



# CLEAN ENERGY DC OMNIBUS AMENDMENT ACT OF 2018 (B22-904)

PRESENTATION TO THE CLIMATE ENERGY, AND ENVIRONMENT  
POLICY COMMITTEE OF THE  
METROPOLITAN WASHINGTON COUNCIL OF GOVERNMENTS

COUNCILMEMBER MARY M. CHEH  
COUNCIL OF THE DISTRICT OF COLUMBIA  
CHAIR, COMMITTEE ON TRANSPORTATION AND THE ENVIRONMENT  
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# PURPOSE OF THE ACT

- The purpose of the Act is to adopt policies that will achieve the District's commitment to 50% greenhouse gas ("GHG") emissions reductions by 2032.
- The inventory and projections outlined in our Department of Energy and Environment's ("DOEE") Clean Energy DC Plan, which was finalized in August of 2018, demonstrated that we were on track to reduce GHG emissions by only 10% by 2032.
- As introduced, the bill's provisions would've brought that number to 49.4%. In its final version, due to various amendments made in the markup process, we estimate that emission reductions in 2032 will be just shy of 45%.

# OVERVIEW OF THE ACT

- The Act has 4 primary components:
  - 1) Increases the Renewable Portfolio Standard (“RPS”) from 50% by 2032 to 100% by 2032, and makes other changes to the RPS to improve its GHG-reduction potential
  - 2) Establishes a Building Energy Performance Standard Program (“BEPS Program”) for existing buildings
  - 3) Increases to the Sustainable Energy Trust Fund fee to fully fund the District’s Green Finance Authority and support programs benefiting low-income residents and local businesses
  - 4) Sets goals for electrification of public buses and privately owned fleets, and authorizes the Mayor to join any regional transportation-sector GHG emissions limit initiative or agreement, and to implement a GHG fee on motor fuel if Maryland or Virginia does so, as well

# RPS PROVISIONS

- Increases the RPS from 50% by 2032 to 100% by 2032.
- Limits the area from which Renewable Energy Credits (“RECs”) may be purchased for compliance with the Tier 1 RPS to the PJM region, bringing the District in line with other PJM states.
  - Existing law allowed RECs from the PJM or “adjoining states.” The Clean Energy DC Plan assumed that, under that language, only 57% of a REC led to GHG reductions, but with the change made in the Act, we believe that percentage will increase to about 80%, increasing the GHG-reduction potential of our RPS.
- As introduced, the bill included a provision mandating that 80% of the Standard Offer Service be provided via long-term power purchase agreements with renewable suppliers by 2022. This policy was recommended in DOEE’s Clean Energy DC Plan, and would’ve generated about 7% GHG emission reductions by 2032, but was removed in the markup process. We are considering it for future legislation.
- Increases the local solar carve-out from 5% by 2032 to 10% by 2041.
- In total, these changes to the RPS are expected to generate GHG reductions of about 22% by 2032.

# BUILDING ENERGY PERFORMANCE STANDARDS PROGRAM

- Existing buildings make up about 74% of GHG emissions in the District, but before this act, we had no comprehensive program aimed at reducing those emissions.
- Requires privately-owned and District government buildings to meet energy efficiency standards set by DOEE.
  - The program applies to buildings 50,000 square feet and up in 2021, buildings 25,000 square feet and up in 2023, and buildings 10,000 square feet and up in 2026. New standards for each group will be set every 5 years.
  - The standards must be no lower than the median ENERGY STAR score for each property type, or an equivalent metric for buildings that don't receive ENERGY STAR scores.
  - If buildings fall below the standard, they will have 5 years to comply with the DOEE's performance requirements, or may be subject to a civil fine.
- Establishes a task force to advise DOEE on implementing the program.
- The program is projected to decrease GHG emissions by about 11% by 2032.

# INCREASE TO THE SUSTAINABLE ENERGY TRUST FUND FEE

- Increases the Sustainable Energy Trust Fund (“SETF”) fee by 2 times for electricity and 3 times for natural gas, and adds a new fee to fuel oil sales.
  - The average homeowner currently pays \$1.05/mo. in SETF fees on their electric bill and \$1.05/mo. in SETF fees on their gas bill. The increases would raise the fee to \$1.89/mo. on electric and \$3.15/mo. on gas bills.
  - The electric and gas fee increases decline over time, such that the electric fee increase is zeroed out by 2032, when the RPS hits 100%. The gas fee increase declines to about a 50% increase by 2032.
  - Very low-income residents are exempt from the SETF fee, including the increases included in the bill.
- Funds generated will be used to:
  - Fully fund the Green Finance Authority (\$15 million per year in FY 2020 and FY 2021, and \$10 million per year for the next 4 years). With the roughly \$35 million already allocated, this brings the total to about \$105 million, over the \$100 million capitalization recommended in the Green Bank study commissioned by DOEE.
  - 30% will be dedicated to providing energy bill relief to low-income residents, workforce development initiatives, and increasing the participation of local businesses in energy efficiency fields.
  - Fund the BEPS program.

# TRANSPORTATION SECTOR PROVISIONS

- Requires all public buses and private fleets with a capacity of 50 or more passengers to be zero-emission vehicles by 2045, phased in starting with a requirement that 50% be zero-emission by 2030.
- Requires the District Department of Transportation to prepare a comprehensive clean vehicle transition plan recommending policies and estimating costs to achieve at least 25% zero-emission vehicle registrations by 2032, 100% replacement of public buses at the end of their useful life with zero-emission vehicles by 2021, and implementation of the electrification goals.
- Requires the District's Department of Motor Vehicles to tie the vehicle excise tax to fuel efficiency, and exempts electric vehicles from the excise tax.
  - This change will not apply to low-income residents who can demonstrate they received the District's Earned Income Tax Credit for the previous tax period.
- Authorizes the District to join any regional transportation-sector greenhouse gas emissions limit initiative or agreement, and to implement a greenhouse gas fee on motor fuel sales, if Maryland or Virginia do so as well.

# QUESTIONS?

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