

Testimony of People’s Counsel Sandra Mattavous-Frye

Before the District of Columbia Council

Committee on Business and Economic Development

on the

FY 2021 Performance Oversight of the

Office of the People’s Counsel

February 23, 2022

Good morning, Chairman McDuffie, members of the Committee and the viewing public. For the record, I am DC People’s Counsel, Sandra Mattavous-Frye.

Today, I will provide an overview of OPC’s 2021 performance, highlighting our activities, accomplishments, and most important, the tangible benefits we provided to District utility ratepayers.

These are unprecedented times: We face a global pandemic, catastrophic climate change, costly grid modernization, escalating utility rates, which exacerbate the energy burdens experienced by our most vulnerable and underserved consumers.

I. OVERVIEW OF OPC'S ACTIVITIES AND ACCOMPLISHMENTS

In Fiscal Year 2021, to date, OPC:

- 1 Proposed language for the Council's Covid-19 legislation.
- 2 Attended hundreds of virtual ANC and community meetings.
- 3 Conducted quarterly virtual social service forums.
- 4 Convened a climate change education forum.
- 5 Litigated cases before the Public Service Commission (PSC) and Federal Energy Regulatory Commission (FERC).
- 6 Commissioned and published an electrification report.
- 7 Updated our consumer information data base, website, and resumed podcasting.
- 8 Enhanced our Climate Change Section's advocacy on environmental injustice and racial equity.
- 9 And, received over 1,800 Covid related and other consumer complaints.

A. Covid-19 Pandemic

At the outset of the pandemic, OPC worked with the Mayor's office, the DC Council, and the utilities to institute a moratorium on utility disconnections. We successfully fought for strong consumer protections to mitigate the financial impact of the pandemic on ratepayers. We partnered with other DC agencies on the #Here2HelpDC initiative by engaging in targeted social and traditional media

messaging, supporting a website for consumers to access pandemic resources, and distributing information on bill payment assistance at public events.

We boosted our internal consumer education and outreach. For FY21-to date, our Consumer Services and Water Services Divisions attended 932¹ virtual ANC and community meetings. In February 2021, we sent post cards explaining the availability of financial assistance programs to 148,000 households in Wards 4, 5, 7, and 8. In October 2021, OPC mailed 337,000 post cards, alerting residents in all eight wards of the end of the moratorium. The public response to the mailers was extremely positive, and as expected, we received an influx of calls from consumers seeking utility relief during the pandemic. For example, OPC's Consumer and Water Services Divisions received a combined total of 2,979 consumer complaints, to date.²

The data outlined in our Affordability Study and recent census data, confirms that many of the complainants were eligible for utility assistance. Seventy-five percent of these cases were from Wards 4, 5, 7, and 8. The racial demographics in these wards average 73 percent black, 14 percent white, 10 percent Hispanic, and 1.5 percent Asian.³ OPC's expanded outreach was also instrumental in increasing the applications for the \$340 Million STAY DC assistance program and for other

¹ In FY 2021, OPC's WSD and CSD staff attended and participated in 100 & 300 education and outreach events respectively.

² CSD total complaints: 2178; WSD total complaints: 801. Combined Total 2979, from October 1, 2020 to February 2, 2022.

WSD saw a 211% increase in complaints and our CSD division saw a 178% increase in the period of October-January 2021 compared to the same period in 2022. High bill complaints are up 148% while problems keeping up with bill payments at the increased level have soared 849%.

resources.

In anticipation of the end of the utility disconnection moratorium OPC worked with the DC Council to put protections in place for low-income consumers. Our efforts contributed to the enactment of legislation extending critical post-moratorium protections through January 2022.⁴

B. Consumer Outreach and Education

OPC also hosted quarterly social service meetings, each with an average of 65 representatives from nonprofits, community organizations, government agencies and Council staff. These discussions helped OPC staff connect District residents to utility relief programs and other vital social services.

We have heightened OPC's public profile by enhancing communications protocols, expanding use of social media, increasing multilingual outreach by translating press releases, consumer advisories and other materials in multiple languages. We also published our monthly "OPC Connection" newsletter and produced "OPC Radio Connect," an educational podcast on utility topics airing on DCradio.gov and popular podcast apps.

I appeared on media programs to inform consumers about the utility disconnection

⁴ OPC advocated to continue some consumer protections to assist consumers, such as exempting customers who owed less than \$600 from immediate disconnection, requiring utilities to give at least 60 days advance notice, establish payment plans and turn service back on if the consumer enters a payment plan and makes a minimum \$10 payment. In addition, OPC worked with the DC Council on the passage of the "Tenant Safe Harbor Emergency Amendment Act of 2021," through which the extended moratorium legislation provided protection for 87,261 residents until January 12, 2022. OPC identified utility assistance programs for 806 complaints that the agency received during this period.

moratorium, bill payment assistance, payment plan options, and conservation tips. My Facebook Live and YouTube interviews with WHUR at Home, Washington Informer TV, and Afro News Live informed DC residents that we are here to help despite the pandemic.

OPC also used social media to educate and engage the community. We have 2,658 followers on Twitter; 1,000 followers on Facebook; and 835 followers on Instagram; and we recently added a LinkedIn page.

Social media has helped us respond to our clients on a real-time basis. For example, we received a large number of tweets and emails from residents complaining about Washington Gas's customer service call centers. Long hold times, missed appointments, and other service-related problems were reported. In response, I contacted WGL officials and the PSC. WGL said the problem was caused by a change in its vendor. The PSC subsequently issued an order directing the Company to implement measures to improve service.

C. Technology Advances-CMS Upgrade

Across our consumer services platform, we have modernized our service delivery by introducing a new Consumer Management System (CMS). OPC is also redesigning its website to create a more user friendly and state-of-the-art portal.

We recently commissioned a report entitled "Equity Assessment of Electrification Incentives in the District of Columbia," which examines potential methods to reduce climate change pollution in the District. It defines equitable electrification as a transition away from fossil fuels and includes equity implications (such as health, access to beneficial programs and cost burdens). In separate PSC dockets, OPC has advocated for adding distribution and equity assessments to the Commission's climate change analytical framework. We filed comments before

the U.S. Department of Energy, recommending the integration of equity analysis into its electric vehicle research planning to address the needs of disadvantaged communities. Collectively, OPC's studies and reports fill the information void caused by the lack of consumer-centric data presently before the PSC and other regulatory bodies.

II. CLIMATE CHANGE

Climate change is a global challenge. Coupled with the impact of environmental injustice plaguing disadvantaged and minority communities it requires immediate action. OPC is dedicated to supporting Mayor Bowser's and the Council's aggressive climate change goals in a cost-effective and equitable manner.

Two years ago, I created a climate change section that is actively involved in all District and Federal proceedings impacting the District's environment and climate. This year, OPC's climate advocacy at the PSC included: (1) providing detailed analysis of utility climate change plans⁵; (2) chairing a sub-committee tasked with developing an analytical framework to evaluate the climate impact of utility proposals⁶; and (3) submitting an analysis of the cost effectiveness of Pepco's proposed energy efficiency and demand response programs.⁷ OPC's climate change attorney and I were also panelists at various climate change forums.

In FY 22 and beyond, OPC will continue to coordinate and build partnerships with local and federal government agencies, private sector organizations, and environmental and climate change lay advocates.

⁵ Formal Case 1167

⁶ PSC General Docket GD2019-04-M

⁷ Formal Case No. 1160

I believe consumer buy-in is a critical component for success, therefore, I will ensure that everyday consumers are included in the planning process at an early stage.

On October 16, 2021, I held OPC's first community conversation forum: "The Price You Pay; Straight Talk: A Community Conversation About Climate Change and Environmental Injustice." Four hundred individuals participated over Zoom, Facebook Live, and Twitter. The forum brought together national environmental justice and climate advocates, government staff, clean energy professionals, and community members on-line and in-person at Busboys and Poets' Anacostia location.

III. LITIGATION: PSC AND FERC ACTIVITY

Throughout 2021, OPC's Litigation attorneys worked on a broad range of local and federal utility matters delivering measurable benefits and savings to consumers in furtherance of our mandate.

The Litigation Services Division (LSD) worked on Pepco interconnection issues, WGL's natural gas leaks, residential property damage from Pepco's construction activities and Pepco and WGL rate cases.

A. Starting with Pepco

In October 2021, in response to many consumer complaints about residential and commercial property damage related to some of Pepco's construction projects, OPC petitioned the PSC to investigate Pepco's construction practices.

We requested the PSC direct Pepco to improve its construction practices to avoid causing damage to residential and commercial property.

Interconnection Issues

Based on mounting consumer complaints alleging slow interconnection times, a lack of transparency about the interconnection process, unreasonable charges for distribution upgrades, and Pepco failing to provide the correct bill credits, OPC, and the District Government are working together to formally petition the PSC to investigate Pepco's actions.

Rate increase

In June 2021, over the objection of all of the non-utility parties in the case, the PSC granted Pepco's request for a multiyear rate plan. OPC filed an appeal with the DC Court of Appeals regarding issues that we believe are contrary to law. We also are monitoring Pepco's roll-out of its plan to ensure that this new rate-setting mechanism benefits and does not harm consumers.

B. Turning to WGL Gas

Rate Increase

On January 13, 2020, Washington Gas filed a \$35 million rate case. The case ended in a settlement that reduced the increase to \$19.5 million, waived all distribution costs for Residential Essential Service customers, and required WGL to file an annual report on its greenhouse gas emissions.

WGL Gas Leaks

OPC petitioned the PSC to investigate Washington Gas's gas leak reduction practices following our discovery of increasing hazardous natural gas leaks and incomplete WGL leak reporting. The PSC issued an order directing WGL to clarify and improve its reporting on pipeline replacements to ensure that leak reduction goals are met.

C. Federal Advocacy at FERC and PJM

OPC continues to play a leading role in federal affairs and wholesale electric markets, advocating for a cost-effective, reliable, resilient, and equitable transition to a low carbon energy future. It is important for OPC to have a voice at FERC and PJM because the wholesale cost of energy is set at the federal level and accounts for approximately 70 percent of consumers' energy bills. Last year, we successfully achieved significant victories that will allow the District to pursue its clean energy goals and avoid costs being passed down from the wholesale level to local distribution customers.

IV. RACIAL EQUITY

I cannot conclude without discussing OPC's view of racial equity in the District. Addressing racial and socioeconomic inequities were fundamental elements of all OPC's advocacy and educational campaigns in FY 21. A racially equitable District in its broadest and most aspirational terms would create an environment where access to benefits and opportunities are not defined by race or economic standing.

The first step in reaching any level of social parity is to identify the problem, look for the root causes, determine potential solutions including the resources that are

needed to make a meaningful difference, and curate a plan to solve the problem. Unfortunately, solving racial inequity is not that simple. The District's commitment to requiring every government agency to affirmatively incorporate racial equity in its operations is a giant first step. Coordination among agencies will play a huge role in the success of the District's equity goals.

Racial equity for utility consumers has many branches. These include workforce development, environmental justice, grossly uneven energy burdens, affordability, access, and health-related issues. OPC has been in the vanguard of efforts to ensure that the least protected are not overlooked. Our policies provide cost saving benefits to all consumers. However, for consumers at the lower end of the income bracket, many of whom are black and other people of color, a 20 percent reduction in their utility bills may mean food on the table or life-saving medicine. We must ensure that racial minorities, underserved, and disadvantaged neighborhoods do not become dumping grounds for noxious pollutants, and that these neighborhoods are not the last to receive the benefits of clean air technologies that reduce asthma and other respiratory diseases.

V. CONCLUSION

While these are the most obvious impacts of racial disparity in the District, we recognize that much work needs to be done to reach our end goal.

Thank you for the opportunity to appear before you today. I am available to respond to any questions.

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