



April 24, 2023

Mayor Tarter and Members of the City Council  
City of Falls Church  
300 Park Avenue  
Falls Church, VA 22046

**Subject: Climate Change Investments Needed in the Proposed FY 2024 City Budget**

Dear Mayor Tarter and Members of the City Council:

The Falls Church Climate Action Network is made up of Falls Church residents working to help the community meet the climate crisis. We are writing to recommend that you accelerate investments in meeting the City's goals for reducing the release of greenhouse gases that are driving climate change.

The proposed budget explains the current City effort to work with contractors to develop energy plans for City operations and for the community as a whole. Together, these plans will outline the steps the City will take to meet the adopted goal of reducing greenhouse gas releases by 50 percent by 2030 and 80 percent by 2050 compared to 2005 levels.

We appreciate that completion of the City and community energy plans later this year will provide a new foundation for climate-change related investments. It is critically important, however, that the City recognizes the urgency of taking strong actions now to reduce greenhouse gas emissions. The Secretary General of the United Nations recently stated, "Every year of insufficient action to keep global warming below 1.5 degrees Celsius drives us closer to the brink, increasing systemic risks and reducing our resilience against climate catastrophe."

**CAPITAL IMPROVEMENTS PROGRAM (CIP)**

The draft FY 2024 budget includes new federal grant funding of \$600,000 plus local funds of \$200,000 for electric and hybrid vehicles and 10 vehicle chargers. This is a step in the right direction.

The proposed rooftop solar panels would pay for themselves quickly enough to have a positive 'net present value' to the City. The CIP envisions designs and installations costing roughly \$800k over four years but leaves them unfunded, including the initial 11% of that in FY 2024 (\$88k). We understand staff's preference to fund such investments with federal grant money or via long-term contracts with private PPA investors who provide the capital and installation for large projects, as was done for Meridian High School. But self-funding the first 11% would provide a hedge against the likelihood that suitable block grants will not be available in FY 2024 and that PPA investors will not offer economical terms, if any at all, for project(s) in the <\$100k range. Self-funding will not preclude using block grants for the remaining 89%, or for other City projects that don't pay for themselves with savings. The City should also commit the resources needed to assess solar panel options City buildings.

## **GENERAL FUND**

The proposed budget retains the same full-time "Environmental Programs Coordinator" position and \$7,600 for supplies as in past years. In addition, the Council should provide funding for several key projects, now identified in the proposed budget as unfunded "Future Priorities," including:

- 1. Virtual Power Purchase Agreement Planning Consultant (\$9,000).** In conjunction with a cohort of other Virginia counties and municipalities, this funding would hire an Energy Services Consultant to help facilitate the acquisition of a Virtual Power Purchase Agreement (VPPA) to provide renewable energy for 100% of the City's government operations. We expect that assessing VPPAs will be a likely recommendation from the Government Operations energy plan, so Council should expect to fund this in FY 2024.
- 2. Energy Audits of Government Facilities (\$18,000) and Energy Data Management Software (\$14,000).** The budget states that "no City facility rates in the top 50% of comparable facilities nationwide in terms of Energy Star performance, despite the City's recent investments. To help identify operational changes and future facility investment opportunities to reduce energy consumption, the City should initiate a series of energy audits of its key facilities." The budget also states that City government (excluding schools) spends about \$300k annually on electricity and natural gas. If the proposed audits and energy management software result in operational changes that save just 3%, these investments will pay for themselves in under 4 years. That would be faster than the streetlight LED replacements currently underway.
- 3. 100% Renewable Energy Credits (RECs) for City Operations (\$12,600).** This funding would increase the purchase of RECs from Dominion Energy Virginia from 25% to 100% of the City's government operations electricity use. First, we note that if Item 1 (a virtual PPA) eventually results in the purchase of 100% renewable power, this REC-purchase line item would be redundant and eliminated in future years. Second, we recommend the City purchase only high-quality RECs that actually incentivize *additional* renewable

power plants, even if that means offsetting less than 100% of City electricity use due to limited funds.

Finally, we note that the FY 2023 proposed budget left as “Unfunded Needs:”

- \$50,000 “to implement community and government energy action plans” via “community and intergovernmental outreach,” and
- \$72,000 for an environmental administrator/outreach specialist.

We expect the Community Energy Action Plan, scheduled for completion in September 2023, to recommend increased climate-focused outreach and to require implementation resources. It is important that these plans be advanced when completed and not wait almost a year for FY 2025 funding (i.e., July of 2024). This will require including implementation and outreach funding in the FY 2024 budget. **We recommend that the City supplement existing resources with additional funding at about the amount identified as an “Unfunded Need” in FY 2023.**

With the upcoming completion of City and community energy plans, the demand for new investments in the FY 2025 budget will increase significantly. **The Council should act now to begin making critical, ready-to-go energy and climate-related investments in the FY 2024 budget.**

We look forward to working with you to identify and encourage critically needed investments related to energy and climate change.

Sincerely,

Jon Ward  
Tim Stevens  
Dave Gustafson  
Jeff Peterson

Falls Church Climate Action Network  
Steering Committee

cc: City Manager