



Before the  
Board of Directors  
of the  
**Metropolitan Washington Council of Governments**

*“An Overview of the National Capital Region’s  
Energy Infrastructure”*

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# About NRRI

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- Created by the National Association of Regulatory Utility Commissioners (NARUC) in 1976
- Research done to assist commissioners make decisions
- Focus on applied policy research in electricity, natural gas, renewable energy, telecommunications, water
- Do not advocate any positions
- Publish 12-15 papers and briefing reports annually, hold monthly teleseminars, and provide research-based training
- Research papers on [www.nrri.org](http://www.nrri.org) available to public
- 13-member Board primarily state commissioners, led by Chair Betty Ann Kane (DC PSC); Vice Chair Greg White (Michigan PSC); Treasurer Travis Kavulla (Montana PSC)

# About Utility Rates

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- Utility commissions created by state legislatures
- Monopoly franchises given to utilities to provide a public service
- Rates and services approved by state commissions
- State commissions:
  - Ensure safe and reliable service at just and reasonable rates
  - Balance needs of ratepayers (service provided) and utilities (financing required)
- Reliability is a function of society's desires
- Reliability has costs, which are borne by ratepayers

# DC: Undergrounding

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- DC-PSC Order 12993: Initiates a study to investigate undergrounding
- DC-PSC Order 13830: Pepco ordered to conduct a cost and feasibility study and submit a report regarding underground utility line conversion in selected areas.
- DC-PSC 2010 Undergrounding report provided review of previous undergrounding studies; cost feasibility and reliability implications; examined potential impacts of undergrounding on the environment, residents, infrastructure, and health and safety.
- 2014 Power Line Undergrounding Task Force: Creates a public-private partnership to underground primary power lines in response to reliability issues resulting from severe weather events in 2012.

# Maryland: Undergrounding

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- MD-PSC Docket RM 43: Electric companies with 40,000 or more customers have targeted levels of reliability performance and report data to the Commission related to service quality and reliability.
- Section 7-213(g) of the Public Utilities Article (PUA): Each electric company submits an annual performance report summarizing electric service reliability results.
- MD-PSC Dockets 9311 and 9326: Cost recovery for reliability investments made by BGE and Pepco.
- MD-PSC Docket 9298: Companies ordered to improve the resiliency and reliability of distribution infrastructure, including directives to improve communications, review staffing, and develop strategies to address the needs of vulnerable populations.

# Virginia: Undergrounding

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## HB 1319:

- Establishes a pilot program for the placement of four new transmission lines of 230 kilovolts or less to be placed underground.
- Criteria for VA-SCC to consider and procedures to follow in selecting the projects.

## HB 848:

- Effective June 1; authorizes investor-owned electric utilities to recover the costs of new underground distribution facilities through a rate adjustment clause.
- VA-SCC to give due consideration to the public policy goals of increased electric service reliability and reduced outage times.

## DC:

- Critical Infrastructure Freedom of Information Temporary Amendment Act of 2013; exempts “critical infrastructure information that is intended to prevent or to mitigate an act of terrorism from disclosure under freedom of information requirements.”

## Maryland:

- Cyber security has only been addressed through smart meter rules (mentioned in dockets in following slides).



## DC

- DC-PSC Case 1056: Monthly reports on smart meter installation and education
- DC-PSC Case 1098: Access to smart meter data by competitive suppliers
- DC-PSC Case 1114: Dynamic pricing

## MARYLAND

- MD-PSC Docket 9207: Pepco and DP&L request for the deployment of advanced meter infrastructure
- MD-PSC Docket 9208: BGE request to deploy a smart grid initiative and to establish a surcharge mechanism for the recovery of cost
- MD-PSC Docket 9294: SMECO request to proceed with implementation of an advanced metering infrastructure system

## VIRGINIA

- Dominion Virginia Power has a pilot program
- Some co-ops have received ARRA money for installations

## In Summary

- Chairman Colette D. Honorable of the Arkansas PSC and the President of NARUC in testimony before the U.S. Senate Committee on Energy and Natural Resources last month captured the essence of this issue by stating that:

“As utilities seek cost-recovery for resilience investments, [state regulators] need them to prioritize what aspects of their systems are the most vulnerable so [that state regulators] can put ratepayer money where it is most needed first. Whether these investments address physical or cyber security, they must prudently meet the prevailing expectations of reliability and affordability for the ratepayer.”

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## RESOURCES

- NARUC Committee on Critical Infrastructure -  
<http://www.naruc.org/Committees/CommitteeResources.cfm?c=46>
- NARUC Staff Subcommittee of Electric Reliability –  
<http://www.naruc.org/Committees/CommitteePresentations.cfm?c=17>
- NRRI - <http://www.nrri.org/research-papers>

## NRRI Research Staff & Contact Information

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