

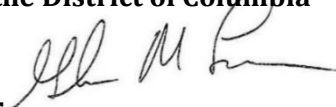
Government of the District of Columbia
Office of the Chief Financial Officer



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: July 11, 2024

SUBJECT: Fiscal Impact Statement – Comprehensive Electric Vehicle
Infrastructure Access, Readiness, and Sustainability Amendment Act of
2024

REFERENCE: Bill 25-106, Draft Committee Print as provided to the Office of Revenue
Analysis on July 11, 2024

Conclusion

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation costs approximately \$7.8 million in fiscal year 2025 and \$22.1 million over the four-year financial plan period. Approximately \$3.1 million of the four-year financial plan costs are included in the District Department of Transportation's federally funded program budget. The bill's implementation is subject to the remaining funding's inclusion in an approved budget and financial plan.

Background

The bill enhances the District's efforts to promote electric vehicle adoption by directing the installation of electric vehicle infrastructure, introducing new incentives, piloting charging stations in publicly-accessible areas, and planning for the long-term adoption of electric vehicles in both public and private settings.

The bill requires the Department of Energy and Environment (DOEE) to develop, publish, and update an Electric Vehicle Infrastructure Deployment and Management Plan (EV Plan). The EV Plan must provide the number and share of electric vehicles registered in the District and a ten-year forecast for the number of electric vehicles DOEE expects to be registered. DOEE must include a plan to ensure there are electric charging stations equal to 5 percent of the projected number of registered vehicles in each of those years or explain how DOEE otherwise expects the District to meet the charging

The Honorable Phil Mendelson

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capacity required to meet demand. DOEE should also assess the District's electric grid capacity to ensure it can meet the projected demand over those years. The EV Plan should also identify geographic gaps in electric vehicle infrastructure and establish EV equity emphasis areas¹ where insufficient charging stations are publicly available. The EV Plan should include a list of proposed locations for publicly- and privately-owned electric vehicle charging infrastructure, the charging speed and capacity of available charging infrastructure, and recommendations for legislative or regulatory actions needed to create standards² for electric vehicle infrastructure in the District. DOEE should submit the EV Plan to Council and make it publicly available on January 1, 2026, July 1, 2029, and July 1, 2032.

The bill requires DOEE to establish an Electric Vehicle Charging Incentive Program (Incentive Program). Under the Incentive Program, DOEE should provide subsidies and other assistance for the installation or upgrade of electric vehicle infrastructure in the District or the assessment of the need for electric vehicle infrastructure. The bill allows DOEE to work with the electric company on subsidies and assistance, however, any ratepayer funds used to support the Incentive Program must be approved by the Public Service Commission. The Mayor can issue rules to implement the Incentive Program.

The bill requires the Mayor to launch a two-year public awareness campaign no later than March 30, 2027. The campaign should focus on electric vehicles, the availability of charging infrastructure, and how electric vehicles will help the District achieve its climate goals. The campaign should also inform residents about tax credits and other incentives to enhance electric vehicle adoption in the District.

The bill requires the District Department of Transportation (DDOT) to establish a neighborhood charging infrastructure pilot program (pilot program) by September 30, 2026. DDOT should install at least four publicly-accessible³ Level 1⁴ charging ports in at least four advisory neighborhood commissions in the District. Chargers installed as part of the pilot program must be able to collect and transmit usage data to DDOT. By January 1, 2026, DDOT should publish how it chose the locations for the pilot program and how that selection process prioritizes lower-income residential areas and areas where charging stations aren't publicly-available within one mile of an alternative fuel corridor. DDOT should work with DOEE to assess the effectiveness of the pilot program by March 30, 2027. The DDOT and DOEE assessment should look at the technical features of the charging ports, the nature of charging sessions, charging port availability, and any challenges or obstacles to supporting software and hardware for each location.

The bill requires DDOT to publish on its website a list of the number and location of publicly-available charging stations and the number of electric vehicles registered in the District. DDOT should update this information every three months.

¹ EV equity emphasis areas are census tracts within the District where a majority of the population has incomes of 60 percent of the area median income or less and there is limited publicly accessible charging infrastructure.

² Such as standards around payment options, charging connectors, permitting, and consumer protections.

³ Examples of locations include on light poles or in parking lots.

⁴ Level 1 charging equipment is equipment that provides charging through a one hundred twenty volt AC outlet with a connector that meets the NEMA 550 or SAE International J1772 standard.

The Honorable Phil Mendelson

FIS: Bill 25-106, "Comprehensive Electric Vehicle Infrastructure Access, Readiness, and Sustainability Amendment Act of 2024," Draft Committee Print as provided to the Office of Revenue Analysis on July 11, 2024

The bill prohibits anyone from building a new gas service station or significantly improving⁵ an existing one unless they install electric vehicle charging infrastructure. The developer or owner must install a station that can charge two vehicles simultaneously and provide 150 kW direct-current fast charging for each gasoline dispensing pump at the service station. This prohibition begins October 1, 2025 and applies to any service station that projects to sell 1 million gallons of gasoline annually.

Current law requires all new construction or substantial improvements of commercial or multi-unit residential buildings to include make-ready electric vehicle infrastructure on 20 percent of any parking spaces.⁶ The bill enhances this requirement for all building permits issued after January 1, 2027. For non-residential buildings, at least 15 percent of the spaces must be electric vehicle installed,⁷ 25 percent must be electric vehicle ready.⁸ Multi-unit buildings must also have 25 percent of their spaces be electric vehicle ready, but there are no requirements for electric vehicle installed spaces.⁹ For these buildings, the share that must be electric vehicle ready increases to 29 percent for permits issued after January 1, 2031 and 33 percent for permits issued after January 1, 2034. When a parking space is electric vehicle ready, the property owner is required to install a label at the service panel and the termination point at the parking space that says "EV_READY". The bill also requires any permits issued after January 1, 2025 for new or substantially improved single-family homes that have dedicated off-street parking to include electric panel capacity and conduit to support Level 1 charging at 120 volts or greater. The conduit can be capped for the future installation of equipment. The bill requires the builder to provide the homebuyer or owner with information about the requirement of installing the electric vehicle panel capacity and conduit and information about available grants and incentive programs to support installing equipment.

The bill prohibits DDOT from issuing a public space permit or the Department of Buildings (DOB) from issuing a building permit to an entity seeking to install five or more electric vehicle charging stations in the District, unless the entity agrees to share data with DOEE and DDOT to support the EV Plan. The bill also requires any of these entities that are installing the electric vehicle charging infrastructure with District or certain federal financial assistance to use certified business enterprises for at least 50 percent of the installation and maintenance costs of installing the charging stations.¹⁰

The bill establishes parameters for homeowners in a condominium association, community association, or other common interest development to install electric vehicle charging infrastructure on the association's property. The bill allows a homeowner to install a charging port, at their own expense, if the homeowner meets the association's safety, registration, architectural, use,¹¹ and other reasonable safety and access requirements. The bill declares that any covenants, restrictions, or

⁵ Significant improvement means improvements valued at 50 percent of the real property value or greater.

⁶ Electric Vehicle Readiness Amendment Act of 2020, effective March 16, 2021 (D.C. Law 23-194; D.C. Official Code § 6-1451.03a).

⁷ These are dedicated parking spaces with a dedicated branch circuit that is 120-volt or greater terminating at a receptacle in close proximity to the parking space.

⁸ These are dedicated parking spaces that have at least 120-volt electrical panel capacity and space for a branch circuit for the future installation of electric vehicle supply equipment.

⁹ These are dedicated parking spaces that are fully installed with electrical panel capacity and raceways and electric vehicle service equipment of at least Level 1, 120-volt AC plug capable of charging one or more vehicles.

¹⁰ Entities do not need to utilize certified business enterprises if prohibited by federal law.

¹¹ The bill includes a prohibition on the sublease or rental of a parking space with electric vehicle charging infrastructure.

The Honorable Phil Mendelson

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conditions that prohibit the installation and use of charging equipment on association property that is designated for the exclusive use of the homeowner are void and unenforceable. The bill also requires an association to update its documents and instruments with provisions governing the installation, operation, maintenance, and removal of a charging port upon receipt of the first application to install a charging port. The bill sets the application process and any fees to be similar to what an association may require for architectural modifications, except that it sets the application approval timeframe to 60 days unless reasonably extended. The bill requires an association to grant an applicant the opportunity to remedy any defects in their application that lead to an application rejection. The bill establishes what the association can require of the homeowner, including the submission of drawings, financial and insurance responsibilities, who must install the charging port, transfer responsibilities, and design standards. The bill establishes the homeowner's responsibilities after the charging port has been installed. The bill also establishes that an association can install a charging port for use by all homeowners and what responsibilities the association has in those situations. Any association that violates the bill's provisions supporting a homeowner's right to install an electric vehicle charging infrastructure is subject to \$1,000 fines from DOB for each 60-day period the landlord is in violation. An association can appeal a DOB decision to the Office of Administrative Hearings.

The bill establishes similar parameters for the installation of charging infrastructure by a tenant, who receives written permission from their landlord, as those imposed upon homeowners within an association. However, upon the termination of a tenant's lease, the tenant must remove the charging port or sell or transfer it to the landlord. Landlords also cannot charge additional fees for the installation of a charging port beyond the cost of installation, electricity, or to reserve a specific parking spot. Any landlord who violates the bill's provisions supporting a tenant's right to install an electric vehicle charging infrastructure is subject to \$1,000 fines from DOB for each 30-day period the landlord is in violation. A landlord can appeal a DOB decision to the Office of Administrative Hearings and then to the Rental Housing Commission.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2025 through fiscal year 2028 budget and financial plan to implement the bill. The bill's implementation costs approximately \$7.8 million in fiscal year 2025 and \$22.1 million over the four-year financial plan period. Approximately \$3.1 million of the four-year financial plan costs are included in the District Department of Transportation's federally funded program budget. The bill's implementation is subject to the remaining funding's inclusion in an approved budget and financial plan.

DOEE must develop and publish the EV plan in 2026, 2029, and 2032. The EV Plan will evaluate the current state of electric vehicles and electric infrastructure in the District, project the demand for electric vehicle infrastructure into the future, and identify locations for future electric vehicle infrastructure. DOEE requires \$365,000 in fiscal year 2025 to deliver the first EV Plan by January 1, 2026. DOEE must also establish the Incentive Program to support the expansion of electric vehicle infrastructure throughout the District. DOEE requires \$1,000,000 annually to implement the Incentive Program. The bill allows DOEE to work with the electric company on an incentive program funded with ratepayer funds, but the Public Service Commission would need to approve any use of ratepayer funds. DOEE needs to work with DDOT to evaluate DDOT's pilot program. To ensure DOEE receives the data it needs to support this effort, DOEE must build a portal at a one-time cost of \$45,000 in fiscal year 2025.

The Honorable Phil Mendelson

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DOEE will also manage the bill's required public awareness campaign. The campaign needs to be launched by March 2027 and should operate for two years. DOEE requires \$99,000 in fiscal year 2026 and \$101,000 in fiscal year 2027 to run the campaign.

DOEE's total needs to implement the bill are \$1.4 million in fiscal year 2025 and \$4.6 million over the four-year financial plan period.

The bill's pilot program at DDOT is generally consistent with a program DDOT is launching through the federal National Electric Vehicle Infrastructure (NEVI) program. The NEVI program provides funding for DDOT to build-out, through grant awards, a connected electric vehicle charging network that supports data collection, access, and reliability. The bill requires DDOT to build out the network with at least four charging ports in four of the District's advisory neighborhood commissions. The NEVI program can fund a pilot program coordinator, site assessments, electrical upgrades and connections, vehicle charging equipment and installation, operations and maintenance, and community outreach. These total costs are \$2.8 million in fiscal year 2025 and \$3.1 million over the four-year financial plan period. These costs are covered by NEVI program funding. The bill's required data collection needs are not covered by NEVI program funding and DDOT requires an additional \$21,000 in each of fiscal years 2026 and 2027 to support data collection efforts.

DOB must ensure that all new and substantially improved commercial and multi-unit residential buildings provide make-ready electric vehicle infrastructure for 20 percent of the building's parking spaces. The bill increases the share of spaces that must be ready for electric vehicle infrastructure, imposes a make-ready infrastructure requirement for single-family home construction with off-street parking, and, beginning in 2027, requires non-residential commercial buildings to fully install electric vehicle charging infrastructure for 15 percent of their parking spaces. The bill also requires the installation of electric vehicle charging infrastructure for certain new or significantly improved gas stations in the District. DOB requires a one-time system update of \$250,000 in fiscal year 2025 to support these efforts. The agency also requires three new staffers beginning in fiscal year 2025 and one additional staffer beginning in fiscal year 2027. These staffers will cost \$368,000 in fiscal year 2025 and \$1.7 million over the four-year financial plan period.

The requirement that DOB enforce the bill's parameters around the installation of electric vehicle infrastructure by condominium owners, association members, and tenants is not a function that DOB normally engages in because it is not directly related to any particular permits or building codes enforced by the agency. DOB would need to establish a new enforcement division to investigate, evaluate, and administratively litigate whether a board, owner's association, or landlord complied with the bill's provisions in approving or denying an owner's or tenant's installation of electric vehicle charging infrastructure. The required enforcement staff includes administrative support, investigative staff, attorneys, permit staff, and supervisory staff. This personnel will cost approximately \$3 million in fiscal year 2025 and \$12.4 million over the four-year financial plan period.

The chart on the following page summarizes the bill's fiscal impact.

The Honorable Phil Mendelson

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Bill 25-106, Comprehensive Electric Vehicle Infrastructure Access, Readiness, and Sustainability Amendment Act of 2024 Implementation Costs Fiscal Year 2025 – Fiscal Year 2028 (\$ thousands)					
	FY 2025	FY 2026	FY 2027	FY 2028	Total
DOEE Costs^a					
EV Plan	\$365	\$0	\$0	\$0	\$365
DDOT Coordination Portal	\$45	\$0	\$0	\$0	\$45
Incentive Program ^b	\$1,000	\$1,000	\$1,000	\$1,000	\$4,000
Public Awareness Campaign	\$0	\$99	\$101	\$0	\$200
Total DOEE Costs	\$1,410	\$1,099	\$1,101	\$1,000	\$4,610
Total DDOT Costs^c	\$2,820	\$126	\$128	\$109	\$3,183
DOB Costs					
Permitting and Inspection	\$618	\$376	\$471	\$482	\$1,947
Enforcement	\$2,989	\$3,054	\$3,120	\$3,189	\$12,352
Total DOB Costs	\$3,607	\$3,430	\$3,592	\$3,670	\$14,299
TOTAL BILL COSTS	\$7,837	\$4,655	\$4,821	\$4,779	\$22,092

Table Notes

^a DDOE costs for the EV Plan, DDOT coordination, and the incentive program are inclusive of DOEE’s staffing needs, which in all cases are part-time or temporary staff.

^b While the bill requires DOEE to implement an incentive program, DOEE could work with the electric company on an Public Service Commission-approved incentive program in lieu of a DOEE program.

^c \$21,000 in each of fiscal year 2026 and 2027 are not covered by federal funding from the NEVI program. The remaining \$3.141 million is funded through the NEVI program.