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ENERGY & THE ENVIRONMENT

Friday, October 1, 2010

Building owners irked over proposed Pepco fee

Washington Business Journal - by [Michael Neibauer](#)

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Many of **Pepco's** commercial and residential customers are incensed over a proposal to add another surcharge to monthly statements that would pay for energy-efficiency programs — after the District diverted the original funds to help bridge a massive revenue shortfall.

The utility asked the **D.C. Public Service Commission** in August to approve a new “demand-side management” surcharge that would raise \$6 million to fund five energy-efficiency programs. Average bills would increase from a few cents to more than \$1 each month, depending on the customer and the amount of energy consumed.

The new surcharge would be in addition to an existing surcharge earmarked for the District’s Sustainable Energy Trust Fund, a pot created to finance a series of green initiatives, including Pepco’s energy-efficiency programs. But D.C.’s 2011 budget, adopted by the council in June, reappropriated \$6 million of the \$20 million collected from that original surcharge to help close a \$550 million revenue gap. The remaining \$14 million was dedicated to starting up the city’s own first Sustainable Energy Utility, a contractor position that consolidates several energy-efficiency programs under one umbrella.

As a result, Pepco’s five programs, four of which benefited non-residential customers, were defunded.

The move to create another surcharge has the **Apartment and Office Building Association**, which represents landlords, crying foul.

“AOBA’s members are not opposed to energy-efficiency programs,” AOBA states in a document soon to be filed with the D.C. Public Service Commission. “Our members are, however, opposed to confiscatory takings, double taxation of goods and services, and unprecedented efforts to impose onerous financial obligations on ratepayers.”

The commission is accepting public comments on the potential surcharge — which would be the 15th rider on Pepco’s monthly bills — until Oct. 4, when it may decide.

Pepco says it needs the proposed “demand-side management” surcharge to pay for its energy-efficiency initiatives. Without it, those programs would end starting Oct. 1.

The proposed surcharge would be \$.000013 per kilowatt-hour of electricity use for non-residential customers and \$.000010 per kWh for residential customers. The average residential customer would see an 8-cent increase in their monthly bills, according to Pepco. The utility could not calculate the average change for commercial customers because of their huge disparities in energy use. But on average, for large businesses using 100,000 kWh per month, their bills would increase by \$1.30.

“The idea that they would get another charge on ratepayers for energy conservation strikes me as a little bit hypocritical,” said D.C. Councilwoman Mary Cheh, D-Ward 3, whose council committee has oversight of environmental issues.

The Office of the People’s Counsel, the District’s full-time advocate for utility consumers, also opposes Pepco’s proposed charge.

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