


Government of the District of Columbia  
Office of the Chief Financial Officer



Jeffrey S. DeWitt  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Phil Mendelson  
Chairman, Council of the District of Columbia

**FROM:** Jeffrey S. DeWitt  
Chief Financial Officer 

**DATE:** January 28, 2020

**SUBJECT:** Fiscal Impact Statement – CleanEnergy DC Omnibus Emergency  
Amendment Act of 2020

**REFERENCE:** Draft Bill as shared with the Office of Revenue Analysis on January 16,  
2020

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**Conclusion**

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill.<sup>1</sup>

**Background**

In 2018, the Council passed the Clean Energy DC Omnibus Amendment Act of 2018 (“Act”), a series of reforms and new requirements around renewable energy, energy efficiency, transportation emissions, building performance standards, and energy-related employment programs.<sup>2</sup> One of the specific provisions requires the Department of Energy and Environment (DOEE) to establish building energy performance standards for all buildings in the District over 10,000 square feet and provide options for buildings to meet those standards. Private buildings over 50,000 square feet and District-owned buildings over 10,000 square feet are the first buildings required to meet the standards and must do so beginning on January 1, 2021. Private buildings over 25,000 square feet and over 10,000 square feet must meet the standards beginning on January 1, 2023 and January 1, 2026, respectively. DOEE must review the standards every five years for all building types.

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<sup>1</sup> Emergency and temporary versions of this bill were introduced on January 16, 2020 and are currently under Council review (bill 23-613 and bill 23-614, respectively). A fiscal impact statement for the emergency and temporary bills was issued on December 10, 2019.

<sup>2</sup>Effective March 22, 2019 (D.C. Law 22-257; D.C. Official Code § 8-1772.21 et seq.).

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FIS: "CleanEnergy DC Omnibus Emergency Amendment Act of 2020," Draft Bill as shared with the Office of Revenue Analysis on January 16, 2020

The bill delays the start date for private buildings over 25,000 square feet and over 10,000 square feet to be compliant with the performance standards until January 1, 2027 and January 1, 2033, respectively. The bill also extends to six years the cycle under which DOEE must review the standards.

The Act<sup>3</sup> also requires the Department of General Services (DGS) to develop a strategic energy management plan to reduce energy and water use across District-owned buildings by January 1, 2020. The bill delays the plan's delivery date by one year to January 1, 2021.

Another of the Act's provisions requires the Department of Motor Vehicles (DMV) to adjust motor vehicle excise tax rates higher and lower for vehicles whose fuel efficiencies are below or above a benchmark standard.<sup>4</sup> The Act required that the adjustments to the excise tax be revenue neutral. The bill amends this provision to require that any changes be revenue neutral or positive. The bill also delays the requirement that DMV issue rules to implement this change from January 1, 2020 to January 1, 2021.

### **Financial Plan Impact**

Funds are sufficient in the fiscal year 2020 through fiscal year 2023 budget and financial plan to implement the bill. The bill changes two of the dates whereby private buildings need to begin meeting DOEE's building energy performance standards. There are no costs associated with giving buildings more time to start complying with the standards. There are also no costs associated with extending DOEE's standard review and update cycle from five to six years.

DGS can spend up to \$250,000 in fiscal year 2020 from the Renewable Energy Development Fund<sup>5</sup> on the strategic energy management plan, but it will not be able to complete the final plan by January 1, 2020. DGS can absorb any costs associated with completing the plan in fiscal year 2021 in order to deliver the plan by the new completion date of January 1, 2021.

Current law requires the changes to the motor vehicle excise tax to be revenue neutral, but the District has determined that it would be difficult to implement precisely. The bill authorizes the changes to also be revenue positive. The District collects approximately \$45 million annually in excise taxes. DMV did not implement this provision on January 1, 2020 and is not proposing the revised tax rates at this time.

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<sup>3</sup> D.C. Official Code § 8-442.22.

<sup>4</sup> D.C. Official Code § 50-2201.03(j)(1A).

<sup>5</sup> Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1436).