

# ENERGY AFFORDABILITY IN DC

The Problem. What's Been Done. Where We Go From Here.

## WHAT'S NOT WORKING

**DC electricity rates have risen 68% since 2017** — more than double Virginia (30%) and 50% more than Maryland (49%). The average DC resident is paying ~\$41 more per month than in 2023. Low-income households spend 7.7% of their income on energy, four times the burden of other households. 11,880 DC households were disconnected in 2024.

**The primary drivers are not solar or the RPS.** The Renewable Portfolio Standard has been in place since 2005 and the local solar carve-out since 2011. For the first 18 years, residential rates roughly track to inflation. Rates spiked only when PJM capacity auction prices surged nearly 10x over the past two years and the PSC approved Pepco's \$123.4M distribution rate increase — which the DC Court of Appeals later threw out for failing to follow required process.

The real cost problem is structural. DC imports most of its electricity from out-of-state generators through PJM's regional wholesale market. When power plant retirements, data center growth, and transmission congestion drive those prices up, DC residents pay more, even if their own usage stays flat. The PSC Chairman has acknowledged the Commission only directly regulates about 27% of the average bill. The other 73% is driven by forces outside DC.

## WHAT'S BEEN DONE

**The Mayor and Council built the framework:**

- **Pepco-Exelon merger settlement (2016):** \$72.8M Customer Investment Fund including \$21.55M for grid modernization pilots
- **Clean Energy DC Omnibus Act:** 100% renewable by 2032, 15% local solar by 2041 (passed 13-0)
- **Solar for All:** 100K household goal, \$62.45M federal expansion, community solar participants saving ~\$900/yr
- **GRID Act (2026):** Enforceable interconnection timelines, cost transparency, ombuds office, introduced by CM Allen with 7 CMs
- **Emergency shutoff legislation:** CM Lewis George halted disconnections for residents with unpaid bills under \$1,000
- **DC Green Bank:** Leveraging public and private investment in clean energy infrastructure

**The RPS created a local solar economy that is saving people money:**

373.7 MW of certified solar capacity. 10,000+ community solar subscribers. Almost 1,100 local solar jobs. Tax-paying solar companies headquartered in the District. The local solar potential is roughly 30% of the District's total electricity usage and the carve-out is 15% by 2041. As the industry exceed its current goals, the runway for growth is long and the potential savings for residents are immense.

## WHAT COULD HAVE MOVED FASTER

- **Grid modernization pilots:** The \$21.55M pilot fund was created in 2016. The Governance Board wasn't formed until 2020. Only \$2.5M of \$21.55M has resulted in a project under construction. No pilot has delivered measurable savings to ratepayers. 10 years.
- **Interconnection reform:** Industry petitioned for emergency rulemaking on timelines and cost transparency. It was denied. Average Pepco interconnection: 77 days (peers: under 30 days). Pepco missed timelines for 71.4% of community solar facilities in one quarter. Residents face surprise upgrade charges up to \$100,000 with no itemization.
- **Renewable energy procurement:** The PSC started a pilot to procure just 5% of DC's electricity through long-term renewable power purchase agreements in 2019. It took over six years for the first executed agreement. Long-term renewable PPAs stabilize prices and reduce PJM exposure, the PSC's slow pace left DC residents vulnerable to the exact market volatility now driving bills.
- **DER deployment:** Battery storage, vehicle-to-grid, virtual power plants, and advanced inverters have been identified as cost-saving tools. Discussion has been stuck in working groups since 2020. None have been deployed at meaningful scale.
- **Pepco accountability:** Since November 2025, Pepco has failed to turn over requested data on solar interconnection cost transparency per FC 1050. The Commission has ordered compliance multiple times but has not levied fines.

## WHERE WE GO FROM HERE

**Local generation is cheaper. It's faster. And it's the only way DC controls its own energy costs.**

DC installed more than 65 MWs of solar to meet the RPS last year, more than any single year before. Every kilowatt-hour produced on a DC rooftop is one less purchased from PJM at volatile wholesale prices. Local solar reduces peak demand, avoids transmission losses, defers infrastructure costs, and keeps energy dollars in DC. The tools exist today: rooftop solar, community solar, balcony solar (coming under the GRID Act), battery storage, demand response programs, and smart appliances that shift load during peak hours.

The fastest path to lower bills is not to weaken the RPS — which would introduce market uncertainty, jeopardize almost 1,100 local jobs, and undermine Solar for All right as federal tax credits are ending. The fastest path is to accelerate local deployment so DC produces more and buys less.

**What needs to happen:**

1. **Protect and strengthen the RPS.** Rates didn't rise for 18 years under the RPS. Weakening it now signals retreat and invites the market instability that makes affordability worse.
2. **Accelerate local energy deployment.** Pass the GRID Act. Speed up interconnection. Get solar, storage, and DERs on DC rooftops and buildings faster. Every local kilowatt-hour reduces PJM dependence.
3. **Demand transparency and accountability on grid spending.** Every rate increase and infrastructure investment should be tested against real resident impact. Modernization must make sense and its costs must be justified.
4. **Move pilot projects into operations.** \$21.55M in grid modernization funds need binding timelines and public reporting. Planning is not progress. Deployment is.
5. **Appoint PSC commissioners who prioritize affordability and local energy.** Two of three seats are up. The next commissioners should be measured by how fast they reduce DC's dependence on volatile outside markets.
6. **Work together.** Solar companies, the utility, regulators, advocates, and residents all have a role. The grid must adapt to new technology so it remains a resource for everyone — not a system where the wealthy go off-grid and low-income residents are left exposed to outside forces they can't control.

**Local Solar. Local Savings. Local is BETTER.**