

Subject: DES - Staffing and Funding Related to CEP Update

**FY 2018 Proposed Budget
Budget Work Session Follow-up**

4/17/2017

The following information is provided in response to a request made by Mrs. Katie Cristol at the work session on 3/28/2017: Do you have any thinking related to doing an update for the CEP? Where would staff and funding come from to do this? E2C2 is recommending an update in Calendar Year (CY) 2018.

The Community Energy Plan, adopted in June 2013, and its accompanying CEP Implementation Framework set the community on a path to transform the way we address energy issues in terms of economic competitiveness, energy security, and environmental commitment.

However, the world is changing rapidly and it is appropriate to revisit the analytical basis for the Community Energy Plan. Technological innovation and strong new energy market forces are transforming the electric utility market, with rapid deployment of more efficient power plants fueled with natural gas, resulting in a steady decline in coal-produced electricity. Attractive economics have also resulted in renewable energy sources penetrating the electricity market much faster than anticipated seven years ago when work began on developing the CEP.

While the overall thrust and goals of the CEP remain valid and intact, it will be useful to revisit the elements and relative size of elements in the energy model that map our path to the goal, along with the data and assumptions that underpin the model. As was noted in the original CEP, to give Arlington the best chance for successful and optimal CEP implementation, “[T]his Comprehensive Plan element will be updated as conditions warrant. At a minimum, the element will be reviewed and revised as necessary once every five years.”

AIRE staff are preparing to revisit the CEP and the CEP Implementation Framework in CY 2018, including a new analysis to identify any needed course corrections. For example, recent feasibility study results for Crystal City/Pentagon City and for the Courthouse area yielded recommendations to delay District Energy implementation until market conditions become more favorable. However, the transformation of the electric grid in terms of efficiency, carbon emissions, and renewables may well fill the resulting gap even if it turns out District Energy is not economically viable in Arlington for the immediate future.

Revisiting the CEP five years after adoption will engage several AIRE staff with an aggregate level of effort of 1.0 - 1.5 FTE over CY 2018. In addition, staff anticipates using approximately \$100,000 of AIRE funds for technical consultant support to revise the

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greenhouse gas emissions analytical model and update best practices, which would begin in the Fall of 2017.

Staff will also work closely with the newly-formed Energy Committee in the Environment and Energy Conservation Commission (E2C2) during the CEP update process. Energy Committee members will provide a variety of different perspectives on the challenges and opportunities that face the Arlington community as we work to refine the suite of actions required to reach the CEP's interim milestones and long-term goals.