

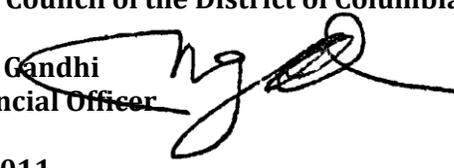
Government of the District of Columbia  
Office of the Chief Financial Officer



**Natwar M. Gandhi**  
Chief Financial Officer

**MEMORANDUM**

**TO:** The Honorable Kwame R. Brown  
Chairman, Council of the District of Columbia

**FROM:** Natwar M. Gandhi  
Chief Financial Officer 

**DATE:** March 1, 2011

**SUBJECT:** Fiscal Impact Statement – “Distributed Generation Amendment Act of 2011”

**REFERENCE:** Bill 19-10

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**Conclusion**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed legislation.

**Background**

The proposed legislation would amend Renewable Energy Portfolio Standard Act of 2004 (“REPS Act”)<sup>1</sup>, to increase the share of solar power that would count towards the renewable energy portfolio standard (REPS). The REPS Act specifies a minimum percentage of District electric providers’ supply that must be derived from renewable energy sources, beginning January 1, 2007. Renewable energy sources include solar energy, wind, biomass, methane (from a landfill or a wastewater treatment plant), geothermal, and ocean.<sup>2</sup>

The proposed legislation would increase the share of solar energy in REPS, starting 2011. Under current law, solar energy is required to compose at least 0.04 percent of the renewable energy portfolio in 2011, gradually increasing to at least 0.4 percent in 2020. The proposed legislation would increase the minimum share of solar energy to 0.25 percent of the portfolio in 2011, and to 2.50 percent in 2020.

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<sup>1</sup> Effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431 *et seq.*)

<sup>2</sup> These constitute what is known as “tier-one” sources. “Tier-two renewable sources” include hydroelectric power other than pumped storage generation, and waste-to-energy.

The Honorable Kwame R. Brown

FIS: B19-10 "Distributed Generation Amendment Act of 2011" as Introduced

The proposed legislation would also limit the renewable energy credits from solar energy to systems located within the District or in locations served by the distribution grid serving the District. Current law allows suppliers to obtain credits from other solar power systems. Finally the proposed legislation extends the applicability of compliance fee of 50 cents for each kilowatt-hour of shortfall from required solar energy sources from 2018 under current law to 2020.

### **Financial Plan Impact**

Funds are sufficient in the FY 2011 through FY 2014 budget and financial plan to implement the proposed legislation. The proposed legislation would change the requirements on the renewable energy portfolios of electricity suppliers, who would have to generate a larger share of their electricity from solar power, generated in the District, or the footprint of the grid served by the District. These requirements do not affect the District's budget and financial plan.