



OFFICE OF THE
SECRETARY
2016 APR 20 PM 12:02

MURIEL BOWSER
MAYOR

APR 20 2016
The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue N.W., Suite 504
Washington, D.C. 20004

Dear Chairman Mendelson:

Pursuant to Sections 210(e) and 211(e) of the Clean and Affordable Energy Act of 2008 (CAEA), D.C. Law 17-250, effective October 22, 2008, and Section 8 of the Renewable Energy Portfolio Standard Act of 2004 ("REPS"), D.C. Law 15-340, effective April 12, 2005, I am pleased to submit the Department of Energy and Environment's (the Department) Fiscal Year 2016 First Quarter Report for the October 1, 2015 – December 31, 2015 quarter. This report presents the revenue collection, budget, and expenditures of the Sustainable Energy Trust Fund ("SETF"), Energy Assistance Trust Fund ("EATF"), and Renewable Energy Development Fund ("REDF"), and describes the performance of EATF programs and expenditures during the quarter ending December 31, 2015. The Department did not administer any SETF or REDF programs during this quarter.

Additionally, pursuant to Sections 202(k) of the CAEA, the Department encloses the Fiscal Year 2015 Third Quarter Report on behalf of the District of Columbia Sustainable Energy Utility (DCSEU). This report details the activities and the accomplishments of the energy efficiency and renewable energy programs administered during October 1, 2015 – December 31, 2015. This report was prepared by the DCSEU. The Department, as the contract administrator, transmits the report.

Please feel free to contact me or Dr. Taresa Lawrence at 202-671-3313 if you have any questions regarding this report.

Sincerely,

A handwritten signature in black ink, appearing to read "Muriel Bowser". The signature is stylized and fluid.

Muriel Bowser

Enclosures

**Department of Energy and Environment
Clean and Affordable Energy Act of 2008
and
Renewable Energy Portfolio Standard Act of 2004
Quarterly Report
October 1, 2015 – December 31, 2015**

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INTRODUCTION

The Department of Energy and Environment's ("DOEE") Clean and Affordable Energy Act ("CAEA") and Renewable Energy Portfolio Standard Act of 2004 ("REPS") Quarterly Report to the Council of the District of Columbia ("Council") covers the period from October 1, 2015 – December 31, 2015. This report: 1) describes significant program status; 2) provides timelines and milestones to track the progress and success of each program; 3) offers highlights of ward specific data; and 4) presents the status of administrative and programmatic expenditures.

BACKGROUND

The Retail Electric Competition and Consumer Protection Act of 1999 created the Reliable Energy Trust Fund ("RETF"), the purpose of which was to fund programs promoting energy efficiency and the use of electricity from renewable sources. In Commission Order No. 13475, Formal Case No. 945, the Public Service Commission of the District of Columbia ("Commission") designated DOEE (previously the DC Energy Office) as the authority to administer all of the programs approved for funding from the RETF. Subsequently, the Commission authorized DOEE to implement 16 programs.

Additionally, in 2005 the Council passed the Omnibus Utility Emergency Amendment Act of 2005, which established the Natural Gas Trust Fund ("NGTF") to promote energy-efficient gas programs and to provide assistance to low-income gas customers in the District. DOEE was designated as the administrator of all of the programs under that Act.

In 2005, pursuant to Section 8 of the REPS, the Renewable Energy Development Fund ("REDF") was established for the purpose of funding eligible solar projects in the District with compliance fees paid by electricity suppliers under the District's Renewable Energy Portfolio Standard. Section 8(c) of the REPS states that the REDF "shall be used solely for the purpose of

making loans, grants, rebates, and other financial incentives to support the creation of new solar energy sources in the District of Columbia and for otherwise administering the Fund.”

This quarterly report is required by the CAEA and the REPS. The CAEA replaced the RETF and NGTF programs with the Sustainable Energy Trust Fund (“SETF”) and the Energy Assistance Trust Fund (“EATF”) programs, funded by two new utility assessments. The following program under the CAEA is currently being administered by DOEE:

Energy Assistance Trust Fund

D1, LIHEAP Expansion and Energy Education

Provides additional funding for low income customers to be used in concert with the federal Low Income Home Energy Assistance Program (LIHEAP).

Sustainable Energy Trust Fund

DOEE has contracted with Vermont Energy Investment Corporation, the prime contractor of the Sustainable Energy Partnership, which consists of a team of local partners, to provide programs and initiatives as the District of Columbia Sustainable Energy Utility (“DCSEU”). The DCSEU implements programs in the District to reduce energy consumption, increase the number of green collar jobs in the District, stimulate the local economy through contract spending with District businesses, increase renewable energy generating capacity, reduce the growth of peak electricity demand, improve the energy efficiency of low-income housing, and reduce the growth of energy demand of the District’s largest energy users. The DCSEU is funded by the SETF. DOEE is appropriated an amount equivalent to ten percent of the DCSEU contract value for administering the contract, and the financial attachments at the end of this report reflect this activity.

The DCSEU submits quarterly reports to DOEE, and DOEE files these reports with the Council on behalf of the DCSEU. These reports include program funded by SETF. Both reports can be found on DOEE's website.

Renewable Energy Development Fund

Administrative funds from the REDF were used this quarter, and DOEE plans to include program expenditures in the second quarter.

CAEA & REPS BUDGET AND EXPENDITURES

This report includes the following financial attachments:

- Attachment 1: SETF & EATF - Revenue Collections
- Attachment 2: SETF & EATF - Financial Activity as of the end of the quarter
- Attachment 3: SETF & EATF - Administrative Budget and Expenditures
- Attachment 4: SETF & EATF - Monthly Expenditures by Program
- Attachment 5: REDF - All Financial Activity
- Attachment 6: REDF - Administrative Budget and Expenditures
- Attachment 7: REDF - Monthly Actual Expenditures by Program

Energy Assistance Trust Fund

Program Name:	LIHEAP Expansion and Energy Education
Program Number:	D1
Reporting Period:	October 1, 2015 – December 31, 2015

Program Description

The Low-Income Home Energy Assistance Program (“LIHEAP”) Expansion and Energy Education Program provides additional funding for low income customers to be used in concert with federal LIHEAP funding. Households that would otherwise not be served as a result of limited federal LIHEAP funding are granted benefits through this program.

Program Status

- ☐ Program is falling short of expectations
- ☒ Program is on Target
- ☐ Program is exceeding expectations

Low-Income Home Energy Assistance Program Background

The Department Energy and Environment (DOEE) administers LIHEAP, which assists low-income households in the District, particularly those with the lowest incomes that pay a high proportion of household income for home energy, primarily in meeting their immediate home heating and cooling needs. LIHEAP benefits are provided for households using electric, natural gas, or home heating oil. DOEE provides energy assistance benefit payments to income qualified households by providing a direct credit, on behalf of the customer, to the respective utility company that provides service to the household.

LIHEAP is funded by three sources – US Department of Health and Human Services (US HHS), District General Funds and the Energy Assistance Trust Fund (EATF), a special purpose revenue fund. DOEE applies for an annual formula grant from US HHS through a State Plan, which is submitted by September 1 each year.

Program Accomplishments

Energy assistance benefits are determined through a benefit matrix that is approved by the US HHS. DOEE provides two types of benefits: Regular energy assistance benefits and Emergency energy assistance benefits. The Regular benefit is a one-time benefit the household may receive each year, and is calculated based on four factors: household size, total household income, heating source, and type of dwelling. Regular energy assistance benefits range from \$250 to \$1,500 and the average benefit payment per household is \$500-\$600. The Emergency benefit is available to low-income District residents who have received a disconnection notice for electric or gas service, or are already disconnected. Households that are out of home heating oil are also eligible to receive an Emergency benefit. The LIHEAP Expansion and Energy Education Program enrolled 9,443 eligible District residents this quarter (See Table 1).

Table 1: LIHEAP Expansion Deliverables by Ward

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Current Quarter	763	116	16	565	1,703	736	2,236	3,308	9,443
Cumulative Quarter	763	116	16	565	1,703	736	2,236	3,308	9,443

Table 2: LIHEAP Expansion Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 1: October 1, 2015 – December 31, 2015		
Serve additional eligible District households	December 2015	December 2015

Next Quarter's Projected Goals

Table 3: LIHEAP Expansion Quarter 2 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 2: January 1, 2016 – March 31, 2016		
Serve additional eligible District households	March 2016	

ATTACHMENT 1
REVENUES COLLECTED
OCTOBER 1, 2015 - DECEMBER 31, 2015

Sustainable Energy Trust Fund (SETF)				Energy Assistance Trust Fund (EATF)			
Deposit Date	Source of Funds	Amount	Total Received to date	Deposit Date	Source of Funds	Amount	Total Received to date
11/19/2015	WASH GAS	166,136.24	166,136.24	11/19/2015	WASH GAS	60,585.68	60,585.68
11/20/2015	PEPCO	1,467,508.69	1,633,644.93	11/20/2015	PEPCO	59,295.30	119,880.98
12/18/2015	WASH GAS	261,652.48	1,895,297.41	12/18/2015	WASH GAS	95,363.64	215,244.62
12/21/2015	PEPCO	1,226,619.69	3,121,917.10	12/21/2015	PEPCO	49,627.12	264,871.74
1st Quarter subtotal		3,121,917.10		1st Quarter subtotal		264,871.74	
Total through 1st Qtr:		3,121,917.10		Total through 1st Qtr:		264,871.74	

**ATTACHMENT 2
ALL FINANCIAL ACTIVITY
AS OF 12/31/2015**

Agy Fund	Project No	Project Title	GAAP Category Title	Budget	Expenditures	Intra-District Advance	Purchase Order Balance	Requisition Balance	YTD Expenditures and Obligations	Available Balance
6700	ABOARD	SETF & EATF ADVISORY BOARD	NON-PERSONNEL SERVICES	26,000	-	-	-	-	-	26,000
	ABOARD			26,000	-	-	-	-	-	26,000
	ADMSEU	SEU CONTRACT ADMINISTRATION	PERSONNEL SERVICES	1,279,508	306,780	-	-	-	306,780	972,727
			NON-PERSONNEL SERVICES	712,992	19,815	533	134,630	-	154,978	558,015
	ADMSEU			1,992,500	326,595	533	134,630	-	461,758	1,530,742
	LIST16	LIHEAP BENEFITS - SETF	NON-PERSONNEL SERVICES	1,484,704	-	-	-	-	-	1,484,704
	LIST16			1,484,704	-	-	-	-	-	1,484,704
	NOPROJ	NO PROJECT INFORMATION	PERSONNEL SERVICES	7,500	-	-	-	-	-	7,500
	NOPROJ			7,500	-	-	-	-	-	7,500
	SEUCTR	SEU CONTRACT	NON-PERSONNEL SERVICES	18,400,000	114,203	-	18,285,797	-	18,400,000	-
	SEUCTR			18,400,000	114,203	-	18,285,797	-	18,400,000	-
	SEUEMV	SEU CONTRACT EM&V	PERSONNEL SERVICES	298,790	45,851	-	-	-	45,851	252,939
			NON-PERSONNEL SERVICES	1,301,210	13,017	-	836,983	-	850,000	451,210
	SEUEMV			1,600,000	58,868	-	836,983	-	895,851	704,149
	SEURVW	SEU INDEPENDENT REVIEW OF PERFORMANCE	NON-PERSONNEL SERVICES	100,000	-	-	-	-	-	100,000
	SEURVW			100,000	-	-	-	-	-	100,000
6700				23,610,704	499,666	533	19,257,410	-	19,757,609	3,853,095
6800	ADMEA9	EATF ADMINISTRATION	PERSONNEL SERVICES	159,890	29,168	-	-	-	29,168	130,722
			NON-PERSONNEL SERVICES	117,000	10,896	-	55,146	9,000	75,042	41,958
	ADMEA9			276,890	40,064	-	55,146	9,000	104,210	172,680
	LID109	LIHEAP EXPANSION & ENERGY EDUCATION	PERSONNEL SERVICES	403,497	90,036	-	-	-	90,036	313,461
			NON-PERSONNEL SERVICES	1,484,267	1,424,805	-	-	-	1,424,805	59,462
	LID109			1,887,764	1,514,841	-	-	-	1,514,841	372,923
	LID209	RAD EXPANSION	PERSONNEL SERVICES	96,910	6,756	-	-	-	6,756	90,154
			NON-PERSONNEL SERVICES	3,090	10	-	-	-	10	3,081
	LID209			100,000	6,766	-	-	-	6,766	93,234
	LIG109	RES EXPANSION	PERSONNEL SERVICES	30,346	7,100	-	-	-	7,100	23,246
	LIG109			30,346	7,100	-	-	-	7,100	23,246
	NOPROJ	NO PROJECT INFORMATION	PERSONNEL SERVICES	5,000	-	-	-	-	-	-
	NOPROJ			5,000	-	-	-	-	-	-
6800				2,300,000	1,568,771	-	55,146	9,000	1,632,917	667,083
Grand Total				25,910,704	2,068,437	533	19,312,556	9,000	21,390,525	4,520,179

ATTACHMENT 3
Administrative Budget and Expenditures
1st Quarter - as of December 31, 2015

Fund	Project No	Project Title	PS/NPS Category	Budget	QUARTERLY ACTUAL EXPENDITURES				
					Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total Year-to-Date Actual Expenditures
6700	ADMSEU	SEU CONTRACT ADMINISTRATION	PERSONNEL SERVICES	1,279,508	306,780				306,780
			NON-PERSONNEL SERVICES	45,000	3,281				3,281
	ADMSEU Total			1,324,508	310,061	-	-	-	310,061
	SEUEMV	SEU CONTRACT EM&V	PERSONNEL SERVICES	298,790	45,851				45,851
	SEUEMV Total			298,790	45,851	-	-	-	45,851
	(blank)	(blank)	PERSONNEL SERVICES	7,500					-
	(blank) Total			7,500	-	-	-	-	-
SETF Total				1,630,798	355,912	-	-	-	355,912
6800	ADMEA9	EATF ADMINISTRATION	PERSONNEL SERVICES	159,890	29,168				29,168
			NON-PERSONNEL SERVICES	15,000	180				180
	ADMEA9 Total			174,890	29,348	-	-	-	29,348
	LID109	LIHEAP EXPANSION & ENERGY EDUCATION	PERSONNEL SERVICES	403,497	90,036				90,036
	LID109 Total			403,497	90,036	-	-	-	90,036
	LID209	RAD EXPANSION	PERSONNEL SERVICES	96,910	6,756				6,756
			NON-PERSONNEL SERVICES	3,090	10				10
	LID209 Total			100,000	6,766	-	-	-	6,766
	LIG109	RES EXPANSION	PERSONNEL SERVICES	30,346	7,100				7,100
	LIG109 Total			30,346	7,100	-	-	-	7,100
	(blank)		PERSONNEL SERVICES	5,000					-
	(blank) Total			5,000	-	-	-	-	-
EATF Total				713,733	133,250	-	-	-	133,250
Grand Total				2,344,531	489,162	-	-	-	489,162

ATTACHMENT 4
EXPENDITURE BY MONTH
1ST QUARTER- AS OF DECEMBER 31, 2015

Agency Fund	Project Number	Project Title	BUDGET	Actual Expenditures			
				October	November	December	Total Expenditure
6700	ABOARD	SETF & EATF ADVISORY BOARD	26,000	-			-
	ADMSEU	SEU CONTRACT ADMINISTRATION	1,992,500	104,534	87,094	134,967	326,595
	L1ST16	LIHEAP BENEFITS - SETF	1,484,704				-
	SEUCTR	SEU CONTRACT	18,400,000	(800,000)		914,203	114,203
	SEUEMV	SEU CONTRACT EM&V	1,600,000	15,585	14,787	28,497	58,868
	SEURVW	SEU INDEPENDENT REVIEW OF PERFORMANCE	100,000				-
	(blank)	(blank)	7,500				-
6700 Total			23,610,704	(679,881)	101,881	1,077,666	499,666
6800	ADMEA9	EATF ADMINISTRATION	276,890	10,738	18,803	10,523	40,064
	LID109	LIHEAP EXPANSION & ENERGY EDUCATION	1,887,764	25,846	405,779	1,083,216	1,514,841
	LID209	RAD EXPANSION	100,000	(2,174)	4,181	4,758	6,766
	LIG109	RES EXPANSION	30,346	2,374	2,270	2,457	7,100
	(blank)	(blank)	5,000				-
6800 Total			2,300,000	36,783	431,034	1,100,954	1,568,771
Grand Total			25,910,704	(643,098)	532,914	2,178,620	2,068,437

**The negative expenditures in projects SEUCTR & LID209 are due to FY15 accrual reversals.*

ATTACHMENT 5
ALL FINANCIAL ACTIVITY
AS OF 12/31/2015

Agy Fund	Project No	Project Title	GAAP Category Title	Budget	Expenditures	Intra-District Advance	Purchase Order Balance	Requisition Balance	YTD Expenditures and Obligations	Available Balance
REDF (662)*	NOPROJ	NO PROJECT INFORMATION	PERSONNEL SERVICES	457,892	68,893	-	-	-	68,893	388,999
			NON-PERSONNEL SERVICES	7,542,108	(690,765)	-	700,000	-	9,235	7,532,873
662 Total				8,000,000	(621,872)	-	700,000	-	78,128	7,921,872

ATTACHMENT 6
Administrative Budget and Expenditures
1st Quarter - as of December 31, 2015

					QUARTERLY ACTUAL EXPENDITURES				
Fund	Project No	Project Title	PS/NPS Category	Budget	Oct-Dec	Jan-Mar	Apr-Jun	Jul-Sep	Total Year-to-Date Actual Expenditures
662	NA	NA	PERSONNEL SERVICES	457,892	68,893	-	-	-	68,893
	NA	NA	NON-PERSONNEL SERVICES	10,000	-	-	-	-	-
REDF Total				457,892	68,893	-	-	-	68,893

ATTACHMENT 7
EXPENDITURE BY MONTH
1ST QUARTER- AS OF DECEMBER 31, 2015

Agency Fund	Project Number	Project Title	BUDGET	Actual Expenditures			Total Expenditure
				October	November	December	
0662*	NA		8,000,000	(675,611)	15,935	37,804	(621,872)
REDF Total			8,000,000	(675,611)	15,935	37,804	(621,872)

* For fund 0662, the negative expenditure represents accrual from prior fiscal year.