

BRIEF

With storm hardening 'a larger focus,' DC approves PEPCO underground distribution lines

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Dive Brief:

- The District of Columbia Court of Appeals on Thursday affirmed the D.C. Public Service Commission's (DCPSC) 2017 approval of a proposed \$500 million Pepco program to operate a number of the utility's power lines and ancillary services underground.
- Concerns raised over the allocation of costs between residential and commercial customers brought the case before the court, which ruled the District of Columbia Power Line Undergrounding (DC PLUG) initiative could move forward. The first phase aims to move six overhead power lines underground, starting this spring.
- Over the project's estimated six to eight year span, it aims to move up to 30 of Pepco's "most vulnerable" electric power lines underground in an effort "to improve the electric service reliability and reduce the impact of storm-related outages in the District," echoing similar efforts by utilities across the country.

Dive Insight:

As concerns over electric reliability and resiliency rise in coastal regions, which have been berated by record-breaking storms over

the past few years, more utilities are considering grid hardening methods such as moving distribution lines underground to minimize outages and structural damage costs.

Florida's two largest utilities, Duke Energy and Florida Power and Light are both committed to rolling out "targeted undergrounding programs" over the next 10 years as part of larger grid modernization and resilience initiatives that also include replacing wooden transmission poles with steel or concrete.

Similarly, Delmarva Power and Atlantic City Electric, Pepco Holding's sister companies, are installing steel poles near their service area's shoreline as storm hardening becomes "a larger focus," Christina Harper, communications manager at Pepco Holdings, told Utility Dive in an email.

Severe weather events in the Mid-Atlantic region led former Washington, DC Mayor Vincent Gray to establish a task force that analyzed the need and feasibility of underground infrastructure in Washington.

In 2017, current Mayor Muriel Bowser signed the Electric Company Infrastructure Improvement Financing Emergency Amendment Act, which authorizes Pepco to implement "certain charges" on ratepayers to fund the undergrounding project and also requires the utility and the District Department of Transportation (DDOT) to file biennial plans with the city until the project is completed.

The DCPSC approved the first stage of the undergrounding project in November of 2017 and now "is exploring other avenues for grid modernization" as well, Kellie Didigu, public affairs specialist at the DCPSC told Utility Dive in an email.

"Pepco has also proposed a networked underground transmission system initiative, which could further enhance resiliency," she said,

adding "the Commission is currently reviewing the case."

"DC PLUG initiative is expected to improve resiliency and to improve reliability on selected feeders by an estimated 95%," said Harper. "[P]roviding protection from high winds, ice and snow storms, and falling trees."

The utility is fronting \$250 million in costs, recovering them through two surcharges on residential and commercial customer bills, to be adjusted annually. The rest will be covered by the district and the DDOT.

Additional charges are expected to represent approximately \$0.14 per month in the first year for typical Pepco residential customers and \$0.05 the next year.