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Energy Funds Reallocated for Other Purposes

Washington D.C. – When the DC Council enacted the Clean and Affordable Energy Act of 2008 the legislation authorized energy bill surcharges to support clean and affordable energy initiatives, but since that time elected officials have approved using more than \$30 million in energy surcharge funds for other purposes, according to a new report by the D.C. Auditor.

The report, *Review of Sustainable Energy and Energy Assistance Trust Funds*, corroborates concerns shared with the D.C. Council a year ago by the Public Service Commission which objected to the Council transferring money from two energy trust funds into the District’s General Fund as part of producing a balanced annual budget.

According to the Auditor’s report, the 2008 legislation that established the Sustainable Energy Trust Fund and the Energy Assistance Trust Fund directed that the charges added to monthly utility bills be spent solely for clean and affordable energy initiatives. But “a net total of approximately \$24.1 million has been transferred from the SETF to the General Fund and \$7.4 million from EATF since 2009 contrary to the stated intent of the 2008 law.”

The budget transfers were authorized each year in the annual Budget Support Act, which includes legislation that supports the annual budget. The report recommends that the District Department of Energy and Environment work with elected officials “to reevaluate and adjust the surcharge... or fully utilize funds for purposes intended” in the 2008 law. In their response to the report, the Department noted that until now they were precluded from spending more than \$20 million a year on the energy programs, so could not spend the full amount deposited from the surcharges, but based on recent legislation they are authorized to spend “any excess funds toward critical program expenditures.” The DOEE comments, included in the Auditor’s report said, “the barrier to fully expend the funds was just recently removed.”

Read the complete report [here](#). For more information on the Office of the District of Columbia Auditor, visit dcauditor.org or call 202- 727-3600.