



Statement of Doug Siglin, DC Coordinator Chesapeake Climate Action Network and the CCAN Action Fund Joint DC Council committee hearing on the Healthy Homes and Residential Electrification Amendment Act May 9th, 2023

Chairmen Mendelson, Allen, and White and Councilmembers, I'm Doug Siglin. I'm speaking today on behalf of the Chesapeake Climate Action Network and the CCAN Action Fund, both based just outside the District in Takoma Park. We can proudly point to more than 20 years of effective climate policy advocacy in DC, Maryland, Virginia, and at the national level. For the past year and a half, we have been working towards full electrification of homes and buildings in this region under the banner of Electrify DC, Electrify Maryland, and county-level variants.

CCAN strongly supports the Healthy Homes and Residential Electrification Act and asks you to pass it in the upcoming weeks. We also strongly urge you to pass the increase in the Sustainable Energy Trust Fund proposed by the Transportation and Environment Committee in the Budget Support Act. The Committee's budget initiative -- perhaps slightly modified to make it more equitable – would provide a significant amount of initial funding for implementation.

Thanks to the DC Council's leadership, the District has the most aggressive carbon emissions reduction goals in the nation, with the statutory benchmarks being a 45% reduction from 2006 levels just two years from now, a 60% reduction seven years from now, a 70% reduction 12 years from now, an 85% reduction 17 years from now, and carbon neutrality in 22 years. Meeting these benchmarks is going take an extraordinary planning and effort on the part of the DC Government, particularly in weaning the homes and buildings sector off the use of methane gas as a fuel.

One thing that really jumps out in the District's most recent latest (2020) greenhouse gas emissions inventory is that emissions from methane gas transport and use in the District have only dropped 15.5% over the 14 year period from 2006 to 2020. This is nowhere close to the falling trendline that we absolutely must have to meet our statutory goals. We have 22 years to

get methane gas use in the District's buildings essentially to zero. You and your colleagues in the administration have to start very soon to bend that gas combustion curve sharply downward, reducing and eventually completely eliminating methane gas use in our homes and buildings.

The District's Building Energy Performance Standards and its net zero energy requirements for new commercial buildings after 2026 are powerful tools to address the emissions caused by burning methane gas in the commercial, government, and large multifamily residential sectors. This will help to bend the curve a good deal. However, there is little to nothing similar yet in place yet to address the single family or small building residential sectors. In this regard, the Healthy Homes Act is transformative legislation. If fully funded and well implemented, this bill would be a major step towards our statutory emissions reduction goals while achieving several other cobenefits. It would also have a significant impact on indoor and outdoor air quality; contribute to wealth accumulation and monthly savings for lower-income District residents; and, if implemented with appropriate labor standards, have major impact on well-paying trades careers for District residents. I know that you'll hear much more about that in this hearing.

I want to briefly share with you four ideas to modify and potentially improve the current draft of the bill. I would, of course, be glad to work through these ideas with any of you or your staffs as we move forward towards a final draft.

Make enrollment in Residential Aid Discount Program automatic for households participating in the program.

I know that some residents fear, based on past experience with electric resistance heating, or perhaps just the rumor mill, that their utility payments will go up if they switch to electric appliances. What they do not understand is modern appliance efficiencies. Electric heat pumps and heat pump water heaters are three times or more efficient than the maximum efficiency of a combustion appliance, and the difference is getting larger all the time. However, as a safeguard, it seems to me that DOEE should be directed to automatically enroll households in utility assistance programs when they participate in the retrofit program envisioned in the bill. Participants in utility assistance programs are also exempted from paying into the SETF. Although this would have the effect of diminishing the overall amount available in the SETF, it would maximize the value to the low-income household of switching to high-efficiency electric appliances.

Give DOEE more flexibility in implementing the program by broadening the definition of "residential electrification retrofit" and allowing DOEE to determine how to work with households above the 80% area median income threshold.

The current definition of "residential electrification retrofit" is "replacement of all appliances or other systems, such as an oven, water heater, or heating system, that combust fossil fuels on site with appliances or other systems that perform the same function and that are powered exclusively by electricity." I think that the program would be more effective if DOEE were to be given the option to address other relevant considerations when evaluating and retrofitting a household. We know from broad experience with electrification that a whole house approach that includes necessary electrical work and better sealing and insulating the house is often the best approach, but even if DOEE doesn't go that far, it should have the flexibility to address unforeseen circumstances that come up during an audit and could impede full energy savings.

Similarly, I would suggest that DOEE be allowed more flexibility to determine what to do with households whose income is above the low-income threshold set by the bill, rather than requiring that it pay at least 50% of the cost for households between 80% and 100% of the median family income. There are significant practical funding implications for this bill, and I would rather that available funds go to the lowest-income households. Middle income and higher income households are in a better position to take advantage of generous federal tax credits, particularly if DOEE can develop a robust education program that lets people know about them and how to take advantage.

Require DOEE to do more and better web-based electrification education for consumers

My suggestion to give DOEE more flexibility above does not mean that I think DOEE should do nothing for households over the 80% threshold. Effective marketing of energy efficient electric equipment and the incentives available to consumers is critical. The internet is a powerful source of information for nearly all District residents. Both to recruit participants to the core program and to encourage other residents that don't qualify to retrofit their homes with highly efficient electric appliances, DOEE should contract for a high-quality web-based marketing program. Although Efficiency Maine is a slightly different model (a quasi-government entity), its website EfficiencyMaine.com is a model of what can be done.

Include language directing DOEE to study the phaseout of gas combustion appliances

As I wrote at the beginning of this statement, to have any chance of meeting its carbon emissions reduction goals, the District Government must dramatically bend the curve towards the elimination of gas combustion in the District in the next 22 years. Methane gas combustion creates both indoor air quality concerns, which you will hear a lot about today, and outdoor air quality concerns related to ozone and fine particulate matter, which peaks in the winter months when District residents are using gas combustion heat. The DMV region remains out of compliance for ozone, and EPA is proposing to lower the national fine particulate matter threshold. Stationary nonpoint sources such as homes and buildings are a significant contributor. The legislation should be amended to require DOEE to study both the indoor and outdoor health effects of gas appliance combustion and to recommend to the Council further actions to eliminate gas appliances' contributions to compromised human health. The California Air Resources Board has recently taken this approach for the entire state by 2030, and the Bay Area Air Quality Management District has enacted similar regulations that will go into effect beginning in 2027. And as you surely read, New York state just approved legislation to prohibit the installation of new fossil fuel appliances in residential buildings three stories and fewer by 2030 and all buildings in the state by 2035.

Finally, I would just note that as much as we support this initiative, it is no substitute for a comprehensive, government-wide roadmap to reach our carbon reduction goals. The Council has taken some steps in that direction by requiring a government-wide plan, and I know that DOEE is working on an update to its Clean Energy DC plan. But neither of those involves the DC Public Service Commission, which has regulatory responsibility over the methane gas industry. So far, the PSC has resisted calls to develop such a forward-looking plan. I urge you to consider legislation in this Council period to bring the PSC fully into the creation of a reality-based, DC-wide plan to meet our statutory 2045 carbon neutral target.

I appreciate very much the opportunity to share our ideas with you today.