

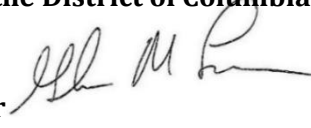
Government of the District of Columbia  
Office of the Chief Financial Officer



Glen Lee  
Chief Financial Officer

**MEMORANDUM**

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

**FROM:** Glen Lee  
Chief Financial Officer 

**DATE:** September 30, 2026

**SUBJECT:** Fiscal Impact Statement – Automatic Enrollment for Utility  
Affordability Programs Act of 2026

**REFERENCE:** Bill 26-243, Draft Committee Print as provided to the Office of Revenue  
Analysis on September 28, 2026

---

**Conclusion**

Funds are not sufficient in the revised fiscal year 2026 budget and the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill's implementation will cost approximately \$1.1 million in fiscal year 2027 and \$16.5 million over the four-year financial plan period. The bill's implementation is subject to sufficient funds being included in an approved budget and financial plan.

**Background**

The Public Service Commission (PSC) requires utility providers to offer customer assistance programs for lower income consumers. Pepco offers the Residential Aid Discount (RAD) program for electricity customers<sup>1</sup> and Washington Gas offers the Residential Essential Services (RES) program for gas customers.<sup>2</sup> DC Water, which is not regulated by PSC, offers the Customer Assistance Program (CAP) for water customers.<sup>3</sup> These programs provide customers with lower rates and exemptions from some surcharges. For Pepco and Washington Gas, the cost of providing these customers with lower rates and exemptions is borne by other ratepayers through the payment of a Residential Aid

---

<sup>1</sup> Residential Aid Discount Subsidy Stabilization Amendment Act of 2010, effective July 23, 2010 (D.C. Law 18-195; D.C. Official Code § 8-1774.14).

<sup>2</sup> Residential Essential Service Subsidy Stabilization Amendment Act of 2014, effective February 26, 2015 (D.C. Law 20-155; D.C. Official Code § 8-1774.15).

<sup>3</sup> [Customer Assistance Programs | DC Water](#)

Discount Surcharge (RADS) and a Residential Essential Service Surcharge (RES Surcharge). Utility providers can seek PSC approval annually to adjust their surcharge amounts to account for changes in utility discount program participation. DC Water does not assess a separate surcharge related to the cost of CAP participation. The Department of Energy and Environment (DOEE) supports each of these programs by confirming income eligibility, but each utility is responsible for enrolling customers.

The bill requires DOEE to work with the utilities, the PSC, the Office of the People's Counsel, and other District agencies, to develop a process for automatic identification of eligible households for utility discount programs or other DOEE-administered income-qualified programs. The bill requires this process to be developed within one year of the bill's applicability date. Once DOEE receives all the relevant information from its partner agencies and the utility companies, DOEE has sixty days to work with the utility companies to automatically enroll the eligible households in RAD, RES, and CAP. Further, within sixty days of automatically enrolling an eligible household, DOEE must notify that household that they have been enrolled, the start date of enrollment, and the procedure for withdrawal from the discount program. The bill grants DOEE flexibility to set income levels or other enrollment criteria if the utility discount program or other income-contingent program does not have sufficient funding to accommodate the automatic enrollment of all eligible households or other limitations exist.

To support the identification of households, the bill requires DOEE to enter into data-sharing and confidentiality agreements with the Department of Human Services (DHS), Department of Health (DC Health), Department of Healthcare Finance (DHCF), and the relevant utilities to protect the District residents' personal and account information. The bill requires DHS, DC Health, and DHCF to provide DOEE, upon request, with enrollment data for any income-qualified programs each agency administers, including the Temporary Assistance for Needy Families (TANF) program; Supplemental Nutrition Assistance Program (SNAP); Special Supplemental Nutrition Program for Women, Infants, and Children (WIC); and Medicaid. The bill also requires the utility companies to share household information with DOEE, including account numbers of potentially eligible households.

### **Financial Plan Impact**

Funds are not sufficient in the fiscal year 2027 through fiscal year 2030 budget and financial plan to implement the bill. The bill's implementation will cost approximately \$1.1 million in fiscal year 2027 and \$16.5 million over the four-year financial plan period.

When a resident applies for a utility discount or other DOEE need-based program, DOEE requires a resident to submit income information or other benefit program participation. DOEE will often validate this information by viewing data in the District of Columbia Access System (DCAS).<sup>4</sup> To implement the bill's automatic enrollment provision, DOEE will need to create a system to receive information from DCAS and customer information from the utility companies in order to confirm eligibility and properly match customer accounts to the health or human service agency data. That system, including the appropriate security protections, will leverage existing technology contracts, but requires an additional \$38,000 annually in unbudgeted resources. To manage this process and interactions with utility providers, the District's health and human services agencies, and the public, DOEE will need to hire an additional program manager and processor. These additional staffers will cost \$215,000 in fiscal year 2027 and \$877,000 over the four-year financial plan period. To support

---

<sup>4</sup> The DCAS system is a partnership between DHS, DHCF, and the Health Benefit Exchange.

these staffers, update any necessary documents and websites, and communicate with the public, DOEE requires an additional \$71,000 in one-time costs in fiscal year 2027. DOEE will also utilize existing staff and resources to support the operational, legal, and technology functions of the automatic enrollment program. DOEE's total additional resources needs are \$324,000 in fiscal year 2027 and \$1.1 million over the four-year financial plan period.

DHS, DC Health, and DHCF each manage income-eligible programs that DOEE could use to automatically enroll participants in utility discount programs. Each agency puts significant resources into making eligibility determinations and protecting personal resident information. DHCF, which manages the DCAS system and the Medicaid program, will require one additional staffer and \$300,000 to update the DCAS system. The DCAS system must allow for benefits applicants to affirmatively consent and coordinate with the DOEE matching system. This will require testing, updates to business requirements and workflow, and other required system modifications. The DHCF staffer will cost \$132,000 in fiscal year 2027 and \$545,000 over the four-year financial plan period. DHS, which manages the TANF and SNAP programs for the District, also requires one staffer at a cost of \$129,000 in fiscal year 2027 and \$533,000 over the four-year financial plan period. DHS must also redo its stock of paper public benefits applications, at a one-time cost of \$200,000, to ensure residents can affirmatively elect to share their information with DOEE to support automatic enrollment. When DHS changes this application, they are required to get federal approvals and hold a public comment period. The additional staff support will help each agency manage data sharing agreements and ensure that their agency's processes and public interactions support the automatic enrollment program.

The bill's automatic enrollment provisions are expected to significantly increase enrollment in the utility discount programs. At the end of fiscal year 2025, over 18,000 households were enrolled in Pepco's RAD program, over 8,000 households in Washington Gas' RES program, and 4,500 in DC Water's CAP program. By comparison, the District's public health and human services benefits programs could have tens of thousands of participants, and in the case of Medicaid, even more participants.<sup>5</sup>

DOEE intends to initially consider all or some of the households qualified for SNAP<sup>6</sup> and TANF<sup>7</sup> at the outset of the automatic enrollment program under the bill's provisions that grant DOEE flexibility to limit households based on available funding or other limitations. DOEE estimates automatic enrollment could increase participation by 32,500 for RAD, 15,500 for RES, and 7,000 for CAP.<sup>8</sup> The cost of a utility discount program is borne by ratepayers who do not participate in the discount programs through surcharges, so an increase in enrollment will increase the surcharges on other ratepayers, including the District government. Utilities can annually request an update to these surcharges. An increase of 32,500 RAD households will increase the District's cost of RADS by approximately \$835,000 annually and an increase of 15,500 RES participants will increase the District's Cost of RES Surcharge by approximately \$119,000 annually. The total impact on the District

---

<sup>5</sup> The June 2026 Medicaid enrollment for the District was 237,170 individuals. [June 2026 Medicaid & CHIP Enrollment Data Highlights | Medicaid](#)

<sup>6</sup> Preliminary May 2026 and initial June 2026 SNAP counts provided by the United States Department of Agriculture indicate over 79,000 households participate in SNAP.

<sup>7</sup> TANF averaged nearly 6,000 households per month in fiscal year 2025.

<sup>8</sup> The number of SNAP recipients still exceeds the projected number of utility discount program participants because some existing SNAP recipients already participate in utility programs; not every household pays an electric, gas or water bill; and not every SNAP recipient will opt-in to sharing their information with DOEE.

government's utility bills is an increase of \$954,000 annually, starting in fiscal year 2028. DC Water's rates are approved by the DC Water Board and if those rates are adjusted to account for increased participation in CAP, those rate changes will also increase District government water bills.

| <b>Bill 26-243, Automatic Enrollment for Utility Affordability Programs Act of 2026</b><br><b>Budgetary Costs</b><br><b>Fiscal Year 2027 – Fiscal Year 2030</b><br><b>(\$thousands)</b> |                |                |                |                |                |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|----------------|
|                                                                                                                                                                                         | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>Total</b>   |
| <b>DOEE Staff</b>                                                                                                                                                                       | \$215          | \$219          | \$224          | \$228          | \$887          |
| <b>DOEE Startup Costs</b>                                                                                                                                                               | \$71           | \$0            | \$0            | \$0            | \$71           |
| <b>DOEE Matching System</b>                                                                                                                                                             | \$38           | \$38           | \$38           | \$38           | \$152          |
| <b>DHCF DCAS Update</b>                                                                                                                                                                 | \$300          | \$0            | \$0            | \$0            | \$300          |
| <b>DHCF Staff</b>                                                                                                                                                                       | \$132          | \$135          | \$138          | \$140          | \$545          |
| <b>DHS Paper Applications</b>                                                                                                                                                           | \$200          | \$0            | \$0            | \$0            | \$200          |
| <b>DHS Staff</b>                                                                                                                                                                        | \$129          | \$131          | \$135          | \$137          | \$533          |
| <b>District Energy Cost Increase</b>                                                                                                                                                    | \$0            | \$954          | \$954          | \$954          | \$2,862        |
| <b>Total Implementation Costs</b>                                                                                                                                                       | <b>\$1,085</b> | <b>\$1,478</b> | <b>\$1,489</b> | <b>\$1,497</b> | <b>\$5,550</b> |

Increased enrollment in utility companies' customer assistance programs will also decrease surcharge revenue that is passed through to the District. When a household participates in a utility discount program, they are exempt from paying any fees into the Sustainable Energy Trust Fund (SETF),<sup>9</sup> Energy Assistance Trust Fund (EATF),<sup>10</sup> and the Mayors Energy Surcharge Fund.<sup>11</sup> If the automatic enrollment program experiences an increase consistent with DOEE's estimates, then SETF will experience an annual revenue loss of approximately \$800,000, EATF will experience an annual revenue loss of \$175,000, and the Mayor's Energy Surcharge Fund will experience an annual loss of nearly \$2.7 million. DOEE has one year to establish the system, so the revenue impacts will start in fiscal year 2028 and the total revenue loss is \$10.9 million over the four-year financial plan period. The revenue loss will impact the programs DOEE implements through SETF and EATF. The loss of revenue for the Mayor's Energy Surcharge Fund will reduce the Department of General Service's available resources to pay the District's utility bills.

| <b>Bill 26-243, Automatic Enrollment for Utility Affordability Programs Act of 2026</b><br><b>Special Purpose Fund Revenue Reductions</b><br><b>Fiscal Year 2027 – Fiscal Year 2030</b><br><b>(\$thousands)</b> |                |                |                |                |                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
|                                                                                                                                                                                                                 | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>Total</b>    |
| <b>SETF</b>                                                                                                                                                                                                     | \$0            | \$800          | \$800          | \$800          | \$2,400         |
| <b>EATF</b>                                                                                                                                                                                                     | \$0            | \$175          | \$175          | \$175          | \$525           |
| <b>Mayor's Energy Surcharge Fund</b>                                                                                                                                                                            | \$0            | \$2,670        | \$2,670        | \$2,670        | \$8,010         |
| <b>Total Annual Revenue Loss</b>                                                                                                                                                                                | <b>\$0</b>     | <b>\$3,645</b> | <b>\$3,645</b> | <b>\$3,645</b> | <b>\$10,935</b> |

<sup>9</sup> D.C. Official Code § 8-1774.10.

<sup>10</sup> D.C. Official Code § 8-1774.11.

<sup>11</sup> D.C. Official Code § 8-1774.10a. Current law does not explicitly exempt RAD and RES customers from paying the Mayor's Energy Surcharge Fund surcharge, but because this fee is a derivative of the SETF surcharge which has an exemption, utilities do not charge the former surcharge.

The Honorable Phil Mendelson

FIS: Bill 26-243, "Automatic Enrollment for Utility Affordability Programs Act of 2026," Draft Committee Print as provided to the Office of Revenue Analysis on September 28, 2026

The chart below summarizes the bill's full fiscal impact.

| <b>Bill 26-243, Automatic Enrollment for Utility Affordability Programs Act of 2026<br/>Implementation Costs<br/>Fiscal Year 2027 – Fiscal Year 2030<br/>(\$thousands)</b> |                |                |                |                |                 |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------|----------------|----------------|----------------|-----------------|
|                                                                                                                                                                            | <b>FY 2027</b> | <b>FY 2028</b> | <b>FY 2029</b> | <b>FY 2030</b> | <b>Total</b>    |
| <b>Additional Budget</b>                                                                                                                                                   | \$1,085        | \$1,478        | \$1,489        | \$1,497        | \$5,550         |
| <b>Revenue Loss</b>                                                                                                                                                        | \$0            | \$3,645        | \$3,645        | \$3,645        | \$10,935        |
| <b>Total Impact</b>                                                                                                                                                        | <b>\$1,085</b> | <b>\$5,123</b> | <b>\$5,134</b> | <b>\$5,142</b> | <b>\$16,485</b> |