The Committee on Transportation and the Environment, to which Bill 21-650, the Renewable Portfolio Standard Expansion Amendment Act of 2016 was referred, reports favorably on the legislation and recommends its approval by the Council of the District of Columbia.
STATEMENT OF PURPOSE AND EFFECT

Bill 21-650 the “Renewable Portfolio Standard Expansion Amendment Act of 2016” was introduced on March 1, 2016, by Councilmember Cheh, and co-sponsored by Councilmembers Silverman, Grosso, Allen, Bonds, Alexander, and Chairman Mendelson. The legislation amends the Renewable Energy Portfolio Standard Act of 2004 to allow waste heat from the sewage system or wastewater treatment to qualify as a Tier one renewable source; to raise the renewable portfolio standard to 50% by 2032 and the solar requirement to 5% by 2032; to authorize the Public Service Commission to adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement; to change the alternative compliance payment for the solar requirement through 2032; and to expand the uses of the Renewable Energy Development Fund. The legislation also amends the Clean and Affordable Energy Act of 2008 to increase the Sustainable Energy Trust Fund fee and to establish a Solar for All program within the Department of Energy and Environment for the purpose of increasing the access of seniors, small local businesses, nonprofits, and low-income households to the benefits of solar power.

I. Background

The District has shown its commitment to the increased use of renewable forms of energy through the District’s Renewable Portfolio Standard (RPS). The RPS requires a percentage of every unit of electricity provided to the District to come from wind, solar, biomass, or some other renewable source of energy. To specifically support locally-produced solar energy, the District created a “local solar carve-out” to the RPS, which requires a small portion of the sources used to meet the RPS to come from local solar energy sources. Although energy suppliers can choose to meet the rest of the RPS with several different forms of renewable energy produced anywhere in the region, the local solar carve-out means that for every unit of electricity sold, a small portion of that energy must be generated by solar resources that are either within the District or very close to its borders. In 2016, the general RPS requirement is 11.5%, and the local solar carve-out requirement is 0.825%. The maximum requirements are currently 20% by 2020 for the general RPS, and 2.5% by 2023 for the local solar carve-out.

Energy suppliers can meet the RPS and the solar carve-out in one of two ways. They can either (1) supply the energy themselves by obtaining it from their own generating sources, or (2), they can pay the owner of a renewable energy system, such as a wind farm owner or a homeowner with solar panels on their roof, to supply it for them. This purchase is called a renewable energy credit (REC). A purchase that meets the local solar carve-out requirement is called a solar renewable energy credit (SREC). If an energy supplier fails to meet the general RPS requirement or the local solar carve-out RPS requirement, they must pay an alternative compliance fee. In 2016, that fee is set at 5 cents per kilowatt-hour of shortfall for the general RPS requirement, and 50 cents per kilowatt-hour of shortfall for the local solar carve-out requirement. From 2017 to 2023, the local solar carve-out alternative compliance fee is currently scheduled to reduce to 5 cents per kilowatt-hour.
The revenue from RPS alternative compliance fees is deposited in the Renewable Energy Development Fund (REDF), which is dedicated for use to incentivize new solar energy sources in the District. Due to a grandfathering clause for energy supply contracts entered into before the passage of the local solar carve-out provisions, however, the fund held little money until 2014, when it garnered about $700,000. As those contracts expired and became subject to the increased ACF additional funds were generated, and in 2014, the REDF generated about $6.3 million. In 2015, it generated $19.9 million. DOE has yet to release a plan for how it will spend this increased funding, although it has secured a contractor to assist in solar program development.

II. Legislative Action: Description & Analysis

B21-650 amends the Renewable Energy Portfolio Standard Act of 2004 to raise the renewable portfolio standard to 50% by 2032 and the local solar requirement to 5% by 2032. When the District first passed its RPS requirement in 2004, it was a national leader with an aggressive target set at 11% by 2022. By 2008, the District had been surpassed in its targets by many other states, and so the RPS was raised to 20% by 2020. In 2016, the District has fallen behind again in its RPS targets. For example, over the past year, both New York and California raised their targets to 50% by 2030, Oregon raised its target to 50% by 2040, and Vermont raised its target to 75% by 2032. Hawaii’s RPS target is now 100% by 2045.

B21-650 would also change the alternative compliance payment for the solar requirement, keeping it at its current level, 50 cents per kilowatt-hour, through 2023, and then causing it to decline until it reaches 5 cents per kilowatt-hour in 2033. Keeping this fee at its current level supports the market for solar RECs, upon which the District’s booming solar industry is built. Although the District’s solar market has been growing exponentially, and now supports roughly 1,000 solar jobs in the District, the market is threatened by the decrease in the solar alternative compliance payment scheduled in 2017. Keeping that payment at its current level through 2023 will signal to the market that it can keep going, and the industry estimates it will create an estimated 4,000 new jobs in the District, as well as spur growth in ancillary sector jobs for electricians, plumbers, pipe fitters, and roofers.

Although the District’s solar market is growing and solar power saves users electric costs in the long run, the benefits of solar energy are often unattainable for those who don’t have money for the initial outlay of capital that a solar system requires. For this reason, B21-650 creates a Solar for All program, which will require that DOE use its REDF funds to greatly expand upon its solar programming, currently operated primarily through the SEU, to create programs targeted at seniors, small local businesses, nonprofits, and low-income residents. The program requires DOE to develop and implement a plan to reduce the electric bills of 100,000 low-income District households with high energy burdens by half by 2032. According to the Fiscal Policy Institute, there were about 107,000 households with incomes at 60% of the area median income in 2014. Such households are often significantly burdened by energy costs relative to other households, yet don’t have the up-front funds necessary to take advantage of the money-saving benefits of solar energy systems. Requiring that the REDF be used in large part to support programs that will reduce the energy burdens of these residents will not only increase the amount of solar electricity generated in the District for the purpose of achieving the goals of the
local solar carve-out in the RPS, it will help those families stay in their homes and allow them to use more of their income for other essentials.

As introduced, B21-650 funded the Solar for All program partially from an increase in the Sustainable Energy Trust Fund (SETF) surcharge and partially from funds allocated from the REDF. At the hearing, DOEE and the Office of the People’s Counsel both noted that the entire program could be funded from the REDF, and recommended that the SETF surcharge was not necessary for this purpose. DOEE recommended, however, that the surcharge be increased by a lower amount to cover a $1.5 million structural deficit in the amount of funds being generated by the surcharge. The Committee Print incorporates this recommendation.

The Committee Print also incorporates other recommendations suggested in testimony, including recommendations from DOEE to add flexibility in its administration of the Solar for All program. For example, at the suggestion of DOEE, the Committee Print incorporates provisions that expand the allowable uses of the REDF, and revisions to the goals of the Solar for All program to give DOEE greater flexibility in the types of solar programs it can implement. At the suggestion of DOEE and others who submitted testimony, the Committee Print also includes a grandfathering clause for contracts already in place at the time the bill becomes effective.

The Office of the People’s Counsel noted in its testimony that the effect of the RPS fees on ratepayers has not been shown to be more than de minimis. Further, testimony at the hearing provided analyses showing that increased solar power on the grid actually saves ratepayers money, due to reduced need for peak power. The value of solar power to ratepayers has also been supported by several recent studies. However, in determining whether the District is achieving its local solar carve-out requirements, it makes sense to include all solar generation that is not so large it will distort the market for SRECs. For this reason, the Committee Print incorporates changes to the local solar carve-out limitations suggested by the Public Service Commission (PSC) to relieve some of the burden of the solar alternative compliance fee on ratepayers. For example, the Committee Print replaces the 5 MW limit on solar systems that qualify for SRECs with a 15 MW limit, and incorporates a provision allowing the PSC to adjust the local solar carve-out to account for solar generation in the District that would otherwise qualify for SRECs but for which SRECs are not available for purchase by energy suppliers. The PSC noted in its testimony that buildings that install solar systems to meet LEED or EnergyStar program requirements are not allowed to sell SRECs from their systems under the guidelines for those programs. The provision allowing the PSC to adjust the local solar carve-out is intended to allow the PSC to account for the solar power generated by those systems in determining how much solar power that energy suppliers need to provide each year to ensure that the District is meeting its local solar carve-out goals for that year. The PSC might do this, for example, through an up-front adjustment of the carve-out at the beginning of the year, or through proportional

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1 Due to recent sweeps of the SETF by the Mayor and repeated cuts to LIHEAP’s local allocations, which were replaced by SETF balance, the balance that the SETF carried has been depleted. Because its balance is nearly gone and the current surcharge is bringing in about $1.5 million less than is needed to support the contract annually, DOEE recommended increasing the surcharge by a small amount to generate the funds needed.


rebates or reductions to the amount of alternative compliance payment paid by suppliers at the end of the year.

**CHRONOLOGY OF ACTION**

March 1, 2016  Introduction of Bill 21-650 by Councilmember Cheh, co-sponsored by Councilmembers Silverman, Grosso, Allen, Bonds, Alexander, and Chairman Mendelson

March 1, 2016  Referral of Bill 21-650 to the Committee on Transportation and the Environment

March 4, 2016  Notice of Intent to Act on Bill 21-650 is published in the *District of Columbia Register*

April 22, 2016  Notice of Public Hearing on Bill 21-650 is published in the *District of Columbia Register*

May 23, 2016  Public hearing on Bill 21-650 held by the Committee on Transportation and the Environment

May 27, 2016  Hearing Record on Bill 21-650 closed

May 31, 2016  The Committee on Transportation and the Environment filed the Hearing Record on Bill 21-650 with the Secretary to the Council

June 1, 2016  Consideration and vote on Bill 21-650 by Committee on Transportation and the Environment

**POSITION OF THE EXECUTIVE**

On May 23, 2016, Tommy Wells, Director of DOEE, testified on behalf of the Executive with respect to Bill 21-650. Director Wells expressed support for the bill’s expansion and increase of the RPS and changes to the alternative compliance fee for the local solar carve-out. Director Wells recommended reducing the increase in the SETF fee, adding a provision to prevent unanticipated increases in the value of solar renewable energy credits for those who had already installed solar systems, and altering the Solar for All program and the allowable uses of the REDF to increase the agency’s flexibility in implementing different types of solar programs.

**RESOLUTIONS BY ADVISORY NEIGHBORHOOD COMMISSIONS**

No Advisory Neighborhood Commission adopted a resolution concerning Bill 21-650 prior to the close of the hearing record.
LIST OF WITNESSES AND HEARING RECORD

On May 23, 2016, the Committee on Transportation and the Environment held a public hearing on Bill 21-650, the “Renewable Portfolio Standard Expansion Amendment Act of 2016.” A video recording of the hearing can be viewed online at oct.dc.gov. The hearing record was open until May 27, 2016. The following witnesses testified at the hearing or submitted statements outside of the hearing:

**Chris Weiss**, Director of the DC Environmental Network, testified in favor of B21-650.

**James McGarry**, of the Chesapeake Climate Action Network, testified in favor of B21-650.

**Lara Levison**, of the DC Sierra Club, testified in favor of B21-650.

**Marchant Wentworth**, of Wentworth Green Strategies, testified in favor of B21-650.

**Keya Chatterjee**, of the US Climate Action Network, testified in favor of B21-650.


**Julie Hantman**, of Moms Clean Air Force, testified in favor of B21-650.

**Elana Orbuch**, of Interfaith Power and Light, testified in favor of B21-650.

**Bernard Zahren**, of Clean Feet Investors, LLC, testified in favor of B21-650.

**Chris Benonis**, of Direct Energy Solar, testified in favor of B21-650, subject to the inclusion of a grandfathering provisions for contracts already in place at the time the bill becomes effective.

**Joan Massey**, CEO of Cesar Chavez School, testified in favor of B21-650.

**Ken Stadlin**, of Kenergy Solar, testified in favor of B21-650.

**Herb Stevens**, of Nixon Peabody, testified in favor of B21-650.

**Atta Kiarash**, of Solar Solutions, LLC, testified in favor of B21-650.

**Emma Rodvien**, of DC Sun, testified in favor of B21-650.

Nicole Steele, of GRID Alternatives Mid-Atlantic, testified in favor of B21-650.

Sam Brooks, of ClearRock, testified in favor of B21-650.

Dana Sleeper, of MDV-SEIA, testified in favor of B21-650.

Ivan Frishberg, of Amalgamated Bank, testified in favor of B21-650.

Ken Forsberg, a public witness, testified in favor of B21-650.

Delvone Michael, of DC Working Families, testified in favor of B21-650.

Telana Felder, of Southern Homes and Gardens Cooperative, testified in favor of B21-650.

David Jones, of the Capital Area Food Bank, testified in favor of B21-650.

Nicole Sitamarin, on behalf of the Office of the People’s Counsel, testified in support of B21-650’s increase in the RPS and extension of the alternative compliance fee at 50 cents per kilowatt-hour through 2023, noting that the costs of the ACF have not been determined to have more than a de minimis impact on consumers. She also testified in support of the Solar for All program. She testified against increasing the Sustainable Energy Trust Fund surcharge, noting that it was unnecessary because the Renewable Energy Development Fund has sufficient funds to cover the costs.

The Public Service Commission submitted testimony noting that B21-650 could increase costs to ratepayers and recommending changes that could mitigate those effects.

WGL Energy submitted testimony urging that B21-650 be modified to include a grandfathering clause for contracts in force prior to the date the bill becomes effective.

SRECTrade, Inc. submitted testimony conditionally supporting B21-650 and urging the Committee to reconsider the proposed changes to the alternative compliance payment penalties.

Norman Dong, on behalf of the U.S. General Services Administration, submitted testimony commending the goals of the bill and offering to share the agency’s analysis of its impacts on federal properties.

The Hearing Record for this public hearing is on file with the Office of the Secretary.

IMPACT ON EXISTING LAW

Bill 21-650 would amend the Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431 et seq.), to allow waste heat from the sewage system or wastewater treatment to qualify as a Tier one renewable
source; to raise the renewable portfolio standard to 50% by 2032 and the solar requirement to 5% by 2032; to authorize the Public Service Commission to adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement; to change the alternative compliance payment for the solar requirement through 2032; and to expand the uses of the Renewable Energy Development Fund. B21-650 would also amend the Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01 et seq.), to increase the Sustainable Energy Trust Fund fee and to establish a Solar for All program within the Department of Energy and Environment for the purpose of increasing the access of seniors, small local businesses, non-profits, and low-income households to the benefits of solar power.

**SUMMARY OF FISCAL IMPACT**

A fiscal impact statement issued by the Council Budget Office on June 1, 2016, is attached to this report. The Budget Office concluded that though there are costs to implementing B21-650, the bill will not have an adverse impact on the District's budget and financial plan because the bill authorizes the use of the Renewable Energy Development Fund to pay for any fiscal impacts.

**SECTION-BY-SECTION ANALYSIS**

*Section 1* establishes the short title.

*Section 2* would amend the Renewable Energy Portfolio Standard Act of 2004 to allow waste heat from the sewage system or wastewater treatment to qualify as a Tier one renewable source; to raise the renewable portfolio standard to 50% by 2032 and the solar requirement to 5% by 2032; to authorize the Public Service Commission to adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement; to change the alternative compliance payment for the solar requirement through 2032; and to expand the uses of the Renewable Energy Development Fund.

*Section 3* would amend the Clean and Affordable Energy Act of 2008 to increase the Sustainable Energy Trust Fund fee and to establish a Solar for All program within the Department of Energy and Environment for the purpose of increasing the access of seniors, small local businesses, non-profits, and low-income households to the benefits of solar power.

*Section 4* would exempt contracts entered before the effective date from application of section 2(c) of the bill for 3 years after the effective date.

*Section 5* adopts the fiscal impact statement.
Section 6 establishes the effective date.

COMMITTEE ACTION

On June 1, 2016, the Committee on Transportation and the Environment held a Regular Meeting to consider Bill 21-650, the Renewable Portfolio Standard Expansion Amendment Act of 2016. Present and voting were Chairperson Mary M. Cheh and Councilmembers Todd, Allen, and McDuffie. Chairperson Cheh gave a brief opening statement that explained the bill. Chairperson Cheh then moved for approval of the Committee print of Bill 21-650. The Committee voted 4 – 0 to approve the Committee print with the members voting as follows:

YES: Cheh, Todd, Allen, McDuffie

NO: 0

PRESENT: 0

Chairperson Cheh then moved for approval of the Committee report on Bill 21-650. The Committee voted 4 – 0 to approve the Committee report with members voting as follows:

YES: Cheh, Todd, Allen, McDuffie

NO: 0

PRESENT: 0

The meeting was adjourned.

ATTACHMENTS

(A) Bill 21-650, as introduced, and referral memo
(B) Fiscal Impact Statement
(C) Legal Sufficiency Determination
(D) Comparative Print of Bill 21-650
(E) Committee Print of Bill 21-650
ATTACHMENT

A
Memorandum

To: Members of the Council
From: Nyasha Smith, Secretary to the Council
Date: March 01, 2016

Subject: Referral of Proposed Legislation

Notice is given that the attached proposed legislation was introduced in the Legislative Meeting on Tuesday, March 1, 2016. Copies are available in Room 10, the Legislative Services Division.

TITLE: "Renewable Portfolio Standard Expansion Amendment Act of 2016", B21-0650

INTRODUCED BY: Councilmember Cheh

CO-SPONSORED BY: Councilmembers Silverman, Grosso, Allen, Bonds, Alexander, and Chairman Mendelson

The Chairman is referring this legislation to the Committee on Transportation and the Environment.

Attachment

cc: General Counsel
    Budget Director
    Legislative Services
A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Renewable Energy Portfolio Standard Act of 2004 to allow waste heat from the sewage system to qualify as a Tier 1 renewable source, raise the renewable portfolio standard to 50% by 2032 and the solar requirement to 5% by 2032, and to amend the Clean and Affordable Energy Act of 2008 to increase the Sustainable Energy Trust Fund fee, and to establish a program within the Department of Energy and the Environment for the purpose of installing solar systems on houses owned by low-income homeowners.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Renewable Portfolio Standard Expansion Amendment Act of 2016”.

Sec. 2. The Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431 et seq.), is amended as follows:

(a) Section 3(15) (D.C. Official Code § 34-1431(15)) is amended as follows:

(1) Subparagraph (F) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(2) Subparagraph (G) is amended by striking the period and inserting the phrase “; and” in its place.

(3) A new subparagraph (H) is added to read as follows:
“(H) Waste heat recovered from the combined and sanitary sewage system
or wastewater treatment plant effluent.”.

(b) Section 4(c) (D.C. Official Code § 34-1432(c)) is amended as follows:

(1) Paragraph (12) is amended by striking the phrase “; and” and inserting a
semicolon in its place.

(2) Paragraph (13) is amended as follows:

(A) Strike the phrase “In 2023 and thereafter” and insert the phrase “In
2023” in its place.

(B) Strike the period and insert a semicolon in its place.

(3) New paragraphs (14), (15), (16), (17), (18), (19), (20), (21), and (22) are added
to read as follows:

“(14) In 2024, not less than 23% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 2.6% from solar energy;
“(15) In 2025, not less than 26% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 2.85% from solar energy;
“(16) In 2026, not less than 29% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 3.15% from solar energy;
“(17) In 2027, not less than 32% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 3.45% from solar energy;
“(18) In 2028, not less than 35% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 3.75% from solar energy;
“(19) In 2029, not less than 38% from tier one renewable sources, 0% from tier
two renewable sources, and not less than 4.1% from solar energy;
“(20) In 2030, not less than 42% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.5% from solar energy;

“(21) In 2031, not less than 46% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.75% from solar energy; and

“(22) In 2032 and thereafter, not less than 50% from tier one renewable sources, 0% from tier two renewable sources, and not less than 5.0% from solar energy.”.

(c) Section 6(c)(3) (D.C. Official Code § 34-1434(c)(3)) is amended to read as follows:

“(3) Fifty cents in 2016 through 2023, 40 cents in 2025, 30 cents in 2027, 20 cents in 2029, 10 cents in 2031, and 5 cents in 2033 and thereafter for each kilowatt-hour of shortfall from required solar energy sources.”.

(d) Section 8(c) (D.C. Official Code 34-1436(b)) is amended by striking the phrase “and for otherwise administering the Fund” and inserting the phrase “and to fund the Solar for All program established under section 216 of the Clean and Affordable Energy Act of 2008, as introduced on March 1, 2016 (Bill 21-XXX), and for otherwise administering the Fund” in its place.

Sec. 3. The Clean and Affordable Energy Act of 2008, effective October 22 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01 et seq.), is amended as follows:

(a) Section 210 (D.C. Official Code § 8-1774.10) is amended as follows:

(1) Subsection (b)(2) is amended as follows:

(A) Subparagraph (C) is amended by striking the phrase “in fiscal year 2011 and each year thereafter.” and inserting the phrase “in fiscal year 2011 through fiscal year 2016;” in its place.

(B) A new subparagraph (D) is added to read as follows:
“(D) The amount of $.001875 from fiscal year 2017 and each year thereafter.”.

(2) Subsection (c) is amended as follows:

(A) Paragraph (9) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(B) Paragraph (10) is amended by striking the period and adding the phrase “; and” in its place.

(C) A new paragraph (11) is added to read as follows:

“(11) The Solar for All program established under section 216 in the amount of $5 million annually.”.

(b) A new section 216 is added to read as follows:

“Sec. 216. Solar for All program.

“(a) There is established the Solar for All program (“program”) to install solar systems on the homes of low-income homeowners in the District.

“(b) The program shall be administered by DDOE and shall operate until the end of fiscal year 2032. In administering the program, DDOE shall coordinate with SEU low-income solar installation programs.

“(c) To be eligible for the program, the low-income homeowner must live in the home on which the solar system is to be installed.

“(d) By January 1, 2017, DDOE shall assess the number and distribution of low-income homeowners in the District and develop an outreach plan for the program.

“(e) From fiscal year 2017 through fiscal year 2032, the program shall be funded from the following sources:
“(1) $5 million from the Sustainable Energy Trust Fund annually; and

“(2) $5 million or 50% of the Renewable Energy Development Fund annually, whichever is less.

“(f) The funding allocated in subsection (e) may be used to supplement programs supporting solar installations for low-income homeowners through the Sustainable Energy Utility contract established by section 201.

“(g) Beginning November 1, 2017, DDOE shall submit an annual report to the Council on the expenditure of the funds allocated to the program, pursuant to subsection (e) of this section, and the number of solar systems installed pursuant to this section in the previous fiscal year.

“(h) For purposes of this section, the term:

“(1) “Area median income” means:

“(A) For a household of 4 persons, the area median income for a household of 4 persons in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development;

“(B) For a household of 3 persons, 90% of the area median income for a household of 4 persons;

“(C) For a household of 2 persons, 80% of the area median income for a household of 4 persons;

“(D) For a household of one person, 70% of the area median income for a household of 4 persons; and
"(E) For a household of more than 4 persons, the area median income for a household of 4 persons, increased by 10% for each household member exceeding 4 persons (for example, the area median income for a family of 5 shall be 110% of the area median income for a family of 4; the area median income for a household of 6 shall be 120% of the area median income for a family of 4).

“(2) “Low-income” means a household income equal to, or less than, 50% of the area median income.


“(4) “Solar system” means a solar photovoltaic or solar thermal system.

Sec. 4. Fiscal impact statement.


Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.
COUNCIL OF THE DISTRICT OF COLUMBIA  
Office of the Budget Director

Jennifer Budoff  
Budget Director

FISCAL IMPACT STATEMENT

TO: The Honorable Phil Mendelson, Chairman, Council of the District of Columbia
FROM: Jennifer Budoff, Budget Director
DATE: June 01, 2016

SHORT TITLE: The Renewable Portfolio Standard Expansion Amendment Act of 2016
TYPE: Act
REQUESTING OFFICE: Councilmember Mary Cheh

Conclusion
Although there are costs to implementing this legislation, the bill will not have an adverse impact on the District's budget and financial plan because the bill authorizes the use of the Renewable Energy Development Fund to pay for any fiscal impacts. According to the Office of the Chief Financial Officer, the Renewable Energy Development Fund will continue to collect revenue sufficient to cover the costs of the legislation.

Background
B21-650 amends the District's renewable energy portfolio program by setting more aggressive goals for producing electricity from renewable energy sources, maintaining the current price of alternative compliance fees for utilities (versus lowering the fees as originally planned), and establishing a Solar for All program designed to reduce the energy bills of low-income households. The legislation also increases the surcharge on gas and electric bills that is paid into the Sustainable Energy Trust Fund.

Analysis of Impact on Revenue
The legislation will impact revenue, by increasing the surcharge on gas and electric bills that is paid into the Sustainable Energy Trust Fund and by maintaining the current price of alternative compliance fees under the renewable energy portfolio. There is not expected to be an adverse impact on revenue.

Analysis of Impact on Spending
The legislation will impact spending, because it establishes the Solar for All program, among other provisions that have a fiscal impact. However, the bill authorizes the use of the Renewable Energy Development Fund to cover the costs of implementing the legislation.
MEMORANDUM

TO: Councilmember Mary Cheh
FROM: Ellen A. Efros, General Counsel
DATE: May 31, 2016
RE: Legal Sufficiency Determination for Bill 21-650, the Renewable Portfolio Standard Expansion Amendment Act of 2016

The measure is legally and technically sufficient for Council consideration.

Bill 21-650 would amend the Renewable Energy Portfolio Standard Act of 2004 to allow waste heat recovered from the sewage system or wastewater treatment plant effluent to qualify as a tier one renewable source. The bill would raise the renewable portfolio standard for tier one renewable sources to 50% and the solar requirement to 5% by 2032.\(^1\) The bill would change the alternative compliance payment for the solar requirement through 2032.\(^2\) The bill would also expand the uses of the Renewable Energy Development Fund to include funding the Solar for All Program and covering any costs to the District associated with implementing Bill 21-650.

\(^1\) The bill would allow the Public Service Commission to adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement.

\(^2\) Under current law, if an electricity supplier fails to comply with the renewable energy portfolio standard for the applicable year, the electricity supplier must pay a compliance fee of fifty cents in 2011 through 2016, 35 cents in 2017, 30 cents in 2018, 20 cents in 2019 through 2020, 15 cents in 2021 through 2022, and 5 cents in 2023 and thereafter for each kilowatt-hour of shortfall from required solar energy sources. Under Bill 21-650, the compliance fee would be fifty cents in 2016 through 2023, 40 cents in 2024 through 2028, 30 cents in 2029 through 2032, and 5 cents in 2033 and thereafter for each kilowatt-hour of shortfall from required solar energy sources.
Bill 21-650 would also amend the Clean and Affordable Energy Act of 2008 to increase the Sustainable Energy Trust Fund fee and to establish a Solar for All Program within the Department of Energy and Environment ("DOEE") for the purpose of increasing access to the benefits of solar power for seniors, small local businesses, non-profits, and low-income households. Under the Solar for All Program, DOEE would be required to reduce by at least 50% the electric bills of at least 100,000 of the District's low-income household with high energy burdens\(^3\) by December 31, 2032.

Bill 21-650 also contains an applicability provision, which provides that, for 3 years after the effective date of Bill 21-650, section 2(c) of the bill shall not apply to any contract entered into before the effective date of the bill.

I am available if you have any questions.

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\(^3\) "Low-income" means a household income equal to, or less than, 80% of the area median income.

\(^4\) "Energy burden" means the percentage of household income spent on home energy bills.
1. **D.C. Official Code § 34-1431(15):**

   (15) "Tier one renewable source" means one or more of the following types of energy sources:

   (A) Solar energy;
   (B) Wind;
   (C) Qualifying biomass used at a generation unit that achieves a total system efficiency of at least 65% on an annual basis, can demonstrate that they achieved a total system efficiency of at least 65% on an annual basis through actual operational data after one year, and that started commercial operation after January 1, 2007.
   (D) Methane from the anaerobic decomposition of organic materials in a landfill or wastewater treatment plant;
   (E) Geothermal;
   (F) Ocean, including energy from waves, tides, currents, and thermal differences; and
   (G) Fuel cells producing electricity from a tier one renewable source under subparagraph (C) or (D) of this paragraph; and
   (H) Waste heat recovered from the combined or separated sanitary sewage system or wastewater treatment plant effluent.

2. **D.C. Official Code § 34-1432:**

   (a) The Commission shall implement a renewable energy portfolio standard which applies to all District of Columbia retail electricity sales, except as provided under subsection (b) of this section.

   (a-1)(1) For nonresidential solar heating, cooling, or process heat property systems producing or displacing greater than 10,000 kilowatt hours per year, the solar collectors used shall be SRCC OG-100 certified and the energy output shall be determined by an onsite energy meter that meets performance standards established by OIML.

   (2) For nonresidential solar heating, cooling, or process heat property systems producing or displacing 10,000 or less than 10,000 kilowatt hours per year, the solar collectors used shall be SRCC OG-300 annual system performance rating protocol or the solar collectors used shall be SRCC OG-100 certified and the energy output shall be determined by an onsite energy meter that meets performance standards established by OIML; and

   (3) For residential solar thermal systems, the systems shall be SRCC OG-300 system certified and the energy output shall be determined by the SRCC OG-300 annual rating.
protocol or the solar collectors used shall be SRCC OG-100 certified and the energy output shall be determined by an onsite energy meter that meets performance standards established by OIML.

(b) If the standard becomes applicable to electricity sold to a customer after the start of a calendar year, the standard shall not apply to electricity sold to the customer during that portion of the year before the standard became applicable.

(c) The renewable energy portfolio standard shall be as follows:

(1) In 2011, 4% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.40% from solar energy;
(2) In 2012, 5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.50% from solar energy;
(3) In 2013, 6.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.50% from solar energy;
(4) In 2014, 8% from tier one renewable sources; 2.5% from tier two renewable sources, and not less than 0.60% from solar energy;
(5) In 2015, 9.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.70% from solar energy;
(6) In 2016, 11.5% from tier one renewable sources, 2% from tier two renewable sources, and not less than 0.825% from solar energy;
(7) In 2017, 13.5% from tier one renewable sources, 1.5% from tier two renewable sources, and not less than 0.98% from solar energy;
(8) In 2018, 15.5% from tier one renewable sources, 1% from tier two renewable sources, and not less than 1.15% from solar energy;
(9) In 2019, 17.5% from tier one renewable sources, 0.5% from tier two renewable sources, and not less than 1.35% from solar energy;
(10) In 2020, 20% from tier one renewable sources, 0% from tier two renewable sources, and not less than 1.58% from solar energy;
(11) In 2021, 20% from tier one renewable sources, 0% from tier two renewable sources, and not less than 1.85% from solar energy;
(12) In 2022, 20% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.175% from solar energy;—
(13) In 2023 and thereafter, 20% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.50% from solar energy;
(14) In 2024, not less than 23% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.6% from solar energy;
(15) In 2025, not less than 26% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.85% from solar energy;
(16) In 2026, not less than 29% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.15% from solar energy;
(17) In 2027, not less than 32% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.45% from solar energy;
(18) In 2028, not less than 35% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.75% from solar energy;
(19) In 2029, not less than 38% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.1% from solar energy;
(20) In 2030, not less than 42% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.5% from solar energy;
(21) In 2031, not less than 46% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.75% from solar energy; and
(22) In 2032 and thereafter, not less than 50% from tier one renewable sources, 0% from tier two renewable sources, and not less than 5.0% from solar energy.

(d) Subject to subsections (a) and (c) of this section, an electricity supplier shall meet the standard by obtaining the equivalent amount of renewable energy credits that equal the percentage required under this section for each electricity product sold at retail by the electricity supplier.

(e)(1) Subject to subsections (a) and (c) of this section, an electricity supplier shall meet the solar requirement by obtaining the equivalent amount of renewable energy credits from solar energy systems no larger than 5MW larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District; provided, that renewable energy credits from solar energy systems larger than 5MW larger than 15MW in capacity located on property owned by the District, or by any agency or independent authority of the District, may be used to meet the solar requirement.

(2) As of January 1, 2015, notwithstanding paragraph (1) of this subsection, an electricity supplier may meet the remaining non-solar tier one renewable source requirement of the renewable energy portfolio standard by obtaining the equivalent amount of renewable energy credits from solar energy systems that do not satisfy the requirements under paragraph (1) of this subsection.

(f) Notwithstanding subsection (c) of this section, the Commission may adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District, for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement.

3. **D.C. Official Code § 34-1434(c)(3):**

(3) Fifty cents in 2011 through 2016; 35 cents in 2017; 30 cents in 2018; 20 cents in 2019 through 2020; 15 cents in 2021 through 2022; and 5 cents in 2023 and thereafter for each kilowatt-hour of shortfall from required solar energy sources.

(3) Fifty cents in 2016 through 2023, 40 cents in 2024 through 2028, 30 cents in 2029 through 2032, and 5 cents in 2033 and thereafter for each kilowatt-hour of shortfall from required solar energy sources.

4. **D.C. Official Code § 34-1436(c):**
(c) The Fund shall be used solely for the purpose of making loans, grants, rebates, and other financial incentives to support the creation of new solar energy sources in the District of Columbia and for otherwise administering the Fund. The Fund may be used to supplement programs supporting the creation of new solar energy sources in the District of Columbia through the Sustainable Energy Utility contract established by Chapter 17N of Title 8 (§ 8-1773.01 et seq.)

(c)(1) The Fund shall be used for the purpose of:

(A) Supporting the creation of new solar energy sources in the District of Columbia, including activities that support the use of solar energy sources, such as electrical upgrades, structural improvements, and electrical or thermal storage systems;

(B) Funding the Solar for All Program established by section 216 of the Clean and Affordable Energy Act of 2008, as approved by the Committee on Transportation and the Environment on June 1, 2016 (Committee print of Bill 21-650);

(C) Otherwise administering the Fund; and

(D) Covering any costs to the District of Columbia associated with implementing the Renewable Portfolio Standard Expansion Amendment Act of 2016, as approved by the Committee on Transportation and the Environment on June 1, 2016 (Committee print of Bill 21-650).

(2) The Fund may be used to supplement programs supporting the creation of new solar energy sources in the District of Columbia through the Sustainable Energy Utility contract established by Title II of the Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01 et seq.).

5. D.C. Official Code § 8-1774.10(b):

(b)(1) There is imposed upon the natural gas company an assessment calculated on sales on a per-therm basis as follows:

(A) The amount of $.011 in fiscal year 2009;

(B) The amount of $.012 in fiscal year 2010;

(C) The amount of $.014 in fiscal year 2011 and each year thereafter, in fiscal year 2011 through fiscal year 2016;

(D) The amount of $.01505 in fiscal year 2017 and each year thereafter.

(2) There is imposed upon the electric company an assessment calculated on sales on a per-kilowatt hour basis as follows:

(A) The amount of $.0011 in fiscal year 2009;

(B) The amount of $.0013 in fiscal year 2010;

(C) The amount of $.0015 in fiscal year 2011 and each year thereafter, in fiscal year 2011 through fiscal year 2016;

(D) The amount of $.001612 in fiscal year 2017 and each year thereafter.

6. D.C. Official Code § 8-1774.16:

Sec. 216. Solar for All Program plan.

(a) There is established the Solar for All Program ("Program") to increase the access of seniors, small local businesses, non-profits, and low-income households in the District to the
benefits of solar power. The Program shall reduce by at least 50% the electric bills of at least 100,000 of the District’s low-income households with high energy burdens by December 31, 2032.

(b) The Program shall be administered by DOEE and operate until the end of fiscal year 2032. In administering the Program, DOEE shall coordinate with the Sustainable Energy Utility.


(d) The funding allocated in subsection (c) may be used to supplement programs supporting the creation of new solar energy sources in the District through the Sustainable Energy Utility contract established by section 201.

(e)(1) By February 1, 2017, DOEE shall develop, publish on its website, and submit to the Council a plan to implement the Program. The plan shall include:

(A) A description of programs to be implemented by DOEE targeting seniors, small local businesses, non-profits, and low-income households in the District;
(B) An estimated timeline for implementation of the programs described in paragraph (1) of this subsection; and
(C) Annual benchmarks for reducing by at least 50% the electric bills of at least 100,000 of the District’s low-income households with high energy burdens by December 31, 2032.

(2) If DOEE revises or updates the plan, DOEE shall publish on its website the update within 30 days of completion.

(f) Beginning December 1, 2017, DOEE shall publish on its website and submit to the Council an annual report on the expenditure of the funds allocated to the Program, the amount of progress toward achieving the benchmarks established in subsection (e)(3) of this section, and the number of solar systems installed pursuant to this section in the previous fiscal year.

(g) For purposes of this section, the term:

(1) “Area median income” means:

(A) For a household of 4 persons, the area median income for a household of 4 persons in the Washington Metropolitan Statistical Area as set forth in the periodic calculation provided by the United States Department of Housing and Urban Development;
(B) For a household of 3 persons, 90% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph;
(C) For a household of 2 persons, 80% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph;
(D) For a household of one person, 70% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph; and
(E) For a household of more than 4 persons, the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph, increased by 10%
for each person in the household in excess of 4 persons (for example, the area median income for a household of 5 persons shall be 110% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph, and the area median income for a household of 6 persons shall be 120% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph).

(2) “Energy burden” means the percentage of household income spent on home energy bills.

(3) “Low-income” means a household income equal to, or less than, 80% of the area median income.

(4) “Solar system” means a solar photovoltaic or solar thermal system.
ATTACHMENT

E
A BILL

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

To amend the Renewable Energy Portfolio Standard Act of 2004 to allow waste heat from the sewage system or wastewater treatment plant effluent to qualify as a tier one renewable source, to raise the renewable portfolio standard for tier one renewable sources to 50% by 2032 and the solar requirement to 5% by 2032, to authorize the Public Service Commission to adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement, to change the alternative compliance payment for the solar requirement through 2032, to expand the uses of the Renewable Energy Development Fund; and to amend the Clean and Affordable Energy Act of 2008 to increase the Sustainable Energy Trust Fund fee and to establish a Solar for All Program within the Department of Energy and Environment for the purpose of increasing the access of seniors, small local businesses, non-profits, and low-income households to the benefits of solar power.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the “Renewable Portfolio Standard Expansion Amendment Act of 2016”.

Sec. 2. The Renewable Energy Portfolio Standard Act of 2004, effective April 12, 2005 (D.C. Law 15-340; D.C. Official Code § 34-1431 et seq.), is amended as follows:

(a) Section 3(15) (D.C. Official Code § 34-1431(15)) is amended as follows:

(1) Subparagraph (F) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(2) Subparagraph (G) is amended by striking the period and inserting the phrase “; and” in its place.
(3) A new subparagraph (H) is added to read as follows:

“(H) Waste heat recovered from the combined or separated sanitary sewage system or wastewater treatment plant effluent.”.

(b) Section 4 (D.C. Official Code § 34-1432) is amended as follows:

(1) Subsection (c) is amended as follows:

(A) Paragraph (12) is amended by striking the phrase “; and” and inserting a semicolon in its place.

(B) Paragraph (13) is amended as follows:

(i) Strike the phrase “In 2023 and thereafter” and insert the phrase “In 2023” in its place.

(ii) Strike the period and insert a semicolon in its place.

(C) New paragraphs (14), (15), (16), (17), (18), (19), (20), (21), and (22) are added to read as follows:

“(14) In 2024, not less than 23% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.6% from solar energy;

“(15) In 2025, not less than 26% from tier one renewable sources, 0% from tier two renewable sources, and not less than 2.85% from solar energy;

“(16) In 2026, not less than 29% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.15% from solar energy;

“(17) In 2027, not less than 32% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.45% from solar energy;

“(18) In 2028, not less than 35% from tier one renewable sources, 0% from tier two renewable sources, and not less than 3.75% from solar energy;
“(19) In 2029, not less than 38% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.1% from solar energy;

“(20) In 2030, not less than 42% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.5% from solar energy;

“(21) In 2031, not less than 46% from tier one renewable sources, 0% from tier two renewable sources, and not less than 4.75% from solar energy; and

“(22) In 2032 and thereafter, not less than 50% from tier one renewable sources, 0% from tier two renewable sources, and not less than 5.0% from solar energy.”.

(2) Subsection (e)(1) is amended by striking the phrase “larger than 5MW” both times it appears and inserting the phrase “larger than 15MW” in its place.

(3) A new subsection (f) is added to read as follows:

“(f) Notwithstanding subsection (c) of this section, the Commission may adjust the solar requirement to the extent necessary to account for solar energy generation from solar energy systems no larger than 15MW in capacity located within the District or in locations served by a distribution feeder serving the District, for which renewable energy credits are not available for use by electricity suppliers in meeting the solar requirement.”.

(c) Section 6(c)(3) (D.C. Official Code § 34-1434(c)(3)) is amended to read as follows:

“(3) Fifty cents in 2016 through 2023, 40 cents in 2024 through 2028, 30 cents in 2029 through 2032, and 5 cents in 2033 and thereafter for each kilowatt-hour of shortfall from required solar energy sources.”.

(d) Section 8(c) (D.C. Official Code § 34-1436(c)) is amended to read as follows:

“(c)(1) The Fund shall be used for the purpose of:
“(A) Supporting the creation of new solar energy sources in the District of Columbia, including activities that support the use of solar energy sources, such as electrical upgrades, structural improvements, and electrical or thermal storage systems;,

“(B) Funding the Solar for All Program established by section 216 of the Clean and Affordable Energy Act of 2008, as approved by the Committee on Transportation and the Environment on June 1, 2016 (Committee print of Bill 21-650);

“(C) Otherwise administering the Fund; and

“(D) Covering any costs to the District of Columbia associated with implementing the Renewable Portfolio Standard Expansion Amendment Act of 2016, as approved by the Committee on Transportation and the Environment on June 1, 2016 (Committee print of Bill 21-650).

“(2) The Fund may be used to supplement programs supporting the creation of new solar energy sources in the District of Columbia through the Sustainable Energy Utility contract established by Title II of the Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01 et seq.).”.

Sec. 3. Title II of the Clean and Affordable Energy Act of 2008, effective October 22, 2008 (D.C. Law 17-250; D.C. Official Code § 8-1774.01 et seq.), is amended as follows:

(a) Section 210(b) (D.C. Official Code § 8-1774.10(b)) is amended as follows:

(1) Paragraph (1) is amended as follows:

(A) Subparagraph (C) is amended by striking the phrase “in fiscal year 2011 and each year thereafter.” and inserting the phrase “in fiscal year 2011 through fiscal year 2016;” in its place.

(B) A new subparagraph (D) is added to read as follows:
“(D) The amount of $.01505 in fiscal year 2017 and each year thereafter.”.

(2) Paragraph 2 is amended as follows:

(A) Subparagraph (C) is amended by striking the phrase “in fiscal year 2011 and each year thereafter.” and inserting the phrase “in fiscal year 2011 through fiscal year 2016;” in its place.

(B) A new subparagraph (D) is added to read as follows:

“(D) The amount of $.001612 in fiscal year 2017 and each year thereafter.”.

(b) A new section 216 is added to read as follows:

“Sec. 216. Solar for All Program plan.

“(a) There is established the Solar for All Program ("Program") to increase the access of seniors, small local businesses, non-profits, and low-income households in the District to the benefits of solar power. The Program shall reduce by at least 50% the electric bills of at least 100,000 of the District’s low-income households with high energy burdens by December 31, 2032.

“(b) The Program shall be administered by DOEE and operate until the end of fiscal year 2032. In administering the Program, DOEE shall coordinate with the Sustainable Energy Utility.

“(d) The funding allocated in subsection (c) may be used to supplement programs

supporting the creation of new solar energy sources in the District through the Sustainable

Energy Utility contract established by section 201.

“(e)(1) By February 1, 2017, DOEE shall develop, publish on its website, and submit to

the Council a plan to implement the Program. The plan shall include:

“(A) A description of programs to be implemented by DOEE targeting

seniors, small local businesses, non-profits, and low-income households in the District;

“(B) An estimated timeline for implementation of the programs described

in paragraph (1) of this subsection; and

“(C) Annual benchmarks for reducing by at least 50% the electric bills of

at least 100,000 of the District’s low-income households with high energy burdens by December

31, 2032.

(2) If DOEE revises or updates the plan, DOEE shall publish on its website the

update within 30 days of completion.

“(f) Beginning December 1, 2017, DOEE shall publish on its website and submit to the

Council an annual report on the expenditure of the funds allocated to the Program, the amount of

progress toward achieving the benchmarks established in subsection (e)(3) of this section, and

the number of solar systems installed pursuant to this section in the previous fiscal year.

“(g) For purposes of this section, the term:

“(1) “Area median income” means:

“(A) For a household of 4 persons, the area median income for a

household of 4 persons in the Washington Metropolitan Statistical Area as set forth in the
periodic calculation provided by the United States Department of Housing and Urban Development;

"(B) For a household of 3 persons, 90% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph;

"(C) For a household of 2 persons, 80% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph;

"(D) For a household of one person, 70% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph; and

"(E) For a household of more than 4 persons, the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph, increased by 10% for each person in the household in excess of 4 persons (for example, the area median income for a household of 5 persons shall be 110% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph, and the area median income for a household of 6 persons shall be 120% of the area median income for a household of 4 persons, as described in subparagraph (A) of this paragraph).

"(2) "Energy burden" means the percentage of household income spent on home energy bills.

"(3) "Low-income" means a household income equal to, or less than, 80% of the area median income.

"(4) "Solar system" means a solar photovoltaic or solar thermal system."

Sec. 4. Applicability.
For 5 years after the effective date of this act, section 2(c) shall not apply to any contract entered into before the effective date of this act; provided, that section 2(c) shall apply to an extension or renewal of such a contract.

Sec. 5. Fiscal impact statement.


Sec. 6. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.