

D.C. Politics

Can Pepco charge customers for energy efficiency? D.C. climate bill draws scrutiny

By Fenit Nirappil

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District residents may use less electricity but still see their power bills go up because of recent changes to pending climate legislation, according to environmental activists and some lawmakers.

The sweeping bill is meant to transition the city to [100 percent renewable energy](#) by 2032 and to reduce carbon emissions. But the bill also has provisions to encourage people to use less energy, now a point of contention.

New language in the legislation allows D.C.-based Pepco Holdings to administer energy efficiency programs and pass the expense to customers at the time it would be allowed to charge customers to make up for lost revenue from lower usage.

Environmental activists call this a giveaway to the utility.

“Ratepayers would have higher bills in exchange for nothing,” said Mark Rodeffer of the D.C. Sierra Club.

Benjamin Armstrong, a Pepco spokesman, says it's common for utilities across the country to include the costs of energy efficiency and to offset revenue loss in power bills. He said the new provisions would result in more customers taking advantage of energy efficiency programs.

Ralph Cavanagh, the energy program co-director for Natural Resources Defense Council, said it's reasonable for utilities to try to profit from energy efficiency programs.

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“You want to remove any conflict of interest that would cause the utility to earn more on higher polluting, higher costs resources than it can earn on energy efficiency,” said Cavanagh.

Rate increases in D.C. must be approved by the three-member Public Service Commission, which regulates utilities.

The climate legislation passed out of D.C. Council committees earlier this week, and is expected to come before the full D.C. Council for a first vote on Tuesday. But several lawmakers have already raised alarms over the new provisions.

“In essence, we are going to be having District residents pay twice,” D.C. Council Member Charles Allen (D-Ward 6) said at a recent committee hearing.

Council member Mary M. Cheh (D-Ward 3), the bill’s lead author, called the new provisions an “11th hour” dump from Pepco that hasn’t been vetted. She plans to try to strike out the language when the full council considers the legislation next week.

Cheh worries that authorizing Pepco to run energy efficiency programs would undercut the city’s Sustainable Energy Utility, which already runs similar programs with fewer costs to consumers.

“They might wind up being more expensive, and if there are any problems, the ratepayer might be on the hook for any liabilities that might ensue,” said Cheh in an interview.

The D.C. Climate Coalition is urging supporters to contact lawmakers to remove the new provisions from the legislation.

Council member Kenyan R. McDuffie (D-Ward 5), who leads the committee which inserted the language authorizing the rate increases, did not directly address the issue at a hearing this week.

His office could not immediately be reached for comment.

When asked at the hearing about costs to consumers from the climate bill more broadly, McDuffie said they were inevitable.

“We have to balance those costs to consumers with our desire to move aggressively and swiftly toward the goals that have been outlined in this really comprehensive bill,” McDuffie said.



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