CEEPC Monthly Updates – November 2013

Events, News & Announcements related to Climate, Energy, & Environment in the Washington Region

Events

Please bookmark MWCOG's Regional Energy Events Calendar:
https://ncrportal.mwcog.org/sites/surveys/climate/Lists/Calendar/calendar.aspx

- ✓ **Nov. 20: Great Energy Efficiency Day 2013 (1:30-5, Rm. 345 Cannon House Office Building)**
- ✓ **Dec. 2 – 3: NASEO 2013 Energy Assurance and Interdependency Workshop**
- ✓ **Dec. 11-12: ACCO's 3rd Annual Defense, National Security & Climate Change Symposium**
- ✓ **Jan. 23 – Feb. 4: Washington Auto Show (Walter E. Washington Convention Center)**

Climate, Energy, and Environment News

Supreme Court agrees to hear greenhouse gas cases (October 15): The Supreme Court announced it would hear a challenge to EPA's authority to regulate greenhouse gases under the Clean Air Act. The court combined six appeals into one case limited to the question of whether the 2012 motor vehicle emissions regulations "trigger" new permitting requirements for stationary sources, denying cert on broader issues such as the agency's determination that six greenhouse gases threaten public health, or the auto emissions standards themselves. The case will likely be decided by June 2014.

Eight States Form Zero Emission Consortium (October 24) The Governors of California, Connecticut, Maryland, Massachusetts, New York, Oregon, Rhode Island and Vermont signed onto a cooperative agreement aiming to put 3.3 million zero emission cars on the road by 2025. The states all follow California's emissions rules. Together they represent 23 percent of the U.S. auto market, and host 6,700 public EV chargers. The agreement calls for states to include EVs in their public fleets, revise building codes to make it easier to install electric vehicle chargers, and to develop financial incentive programs "where appropriate."

California, Washington, Oregon and British Columbia Sign Climate Deal (October 29) The governors of Washington, California and Oregon and the environmental minister of British Columbia signed a deal coordinating their climate change policies. The regions committed to work together on roughly a dozen initiatives, including setting a price on carbon, mandating lower-carbon gasoline and setting goals for greenhouse gas reduction. The nonbinding agreement also sets new targets for the electrification of cars, supports research on ocean acidification, and calls for the construction of a bullet-train from Canada to California.

US Wind Power Slumps in 2013 After Tax Credit Drives 2012 Boom (November 1) In the third quarter of 2013, only 70 megawatts of new wind power was connected to the grid, a 96% decline from a year earlier. In 2012, developers installed 13.1 gigawatts of wind capacity, surpassing natural gas plants to become the largest source of new U.S. electricity for the first time. Utilities agreed to buy 7.6 gigawatts of wind capacity through September 2013, as construction in 2013 slowed to a trickle after

the Production Tax Credit (PTC) expired at the end of 2012. Power prices for some of those contracts were as low as $25 per megawatt-hour, cheaper than any other new source of electricity.

US military tipped to drive electric vehicle demand (November 4) A new study by Navigant Consulting argues that the Department of Defense will acquire nearly 100,000 electric vehicles by the end of the decade. Particularly for remote operations, moving fuel is an enormous cost. The military is investing heavily in both efficiency and renewable energy to reduce the need to carry fuel and batteries, and electric vehicles are likely to be a growing component of that strategy. States set goal of putting 3.3 million zero emission cars on the road. Read the report here.

EPA Working with Other Agencies to Address Methane Emissions (November 6) Methane accounts for just 9 percent of total U.S. greenhouse gas emissions, but it has 28 times the global warming potential of carbon dioxide. While carbon emissions are on the decline, methane emissions are projected to increase in the coming years, largely due to fugitive emissions from natural gas extraction. Concerns over hydraulic fracturing have politicized the issue, with widely varying reports on the severity of the fugitive methane problem. EPA has now indicated that it is engaging with other federal agencies to address data gaps and identify opportunities to further reduce methane emissions.

EPA Public Listening Sessions on Reducing Carbon Pollution from Existing Power Plants (November 7): EPA held 11 public listening sessions throughout October – November. The Washington, DC session took place on November 7. The agency expects to issue a proposed rule in June 2014, at which time it will hold another public comment period.

Arizona Preserves Net Metering by Charging a Small Fee to Solar Owners (November 15) After contentious PR battle over solar net metering, the Arizona Corporation Commission (ACC) voted 3-2 to adopt a $0.70 per kilowatt fee for customers who sell their solar electricity back to the grid. The state's largest utility, Arizona Public Service (APS), spent more than $3.7 million on ads to convince the public that customers with solar panels increase rates for everyone else. Arizona is one of the largest and fastest growing solar markets in the country: APS serves 20,000 homes with solar panels, with about 500 new systems each month. APS requested permission to levy a monthly $50-$100 fee for net-metering, which solar proponents feared would destroy the industry in the state. The settlement could set a national precedent for how to manage net metering, a crucial policy for the solar industry and a question currently being debated in many states across the U.S.

Regional Updates

Energy Department Invests $12 Million to Slash Red Tape and Speed Solar Deployment for Homes and Businesses (November 6) The Metropolitan Washington Council of Governments is part of a team chosen by the U.S. Department of Energy to participate in the Rooftop Solar Challenge program. The program aims to spur solar deployment by cutting red tape for residential and small commercial rooftop solar systems. Eight teams received a total of $12 million, matched by over $4 million in outside funding, to streamline and standardize solar permitting, zoning, metering and connection processes for communities across the country.

Washington Metro Will Install LEDs at Zero Cost (November 13) Thanks to a new performance contract with Philips, WMATA will upgrade more than 13,000 lighting fixtures at no upfront cost and pay for the project, plus a ten-year maintenance contract, through the $2 million savings the LEDs will

provide annually. The LEDs will light WMATA parking garages, a move that will reduce energy costs at the garages 68% and save $600,000 annually in maintenance alone.

District of Columbia

DC Takes Solar Power into the Digital Age (October 1) The DC Council unanimously passed the *Community Renewable Energy Act of 2013*, which makes it possible for people to purchase solar power produced offsite, greatly expanding the pool of ratepayers who can participate in solar. Residents can sign up online, and savings are digitally accounted for on their Pepco bills. The bill was re-introduced this year by councilmembers Yvette Alexander, David Grosso, Anita Bonds, Kenyan McDuffie, Marion Barry, Tommy Wells, Mary Cheh, and Jim Graham.

Air Quality in the DC Metro Has Greatly Improved in the Past 10 Years (September 30) The summer of 2013 included only four days of Code Orange air quality, and there were zero days of Code Red air quality. According to the Metropolitan Washington Air Quality Committee, this lower trend has been ongoing since 2006. The biggest contributing factors are control measures at the federal, state and local levels designed to limit emissions, particularly after EPA implemented the Clean Air Interstate Rule (CAIR) in 2005.

DC Council Honors Sustainable Energy Utility (November 6) The City Council honored the DC Sustainable Energy Utility (DCSEU) for its work helping D.C. residents, businesses and institutions reduce their energy costs and carbon footprints. DCSEU is a partnership of local organizations that sells energy efficiency and related conservation and energy retrofit services. According to its Fiscal 2013 Annual Report, DCSEU spent $5.6 million on low-income programs, and its energy efficiency and renewable energy initiatives employed 400 D.C. residents. The report notes the DCSEU has served over 65,000 residents and reduced the city's greenhouse gas emissions by 550,000 tons – the equivalent of taking 115,000 cars off the road for a year.

Maryland

Maryland and New Jersey programs supporting new generation invalidated (September 30) U.S. District Court for the District of Maryland invalidated a Maryland Public Service Commission (Maryland PSC) order requiring Maryland utilities to enter into a contract-for-differences with Competitive Power Ventures intended to facilitate construction of a new 600 MW power generating facility. The court acknowledged that the State "has a legitimate interest and federally permissible role in securing an adequate supply of electric energy for Maryland residents," but found that "the means by which the PSC sought to do so" was preempted by FERC's exclusive jurisdiction over wholesale rates.

Exelon seeks PSC approval for up to 15 wind turbines on Backbone Mountain (October 31) Exelon corporation is seeking Maryland Public Service Commission approval for 12-15 wind turbines on Backbone Mountain, about six miles south of Oakland, MD. The project was originally proposed by Clipper Windpower, Inc., but Exelon bought the project from Clipper in February. Construction could begin in early 2014 and operation by the end of next year. A public hearing took place on November 14.

WSSC Unveils Solar Arrays That Will Power Two Wastewater Treatment Plants (November 6) The Washington Suburban Sanitary Commission (WSSC) unveiled two 2-megawatt (MW) ground-mounted solar installations, which will provide power to two of its wastewater treatment plants. The arrays are located at the Western Branch Wastewater Treatment Plant in Upper Marlboro, Md., and Seneca Wastewater Treatment Plant in Germantown, Md. Each has nearly 8,500 solar panels and spans

several acres. Both facilities are the result of a public-private partnership with Washington Gas Energy Systems and Standard Solar, Inc.

Pepco plans to seek another rate increase (November 7) As appeals of its July rate increase progress in court, Pepco says it will file another request to raise its rates by the end of the year. In July, the Maryland Public Service Commission granted Pepco $27.9 million of a $60.8 million request. The company also requested $192 million as an upfront surcharge, known as the grid resiliency charge, for upgrades to feeders (high-voltage lines that carry electricity from substations into neighborhoods) and other projects. MDPSC awarded the company only $24 million of the upfront surcharge, but broke with years of precedent by granting this portion, which added 6 cents to customers' monthly bill.

Washington Gas seeks surcharge to upgrade pipes (November 15) Maryland passed a law earlier this year that allows gas companies to charge for infrastructure upgrades before the improvements are complete, bypassing the typical method of recouping the money later through a rate increase. On Nov. 7, Washington Gas Light filed a 22-year, $869 million plan with the Maryland Public Service Commission to repair or replace 633 miles of pipe main and 75,200 services. To pay for the upgrades, the utility would tack a fee on monthly heating bills, 29 cents for an average residential customer to go into effect Dec. 7. The Maryland PSC has suspended the proposal for 150 days for deliberation.

Virginia

Dominion Gets Final Approval of Offshore Wind Lease (October 9) Dominion Virginia Power won final approval of its $1.6 million bid to lease nearly 113,000 acres for offshore wind power development. The lease is the nation's second dedicated to wind development in the Atlantic, and is intended to provide 2,000 megawatts of electricity, enough to power 700,000 homes from ocean winds.

Tesla Motors Inc. Gets Virginia DMV's Nod to Sell Cars (October 21) After discussions with the Virginia Department of Motor Vehicles and the Virginia Automobile Dealers Association, Tesla will now be able to operate a dealership in the state. This is a major victory for the electric vehicle manufacturer in a highly regulated market and a state where car dealers are adamantly opposed to the Tesla model of company-owned showrooms.

Old Dominion Innovations, Inc. Installs First Solar Energy Array for Dominion Power's Solar Purchase Program (November 11) The 20 kilowatt roof-mounted installation is the first to be completed under Dominion Virginia Power's new Solar Purchase Program. Under the program, the utility will purchase solar energy and Solar Renewable Energy Certificates (SRECs) from individuals and businesses at a premium rate of 15 cents/kWh, compared to the average 10.5 cents/kWh customers receive with net-metering. The higher buy rate under the Solar Purchase Program allows solar energy system owners to realize a return on their investment much sooner, providing a valuable financial incentive for the creation of a solar infrastructure in the Commonwealth.

Congress & Federal Update

White House Issues Executive Order on Climate Preparation (November 1) The White House released a new Executive Order to enhance preparedness and resilience in the face of climate change in the United States. The Executive Order is divided into eight sections, and includes general policy issues, land and water management strategies, federal agency planning, and support of data and information processing tools. To ensure that these outlined strategies are implemented, the Executive Order creates an interagency Council on Climate Preparedness and Resilience, which will be chaired

by the White House and have a membership of over 25 federal agencies. The order also called for the formation of a Task Force on Climate Preparedness and Resilience, whose members include governors, mayors, county officials and tribal leaders from across the country. The task force will assist and advise the interagency council. For additional information see: Executive Order; Fact Sheet.

FERC Issues Final Rule on Transmission Planning Reliability Standards (October 17) FERC issued Order No. 786, a final rule for Transmission Planning (TPL) Reliability Standard TPL-001-4. The new standard will require annual assessments of short- and long-term planning for steady state, short circuit, and stability conditions, and contains a provision allowing transmission planners to develop plans for non-consequential load loss as a mitigation method following a single contingency. The new rule was delayed by an extended remand process, after FERC found the earlier proposed version unclear regarding the use of non-consequential load loss. The rule will become effective December 23, 2013, and compliance with the standard's requirements will become mandatory on January 1, 2016.

National Renewable Portfolio Standard Returns to Senate (November 1) Two senate bills establishing a national renewable energy standard were introduced in October. Senators Tom (D-NM) and Mark Udall (D-CO) reintroduced the Renewable Energy Standard Bill, while Senator Ed Markey (D-MA) introduced the *American Renewable Energy and Efficiency Act of 2013*. Both establish a 25% renewable portfolio standard by 2025. Markey's bill also would require electricity utilities to implement efficiency programs equivalent of 15 percent of their sales, and natural gas utilities to save the equivalent of 10 percent of their sales by 2025.

Research Articles and Reports

Cheaper Fuels for the Light-Duty Fleet (September) RFF researchers examine the potential economic, environmental, and national security gains from replacing a portion of the gasoline used in the domestic light-duty fleet with various natural gas–based fuels. They also look at the regulatory barriers to the expanded use of the fuels. The paper finds that natural gas-based fuels could yield significant fuel cost savings relative to conventional gasoline in the light-duty fleet, along with gains to national security and, possibly, some environmental benefits.

US Energy-Related Carbon Emissions, 2012 (October 21) According to the US Energy Information Administration, US carbon emissions from energy sources declined 3.8% in 2012. The drop is due to a 2.4% decrease in energy consumption (despite population growth and a 2.8% increase in GDP) and reduced carbon-intensity of the energy mix. A shift from coal to natural gas electricity generation, more fuel-efficient vehicles and lower residential demand led to 2012 having the lowest carbon-intensity (carbon dioxide per GDP) on record.

IREC Proposes Proactive Grid Planning Procedure To Fast-Track Residential PV Interconnection (October 24) The Interstate Renewable Energy Council (IREC) report proposes a new approach to integrated distribution planning (IDP) in order to address the enormous increase in interconnection applications utilities are receiving.

ACEEE 2013 State Energy Efficiency Scorecard (November 6) The American Council for an Energy Efficient Economy released its state scorecard on energy efficiency, with Massachusetts keeping the #1 spot for the third year in a row. The top ten: Massachusetts, California, New York, Oregon, Connecticut, Rhode Island, Vermont, Washington, Maryland, and Illinois. ACEEE also released a local energy efficiency scoring tool to allow counties and municipalities to assess their efficiency policies.