Committee on Transportation and the Environment
Chairperson Mary M. Cheh
Councilmember Charles Allen
Councilmember Kenyan R. McDuffie
Councilmember Brandon T. Todd

May 28th, 2020
Re: Budget Oversight Hearing for the Department of Energy and Environment

Dear Councilmembers Cheh, Allen, McDuffie, and Todd,

For the past 123 years, Audubon Naturalist Society (ANS) has worked to help residents of the Washington, D.C. region enjoy, learn about, and protect nature. We specialize in conserving the last natural places left in our region for all to enjoy and are passionate about equal access to nature and environmental justice. Throughout our history, we have played a leading role in water quality protection in the DC region through our advocacy, nature education, and community science programs. For more than 25 years, our members have monitored water quality in three of Rock Creek’s tributaries, and for the last 2 years, we have worked with the Department of Energy and Environment (DOEE) and Anacostia Riverkeeper to get community members involved in monitoring the District’s waters for bacteria. For the past year, we have worked closely with DOEE on issues such the Green Finance Authority, Building Energy Performance Standards, and stormwater regulations, among many others. On behalf of our more than 28,000 members and supporters, ANS is grateful for the opportunity to provide testimony on the Mayor’s proposed agency budget for DOEE.

Firstly, we would like to acknowledge the profound and horrific impact that the current public health crisis has had on thousands of District residents. This pandemic has seeped through the cracks in the structure of our society and targeted the most vulnerable among us. There is never a silver lining to tragedy, but we would be foolish if we didn’t use this time of deep reflection to reshape our priorities as a city. Chief among the tools at our disposal in this process of reimagining is resource allocation, which has always been a primary predictor of a community’s potential for prosperity. Communities of color in the District are suffering disproportionately from Covid-19, with African American residents making up 75% of the city’s virus deaths to date. ¹ This is a manifestation of the health inequities highlighted in the DC Department of Health’s Health Equity Report, which indicates that incidences of poor health are twice as high among DC’s African American population than any other racial group.²

¹https://coronavirus.dc.gov/page/coronavirus-data
Public health does not exist in a vacuum, however. It comprises myriad environmental and social factors, all of which intimately intersect with the services DOEE provides. DOEE is an invaluable player in public health maintenance and in fighting climate change, which has already begun to take advantage of the same vulnerabilities as Covid-19 has. Recent research has proven that chronic exposure to air pollution predisposes communities to higher death rates from Covid-19. This same air pollution drives climate change, which also increases the likelihood of spread of zoonotic diseases like Covid-19. People of color in Washington, DC and beyond are exposed to poorer air quality than their white peers and suffer disproportionately high rates of heart and lung conditions, which increase the risk of complications from Covid-19. Investing everything we can in climate mitigation, and equipping DOEE to do this work, saves lives. It is for these reasons and more that we support fully funding DOEE at FY 2020 levels. Please see comments on specific budget items, which are sorted by Division/Program and Activity number, consistent with Table KG0-4 of the Agency Budget Chapter.

(2000) Natural Resources

(2030) Fisheries and Wildlife

DOEE benefits from strong partnerships with local non-profits that amplify the agency’s message and work. Among the partnerships threatened in the proposed budget is that between DOEE and City Wildlife. In the proposed 2021 budget, all funding for City Wildlife was removed from DOEE’s budget. Of City Wildlife’s $472,000 budget, roughly $200,000 comes annually from DOEE. This is an investment in the District that gets multiplied countless times over by the services City Wildlife provides. On many occasions, City Wildlife has showed up for our membership when no one else could, most recently helping the author of this comment letter by taking in a Cooper’s Hawk found in Petworth. Their devotion to building a thriving city is palpable and unmatched. We strongly support finding alternative funding for City Wildlife and hope that the organization’s contributions will not go unrecognized by the Council.

City Wildlife has been an incomparable peer in defending, healing, and educating about wildlife and nature in the District. They simultaneously and expertly play the roles of veterinarian, advocate, educator, and scientist. They are the only entity licensed to rehabilitate wildlife in the city, and without their work, the 1,900 animals they treat each year would suffer. City Wildlife enables positive interaction between District residents and wildlife through their educational outreach and interaction with the public. Each year, they field more than 3,000 emails and calls helping Washingtonians carefully handle wildlife inquiries. By offering a place to bring sick and injured animals, they prevent human injury and infection. Because they work with wild animals in a clinical setting, City Wildlife is also

3 https://www.hsph.harvard.edu/c-change/subtopics/coronavirus-and-climate-change/
4 Ibid.
5 https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/kg_doe Chapter_2021m.pdf
7 Ibid.
8 Ibid.
singly poised to identify emerging zoonotic diseases. Their role in maintaining public health cannot be overstated given the context of a global pandemic with zoonotic origins.

(2070) Watershed Protection

The Mayor’s proposed budget contains roughly $2.3 million in cuts to the Watershed Protection division at DOEE. This Division houses the RiverSmart Homes program, which is a “District-wide program [that] offers incentives to homeowners interested in reducing stormwater runoff from their properties.”9 RiverSmart Homes plays a large role in installing green infrastructure around the city and is a valuable component of DC’s stormwater control programs and policies. This program is particularly valuable for the jobs it provides to District residents who install and maintain landscape enhancements. If budget cuts are made to this program, it is likely that companies who provide installations will be forced to make job cuts. An investment in the RiverSmart Homes program is an investment in job creation, which is desperately needed as DC begins its recovery from the pandemic. The RiverSmart Homes program is also a valuable tool in fulfilling our federal mandate to manage stormwater runoff in areas of the city served by the Municipal Separate Storm Sewer System (MS4).

While we strongly recommend that funding for RiverSmart Homes not be decreased at all, we recognize the funding challenges posed by the pandemic. However, there are specific activities within the RiverSmart Homes program that must be protected at all costs for the program to survive. In particular, we support protecting funding for rebates for green infrastructure installation, which make this program equitable and accessible. We also support maintaining funding for Best Management Practice (BMP) maintenance, which provides countless jobs and ensures that the benefits of past investments will not be lost. Thirdly, funding should be kept in place for the Adopt-a-Park and Adopt-a-Stream programs. Even while the city begins Phase I of reopening, many of us will continue to rely on nature for solace and as a space that is safe from the virus. These programs strengthen the connection between communities and their environment and encourage stewardship of natural places.

In order to prevent further losses to the Anacostia River Clean Up and Protection Fund, we recommend that the Council continue to encourage enforcement and compliance with the plastic bag fee, which partially funds the RiverSmart Homes program.10

(3000) Environmental Services

It is disappointing to see decreases in funding for the Environmental Services division, particularly given the impact of these programs on indoor air quality for vulnerable populations. Asthma rates in the District, especially among youth of color in Wards 7 and 8, are significantly higher than the national average. This can be partially attributed to high instances of indoor mold in public housing. This is an issue that DOEE and DCRA have been struggling to remediate for many years, and community members have still not seen sufficient responses to requests for inspections and remediation. This is a crisis that amplifies the dangers of Covid-19 and should be given utmost priority. In no situation should funding be cut from mold remediation and air quality monitoring and enforcement programs. This funding should

9 https://doee.dc.gov/service/riversmart-homes-overview
10 https://doee.dc.gov/service/skip-bag-save-river
immediately be restored in the proposed FY 2021 budget. We encourage members of CoTE to revisit testimony given by community members at the joint hearing of the Committee of the Whole and CoTE on December 9th, 2019 on Bill 23-132 the Indoor Mold Remediation Act of 2019. Testimony will highlight the need to restore funding for a second Mold Inspector in DOEE, despite the hiring freeze. We request that the Council work with the Mayor to exempt this position from the current freeze.

(6000) Energy

(6010) Energy Efficiency and Conservation

We are pleased to see an increase of $503,000 in the budget for energy efficiency programs. Energy efficiency is one of the easiest ways for our city to reduce greenhouse gas emissions, both by reducing peak energy demand and through reducing overall energy production. Efficiency programs also improve energy affordability for residents with low-to-moderate incomes, who are often the most vulnerable to climate change. A household’s energy burden is classified as affordable if it costs 6% or less of the household’s annual income. Data from 2012-2016 indicates that DC residents with an income below 75% of the federal poverty level face a staggering and unacceptable 42% energy burden. We look forward to seeing this funding help improve affordability for our neighbors. We hope that this increase will augment the funding available to the District through the Low Income Home Energy Assistance Program (LIHEAP) and build a more equitable city.

(6030) Energy Assistance Benefit Payments

We are thrilled that as a result of federal coronavirus relief, the District will receive a $2.7 million enhancement in LIHEAP funding. The need for this assistance cannot be overstated. We request that this increase in LIHEAP funding be reflected in DOEE’s budget documentation. Currently, DOEE’s agency Chapter shows a $648,000 decrease in funding under line item 6030.

(6050) Data and Benchmarking and (6060) Policy and Compliance

One of the most important services that DOEE provides in the fight against climate change is administration of the Clean Energy DC Omnibus Amendment Act of 2018. This groundbreaking law positioned DC as a national climate leader and making sure that it is implemented swiftly and equitably will play a major role in improving health outcomes for District residents and in mitigating yet another crisis. Climate change takes advantage of the same vulnerabilities that Covid-19 does, and it is crucial that the budget reflect a continued commitment to climate mitigation, resilience, and adaptation. Budget cuts in items 6050 and 6060 total roughly $29 million. We recognize that $22 million of DOEE’s budget authority from the Sustainable Energy Trust Fund (SETF) and the Renewable Energy Development Fund (REDF) has been moved to the Green Finance Authority (Green Bank). Even still,

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losses in items 6050 and 6060 are significant. We recommend that this remaining funding be restored to the greatest extent possible.

**Building Energy Performance Standards**: The Data and Benchmarking and Policy and Compliance divisions within DOEE house many implementation components of the Clean Energy DC Act, including the Building Energy Performance Standards (BEPS) program. 73% of Washington, DC’s emissions come from the building sector, and large buildings over 50,000 square feet are by far the greatest emitters.\(^1\) The Building Energy Performance Standards will reduce the city’s total emissions 12% by 2032\(^2\), which is one of the biggest parts of meeting the city’s goal of carbon neutrality by 2050.

It is necessary that BEPS is funded fully and begins the first compliance cycle as soon as possible. Compliance was already delayed by emergency legislation, B23-0610, the Clean Energy DC Omnibus Emergency Amendment Act of 2020. Director Wells indicated that in being sensitive to the needs of the regulated community, the first compliance cycle may be pushed back even further. ANS understands the financial hardship that many businesses are facing and believes that there are ways to show compassion to large building owners without compromising the integrity of BEPS and furthering the city’s contributions to climate change. **In fact, the Clean Energy DC Act makes specific provisions for struggling entities to meet BEPS:**

> “DOEE shall coordinate with the Sustainable Energy Utility, selected pursuant to the Clean and Affordable Energy Act of 2008, effective October 22, 2008 (DC Law 17-250; DC Official Code § 8-1773.01 et seq.), and the Green Finance Authority, established by section 201 of the Green Finance Authority Establishment Act of 2018, effective August 22, 2018 (DC Law 22-155; DC Official Code § 8-173.21), to establish an incentive and financial assistance program for qualifying building owners and affordable housing providers to meet building energy performance standards.”\(^3\)

**The DC Council and DOEE should rely on programs already in place to support businesses and building owners before considering delaying compliance.** Large building owners will be able to recover lost revenue much faster than DC will be able to make up for lost time mitigating climate change and its effects on vulnerable populations. We hope that the Council understands the importance of beginning to eliminate greenhouse gas emissions from the building sector as soon as possible.

**DC Sustainable Energy Utility**: The Data and Benchmarking division also administers the contract between DOEE and the DC Sustainable Energy Utility (DCSEU), which will play an integral role in enabling buildings to comply with BEPS. We hope that even with inevitable losses in Renewable Energy Development Fund (REDF) revenue, that DCSEU will be fully funded and will be able to participate in the success of BEPS. **We also encourage the Council and DOEE to work with the DCSEU to eliminate subsidization of natural gas appliances as a condition of their funding.**

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\(^1\) [https://doee.dc.gov/service/greenhouse-gas-inventories](https://doee.dc.gov/service/greenhouse-gas-inventories)
\(^2\) Testimony of DOEE Director Tommy Wells, FY 2021 Budget Oversight Hearing, May 21\(^3\), 2020
\(^3\) Clean Energy DC Omnibus Amendment Act of 2018, Title III, Sec 301(f)
We commend DOEE for their work implementing the Solar For All program in FY 2019 and look forward to continued success in 2020. DOEE exceeded their 2019 target of 500 low-income households receiving solar installations and totaled 8,526 installations. We support prioritizing funding for this program and increasing the target number of FY 2021 installations to 2,000.

**Green Finance Authority, Sustainable Energy Trust Fund, and Renewable Energy Development Fund:**
Among the programs necessary for DC to reach its climate mitigation goals is the Green Finance Authority, or the DC Green Bank. The Green Finance Authority Act of 2018 and the Clean Energy DC Omnibus Amendment Act of 2018 authorized a total of $105 million in funding for the Green Bank from FY2018-2025, to be derived from the SETF and REDF18 19. It is our understanding that the Green Bank has already received funding from the REDF for FY 2018 and FY 2019 totaling $14 million. For FY 2020, the Green Bank is mandated to receive $15 million from the SETF20. Due to the pandemic, DOEE has projected that total SETF and REDF revenue will both be less than expected, meaning that the Green Bank may not receive full funding in FY 2020 and FY 2021.

We support the transfer of $22 million in FY 2021 budget authority to the Green Bank as a separate instrumentality and urge the Council to fund the Green Bank to the maximum extent possible. With the hiring of a new Executive Director/CEO, Eli Hopson, the Green Bank is beginning to develop products that will hopefully be available beginning in early 2021. These financial offerings are a necessary component of DC’s pandemic recovery, continued environmental justice initiatives, and climate mitigation goals.

The Green Bank is unique among District programs in that it can fund single-family energy efficiency retrofits with low-interest loans, loan guarantees, and credit enhancements. These products will complement Solar For All, the DCSEU, and energy efficiency programs by reducing energy burdens for low-income families. The Green Bank’s commercial buildings products, including DC Property Assessed Clean Energy (DC PACE) will enable compliance with BEPS, and will also serve the large portion of buildings not covered by BEPS. Without the Green Bank, many of these smaller, non-residential buildings, would not have the capital funding to make energy efficiency improvements. DOEE, the Mayor’s Office, and the Council have worked hard to prevent utility shutoffs for those that cannot afford energy bills during the pandemic. The Green Bank is an important part of making sure that energy is affordable for every resident even in the face of a crisis. The Green Bank also has the potential to be a source of job opportunities for small and local businesses to conduct installation and maintenance of energy retrofits. We strongly endorse the use of the Green Bank as a fundamental tool in DC’s pandemic recovery.

It should also be noted that although Washington Gas Light is not out of compliance with their mandate to collect an assessment on natural gas, they are two months behind on transferring the money collected from natural gas delivery to DOEE for contribution to the SETF. CoTE should work with the

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17 https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/kg_doe chapter_2021m.pdf
18 Green Finance Authority Establishment Act of 2018, Title II, sec. 206(b)(1)
19 Clean Energy DC Omnibus Amendment Act of 2018, Title II, sec. 201(c)(3)(D)
20 Ibid.
Committee on Business and Economic Development to encourage the Public Service Commission to ensure that this money is swiftly delivered and that it is reflected in the budget documents.

(6070) CRIAC Relief Fund

ANS understands that significant decreases in FY 2021 CRIAC funding are attributable to the availability of non-lapsing funds from FY 2019 and FY 2020. We support this decrease with the understanding that DOEE and the Council will reevaluate participation in CRIAC relief when building the FY 2022 budget and will fund the program at a higher level if necessary. We also encourage DOEE to expand community outreach in order to increase public participation in the relief program. This funding was passionately advocated for by many in the environmental and religious communities and we believe there is still a deep need for CRIAC relief.

KG0- Capital Projects

KG0-HMRHM- Hazardous Material Remediation- DOEE

ANS supports fully funding remediation for legacy sediments in the Anacostia River. Over the lifetime of this project, DOEE estimates the cost will total over $99 million.21 DOEE and the Council should work with Congresswoman Eleanor Holmes Norton, the Army Corps of Engineers, and the Office of the Attorney General to hold potentially responsible parties (PRPs) accountable for their decades of pollution. District residents should not be responsible for thoughtless destruction of the natural resource that belongs to them. Recouping money from PRPs will help ease the burden of this project on the city and will free up funding for programs that are threatened in the current budget.

KG0-IFM20- DC Integrated floodplain modeling

ANS supports providing capital funding for the development of an integrated floodplain model. Given the Trump Administration’s recent rollbacks of parts of the Clean Water Act and increased flooding due to climate change, a strong floodplain model is more important than ever. We agree with the Mayor’s and DOEE’s assessment that this project should receive immediate funding. Flooding in the District is projected to continually worsen and is likely to affect communities of color along the Anacostia River in addition to historic areas at the National Mall.

Additional Revenue Sources

Discriminatory treatment by the federal government in the CARES Act has put D.C. $755 million behind other states. Even with the District’s strong financial management in the past decade and our significant rainy-day funds, this will result in a $600-$700 million budget shortfall in FY 2020 and again in FY 2021. Recouping the federal funds denied to the District is a necessary step in balancing this budget, and we are extremely grateful to Congresswoman Eleanor Holmes Norton, Mayor Bowser, and the Council for fighting for equitable treatment in the HEROES Act.

21 https://cfo.dc.gov/sites/default/files/dc/sites/ocfo/publication/attachments/kg_doe Capital 2021m.pdf
We support expanding revenue generation for the District in order to prevent future fiscal losses. Additional revenue can be derived from several environmental initiatives that Washington, DC has yet to adopt. Firstly, we hope that DOE will work with the Mayor’s Office to fully engage in the multi-state Transportation and Climate Initiative (TCI). TCI is an innovative opportunity to simultaneously reduce emissions from the transportation sector and generate new revenue, which can be reinvested in sustainability. TCI’s Memorandum of Understanding will be released in early fall, and we hope that this program will help DC recover lost funds that can be put towards DOE’s successful programming.

While the District has seen marked improvements in water quality recently, the Anacostia, Potomac, and Rock Creek, and their tributaries are still highly impaired. One of the major threats to DC’s waterways is trash pollution, a large percentage of which consists of plastic bottles. The city has an untapped opportunity to raise money through an extended producer responsibility program for trash pollution, such as a bottle bill. Such a program would help combat the need for budget reductions in DOE’s Water Quality division and could create job opportunities for DC residents. We encourage the Council, the Mayor’s Office, DOE, and the Mayor’s Office of the Clean City to work together to explore the potential for this type of legislation.

We are proud of the Office of the Attorney General’s (OAG) recent success in holding fossil fuel company, GenOn, accountable for three years of pollution into the Potomac River. OAG reached a settlement with GenOn for $2.5 million to be paid to the District, $100,000 of which will be earmarked for environmental programs. We encourage the Council to work with OAG and DOE to use the remainder of the settlement money to prevent budget cuts to DOE’s water quality programs, such as RiverSmart Homes and water quality monitoring.

**Transparency**

We are grateful to the Mayor’s Office, DOE, and the Council for putting together a strong budget in the face of serious economic stress. We recommend that future budget documentation reflect increased transparency. It is unnecessarily difficult to understand which budget items represent funding for specific programs, making it inaccessible to the public. We suggest working with organizations such as the DC Fiscal Policy Institute, DC Appleseed, and the Fair Budget Coalition to publish a more detailed budget explanation that shows cuts to specific programs. As currently written, compiling detailed and accurate testimony on DOE’s budget requires intimate knowledge of DC environmental policy. The budget should be easily read and understood by the general public. ANS would be happy to provide more detailed comment on this matter if the Committee is interested.

DOEE deserves countless accolades for their service to the District’s wildlife and human population. We are particularly impressed with DOE’s commitment to stakeholder engagement. We recommend that DOE continue to focus resources on conducting community outreach in neighborhoods along the Anacostia River and in Wards 7 and 8, particularly around the Anacostia River Sediment Project, Solar For All, and the Green Bank. DOE has also worked hard to implement many parts of the Clean Energy Project.
DC Act in accordance with the mandated timeline. We commend DOEE for hiring staff in January to fulfill all necessary positions so that even during a hiring freeze, they have enough staff to carry out crucial climate and clean water policies.

Fully funding DOEE should be considered equivalent to funding economic recovery from the pandemic. DOEE plays a crucial role in improving public health, preserving and restoring the city’s natural places, and making them accessible to all. Their programs fund job opportunities in every ward, which is more important now than ever. They are the primary agency in charge of the District’s response to climate change, which is a threat multiplier that has already worsened health outcomes from Covid-19. We highly recommend that the Committee do everything in its power to fully fund DOEE.

With gratitude,

Ari Eisenstadt

D.C. Conservation Advocate
Audubon Naturalist Society
Phone: (347) 743-1546 Email: ari.eisenstadt@anshome.org

Anne Lewis, FAIA, President
City Wildlife, Inc.
15 Oglethorpe Street, NW
Washington, DC 20011
Phone (202) 333-4388

Trey Sherard, Anacostia Riverkeeper
Anacostia Riverkeeper
515 M Street, SE #218
Washington, DC 20003
Phone (202) 863-0158

Brent Bolin, National Political Director/Chesapeake Regional Director
Clean Water Action
1444 I Street NW, Suite 400
Washington, DC 20005
Phone (202) 985-0420

Graylin W. Presbury, President
Fairlawn Citizens Association
Washington, DC
Phone (202) 678-0291

Steve Coleman, Executive Director and President