

**Testimony**  
**of the Office of the People’s Counsel**  
**for the District of Columbia**  
**On B24-0950 Local Solar Expansion Amendment Act of 2022**  
**Before the DC Council Committee on**  
**Transportation and the Environment**  
**October 3, 2022**

Good afternoon, Councilmember Cheh. Thank you for the opportunity to testify on the Local Solar Expansion Amendment Act of 2022 (B24-9050). I am Sarah Kogel-Smucker, Environmental and Climate Attorney at the Office of the People’s Counsel for the District of Columbia (“OPC”). I am testifying on behalf of the People’s Counsel, Sandra Mattavous-Frye. OPC is a long-time supporter of the Renewable Portfolio Standard (“RPS”), and the local solar carve-out, as important and efficient ways to advance the District’s climate change goals. Concomitant with its continued support of the RPS, OPC must advance its mission is to ensure that local residents receive tangible benefits as we strive to meet the District’s environmental and climate action goals.

My testimony today raises OPC’s concerns with the potential cost of the bill for District consumers. OPC suggests that comparing the policy mechanisms in this bill

to other potentially less costly ways of meeting the same important climate change mitigation and local resiliency benefits is a prudent path.

**I. OPC’S CONCERNS REGARDING THE POTENTIAL RATEPAYER COST BENEFIT BALANCE OF EXPANDING THE LOCAL SOLAR CARVE OUT WHILE INCREASING FUTURE COMPLIANCE PAYMENT COSTS**

Given these cost concerns, OPC cautions against unnecessarily increasing energy costs at a time when consumers are already facing high energy prices, record high inflation and still struggling from the effects of the COVID-19 pandemic, if other, more cost-effective and beneficial vehicles are available to achieve the District’s important climate change goals and the intended local economic benefits.

This bill increases the local solar energy requirement in the District’s RPS from 10% to 15% by 2041. The bill also eliminates provisions in the Renewable Energy Portfolio Standards law that currently provide for a gradual reduction in the alternative compliance payment that energy suppliers subject to the RPS standards are required to pay if they fail to meet the local solar requirement.

Consistent with our mission, OPC proactively develops internal and external policies to advance the District’s climate change goals. For example, the People’s Counsel has dedicated three staff members with primary responsibility for facilitating the advancement of our Climate Change policies. We have an Environmental and Climate Change Attorney, an Energy Efficiency Outreach Specialist, and a Senior Economist, Climate Change Professional (CC-P). OPC’s

climate change litigation initiatives include advocating to improve solar interconnection, addressing solar billing disparities for solar subscribers, and recommending updates to Distributed Energy Resource regulation, including solar.

OPC's Senior Economist, reviewed and conducted a preliminary analysis of B24-9050. He raises two economic factors regarding the potential impact of the Bill. First, last year, 2021, was the only year to date that the RPS's annual solar target was met. We are pleased that the target was met in 2021, however, given that this was the first year it was met, we are concerned that there may be barriers to further deployment of local solar that would not be solved by maintaining the current high compliance fee and high Solar Renewable Energy Credit ("SRECs") prices. And, since the target was only met for one year, it is difficult to analyze trends leading to this achievement.

Second, based on OPC's preliminary analysis, the RPS accounts for about 10% of retail electricity prices in the District. And studies have shown that DC has one of the highest RPS compliance fees in the United States.<sup>1</sup> Thus, an increase in RPS compliance costs could significantly increase energy costs for District consumers.<sup>2</sup>

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<sup>1</sup> See, e.g., Solar Reviews, What is an SREC? Solar renewable energy credits explained, <https://www.solarreviews.com/blog/what-is-an-srec-and-how-can-i-get-the-best-srec-prices> (last visited Oct. 26, 2022).

<sup>2</sup> Studies have shown that the District's LMI consumers disproportionately bear the highest energy cost burden. OPC

As the bill does not change the overall clean energy requirement in the RPS, but rather only the local solar component, OPC submits that the cost and benefits of the additional local solar should be compared to the continual purchase of more clean energy through regional wholesale markets.

In principle, OPC supports shaping policy incentives to ensure that RPS requirements are sufficient to advance the District’s climate change goals and that RPS requirements continue to promote local solar. OPC acknowledges that in some instances the call for “more study” can unnecessarily delay worthy legislation, but here, given that there are potentially significant costs, OPC submits that an analysis of the additional cost and benefits of both the expanded local solar RPS requirements and the elimination of the compliance payment wind-down would be helpful in understanding the policy tradeoffs between these steps and other actions to achieve those same GHG reductions.

## **II. CONCLUSION**

Thank you for the opportunity to testify today. OPC looks forward to ongoing conversation about how best to achieve our shared goals of increasing local solar

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Affordability Study (2021).

and achieving the District's climate change goals in a way that best serves all District consumers.