent cost recovery requests are premature. The Commission should

²⁵ *Formal Case No. 1167*, Washington Case Light’s Climate Change Action Program Part 1, filed December 15, 2021 (“Five-Year Plan”); *Formal Case No. 1167*, Washington Gas Light’s Climate Change Action Program Part 2, filed January 18, 2022 (“Thirty-Year Plan”).

²⁶ *Formal Case No. 1160*, *In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201(B) of the Clean Energy DC Omnibus Amendment Act of 2018*, WGL Application for Approval of Energy Efficiency Programs, filed April 28, 2023.

²⁷ *See, e.g.*, Exhibit WG (A) (Jenkins) at 7:22-24 (“Given that it is the policy of the Commission to support energy efficiency for our natural gas customers, approval of the CPA in this proceeding will ensure alignment between our customers and Washington Gas.”).

1 not allow any cost recovery mechanisms for WGL’s proposed programs in the absence of
2 formal cost and emissions assessments.

3 To be clear, my concern is not that WGL is *proposing* pilot climate programs in
4 this proceeding; WGL is free to propose and request Commission approval of climate
5 programs. Rather, my concern is the context in which WGL is making this proposal. WGL
6 is requesting that the Commission ignore the other open and ongoing Commission climate
7 proceedings that are directly relevant to this case and instead prematurely approve the
8 proposed climate pilot programs in this case even though they have yet to be fully evaluated
9 in the other Commission proceedings or under a BCA framework and have yet to be
10 demonstrated that they will advance the District’s climate goals. Further, WGL’s pre-filed
11 testimony provides insufficient information about how and what information the Company
12 will provide when submitting its CART programs to the Commission for cost recovery
13 approval. Indeed, in Witness Adams’ rebuttal testimony, Witness Adams stated “the
14 Company will provide additional detail with respect to both expected comparative costs,
15 benefits and GHG outcomes” with regard to the Hydrogen Fuel Cell Mobility Pilot Plan
16 when submitting to the Commission for cost recovery.²⁸ In OPC Data Request No. 32-8,
17 OPC asked if WGL intended to provide this same information with respect to *all* of the
18 Company’s proposed CART programs when seeking cost recovery approval or just the
19 Hydrogen Fuel Cell Mobility Pilot.²⁹ In response, the Company did not answer the
20 question but merely stated it “intends to provide the Commission with additional

²⁸ Exhibit WG (2L) (Adams) at 15:20-22.

²⁹ OPC Data Request No. 32-8 (Exhibit OPC (2E)-2).

1 information for each program for which it will seek cost recovery.”³⁰ WGL’s reply fails
2 to answer OPC’s question and is vague and illusory about what specific information the
3 Company will provide, if any, to the Commission when seeking cost recovery approval. It
4 would be premature to approve the Company’s proposed CART mechanism and CART
5 programs in this proceeding now without conducting a full evaluation of the Company’s
6 proposals and how they address the Commission’s preferred pathways to meeting the
7 District’s climate goals or without even first requiring WGL to meet its burden of proof in
8 demonstrating that its programs will achieve the District’s emission reduction targets or
9 benefit customers.

10 **Q. DO YOU HAVE ANY OTHER CONCERNS REGARDING THE**
11 **PREMATURENESS OF WGL’S CLIMATE PROPOSALS IN THIS CASE?**

12 A. Yes, I am also concerned that WGL is asking ratepayers to fund their pilot programs
13 through a permanent cost recovery mechanism (*i.e.*, CART mechanism) without any
14 demonstration of customer or climate benefits and without any ratepayer protections. As
15 discussed in OPC Witness David Dismukes’ direct testimony, the Company’s “CART
16 proposal omits any provisions that ensure ratepayers receive pre-defined benefits,” such as
17 annual minimum filing requirements, performance guarantees or benchmarks, rate caps,
18 etc.³¹ This is particularly concerning given that the Company is proposing a permanent
19 cost recovery mechanism for pilot programs for which the Company has failed to conduct

³⁰ WGL Response to OPC Data Request No. 32-8 (Exhibit OPC (2E)-2).

³¹ Exhibit OPC (A) (Dismukes) at 46:14–47:14.

1 any BCA or emission reduction studies and for which the Company has failed to
2 demonstrate any advancement in the District’s emission reduction targets.

3 **Q. WHAT IS YOUR RECOMMENDATION REGARDING THE COMPANY’S**
4 **PROPOSED CART PROPOSAL?**

5 A. I recommend the Commission decline to approve the CART mechanism as a cost recovery
6 mechanism for the Company’s proposed CART pilot programs until the Commission
7 establishes its BCA framework in Docket GD-2019-04-M and completes its review of the
8 Company’s climate programs in FC 1167.

9 **IV. CLAIMED LACK OF CRITICISM ON CART PROGRAMS**

10 **Q. PLEASE DESCRIBE WGL’S REBUTTAL TESTIMONY RESPONDING TO THE**
11 **ANALYSIS IN YOUR DIRECT TESTIMONY ON THE COMPANY’S PROPOSED**
12 **CART PROGRAMS.**

13 A. WGL Witness Adams states that my direct testimony does not “address any specific
14 concerns with the ALD pilot program” or other specific CART programs.³²

15 **Q. DO YOU AGREE WITH WITNESS ADAMS’ STATEMENT?**

16 A. No. My direct testimony addressed and provided specific criticisms regarding the CART
17 programs as a whole when I referenced and supported OPC Witness Rod Walker’s direct
18 testimony, which Witness Adams did not address or respond to in her rebuttal testimony.³³

³² Exhibit WG (2L) (Adams) at 7:1-2. *See also id.* at 8:4-10 (direct emission measurement program), 9-10 (methane capture and reinjection program), 11-12 (certified natural gas infrastructure plans), 14:8-9 (hydrogen fuel cell mobility plan); 17:1-2 (hydrogen fuel cell plan). *See also* WGL Response to OPC Data Request No. 32-7 (Exhibit OPC (2E)-3) (“OPC Witness Stanton does not specifically object to the Hydrogen Fuel Cell Mobility Plan.”).

³³ *See, e.g.*, Exhibit OPC (E) (Stanton) at 45:4-6, 48:3-5, 61:10-12, 63:9-12.

1 **Q. WHAT SPECIFIC CRITICISMS DO YOU PROVIDE ON WGL'S CART**
2 **PROGRAMS?**

3 A. My direct testimony specifically referenced and supported OPC Witness Walker's direct
4 testimony that noted "the Company's CART programs offer minimal benefits and are part
5 of industry best practices for utility operations."³⁴ I also state: "no business as usual
6 projects or projects that have become the industry standard [should be] approved for
7 recovery under CART."³⁵ These are specific criticisms about the Company's CART
8 program proposals as a whole: they are pilot programs which utilities are adopting as a best
9 practice and which have minimal benefits not warranting recovery through the permanent
10 CART mechanism.

11 **Q. DOES WITNESS ADAMS ADDRESS THESE SPECIFIC CRITICISMS ON THE**
12 **CART PROGRAMS?**

13 A. No, Witness Adams fails to address mine and Witness Walker's testimonies on these
14 issues. Further, Witness Adams' rebuttal stating that I do not provide specific criticisms
15 on the CART programs impermissibly shifts the burden to intervenors when it is WGL that
16 has the burden to justify the benefits of the CART programs and mechanisms. Those
17 purported benefits are contradicted by direct testimonies of OPC Witnesses Dismukes,
18 Walker, and myself. As noted in my direct testimony, "WGL has provided insufficient
19 evidence to demonstrate that the [CART programs] are consistent with the District's
20 climate goals, including the MEDSIS Guiding Principles. Nor has the Company conducted

³⁴ *Id.* at 48:4-5.

³⁵ *Id.* at 63:11-12.

1 any studies and/or analyses on emissions reductions or each of its near term climate
2 actions...”³⁶

3 **V. CLAIMED BENEFITS OF CART PROGRAMS**

4 **Q. PLEASE DESCRIBE WITNESS ADAMS’ REBUTTAL TESTIMONY ON THE**
5 **CLAIMED BENEFITS OF THE ALD PILOT PROGRAM.**

6 A. Witness Adams explained that WGL is working with Satelytics to conduct the ALD Pilot
7 and WGL “completed Phase 1 of the ALD Pilot in June of 2022 and is in the process of
8 conducting Phase 2 of the Pilot that it expects to complete in 2023.”³⁷ The purpose of the
9 ALD Pilot is to “identify likely methane emission locations and a corresponding estimated
10 emission rate” through the use of satellite-based technology.³⁸ Witness Adams states that
11 WGL “believes that the use of satellite technology offers great promise with respect to its
12 ability to efficiently and effectively identify high emission points.”³⁹

13 **Q. ARE YOU AWARE OF ANY EVIDENCE CONTRADICTING WITNESS ADAMS’**
14 **ASSESSMENT OF THE SATELLITE-BASED TECHNOLOGY?**

15 A. Yes. As discussed in the Commission’s March 10, 2023 Order in Formal Case No. 1154,⁴⁰
16 there are many issues associated with WGL’s use of satellite-based technology that results

³⁶ *Id.* at 61:12-14, 16-18.

³⁷ Exhibit WG (2L) (Adams) at 5:18-21. *See also* WGL Response to OPC Data Request No. 32-3 (Exhibit OPC (2E)-4) (referring to the Final Report for the ALD Pilot that the Company filed in Formal Case No. 1154 for additional information on Phase 1 of the ALD Pilot). *See also Formal Case No. 1154, In the Matter of Washington Gas Light Company’s Application for Approval of PROJECTpipes 2 Plan*, Washington Gas – ALD Pilot Program – Final Report, filed June 13, 2022 (Exhibit OPC (2E)-8).

³⁸ Exhibit WG (2L) (Adams) at 5:22-23.

³⁹ *Id.* at 6:9-11.

⁴⁰ *Formal Case No. 1154*, Order No. 21580, rel. March 10, 2023.

1 in such technology being less efficient and effective. In Order No. 21580, the Commission
2 disallowed the use of satellite technology under the ALD pilot program and declined to
3 “allow regulatory asset treatment or cost recovery for the use of satellite technology under
4 the ALD pilot program in PIPES 2.”⁴¹ In doing so, the Commission referenced specific
5 comments by OPC about the inefficiencies of the satellite-based technology:

6 OPC states that Satelytics has provided unreliable data.
7 ‘WGL cannot verify if Satelytics has correctly identified a
8 leak, undermining the viability of the data collected and
9 frustrating the purpose of the Pilot.’ One major issue with
10 Satelytics’ technology is that rooftop solar arrays, pools, and
11 background coloration interfere with the accuracy of its
12 findings. Given the District’s use of solar arrays, ‘it makes
13 no sense to employ the use of satellite imaging to detect
14 methane leaks if accuracy will be adversely impacted by
15 solar arrays.’ OPC argues that Satelytics has an unproven
16 track record in an urban environment. This technology is
17 new and relies on artificial intelligence and machine learning
18 for data analysis. ‘For this reason, much of the Pilot has been
19 devoted to verifying whether the leaks identified by
20 Satelytics are actual leaks, reporting this information back to
21 Satelytics, which can use the information to educate its
22 software with the hopes of creating more accurate readings
23 in the future.’ It is primarily for this reason that multiple
24 passes were taken, ‘despite Satelytics purportedly being able
25 to capture all of the District of Columbia in one satellite
26 pass.’ Weather also played a role in the need for multiple
27 satellite passes, ‘and the admission that summer likely
28 provides more accurate readings speaks either to a lack of
29 familiarity with the technology or poor planning by WGL,
30 as no satellite images were taken during summer.’ The
31 report, in addition to presenting no way to verify false
32 positives, is silent on false negatives.⁴²
33

⁴¹ *Id.* ¶ 1.

⁴² *Id.* ¶¶ 31-32 (internal citations omitted).

1 WGL itself acknowledged these issues and “found that false detections are possible due to
2 pools, solar panels, and background coloration such as brown trees or bricks.”⁴³ In
3 disallowing the use of satellite-based technology, the Commission echoed OPC’s
4 criticisms of this technology and stated:

5 We did not explicitly or implicitly give the Company the
6 discretion to unilaterally switch technologies so that
7 ratepayers end up funding, through regulatory asset
8 treatment, the research and development of a technology that
9 has apparently not yet been successfully used in an urban
10 environment, especially one with a dense tree canopy and
11 numerous solar arrays, as is the case in the District.⁴⁴
12

13 The Commission’s reference to the specific issues with WGL’s use of satellite-based
14 technology in Order No. 21580 undermines Witness Adams’ claim that the technology
15 “offers great promise with respect to its ability to efficiently and effectively identify high
16 emission points.”⁴⁵

17 **Q. DID THE COMMISSION MAKE ANY OTHER FINDINGS AND CONCLUSIONS**
18 **ABOUT THE SATELLITE-BASED TECHNOLOGY IN ORDER NO. 21580?**

19 A. Yes. The Commission found that the Company improperly relied on airway mounted
20 technologies rather than vehicle mounted technology as it originally proposed.⁴⁶ This is
21 indicative of the need for Commission preapproval of climate projects to ensure that they
22 are fully evaluated pursuant to a BCA (such as the BCA being developed in Docket No.

⁴³ *Id.* ¶ 22.

⁴⁴ *Id.* ¶ 50.

⁴⁵ *See* Exhibit WG (2L) (Adams) at 6:9-11.

⁴⁶ *Formal Case No. 1154*, Order No. 21580 ¶ 50.

1 GD-2019-04-M), efficient, effective, beneficial to customers, and consistent with the
2 District’s climate goals.

3 **Q. PLEASE DESCRIBE WITNESS ADAMS’ REBUTTAL TESTIMONY ON THE**
4 **CLAIMED BENEFITS OF THE PROPOSED EMISSIONS MEASUREMENT**
5 **PROTOCOL PROGRAM.**

6 A. Witness Adams states that “the proposed emissions measurement protocol program
7 supports newly enacted District climate policy, which . . . benefits District residents.”⁴⁷

8 **Q. DO YOU AGREE WITH WITNESS ADAMS AND DOES THE PROPOSED**
9 **EMISSIONS MEASUREMENT PROTOCOL PROGRAM SUPPORT THE**
10 **DISTRICT’S CLIMATE GOALS?**

11 A. No. As discussed in my direct testimony, WGL has failed to meet its burden of proof and
12 has not provided sufficient information to demonstrate that the emissions measurement
13 protocol program supports District climate policy and will actually help achieve the
14 District’s emission reduction targets.⁴⁸ Witness Adams’ rebuttal testimony fails to respond
15 to these concerns, which I raised in my direct testimony,⁴⁹ or provide any additional
16 information from that in Witness Adams’ direct testimony to support such a demonstration.

17 **Q. PLEASE DESCRIBE WITNESS ADAMS’ REBUTTAL TESTIMONY ON THE**
18 **CLAIMED BENEFITS OF THE REPLACEMENT OF CNG WITH RENEWABLE**
19 **NATURAL GAS (“RNG”).**

⁴⁷ Exhibit WG (2L) (Adams) at 8:15-18.

⁴⁸ Exhibit OPC (E) (Stanton) at 56:7-8–57:1-5.

⁴⁹ *Id.* at 54:4-21 (citing Exhibit OPC (E)-17 (WGL Response to OPC Data Request No. 16-26)), 58:1-3.

1 A. Witness Adams states that WGL “agree[s] with [Sierra Club] Witness Gruber’s assessment
2 that replacing CNG with RNG will reduce emissions from our fleet of 275 CNG enabled
3 vehicles but disagree[s] that its use is not supported by DC policy. We note that the
4 enhancement of our fueling infrastructure and the introduction of RNG do not preclude
5 other actions to reduce fleet emissions, including the acquisition of EVs in the future;
6 rather, it facilitates near-term fuel-related GHG emissions reduction associated with our
7 existing fleet and replacement of a limited number of aging vehicles while providing
8 operational flexibility.”⁵⁰

9 **Q. HAS WGL DEMONSTRATED THAT THE PROPOSED CART PROGRAMS**
10 **THAT SEEK TO REPLACE CNG WITH RNG ARE ALIGNED WITH THE**
11 **DISTRICT’S CLIMATE GOALS?**

12 A. No, as discussed in my direct testimony, WGL has not met the burden of proof to
13 demonstrate that the proposed CART programs that seek to replace CNG with RNG are
14 aligned with the District’s climate goals.⁵¹ Indeed, when discussing WGL’s proposed
15 program to replace CNG with RNG in her rebuttal testimony, Witness Adams states that
16 “the terms and conditions of fuel acquisition have not yet been finalized.”⁵² This further
17 supports the conclusion in my direct testimony, and reiterated here in my surrebuttal, that
18 WGL is prematurely seeking approval of the CART programs, as these programs have yet

⁵⁰ Exhibit WG (2L) (Adams) at 12:11-19.

⁵¹ Exhibit OPC (E) (Stanton) at 56:7-8–57:1-5.

⁵² Exhibit WG (2L) (Adams) at 12:10. *See also* WGL Response to OPC Data Request No. 32-6 (Exhibit OPC (2E)-5). In addition to not finalizing the terms and conditions of fuel acquisition, the Company also “has not yet developed the specific criteria” for which the recovery of program costs through the CART mechanism will be subject. *See* WGL Response to OPC Data Request No. 32-1 (Exhibit OPC (2E)-6).

1 to be fully evaluated in the Commission’s other open and ongoing climate dockets and
2 have not been demonstrated to advance the District’s climate goals.

3 **Q. DOES WITNESS ADAMS’ REBUTTAL TESTIMONY SAY ANYTHING ABOUT**
4 **THE COMPANY’S FUEL CELL PROPOSAL?**

5 A. Yes. Witness Adams explains that WGL “has signed an agreement with Bloom Energy”
6 and has installed a fuel cell unit at its Springfield Operations Center “to accommodate the
7 introduction of up to a 50% mix of hydrogen fuel.”⁵³ Witness Adams states that “Bloom
8 is conducting further testing on hydrogen blending and when that is complete the Company
9 intends to move forward with blending.”⁵⁴ Witness Adams also notes that “the fuel cell
10 could also accommodate other lower carbon fuel sources such as renewable natural gas.”⁵⁵
11 Witness Adams states that WGL “is pursuing onsite hydrogen fueling production that will
12 be produced wholly or partially from renewable energy sources,” though “the Company
13 has not yet identified a source for that hydrogen.”⁵⁶

14 **Q. DO YOU AGREE THAT WITNESS ADAMS’ EXPLANATION OF THE FUEL**
15 **CELL PILOT PROGRAM JUSTIFIES APPROVAL OF THE FUEL CELL**
16 **PROGRAM FOR COST RECOVERY THROUGH THE CART MECHANISM?**

⁵³ Exhibit WG (2L) (Adams) at 16:4-8.

⁵⁴ *Id.* at 16:8-9.

⁵⁵ *Id.* at 17:19-20.

⁵⁶ *Id.* at 16:10-12. In response to OPC Data Request No. 32-10, WGL stated it “will be issuing a request for information (RFI) in 2023 to identify all commercially viable hydrogen production options that can deliver the scale required for the stationary fuel cell and fuel cell vehicles.” WGL Response to OPC Data Request No. 32-10 (Exhibit OPC (2E)-7).

1 A. No. As discussed throughout my direct and surrebuttal testimonies, WGL provided
2 insufficient information to justify approval of its CART programs, including the fuel cell
3 program, as WGL has not conducted any BCAs or emission reductions studies for these
4 programs. Witness Adams' rebuttal testimony did not respond to any of these concerns,
5 but merely provides an update on the Company's progress in implementing the fuel cell
6 pilot. Moreover, Witness Adams' rebuttal acknowledges that "the Company has not yet
7 identified a source for th[e] hydrogen"⁵⁷ for the onsite hydrogen fueling production, further
8 demonstrating the prematureness of approving this *pilot* program that lacks sufficient plans
9 or any demonstration of a climate or customer benefit for cost recovery through a
10 permanent cost recovery mechanism (*i.e.*, CART mechanism).⁵⁸

11 **VI. CLAIMED NEED FOR CART MECHANISM NOW**

12 **Q. PLEASE DESCRIBE WGL'S REBUTTAL TESTIMONY EXPLAINING THE**
13 **COMPANY'S CLAIMED NEED FOR COMMISSION APPROVAL OF THE**
14 **CART MECHANISM.**

15 A. WGL Witness Yardley explains the Company's reasoning on why it needs the CART
16 mechanism approved now when he states that "Washington Gas is seeking approval of
17 climate initiatives that will result in costs that are proposed to be recovered by the CART
18 and that approval of the programs, should it be forthcoming, will result in expenditures that

⁵⁷ Exhibit WG (2L) (Adams) at 16:10-12.

⁵⁸ See Exhibit OPC (C) (Walker) at 9:2-6 ("Further, any potentially renewable energy-type projects (*i.e.* RNG, hydrogen-compatible fuel cell for power generation, hydrogen blending) are either in the pilot stage and/or not well defined in terms of their cost benefit ratio or feasibility at scale to truly replace natural gas and reducing emissions.").

1 do not have an identified mechanism to provide for cost recovery under the existing
2 ratemaking framework.”⁵⁹

3 **Q. DO YOU AGREE THAT WITNESS YARDLEY’S EXPLANATION JUSTIFIES**
4 **APPROVAL OF THE CART MECHANISM?**

5 A. No. Witness Yardley’s explanation fails to justify the need for haste or for the development
6 of a rate recovery mechanism outside of traditional practices. As discussed in Witness
7 Walker’s direct testimony, the CART programs are business as usual projects that have
8 become the industry standard.⁶⁰ As discussed in OPC Witness Dismukes’ direct testimony,
9 the costs of the CART programs “can be recovered under traditional ratemaking practices”
10 and the “Company is seeking special ratemaking treatment for costs that should be
11 recovered in base rates as part of the Company’s public service obligation.”⁶¹ Moreover,
12 as discussed above and in my direct testimony, WGL has not conducted any BCAs or
13 emission reduction studies for its proposed CART programs, nor has WGL demonstrated
14 that the CART programs will advance the District’s climate goals. Instead, the Company
15 is prematurely seeking approval of its CART programs and the CART mechanism when
16 the Commission still has several open and ongoing climate proceedings that are evaluating
17 some of the very programs WGL proposes in this proceeding and for which the
18 Commission is still developing its BCA framework. Accordingly, I recommend that the
19 Commission decline to approve the CART programs and CART mechanism in this

⁵⁹ Exhibit WG (2M) (Yardley) at 10:9-13.

⁶⁰ See Exhibit OPC (C) (Walker) at 63:9-12.

⁶¹ Exhibit OPC (A) (Dismukes) at 37:19-10, 38:13-14.

1 proceeding until the broader issues in the Commission's other climate proceedings are
2 resolved. Doing so would be in the public interest to ensure that the Company's climate
3 program proposals are fully studied and evaluated pursuant to any BCA framework the
4 Commission establishes, thereby providing greater knowledge and a greater assurance that
5 the Company's proposals will contribute to achieving the District's emission reduction
6 targets.

7 **Q. DOES THIS CONCLUDE YOUR SURREBUTTAL TESTIMONY?**

8 A. Yes.