

Clean Energy DC Omnibus Act Of 2018



The “Clean Energy DC Omnibus Amendment Act of 2018” (“Omnibus”) is projected to reduce GHGs in 2032 to 45% below the 2006 baseline. The Act contains six major provisions:

1. 100% RPS BY 2032: THE MOST AMBITIOUS RENEWABLES STANDARD IN THE U.S.

100
-BY-
2032

The bill increases DC’s Renewable Portfolio Standard (“RPS”) on electricity from its previous mandate of 50% by 2032 to 100% by 2032. By 2041, 10% of the target must be met by local solar.

Under this bill, Renewable Energy Credits (RECs) can be sourced from only the PJM interconnection region. The previous option to source from neighboring states was repealed in order to better finance new renewable energy development. For the same reason, nuclear cannot be counted toward the 100% requirement.

2. INCREASED FUNDING FOR SUSTAINABILITY INITIATIVES & LOW INCOME EFFICIENCY



To increase funding to DC’s new Green Finance Authority (or, “the DC Green Bank”) and strengthen energy assistance for low-income residents, this bill marginally increases the Sustainable Energy Trust Fund (“SETF”) fee for electricity and natural gas consumption. The SETF will continue funding the DC Sustainable Energy Utility (DCSEU) to reduce the Districts’ overall energy use by 1% per year, and substantially increases the amount of funding available to the DCSEU. The bill also newly assesses a fee on sales of heating and fuel oil at a rate of \$0.084 per gallon. These adjustments will result in:

- 30% of revenues to create energy efficiency and clean energy training programs for DC residents and fund low-income energy efficiency projects and programs, including bill assistance, weatherization, and fuel-switching
- \$3 million annually to support energy projects for affordable housing buildings
- Less than a \$1 increase to residents’ monthly electric bills and about a \$2 increase to monthly gas bills, offset by more than \$25/month in savings from efficiency by 2032
- Adding \$70M to the DC Green Bank by 2025 to leverage private investment and reduce upfront costs of clean energy projects

3. EXPANDING AGENCY CLIMATE COMMITMENTS



The Omnibus amends the original charter and responsibilities of the Public Service Commission (PSC) and the Office of the People’s Counsel (OPC) to incorporate the “effects on global climate change and the District’s public climate commitments” in their decisions.



The DC Climate Coalition is comprised of over 100 business, environmental, faith, housing, labor, community, and youth organizations working to advance strong, equitable, and comprehensive climate policies to reduce emissions in the near term.

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4. NEW BUILDING ENERGY PERFORMANCE STANDARDS



The Omnibus establishes a new Building Energy Performance Standard (“BEPS”) for existing privately-owned and District government buildings, the first of its kind in the country.

Beginning in 2021, the DC DOEE will conduct building energy performance assessments on all applicable buildings every 5 years. This standard will be no less than the median ENERGY STAR score for that type of building. In 2021, this will apply to all DC owned buildings of at least 10,000 square feet and private buildings of at least 50,000 square feet. The standard applies to an increasing number of private buildings, as the square footage threshold decreases to 25,000 in 2023 and 10,000 in 2026.

Any building found to be below standard will have five years to meet compliance or be penalized by DOEE for failure to do so. A three-year exemption may be granted under special circumstances. For buildings that do not meet the standard, DOEE will provide the following pathways to achieve reductions:

- A performance pathway to achieve 20% reduction in sites’ energy use intensity, compared to the previous 5 years;
- A prescriptive pathway to implementing cost-effective energy efficiency measures;
- Other compliance pathways established by DOEE.

DOEE will also work with DC SEU and the DC Green Bank to incentivize and provide assistance for qualifying affordable housing providers and other building owners to help them meet the standard. By 2023, DOEE will release a report on whether to revise the standard and the timeline to do so.

5. REDUCED TRANSPORTATION EMISSIONS & ZERO-EMISSIONS TRANSIT BY 2045



This legislation directs the DC Department of Motor Vehicles (DMV) to issue rules that make the District’s vehicle excise tax amount dependent upon fuel efficiency, therefore incentivizing the purchase of fuel-efficient vehicles. This initiative aspires to be revenue neutral: increased revenue from vehicle excise tax rates on high emissions vehicles will be offset by decreased payments from consumers who purchase more fuel-efficient vehicles.

The bill also authorizes the Mayor to establish a GHG emissions fee on motor fuel if Maryland or Virginia do so, and to join in any forthcoming regional transportation-sector GHG reduction initiatives. The Mayor must establish a transportation electrification program applicable to all owners of fleet vehicles with more than 50 vehicles licensed to operate in the District, including public buses, passenger- and light- duty vehicles. Moreover, the bill requires that 100% of commercial motor carriers, limousine service vehicles, and taxis certified to operate in DC be zero-emissions vehicles by 2045.

6. ENERGY EFFICIENCY & ELECTRIFICATION PROGRAMS



To achieve the energy efficiency and zero-emissions transit goals established in the bill, the Omnibus also establishes working groups to develop and propose both energy efficiency and electric vehicle programs to the PSC. In this process, Pepco will participate alongside consumer advocates, agencies, and business leaders to recommend programs that best protect ratepayers and promote innovation, all while achieving our climate goals.



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