

# Clean and Affordable Energy Act of 2008

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Key Measures	Proposal
<b>Sustainable Energy Utility (SEU) Contract</b>	<ul style="list-style-type: none"><li>• DDOE contracts with SEU to conduct sustainable energy programs in D.C. under a brand name determined by DDOE</li><li>• SEU is private entity that enters into a contract that at minimum must: reduce per-capita energy consumption in D.C.; increase renewable energy generating capacity in D.C.; reduce the growth of peak electricity demand in D.C.; improve the energy efficiency of low-income housing in D.C.; reduce the growth of the energy demand of D.C.'s largest energy users; and, increase the number of green-collar jobs in D.C.</li><li>• SEU contract is funded by the Sustainable Energy Trust Fund (SETF) and may be funded by other funding sources available to the Mayor (i.e., federal funds, private funds, and other District funds)</li><li>• SEU contract must permit coordination with any similar private entity operating in an adjacent or nearby jurisdiction</li><li>• DDOE must approve the use of private grant money</li><li>• Initial SEU contract is for a period of not less than 5 years</li><li>• SEU contract: is performance-based; provides financial incentives for the SEU to surpass performance benchmarks and financial penalties for the SEU for failing to meet performance benchmarks; requires the SEU program meet the societal benefit test on an annual and contract-term basis; require each bid to detail how the contractor proposes to nearly meet, meet, or exceed each performance benchmark; can permit the programs, benchmarks, and funding level to be changed at any time with DDOE and SEU approval (although no change to the funding will allow the Mayor to exceed SETF funding limits); can be revoked if the SEU fails to meet performance benchmarks; must provide that the annual expenditure on electricity and natural gas related programs be between 75% and 125% of the amount provided in the contract from the assessment on PEPCO and Washington Gas</li></ul>

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<b>Sustainable Energy Utility</b>	<ul style="list-style-type: none"> <li>• The SEU cannot sell or otherwise disclose any customer or billing information to any third party without express written authorization from the customer.</li> <li>• The SEU will be liable for damages to the customer for any unauthorized use of customer information or data, including the PEPCO and Washington Gas customer's name, account number, service address, billing address, phone number, and energy use data.</li> </ul>
<b>SEU Advisory Board</b>	<ul style="list-style-type: none"> <li>• Consists of 13 members (serving three years): Mayor's designee to serve as chair; DC-OPC; DC PSC; one appointee by Chairman of Council committee with oversight of DDOE; one appointee by the Chairman of the Council; one Mayoral appointee each representing renewable energy industry, an environmental group, the low-income community, the building construction industry, the building management industry, the economic development community (with particular expertise in generating green-collar jobs, PEPCO, and Washington Gas</li> <li>• Board members must have demonstrable expertise in energy efficiency or renewable energy</li> <li>• Board members are each entitled to reimbursement for transportation, parking, mileage expenses and conference admission fees up to \$2,000 annually</li> <li>• Mayor, Council Chairman or Chairman of the Committee with oversight of DDOE may replace an appointee at any time, but cannot replace the appointee to an individual position more than twice a year</li> <li>• Board members who are District government employees or represent an entity will be removed upon leaving the District government or entity</li> <li>• Board must adopt rules and procedures governing its meetings and decision making processes, including the formal means for submitting a dissent from the Board's recommendations with comments to DDOE</li> <li>• Board recommends to the Mayor the performance benchmarks for the SEU contract</li> <li>• Board submits comments on the draft Request for Proposal (RFP) to DDOE and the Council</li> <li>• Board submits comments on the bids for the SEU contract to DDOE and the Council</li> <li>• Board has 30 days to recommend a bidder or recommend modification of the RFP</li> </ul>

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	<ul style="list-style-type: none"> <li>• Board meets quarterly with SEU representatives during the term of the SEU contract to monitor SEU and program performance</li> <li>• Board annually reports SEU's progress to the Council (posted on DDOE Web site)</li> <li>• Board may convene any subcommittees and working groups it considers appropriate</li> <li>• Board meetings are subject to D.C. open meeting law</li> </ul>
DDOE	<ul style="list-style-type: none"> <li>• Be allocated \$1 million annually prior to the execution of the SEU contract to prepare the RFP, staff the SEU Advisory Board, maintain the brand name, and operate the renewable energy rebate program</li> <li>• After execution of the SEU contract, be allocated 10% of the annual cost of the SEU contract for administrative costs</li> <li>• Provides staff resources to SEU Advisory Board and coordinate the involvement of staff from DC-OPC, DC PSC and other appropriate agencies or organizations necessary for the Board to fulfill its mandate</li> <li>• Drafts and revises RFP for SEU</li> <li>• Accepts and reviews bids for SEU contract</li> <li>• Submits SEU contract bids to SEU Advisory Board</li> <li>• Modifies RFP to solicit additional bids, if it determines that there are not a sufficient bid</li> <li>• Maintains the brand name</li> <li>• Administers the transition from one SEU to another</li> <li>• Submits to the Council an annual fiscal year report detailing expenditures from the Sustainable Energy Trust Fund and the Energy Assistance Trust Fund from the previous fiscal year (posted on DDOE Web site)</li> <li>• Commissions an annual, independent review of the SEU's performance and expenditures to be provided to the SEU Advisory Board and the Council 6 months prior to the conclusion of each year of the SEU contract</li> <li>• Administer the Renewable Energy Incentive Program until the end of fiscal year 2012</li> </ul>
Office of Chief Financial Officer	<ul style="list-style-type: none"> <li>• Manages funds to support SEU contract</li> </ul>

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<p><b>Sustainable Energy Trust Fund (SETF)</b></p>	<ul style="list-style-type: none"> <li>• Washington Gas pays an assessment calculated on sales per-therm to all but Residential Essential Service participants: \$.011 in fiscal year 2009 \$.012 in fiscal year 2010 \$.014 in fiscal year 2011, and each year thereafter</li> <li>• PEPCO pays an assessment calculated on sales per-kilowatt hour to all but Residential Aid Discount participants: \$.0011 in fiscal year 2009 \$.0013 in fiscal year 2010 \$.0015 in fiscal year 2011, and each year thereafter</li> <li>• PEPCO and Washington Gas can recover amounts assessed as a surcharges on customers' bills</li> <li>• Funds SEU contract: \$7.5 million in contract year 1 \$15 million in contract year 2 \$17.5 million in contract year 3 \$20 million in contract year 4 and each subsequent year of the initial contract and each year of any subsequent contract</li> <li>• Funds DDOE's administration of the SEU contract annually up to 10% of the payments under the SEU contract</li> <li>• Funds the independent review of the SEU's performance for \$100,000 annually</li> <li>• Funds SEU Advisory Board activities for \$26,000 annually</li> <li>• Fund existing electricity programs for \$3.545 million annually for fiscal years 2009-2011</li> <li>• Fund temporary electricity programs for \$916,000 for fiscal year 2009</li> <li>• Fund existing natural gas programs for \$3 million annually for fiscal years 2009-2011</li> <li>• Fund renewable energy incentive program for \$2 million annually for fiscal years 2009-2012, with up to \$20,000 annually used to pay for installing and monitoring communications systems</li> <li>• Fund energy efficiency programs administered by PEPCO for \$6 million for fiscal years 2009-2011</li> <li>• If the SETF balance exceeds the projected annual cost of all programs funded by the SETF by at least \$10 million, the DC OCFO must suspend payment and the collection of the SETF assessment until the DC OCFO estimates the excess to be \$5 million</li> <li>•</li> </ul>

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	<ul style="list-style-type: none"> <li>• Fund PEPCO's demand-side management programs approved by the DC PSC</li> <li>• Fund the Renewable Energy Incentive program</li> </ul>
<b>Energy Assistance Trust Fund (EATF)</b>	<ul style="list-style-type: none"> <li>• Washington Gas pays an assessment calculated on sales per-therm to all but Residential Essential Service participants of \$.006 per-therm</li> <li>• PEPCO pays an assessment calculated on sales per-kilowatt hour to all but Residential Aid Discount participants of \$.0004 per-kilowatt hour</li> <li>• PEPCO and Washington Gas can recover amounts assessed as a surcharges on customers' bills</li> <li>• Funds existing low-income programs for \$3.3 million annually</li> <li>• Funds Residential Aid Discount subsidy for \$3 million annually</li> <li>• Mayor may issue rules modifying the assessments used to fund EATF programs</li> </ul>
<b>Reliable Energy Trust Fund</b>	<ul style="list-style-type: none"> <li>• Repealed</li> <li>• One-half of remaining funds to be transferred to SETF and one-half of remaining funds to be transferred to EATF</li> </ul>
<b>Natural Gas Trust Fund</b>	<ul style="list-style-type: none"> <li>• Repealed</li> <li>• One-half of remaining funds to be transferred to SETF and one-half of remaining funds to be transferred to EATF</li> </ul>
<b>Sustainable Energy Branding</b>	<ul style="list-style-type: none"> <li>• DDOE to determine a brand name for the provision of energy efficiency and renewable energy services in D.C.</li> <li>• DDOE to establish and maintain a Web site for the brand which will serve as a portal that provides information about every energy efficiency and renewable energy program available to District residents and businesses offered by DDOE, the SEU, PEPCO, Washington Gas, the federal government, nonprofit entities, and any of their contractors or subcontractors</li> <li>• DDOE to provide a phone number serving as a hotline for the brand</li> <li>• DDOE to work with providers of energy efficiency and renewable energy services to ensure all information is accurate and up-to-date</li> </ul>

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<p><b>PEPCO</b></p>	<ul style="list-style-type: none"> <li>• After execution of the SEU contract, PEPCO must disclose, or allow access to the aggregate energy use data for every rate class for PEPCO's D.C. customers</li> <li>• Customer-specific information, including the customer's name, account number, service address, phone number, and energy use data, shall not be provided without the customer's express written consent.</li> <li>• PEPCO must ensure the privacy of any and all customer information, including the electric company customer's name, account number, service address, billing address, phone number, and energy use data, in making such disclosure.</li> <li>• PEPCO will not be liable for any damages resulting from its provision of customer energy use data to the SEU absent gross negligence.</li> <li>• A year after the effective date of the law, all energy efficiency and renewable energy programs administered by PEPCO and funded by the SETF shall be operated in coordination with the brand managed by the DDOE</li> <li>• To effectuate this mandate, PEPCO must: prominently display the name and logo of the brand name on all advertisements of such programs; include the Web site and phone number for the DDOE brand on all advertisements of such programs; post a link to the brand Web site on all PEPCO Web pages related to energy efficiency and renewable energy; and provide timely, accurate, and comprehensive information regarding its programs to the DDOE to permit DDOE to include such information in material provided to the public.</li> </ul>
<p><b>Washington Gas</b></p>	<ul style="list-style-type: none"> <li>• After execution of the SEU contract, Washington Gas must disclose, or allow access to the aggregate energy use data for every rate class for Washington Gas's D.C. customers</li> <li>• Customer-specific information, including the customer's name, account number, service address, phone number, and energy use data, shall not be provided without the customer's express written consent</li> <li>• Washington Gas must ensure the privacy of any and all customer information, including the electric company customer's name, account number, service address, billing address, phone number, and energy use data, in making such disclosure</li> <li>• Washington Gas will not be liable for any damages resulting from its provision of customer energy use data to the SEU absent gross negligence</li> </ul>

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<b>Renewable Energy Incentive Program</b>	<ul style="list-style-type: none"><li>• Program administered by DDOE through end of fiscal year 2012</li><li>• Establish a rebate program that provides funding to the owners of the following new renewable energy generation systems in the D.C. for solar photovoltaic, solar thermal, geothermal, wind, biomass, and methane or waste-gas capture</li><li>• Funding amounts:<ul style="list-style-type: none"><li>\$3 for each of the first 3,000 installed watts or watt-equivalents of capacity</li><li>\$2 for each of the next 7,000 installed watts or watt-equivalents of capacity</li><li>\$1 for each of the next 10,000 installed watts or watt-equivalents of capacity</li></ul></li><li>• DDOE to allocate ½ of the funds from SETF available annually every 6 months</li><li>• DDOE to only fund systems installed in D.C.</li><li>• Applications considered and approved/rejected in the order received</li><li>• Rebate payments awarded immediately upon receipt of renewable energy generating equipment purchase invoice by DDOE</li><li>• Owner has 6 months from date of approval to complete installation</li><li>• DDOE to verify project completion and has discretion to allow owner an additional 6 months to complete installation</li><li>• Owner to return rebate if installation is not complete in 6 months</li><li>• Owner's failure to return rebate will constitute a lien on all of owner's real and personal property to secure repayment</li><li>• DDOE to post information on its Web site about the rebate Program</li><li>• Rebate application form to be substantially the same as the application for the analogous program used in Maryland</li><li>• DDOE to define a method for converting the heating and cooling capacity of solar thermal and geothermal systems to kilowatt equivalents to permit such systems to qualify for rebates under this program</li><li>• Mayor may issue rules to modify the incentive program as market conditions dictate</li><li>• DDOE may pay for the installation of monitoring and communications systems, for collecting generation data from renewable energy systems funded by the rebate program and transmitting it to a designated Web site;</li></ul>

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	<p>provided, that the system owner shall permit DDOE to make the data publicly accessible on the DDOE Web site</p>
<p><b>Solar Energy</b></p>	<ul style="list-style-type: none"> <li>• Nonresidential solar heating, cooling, or process heat property systems producing or displacing greater than 10,000 kilowatt hours per year, the solar systems shall be rated and certified by the SRCC and the energy output shall be determined by an onsite energy meter that meets performance standards established by OIIML</li> <li>• 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 systems shall be rated and certified by the SRCC and the energy output shall be determined by the SRCC OG-300 annual system performance rating protocol applicable to the property, by the SRCC OG-100 solar collector rating protocol, or by an onsite energy meter that meets performance standards established by OIIML</li> <li>• Residential solar thermal systems, the system shall be certified by the SRCC and the energy output shall be determined by the SRCC OG-300 annual rating protocol or by an onsite energy meter that meets performance standards established by OIIML</li> </ul>
<p><b>Renewable Energy Portfolio Standards (REPS)</b></p>	<ul style="list-style-type: none"> <li>• In 2007, 1.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than .005% from solar energy</li> <li>• In 2008, 2% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.011% from solar energy</li> <li>• In 2009, 2.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.019 % from solar energy</li> <li>• In 2010, 3% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.028% from solar energy</li> <li>• In 2011, 4% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.04% from solar energy</li> <li>• In 2012, 5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.07% from solar energy</li> </ul>

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	<ul style="list-style-type: none"> <li>• In 2013, 6.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.10% from solar energy</li> <li>• In 2014, 8% from tier one renewable sources; 2.5% from tier two renewable sources, and not less than 0.13% from solar energy</li> <li>• In 2015, 9.5% from tier one renewable sources, 2.5% from tier two renewable sources, and not less than 0.17% from solar energy</li> <li>• In 2016, 11.5% from tier one renewable sources, 2% from tier two renewable sources, and not less than 0.21% from solar energy</li> <li>• In 2017, 13.5% from tier one renewable sources, 1.5% from tier two renewable sources, and not less than 0.25% from solar energy</li> <li>• In 2018, 15.5% from tier one renewable sources, 1% from tier two renewable sources, and not less than 0.30% from solar energy</li> <li>• In 2019, 17.5% from tier one renewable sources, 0.5% from tier two renewable sources, and not less than 0.35% from solar energy</li> <li>• In 2020, 20% from tier one renewable sources, 0% from tier two renewable sources, and not less than 0.4% from solar energy</li> <li>• Electricity suppliers must meet the solar energy requirement by obtaining the equivalent amount of renewable energy credits from solar energy systems connected to the distribution grid serving D.C.</li> <li>• Compliance fee increase from two and ½ cents to five cents for each kilowatt-hour of shortfall from required tier one renewable sources</li> <li>• Compliance fee increase from thirty cents to eighty cents for each kilowatt-hour of shortfall from required solar energy sources</li> </ul>
<b>Solar and Renewable Home Improvement Financing Proposal</b>	<ul style="list-style-type: none"> <li>• Commission to open an investigation into mechanisms to make long-term affordable financing available to energy consumers to purchase renewable energy generating systems, including solar thermal and solar photovoltaic panels and geothermal heating and cooling systems and home and business improvements that increase the energy efficiency of buildings, including weatherizing, adequate insulation, efficient doors and windows, and central air</li> </ul>

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	<p>conditioning</p> <ul style="list-style-type: none"> <li>• Commission’s investigation shall include the means by which the electric and gas companies’ billing systems can be used to collect payments from individuals to purchase renewable energy generating systems and make energy efficiency improvements to homes and businesses</li> <li>• Commission shall issue a report, including findings, on the feasibility of the implementation of the above proposals</li> </ul>
<p><b>Energy Benchmarking Requirements for Private and Government Buildings</b></p>	<ul style="list-style-type: none"> <li>• Ten buildings owned or operated by the District of Columbia shall be benchmarked using the Energy Star® Portfolio Manager benchmarking tool, and the results made available to the public on the Internet through the DDOE Web site</li> <li>• All buildings owned or operated by the District or any of its instrumentalities must be benchmarked annually using the Energy Star® Portfolio Manager benchmarking tool; provided, that the building has at least 10,000 square feet of gross floor area and is of a building type for which Energy Star® benchmarking tools are available; benchmark and Energy Star® statements of energy performance for each building must, within 60 days of being generated, be made available to DDOE, which must then make them accessible to the public via an online database</li> <li>• All privately-owned buildings shall be benchmarked annually using the Energy Star® Portfolio Manager benchmarking tool by the following schedule; provided, that the buildings are of a building type for which Energy Star® tools are available; benchmark and Energy Star® statements of energy performance for each building must, by January 1 of the following year, be made available to DDOE; DDOE must, upon the receipt of the 2<sup>nd</sup> annual benchmarking data for each building, make the data accessible to the public via an online database</li> <li>• Schedule for privately-owned buildings: <ul style="list-style-type: none"> <li>all buildings over 200,000 square feet of gross floor area beginning in 2010 and thereafter; all buildings over 150,000 square feet of gross floor area beginning in 2011 and thereafter; all buildings over 100,000 square feet of gross floor area beginning in 2012 and thereafter; all buildings over 50,000 square feet of gross floor area beginning in 2013 and thereafter</li> </ul> </li> </ul>

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	<ul style="list-style-type: none"> <li>A project that has submitted the 1<sup>st</sup> construction building construction permit after January 1, 2012, for new construction or substantial improvement must, prior to construction, estimate its energy performance using the Energy Star® Target Finder Tool and be benchmarked annually using the Energy Star® Portfolio Manager benchmarking tool; provided, that the building has 50,000 square feet of gross floor area or more and is of a building type for which Energy Star® tools are available; benchmark and Target Finder scores and Energy Star® statements of energy performance for each building must, within 60 days of being generated, be made available to DDOE, which must make the data accessible to the public via an online database</li> </ul>
DCPSC	<ul style="list-style-type: none"> <li>Ninety days after completion of the record in Formal Case 945, issue an order regarding demand-side management programs proposed by PEPCO</li> <li>In considering Formal Case 945, seek to approve programs that: can be implemented most quickly; take advantage of PEPCO's frequent contact with customers; and, do not replicate the efforts of sustainable energy programs operated by DDOE</li> <li>In supervising and regulating public utilities and energy companies, the Commission shall consider the public safety, the economy of the District, the conservation of natural resources, and the preservation of environmental quality</li> </ul>
DC-OPC	<ul style="list-style-type: none"> <li>In defining its positions while advocating on matters pertaining to the operation of public utilities and energy companies, the Office shall consider the public safety, the economy of the District of Columbia, the conservation of natural resources, and the preservation of environmental quality</li> </ul>

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<b>Key Measures</b>	<b>Proposal</b>
<b>Renewable Energy Study</b>	<ul style="list-style-type: none"><li>• Within one year, the Mayor shall commission a study to determine the economic, legal, and technical viability of the District government pursuing a new large-scale wind energy project through public financing or private financing</li></ul>