

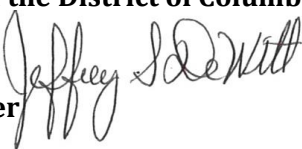
Government of the District of Columbia
Office of the Chief Financial Officer



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: November 6, 2020

SUBJECT: Fiscal Impact Statement – Energy Efficiency Standards Amendment Act of 2020

REFERENCE: Bill 23-204, Draft Committee Print as circulated on November 6, 2020

Conclusion

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill's implementation will cost \$120,000 in fiscal year 2021 and \$483,000 over the four-year financial plan period.

The bill's implementation is subject to the required resources being included in an approved budget and financial plan.¹

Background

The District established energy efficiency standards² for various product categories and prohibits the sale of products within those categories if they do not meet the standards. The list of product categories includes bottle-type water dispensers, commercial hot food holding cabinets, metal halide lamp fixtures, single-voltage external AC to DC power supplies, state-regulated incandescent reflector lamps, and walk-in refrigerators and freezers.

¹ The provision that makes California, rather than Maryland or Virginia, the comparable standard for efficiency standard changes made by rule has no cost and can be implemented immediately.

² Energy Efficiency Standards Act of 2007, effective December 11, 2007 (D.C. Law 17-64; D.C. Official Code § 8-1771.03(b)).

The bill adds additional product categories, establishes the energy and water efficiency standards for those products,³ and prohibits their sale or installation if they do not meet the enumerated standards. The sales and installation prohibition on products within these newly added categories will begin one year after the bill's effective date. These newly added product categories include:

- Air purifiers;
- Commercial dishwashers;
- Commercial fryers;
- Commercial steam cookers;
- Computers and computer monitors;⁴
- Faucets;
- High color rendering index, cold temperature, and impact-resistant fluorescent lamps;
- Portable electric spas;
- Residential ventilating fans;
- Showerheads;
- Spray sprinkler bodies;
- State-regulated general service lamps;
- Urinals and water closets; and
- Water coolers.

The bill makes California standards, rather than those in Maryland or Virginia, the comparable standard if the Mayor adopts a new or increased energy efficiency standard by rule. The bill allows the standards for any listed product to be reset to efficiency standards set in 2017 if federal regulators withdraw, repeal, or void any existing minimum energy efficiency or water efficiency standards.⁵ The bill requires the Mayor to report to Council every five years on whether the efficiency standards set for products in the statute promote energy conservation in the District.

Financial Plan Impact

Funds are not sufficient in the fiscal year 2021 through fiscal year 2024 budget and financial plan to implement the bill. The bill's implementation will cost \$120,000 in fiscal year 2021 and \$483,000 over the four-year financial plan period.

The bill adds 14 new product categories to an existing list of 6 categories. If products within these categories do not meet the enumerated energy and water efficiency standards, they cannot be sold in the District. The Department of Energy and Environment (DOEE) and the Department of Consumer and Regulatory Affairs (DCRA) will share enforcement responsibility because some of these products will be sold directly to consumers and some will be installed as part of DCRA permitted activities. DOEE requires one additional program staffer to monitor the standards, make updates as necessary, perform outreach and education, and enforce these standards on consumer sales. This will cost

³ The bill also establishes new standards for bottle-type water dispensers.

⁴ The Mayor has one year from the bill's effective date to set standards for computers and computer monitors, so long as those standards meet or exceed Title 20 of the California Code of Regulations.

⁵ Pursuant to the Energy Policy and Conservation Act (Parts 430-431 of Title 10 of the Code of Federal Regulations).

The Honorable Phil Mendelson

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\$90,000 in fiscal year 2021 and \$363,000 over the four-year financial plan period. DOEE also requires an additional \$30,000 annually to support outreach and educational efforts. DCRA can absorb any activities and enforcement within its existing permitting processes.

The chart below summarizes the bill's fiscal implications.

Energy Efficiency Standards Amendment Act of 2020					
Bill 23-204					
Implementation Costs					
Fiscal Year 2021 – Fiscal Year 2024					
(\$ thousands)					
	FY 2021	FY 2022	FY 2023	FY 2024	Total
DOEE Staff	\$90	\$91	\$91	\$91	\$363
DOEE Education and Outreach	\$30	\$30	\$30	\$30	\$120
Total Costs	\$120	\$121	\$121	\$121	\$483