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Deputy People's Counsel

May 29, 2026

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 G Street, N.W., Suite 800
Washington, D.C. 20005

Re: Formal Case No. 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia

Formal Case No. 1183, In the Matter of the Investigation into the Impact of the PJM Capacity Auction and the Establishment of the PJM Capacity Auction Task Force

Formal Case No. 1186, In the Matter of the Investigation into Energy Affordability in the District of Columbia

Dear Ms. Westbrook-Sedgwick:

Enclosed for filing in the above-referenced proceeding, please find the *Office of the People's Counsel for the District of Columbia's Statement for the June 3rd, Legislative-Style Informational Hearing*.

If there are any questions regarding this matter, please contact me at 202.727.3071.

Sincerely,

/s/ Laurence C. Daniels

Laurence C. Daniels
Director of Litigation

Enclosure

cc: Parties of Record

*The Statement of the Office of the People's Counsel for
the District of Columbia
Before the
District of Columbia Public Service Commission*

June 3, 2026

Good morning, Chairman Thompson, and Commissioners Beverly and Trabue. My name is Laurence Daniels, Director of Litigation for the Office of the People's Counsel for the District of Columbia.

Thank you for convening this important hearing regarding the dramatic increase in the wholesale portion of District residents' electric bills and the growing affordability crisis confronting consumers throughout the District of Columbia.

As the Commission stated in its Notice, the generation portion of the average residential bill has increased substantially over the past two years. For many District residents, this is no longer simply a budgeting concern. It has become a question of whether families can keep the lights on while meeting other basic needs.

Let me begin by making something very clear. OPC is not against economic progress. We are not against technological advancement, innovation, artificial intelligence, or modern infrastructure development. We recognize that data centers and new technologies are becoming an increasingly important part of today's economy and everyday life. We also recognize that data centers have the potential to create jobs, encourage innovation, and strengthen economic growth throughout the region. However, that progress cannot come at any cost.

Economic growth that produces unsustainable utility bills, massive arrearages, and ultimately service disconnections for residential consumers is not responsible. Growth that turns seniors on fixed incomes, working families, and small businesses into the venture capital fund for data center developers is untenable and unsustainable. Responsible growth must both support and protect the public interest.

OPC's concern is not the existence of data centers themselves. Our concern is who pays for the infrastructure necessary to support them. Under the current structure, many of those costs are being broadly socialized to consumers throughout the PJM footprint, including electricity consumers in the District of Columbia.

Every month, rising utility costs contribute to an increase in the number of customers in arrears and receiving electricity service disconnection notices. Behind every customer unable to pay for this essential service is a family struggling to survive. For many households, it means choosing between keeping the lights on, buying groceries, or paying for medicine. And for some families, falling behind on utility bills can become part of the path toward housing instability or even homelessness. This is particularly urgent when about 85% of low-income households in the District of Columbia spend 50% of their income on housing, leaving little money left to support their lives.

Clearly, the scale of the problem has outgrown the structure designed to manage it. We are now operating in a fundamentally different energy environment, driven by unprecedented large-load growth, volatile capacity markets, transmission expansion pressures, long queues for renewable generation interconnection, and affordability concerns that existing frameworks were never designed to handle. The current outcome of PJM's decisions sacrifices the public interest on the altar of corporate convenience.

Trying to cobble together the broken pieces of that system is becoming a futile exercise. A new system grounded in genuine cost-causation principles, affordability, and flexibility to accommodate innovation needs to be developed quickly.

A threshold question that needs to be asked is whether data centers are a viable long-term model for the emerging information revolution. If they are not, more efficient and cost-effective technologies must be explored before we are saddled with billions of dollars in stranded assets. If they are, major reforms are essential to ensure consumers are not crushed by skyrocketing energy costs.

OPC submits the following list of high-level changes that need to be made to the system:

First, transmission cost allocation rules must better align with the principle of cost causation. Large-load customers should bear greater responsibility for the transmission upgrades necessary to serve them. Existing residential consumers should not become the financial backstop for speculative projections of economic and electricity growth.

Second, PJM needs a more rigorous process for determining whether proposed large-load development is legitimate and reasonably certain to materialize. Technology companies are projecting enormous increases in data center demand, yet a substantial number of those projects may be delayed, downsized, or abandoned altogether. Transmission planning and demand projections should not be driven by speculative growth estimates. PJM and transmission operators should require meaningful financial deposits or collateral for failed capital investment, contractual commitments, and demonstrated project viability before including large-load projects in long-term demand forecasts that ultimately drive infrastructure spending and consumer costs.

Third, renewable energy interconnection reform is essential. PJM currently has a massive backlog of new generation projects waiting to connect to the grid. Delays in bringing new resources online constrain supply and contribute to higher prices for consumers. Increasing the amount of generation available in the PJM region would enhance competition, improve reliability, and help lower energy costs over time.

Fourth, affordability must become a central consideration in wholesale market and transmission planning decisions. Reliability, economic development, environmental conservation, and affordability are not competing goals. Affordability data metrics in the PJM region need to be used as a guide to evaluate the impact of PJM reforms.

And finally, all stakeholders — regulators, utilities, regional market operators, policymakers, and developers — must recognize that protecting residential consumers is not an obstacle to progress nor a factor to be minimized. It is a necessary exercise for responsible progress.

The public interest requires balance.

We can support innovation while protecting affordability. We can encourage economic development while preventing unjust cost shifting. And we can modernize the grid without sacrificing the financial stability of the consumers who depend on it every single day.

At the end of the day, utility regulation is not simply about markets, transmission models, or infrastructure investments. It is about thoroughly examining all the factors involved in producing and transmitting energy the public can use at affordable prices. That is the responsibility entrusted to all of us. That responsibility requires us to ensure that the future of energy development in this region remains not only innovative and reliable, but fair, affordable, and sustainable for the people we serve.

Thank you.

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CERTIFICATE OF SERVICE

Formal Case 1017, In the Matter of the Development and Designation of Standard Offer Service in the District of Columbia

Formal Case No. 1183, In the Matter of the Investigation into the Impact of the PJM Capacity Auction and the Establishment of the PJM Capacity Auction Task Force

Formal Case No. 1186, In the Matter of the Investigation into Energy Affordability in the District of Columbia

I certify that on May 29, 2026, a copy of the *Office of the People's Counsel for the District of Columbia's Statement for the June 3rd, Legislative-Style Informational Hearing* was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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