2020 Performance Oversight Post-Hearing Questions
Department of Energy and Environment

1. The agency's pre-hearing responses noted three categories in which DOEE received a high volume of complaints, but, for many of the complaints, the agency reported that it didn't have jurisdiction over the particular issue. These include (1) "Air – Engine Idling, (2) "Air – Other (Odor/Dust)"; and (3) "Erosion and Sediment Control".

   - What agenc(ies) did have jurisdiction over these particular complaints?

   Many of these complaints are not within the jurisdiction of another agency. This metric includes all complaints received by each DOEE program. In some cases, a complaint comes to the wrong DOEE branch and is routed to the proper branch. In other cases, DOEE regulates the subject matter, but not the specific issue the person contacted us about. For example, the Air Quality program receives complaints about engine idling by cars, odors inside a building such as cigarette smoke from a neighbor's apartment, or even issues in another state. The Erosion and Sediment Control Program receives construction-related 311 complaints. Users see "Construction" in the title and send DOEE any complaint about construction, such as concerns about use of public space, parking, and noise.

   - Where a particular complaint falls outside of DOEE's jurisdiction, how does DOEE route the complaint to the appropriate agency?

   The referral process varies depending on the program, the nature of the complaint, and how the complaint is received (e.g., phone call, email, website, or 311). DOEE seeks to resolve all complaints that it can. For many complaints outside DOEE jurisdiction, all that is needed is an explanation. Sometimes DOEE provides contact information for the other agency (a name, phone number, or link) or forwards an email.

   - Would it be useful for DOEE's jurisdiction to be broadened in any way, to provide the agency with the ability to address particular environmental or health hazards for which the agency receives regular complaints?

   DOEE has sufficient jurisdiction to meet its mandates and mission.

2. The agency's pre-hearing response note that the agency collected over $390,000 in fines and penalties in FY 2019, as compared to $254,000 in FY 18. What is the cause for this significant increase in fines this past year?

   DOEE issued 540 Notices of Infraction in FY19, compared with 275 in FY18. Increased enforcement resulted in more fine payments. In addition, several individual enforcement actions led to payment of large fines.

3. The pre-hearing responses also state that 1,226 home audits were completed in the Riversmart Homes program for FY 2019. However, there is a broad disparity between wards—for example, 318 audits were completed Ward 4, but only 10 in Ward 2.

   - What is the cause for the different level of participation in the Riversmart Homes program between wards?

   The variation in RiverSmart Homes participation across wards is primarily due to differences in housing stock available in different wards. In other words, Ward 4 has a significantly higher population of program-eligible property owners (single family homeowners with yard space) compared to Ward 2 where there are multi-family residential properties. A second, less significant factor is home ownership. Participation in RiverSmart Homes requires the permission of the homeowner. In locations with higher levels of rental properties, this can be a barrier to entry as the renter must seek the permission of the property owner.

   - What is the agency doing to increase participation in the Riversmart program across the District? Does the agency have any ward-specific plans?

   The agency has considered factors such as poverty and equity in RiverSmart Homes participation and continues to work to address these potential barriers through targeted outreach and other methods. For example, DOEE partnered with a neighborhood association to conduct an Oxon Run Walking Tour to highlight RiverSmart Homes and generate additional interest from residents. In 2019, DOEE also received recommendations from a grantee on strategies for increasing participation in RiverSmart Homes in underserved areas. Additionally, DOEE received recommendations from a marketing contractor in late 2019 on strategies to better promote services and programs, including RiverSmart Homes.

4. You report that 4,207 LEED certified projects were completed in FY 2019, as compared to 973 completed in FY 2018. At the agency's performance oversight hearing, Director Wells noted that these statistics, and some others, in the agency's key performance indicators were in error. Please provide the Committee with an update on all KPIs that were incorrect in the agency's pre-hearing responses.

   The 5 measures below were incorrectly reported in the PAR as each quarter was added together to get the full-year total when they should have been cumulative. The column in yellow reflects the correct numbers.

   OCA was made aware of this error, they made the necessary changes and the PAR was republished on 1/16/2020 with the correct figures.

Admin.	Measure	Type	FY 2019 Quarter 1	FY 2019 Quarter 2	FY 2019 Quarter 3	FY 2019 Quarter 4
ESA	**Number of full-compliance evaluations inspections of Title V Facilities**	Workload Measure	4	4	18	20
ESA	**Number of contaminated site clean-ups under regulatory oversight in the District**	Workload Measure	23	26	27	27
ESA	**Number of open leaking UST remediation sites under regulatory oversight**	Workload Measure	146	152	146	145
USA	**Number of LEED certified projects in the District**	KPI	1004	1042	1070	1091
USA	**Number of businesses and institutions participating in sustainability pledges or challenges**	Workload Measure	140	177	227	282

5. Over the best several years, DOEE has collaborated with DC Water, the Council, and stakeholders to identify how to reduce the financial impact of CRIAC, resulting in the recent shift to 18% sewer volumetric in determining CRIAC charges on ratepayer bills. Much of this was in response to concerns raised by churches, cemeteries, and other properties with large impervious areas, but little water usage. However, it is the Committee's understanding that other property "types" may now be seeking relief, such as private schools.
   - What other "types" of properties has DOEE heard from in regards to seeking CRIAC relief?

   DOEE has seen interest in participation in the CRIAC relief program from a few organizations that are currently ineligible property types; specifically, private and charter schools, as well as nonprofit organizations managing or developing low income housing.

   - What changes to how CRIAC is calculated have been proposed? What would be the anticipated cost of expanding relief to these properties?

   DC Water assesses the CRIAC on customer's water bills based on the amount of impervious area on a property converted into ERUs. DC Water, not DOEE, is solely responsible for determining how the CRIAC rate is calculated. DOEE is aware of proposed FY21 and FY22 rates (https://www.dcwater.com/fy2021-and-fy2022-proposed-rates) that would reduce the CRIAC approximately by 10% over two fiscal years.

- Is DOEE anticipating pursuing any of these proposals?

DOEE does not make determinations to how the CRIAC rate is calculated or changed, so we cannot opine on whether DC Water is considering changes on the CRIAC rate.

6. The installation of pervious pavement, such as porous concrete, has the potential to be a valuable tool for reducing ERUs for certain properties.

Currently DOEE and DC Water do not count the use of pervious pavement for a reduction in impervious surface. Only the removal of impervious surfaces and replacement with vegetated areas are currently counted to reduce ERUs.

- Does DOEE have any concerns about the adoption of previous pavement? Has the agency looked into this product?

The use of pervious pavements under the right conditions is an accepted stormwater practice and one encouraged by DOEE both through regulations and incentives. Guidelines for the use of pervious pavements can be found in DOEE's stormwater management guidebook: https://doee.dc.gov/swguidebook

It should be noted that the use of pervious pavement is typically less cost-effective than the use of vegetated practices that capture runoff from impervious surfaces. Pervious pavements require subgrade modifications, which often include subdrains that are difficult to maintain, as they can easily clog with silt and debris.

- Has DOEE laid out any plans for how the agency or the District might support adoption of pervious pavement by District home or property owners?

DOEE already has an incentive program for reducing impervious surfaces and installing pervious pavers. Information can be found here: https://doee.dc.gov/service/permeable-pavers-and-re-vegetation

7. Per Director Wells' testimony at the agency's oversight hearing, DOEE staff volunteers have begun training their coworkers on composting.
   - Please briefly describe what these trainings entail.

DOEE developed several composting training materials and resources (available on DOEE's intranet) to help close waste-sorting knowledge gaps. Materials include the 2018 Mayor's List of Recyclable and Compostable items for easy reference along with a customized waste sorting guide with clear directions on what materials should go in which bin (based on an all-staff survey, we realized there was confusion around specific items like coffee cups, microwavable lunch trays, and plastic clam shells for which we provided specific guidance). DOEE also placed green "compost only" bins and updated signage in each of the three kitchens (food waste) and six bathrooms (for paper towels). Just before the start of the compost program launch, we held training sessions for volunteers to serve as agency-based champions to educate staff about proper waste sorting. For the first three days of the compost collection re-launch, we recruited agency volunteers to staff the waste sorting stations in the kitchens areas during peak times. Volunteers were there to answer questions about sorting and what happens to the material.

   - Is there potential to treat DOEE's practices as a pilot program for other agencies? What would such a pilot program require, in funding and FTEs?

There is the potential to treat DOEE's practices as a pilot program for other agencies. We have developed a brief case study to share what we learned, what worked well, and what we would suggest doing differently as a learning tool for other agencies. In terms of staff, the DOEE Waste and Materials Management Program Analyst serves as the lead for DOEE's composting program. Volunteers were recruited for the training and to act as agency-based champions. Any agency that considers launching a waste diversion initiative would need to identify at least one staff member as project lead as well as recruit volunteer support. If several agencies begin composting, we would strongly recommend having one FTE in District Government (ideally at DOEE) to help DGS manage contracts, assist agencies to launch the program (including working with building management and training cleaning crews, purchasing suitable bins and toters, setting up sorting stations, and developing signage), train agency staff on composting (both at the program launch and on an ongoing basis to minimize contamination), and ensure material is collected so that building management and staff have a good experience with the program. This person could also assist with agencies to increase recycling, reduce energy consumption, and other sustainability programs. In terms of funding, collection service at DOEE cost $12,000 to ride on DGS's existing composting contract with DCPS for one year. Depending on agency size and volume of organic waste generated, budgeting between $10,000 and $15,000 per agency seems reasonable. New bins and

compostable liners would also require funding. DOEE recommends $2,500 per agency for equipment at launch, $2,500 for bag liners annually per agency, and $50,000 annually for launch and ongoing training.

- Should we require all agencies to develop waste diversion plans that include composting? If so, what kind of timeline would DOEE recommend for roll out of these plans?

DOEE thinks it would improve waste diversion rates to require all agencies to develop waste diversion plans, but it would be helpful to provide the support of an FTE as described above to develop model plans and help tailor it to each agency. This plan should be based on current waste diversion practices, available services, and a survey of staff attitudes about recycling and composting, and whether there are currently champions at the agency to ensure success. While recycling should clearly be offered, if staff are strongly opposed to composting, the program is unlikely to be successful. This is especially true because contamination continues to be such a problem. Similarly, if there is no champion at the agency to address problems as they arise, the program is unlikely to be successful. Finally, there are broader factors to think about for composting collection at office buildings. It probably makes sense to start with public-facing agencies or other agencies that have higher organic waste generation. There is far less organic waste generated at an office building than at a building with a kitchen preparing meals (such as a school) so there is not as great of a return on investment in terms of diversion. Next, it is important to think about the increase in greenhouse gas emissions of new trucks collecting the compost, especially if there is not much organic waste being collected at some sites. It may make sense to focus on clusters of agencies within District Government-owned buildings as part of the pilot to address that concern. Finally, it is important to consider capacity of current contractors to add new collection points to their contracts and to ensure there is adequate capacity at composting facilities to accept the collected organic waste, as it is our understanding that there is still limited capacity of composting facilities in the region. Factoring in these things, a composting program pilot at some agencies with adequate funding and staffing could potentially start in under a year.

8. At the agency's performance oversight hearing, one resident recommended that the Urban Forest Preservation Act be expanded to cover governmental entities. This would mean that schools, parks, libraries, etc., would have to adhere to our special and heritage tree laws.
   - Would DOEE have any concerns if this change were to be enacted? Would DOEE support such a change?

   This question would be better directed at DDOT/UFD, who are primarily responsible for the administration of the Urban Forest Preservation Act. DOEE does generally support the principle that government should make an effort to lead by example with environmental issues.

9. The Clean Energy DC Omnibus Act requires the Mayor to establish a transportation electrification program. This program would require electrification of various fleet vehicles, and a comprehensive clean vehicle transition plan with strategies to encourage and promote adoption of zero-emission vehicles by drivers. Per the law, these elements should be released in March.
   - What is the status of their completion? Will the plan and program be released on time?

   The Mayor's Transportation Electrification Program (Mayor's TE Program), per the Act, lays out goals for replacement of "all public buses, passenger- and light-duty vehicles associated with privately-owned fleets with a capacity of 50 or more passengers or light-duty vehicles licensed to operate in the District of Columbia, commercial motor carriers, limousine-service vehicles, and taxis certified to operate by the District to be only zero-emission vehicles in the District by year 2045." This section of the plan is due by March 31st, 2020. This section roughly translates as a replacement program for public buses and private fleet vehicles. In order to enact the Mayor's TE Program, policies, costs estimates and timelines will be established in the Clean Vehicle Transition Plan, due July 1st 2021. DOEE has suggested that the program and plan be combined into an overarching Transportation Electrification Roadmap (TE Roadmap) which will be developed jointly instead of through two separate processes. DOEE took the lead in releasing an RFA on December 20th, 2019, to bring a grantee to assist with the development and coordination of the TE Roadmap, and to assimilate the multiple transportation electrification efforts already underway. The RFA closed on January 27th and is currently under a competitive review. The timeline for the first section of the TE Roadmap, the Mayor's TE Program, is extended slightly until the grantee is on board. DOEE estimates that roughly 60 to 90 days from the grant award will be needed to complete this section.

   Regarding the 2nd section of the TE Roadmap, the Clean Vehicle Transition Plan, DOEE anticipates this section will be delivered on time.

- What public engagement has been planned to educate residents about the new program and plan?

As part of the TE Roadmap RFA, DOEE has required that stakeholder engagement be critical to the development of the TE Roadmap and a section of the Roadmap itself. Grantees were instructed to include stakeholder engagement as part of their applications. DOEE has started to bring interested stakeholder groups together and will assist with the stakeholder outreach and feedback. Stakeholder group meetings will be set up to occur quarterly during the development of the TE Roadmap.

10. Also under the Act, DC's public buses are required to transition away from fossil fuels, with a goal of 50% electrification by 2030 and 100% by 2045.
    - Has DOEE collaborated at all with WMATA on meeting these goals? If so, please describe that work.

DOEE has contacted WMATA regarding bus electrification through several means. In a memo sent on October 16th, 2019, from Director Wells to GM/CEO Paul Wiedefeld, the Director explained the key aspects of the Omnibus Act, specifically focusing on the transition from 50% of public buses to low- or zero-emissions by 2030, and increasing to 100% zero-emission by 2045. The Director stated that DOEE would be happy to further discuss this with WMATA and provide a briefing on the District's short- and long-term energy and greenhouse gas reductions goals.

There has been no direct response to this memo; however DOEE scheduled two meetings with WMATA to discuss bus electrification on December 3rd and December 12th.

- On December 3rd, 2019, in coordination with DDOT's Circulator team, DOEE met with WMATA's Bus and Sustainability teams. The purpose of this meeting was to discuss Bus Charging Tariffs. This was an effort to coordinate charging tariffs for electric buses. WMATA noted they are in the process of conducting a bus electrification readiness study, and indicated they wish to wait until the completion of the study before moving forward.
- On December 12th, 2019, DOEE set up a meeting, unrelated to the previous meeting on the 3rd, where District agencies (DDOT and DOEE) and WMATA were to have shared ideas on transit sustainability plans and electrification projects in the pipeline. However, that meeting was canceled and has not yet been rescheduled.

DOEE conducted two other meetings of note that touched on the subject of WMATA bus electrification: a briefing with the newly appointed WMATA board

member Stephanie Gidigbi on December 18th, 2019, and a meeting regarding bus charging with Pepco on January 17th, 2020.

- Members from DOEE met with Stephanie Gidigbi to elucidate the aspects of the Clean Energy DC Omnibus Act of 2018 with regard to bus electrification, including the Mayor's TE Program and the Clean Vehicle Transition Plan.
- Pepco pulled together a group focusing on a DC EV Program for bus charging, which included members from WMATA's Bus and Sustainability teams, DOEE and DDOT, and a few other consultants. The purpose of this meeting was to discuss how Pepco could support bus charging after the recently approved PSC FC1150 with regard to Pepco's Transportation Electrification Program. In the discussion, WMATA identified barriers to bus electrification and indicated their desire to see the results of studies before they commit to any infrastructure.

- What is the status of a plan to transition to this new fleet?

Regarding WMATA, DOEE has no solid understanding of WMATA's bus electrification plans beyond the current study underway.

Regarding DDOT's Circulator fleet, of the roughly 80 buses that are running, 14 are electric. DDOT plans to procure another 14 electric buses in the coming years. DDOT is also actively working on increasing the necessary infrastructure to support its electric fleet. DOEE is providing technical assistance.

Regarding OSSE's school bus fleet, the fleet of 600 smaller school buses has not yet begun a transition to low- or zero-emission. DOEE has held several meetings with OSSE and is providing technical support to guide the agency towards bus electrification. OSSE recently completed a procurement that replaced a majority of its old diesel fleet with gasoline powered vehicles. DOEE is working with OSSE to ensure its next round of procurement is electric by providing technical assistance with fleet procurement and infrastructure planning.

- What public engagement has been planned to educate residents about this transition?

DOEE has two ongoing public outreach plans regarding the transition. The first is the Quarterly DOEE Stakeholder meetings hosted at DOEE's headquarters. This is a regular opportunity to provide updates to the stakeholder leaders of the environmental community, and that is currently planned to continue throughout the life of the transition. The second is the Clean Energy DC Plan stakeholder meeting, since bus electrification is a key aspect of the CEDC Plan.

11. Currently, DOEE has a small team responsible for enforcement of the prohibitions on foam food packaging, non-compostable straws, and other restricted food service ware; under the Zero Waste Omnibus, the list of prohibited items DOEE will be responsible for enforcing is likely to grow.
    - Does the agency anticipate needing more staff to do this work?

    DOEE's food service ware enforcement program currently has capacity to implement the accessories upon request portion of the bill. If the composting requirements and reusable requirements were to be passed and delegated to the food service ware program, DOEE would need several new FTEs to ensure successful implementation and enforcement. As written, these requirements would require oversight of proper front-of-house and back-of-house source separation, review of hauling contracts, and approvals for exemption waivers, all time-intensive responsibilities for the team delegated authority to enforce these new rules.

    - After receiving an alert regarding a business out of compliance with the law, how long does DOEE take, on average, to send out an inspector?

    DOEE responds to bag law and food service ware 311 tips within 15 business days, and on average all other tips are dealt with within 30 days of being received.

12. At the agency's performance oversight hearing, a witness recommended that DOEE draft sustainability guidance for residential properties of all sizes, given that existing law and guidance generally apply only to larger properties.
    - Would DOEE be amendable to producing such a guidance—even where it would reflect just best practices, and not be binding?

    DOEE has several resources that provide sustainability guidance to various building types. We have developed guides for high-performance multifamily properties (https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/DC_MFGuide.pdf), as well as a resilience assessment tool for multifamily properties (https://doee.dc.gov/climateready). We also have a net-zero energy projectguide: https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/DC-ZEProjectGuide.pdf.

    - What would be needed for DOEE to produce and disseminate such guidance? What other agency partners would need to be involved?

    These products are already available via our website and we partner with various agencies including DCRA, OP, and DHCD to disseminate them.

13. During the agency's performance oversight hearing, it was noted that FY 2019 data for the electronics recycling program would likely be available by the end of January 2020.
    - Has that data been received? If so, how successful was the program in FY 2019?

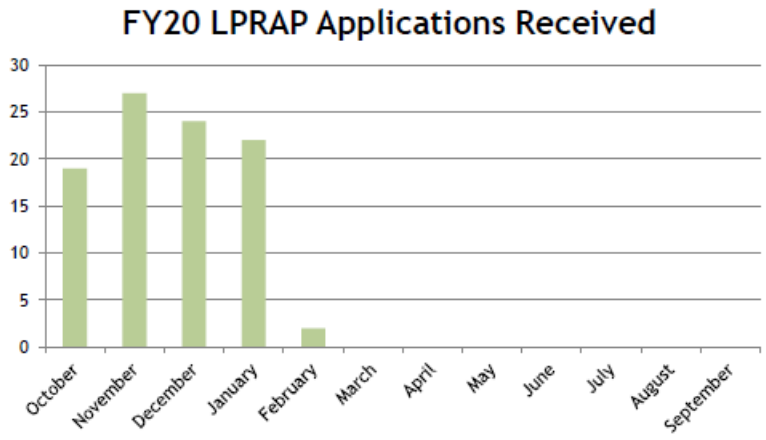
    Manufacturers of covered electronic equipment report their collection of electronic material towards their calendar year 2018 collection target as part of their registration for program year 2020. This registration is due on December 31 of each year but usually involves corrections and clarifications so DOEE does not generally have a final number until late January or early February. The current number may change based on future corrections from manufacturers, but is likely to be very close to the final number. In 2018, manufacturers collected 2,530,348 pounds of covered electronic equipment (i.e. televisions, computers, and peripherals of both). The calendar year 2018 collection target was set at 50 percent of the weight of the average of sales from 2016 and 2015, resulting in a collection target of 2,526,207 pounds. Therefore, manufacturers exceeded their target by over 4,000 pounds, making the program quite successful.

14. DOEE's Lead Water Service Pipe Replacement Assistance Program provides financial assistance for residents as they replace lead water pipes on their property.
    - Please provide a breakdown of the number of projects completed in FY 2019 and FY 2020, to date, and the total amount of relief provided by assistance level category.

    The Lead Pipe Replacement Assistance Program (LPRAP) was funded at a level of $1,803,595 for financial assistance and $1,000,000 for the replacement of lead service lines in conjunction with DC Water's Capital Improvement Projects in FY20. There was no activity in FY19.

    Please find below an updated burn rate of LPRAP as of 2/5/20 (note: DOEE processes the application for income and DC Water processes the application for the quote approval):

Total Applications Received	94
Income Processed	92
Quote Processed	41
Approved for Work	41
Denied	8
Ineligible	10



2020 Budget	$1,803,595
Administrative Costs	$180,360
Replacement Funds	$1,623,236
Estimated Value of Approved Quotes	$129,808
Estimated Remaining Replacement Funds	$1,493,428
Completed Partial Lead Pipe Replacements	1
Funds Released	$9,651
Remaining Replacement Funds	*$1,613,585*

15. At the agency's performance oversight hearing, Director Wells noted that the stormwater credit trading program has not yet seen the success that the agency had hoped it would.
    - Why do you think this is? Are there policy changes or budgetary recommendations that you believe would help the program?

Summary

In DOEE's testimony, Director Wells explained that DOEE seeks to increase activity within the Stormwater Retention Credit (SRC) Program. The SRC program today is recognized internationally as an example of innovative stormwater management, and has grown steadily since implementation in 2014 (there were over 250,000 SRCs sold in 2019 compared to roughly 13,000 SRCs sold in 2014).

Despite its success, DOEE constantly seeks to improve the program based on its original objectives. Since inception, DOEE's objectives for the SRC program have been to:

1. Provide meaningful compliance flexibility under the District's stormwater regulations while continuing to achieve a water quality outcome comparable to on-site compliance
2. Create a cost-effective mechanism for the District to invest in green infrastructure
3. Maximize the water quality outcomes achieved by the regulations through off-site compliance

While DOEE has been very successful in achieving the first two objectives, DOEE has determined that further steps could achieve a greater water quality outcome by updating the SRC program in the following ways to increase the usage of "High-Impact" SRCs[1]:

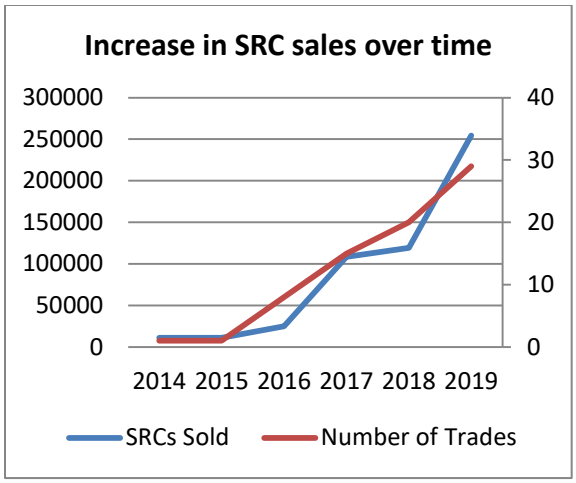
- Implementing regulatory changes to prioritize the usage of High-Impact SRCs
- Providing incentives for developers to buy High-Impact SRCs
- Conducting additional outreach to developers to promote the usage of High-Impact SRCs

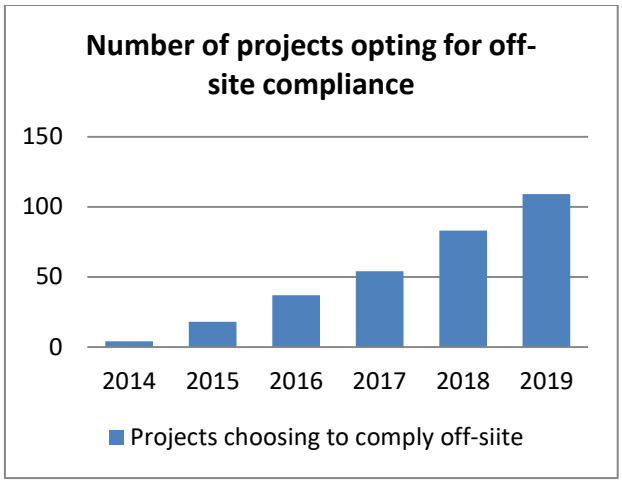
Further explanation on how DOEE has been successful in achieving its original objectives, and DOEE's proposed changes to the SRC program to maximize water quality outcomes, are below.

1. Compliance flexibility

The SRC program has successfully established an alternate method of compliance for developers who trigger the District's stormwater regulations. Rather than complying fully on-site, developers can purchase SRCs to pay for green infrastructure to be built elsewhere in the District. Since 2013, DOEE has seen consistent program growth, in terms of the number of trades per year and the total number of SRCs sold. The 500,000th SRC was sold in early FY20, and over $1 million has been spent to purchase SRCs in over 75 transactions since the program began. In calendar year 2019, roughly 15% of developers who triggered the District's stormwater regulations chose to comply off-site (e.g. through SRCs). This compliance flexibility has come without sacrificing water quality, since the SRCs used by these developers have provided a comparable stormwater retention benefit as would have been realized with on-site compliance.

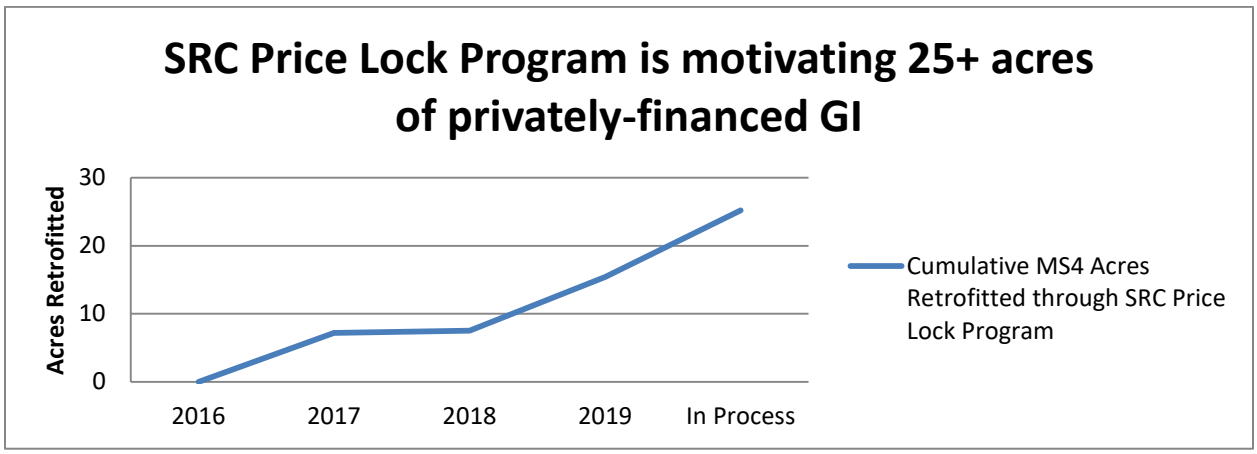
[1] SRCs with the greatest water quality benefit are those created by new construction of green infrastructure in the MS4 on sites that aren't already building green infrastructure because of a regulatory requirement. DOEE refers to these as High-Impact SRCs. When a site purchases a High-Impact SRC, this has the potential to achieve a greater water quality benefit than full on-site stormwater compliance, particularly if the regulated site drains to the Combined Sewer System (CSS). Green infrastructure in the MS4 area does the most to protect the District's rivers because in these areas, stormwater runoff would otherwise drain untreated into our rivers and streams, typically without any treatment.





2. Cost-effective investment in green infrastructure

The SRC market provides an effective platform for DOEE to incentivize the construction of green infrastructure in the District. Through the SRC Price Lock Program, DOEE agrees to purchase SRCs from eligible sellers, which helps provide certainty to investors who are considering whether to invest in green infrastructure in the District. This is cost effective, because DOEE's SRC purchase prices are significantly less than the cost for DOEE to build and maintain green infrastructure on its own, and if these SRCs are sold to developers, then DOEE saves money that can be redirected to another project. DOEE allocated $11.5 million to the program in 2017 and has since seen multiple businesses begin planning and constructing green infrastructure projects. The first 8 projects enrolled will achieve a combined retrofit of over 25 acres in the MS4, accounting for roughly $5.1 million of the program funds. Credit aggregators have already developed preliminary designs or obtained letters of support from property owners to account for an additional $10.2 to retrofit an additional 16+ acres. The funds required far exceed the funds available for the SRC Price Lock Program. DOEE seeks to identify additional funds to help keep SRC aggregators investing in generation of High-Impact SRCs, which is important to reassure regulated sites that use of SRCs is a viable and cost-effective long-term compliance option.



3. Maximized water quality outcomes

Though the runoff reduction benefit of SRCs purchased by regulated sites has been comparable to what would have been achieved on site, DOEE is taking steps to maximize benefits for District waterbodies by prioritizing the use of High-Impact SRCs and by encouraging greater use of SRCs by regulated projects that can provide greater water quality benefits by complying off site than they would by complying on site. DOEE has three key initiatives in process:

1. Regulatory amendments: On January 31, 2020, DOEE adopted amendments to stormwater regulations that will provide greater flexibility for sites in the area of the Combined Sewer System (CSS) that are or will be served by underground tunnels to achieve 100% of their retention requirement with SRCs from the MS4 area. Because these CSS areas drain to the tunnels, rather than the rivers, there is more benefit to receiving waterbodies to have green infrastructure installed in areas of the MS4, where stormwater drains to waterbodies untreated, than at the regulated sites in the CSS. Additionally DOEE is considering additional amendments that will prioritize the usage of High-Impact SRCs (i.e. regulated sites that buy SRCs need to buy High-Impact SRCs, if available). When DOEE first launched the new regulatory framework and SRC market in 2013, it was necessary to ensure an adequate supply of SRCs as soon as the regulations took effect. Consequently, DOEE allowed SRCs to be generated in circumstances that weren't as beneficial as the circumstances for High-Impact SRCs. Now that the SRC program is a robust, functioning market and an ample supply High-Impact SRCs are being generated, it is appropriate for DOEE to strengthen the regulatory framework to optimize the outcomes for District waterbodies.
2. Incentives: DOEE wants to increase demand for High-Impact SRCs from regulated developers by making it cheaper for sites to purchase High-Impact SRCs. To that end, on January 17, 2020, DOEE released a new incentive in the SRC Price Lock Program through which DOEE provides a payment to reduce the cost of High-Impact SRCs being sold to developers, particularly in large or multi-year transactions. More information is available at http://doee.dc.gov/src.
3. Outreach/Communications: DOEE is in the process of revising its procedures for encouraging developers to take advantage of the SRC program. This includes creating off-site compliance benefit calculators and guides to assist with the decision-making process. DOEE plans to conduct focus groups this year to further understand and respond to the decision-making process.

DOEE expects that these changes will boost the number of sites choosing to use High-Impact SRCs and accelerate water quality restoration. DOEE notes that these changes will likely be gradual, as most projects that use SRCs are built and begin buying SRCs on multi-year timelines. Additionally, for many regulated sites, it will still be cost-effective for them to comply fully on-site.

4. National and International Recognition of the SRC Program

When DOEE created the SRC program in 2013, it was the first program of its kind. The SRC program has brought the District international recognition. In 2014, the SRC Program was recognized by the C40 Cities Climate Leadership Group as one of the world's most innovative climate programs. DOEE also regularly speaks with international jurisdictions, such as Copenhagen, about the successes of the SRC program. Nationally, other jurisdictions frequently seek to learn from DOEE's experiences with the SRC program, including New York, NY; Cook County, IL; Los Angeles, CA; and Grand Rapids, MI. The SRC program prompted the Environmental Council of the States (ECOS) to recognize DOEE with an Environmental Innovation Award in 2016. The SRC program is also recognized as an innovative green infrastructure financing mechanism, and was featured by the Conservation Finance Network in 2018.