

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of the Environment

★ ★ ★

February 24, 2010

VIA HAND DELIVERY

The Honorable Vincent C. Gray
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

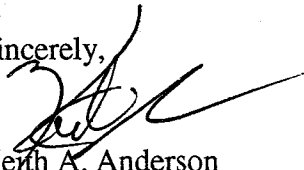
**RE: Clean and Affordable Energy Act of 2008 First Quarterly Report
With Financial Attachments**

Dear Chairman Gray:

On February 17, 2010, the District Department of the Environment submitted the Clean and Affordable Energy Act (CAEA) first Quarterly Report for October 2009 – December 2009 to the Council of the District of Columbia. However, the financial attachments were inadvertently not included in the submission. Therefore, we are submitting an amended report to include the financial attachments.

If you have any questions or concerns on this report please do not hesitate to call me or Taresa Lawrence on 202-478-1417 or 202-671-3313 respectively.

Sincerely,


Keith A. Anderson
Interim Director
Department of the Environment

Attachments

cc: Councilmember Mary Cheh, Chairperson, Committee on Government Operations and Environment
DC Councilmembers
Cynthia Brock-Smith, Secretary of the Council



District Department of the Environment
Clean and Affordable Energy Act Quarterly Report
October 2009 – December 2009

Table of Contents

INTRODUCTION.....	1
BACKGROUND	1
CAEA BUDGET AND EXPENDITURES	3
<u>SUSTAINABLE ENERGY TRUST FUND.....</u>	4
Weatherization Plus.....	4
Low Income Appliance Replacement Program	7
Weatherization and Rehabilitation	9
Heating System Repair, Replacement, and Tune-Up Program.....	11
Residential Weatherization and Efficiency Program	14
Energy Awareness Program	16
Saving Energy in D.C. Schools.....	19
Renewable Energy Incentive Program	23
<u>ENERGY ASSISTANCE TRUST FUND.....</u>	27
LIHEAP Expansion and Energy Education.....	27
RAD Expansion.....	29
Residential Essential Service Expansion and Awareness Program	31

List of Tables

Table 1: Weatherization Plus Program Deliverables	5
Table 2: Weatherization Plus Summary of Projects	5
Table 4: Weatherization Plus Quarter 2 Timeline and Milestones	6
Table 5: Low Income Appliance Replacement Program Deliverables.....	7
Table 6: Low Income Appliance Replacement Quarter 1 Timeline and Milestones.....	8
Table 7: Low Income Appliance Replacement Quarter2 Timeline and Milestones.....	8
Table 8: Weatherization and Rehabilitation Program Deliverables	9
Table 10: Weatherization and Rehabilitation Quarter 2 Timeline and Milestones	10
Table 12: Heating System Repair, Replacement, and Tune-Up Program Client Participation Wards.....	12
Table 13: Heating System Repair, Replacement, and Tune-Up Quarter 1 Timeline and Milestones.....	12
Table 14: Heating System Repair, Replacement, and Tune-Up Quarter 2 Timeline and Milestones.....	13
Table 15: Residential Weatherization and Efficiency Quarter 1 Timeline and Milestones.....	15
Table 16: Residential Weatherization and Efficiency Quarter 2 Timeline and Milestones.....	15
Table 17: Energy Awareness Quarter 1 Timeline and Milestones	16
Table 18: Energy Awareness Quarter 2 Timeline and Milestones	18
Table 19: Energy Patrol Bag Distribution	21
Table 20: Saving Energy in D.C. Schools Program Deliverables	21
Table 21: Saving Energy in D.C. School Quarter 1 Timeline and Milestones.....	21
Table 23: Saving Energy in D.C. Schools Quarter 2 Timeline and Milestones	22
Table 24: Renewable Energy Incentive Program Participation by Wards	24
Table 25: Renewable Energy Incentive Program Deliverables	24
Table 26: Renewable Energy Incentive Program Quarter 1 Timeline and Milestones	25
Table 27: Renewable Energy Incentive Program Quarter 2 Timeline and Milestone.....	25
Table 29: LIHEAP Expansion and Education Quarter 1 Timeline and Milestones	28
Table 30: LIHEAP Expansion and Education Quarter 2 Timeline and Milestones	28
Table 31: RAD Expansion Program Deliverables	29
Table 32: RAD Expansion Client Participation by Wards	29
Table 33: RAD Expansion Quarter 1 Timeline and Milestones	29
Table 34: RAD Expansion Quarter 2 Timeline and Milestones	30
Table 35: RES Expansion Program Deliverables	31
Table 36: RES Expansion Clients Participation by Ward	31
Table 37: RES Expansion Quarter 1 Timeline and Milestones	32
Table 38: RES Expansion Quarter 2 Timeline and Milestones	32

Attachments

Attachment 1 - Revenue Collection

Attachment 2 - All Financial Activity

Attachment 3 - Administrative Budget and Expenditures

Attachment 4 - Monthly Actual Expenditures by Program

Attachment 5 - SEDS Follow up

INTRODUCTION

The District Department of the Environment's ("DDOE") Clean and Affordable Energy Act (CAEA) Quarterly Report to the Council of the District of Columbia ("Council") covers the period from October 1, 2009 – December 31, 2009. This report summarizes: 1) significant program status; 2) provides timelines and milestones to track the progress and success of each program; 3) offers highlights of ward specific data; 4) includes potential savings estimates based on the recommended measures from audits conducted; and 5) 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 DDOE (previously the DC Energy Office), as the authority to administer all the programs approved for funding from the RETF. Subsequently, the Commission authorized DDOE to implement 16 programs.

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

This quarterly report is required by the 'Clean and Affordable Energy Act of 2008', D.C. Law 17-250, effective October 22, 2008, which replaced the RETF and NGTF programs with the

Sustainable Energy Trust Fund (SETF) and the Energy Assistance Trust Fund (EATF) programs, funded by a new utility assessment. Until the Sustainable Energy Utility (SEU) is established through a contract with DDOE, DDOE will directly operate programs funded by the SETF and EATF. The following programs are currently being administered by DDOE:

Sustainable Energy Trust Fund

1. **D4, Weatherization Plus**
Performs energy audits and installs audit-identified measures in low-income dwelling units
2. **D5, Low Income Appliance Replacement Program**
Performs energy audits and installs high-efficiency electric appliances to replace old and inefficient models in low-income dwelling units
3. **D6, Weatherization and Rehabilitation**
Performs energy audits and installs electricity energy-saving measures in rehabilitated low-income housing units
4. **G2, Heating System Repair, Replacement, and Tune-Up Program**
Performs energy audits and natural gas-fired heating system tune-ups, repairs, and replacements in low-income dwelling units
5. **G3, Residential Weatherization and Efficiency Program**
Enables non-low-income residents to use natural gas in a more efficient and cost effective manner by offering incentives for installing energy efficient gas measures
6. **G5, Energy Awareness Program**
Seeks to raise the energy efficiency awareness levels of District residents
7. **G6, Saving Energy in D.C. Schools**
Educates students about energy efficiency, the environment, and reducing energy consumption in participating schools and extending to the student's homes
8. **Renewable Energy Incentives Program**
Provides rebates and increases the awareness and the use of renewable energy generation technologies by District of Columbia residents, businesses, and institutions

Energy Assistance Trust Fund

9. **D1, LIHEAP Expansion and Energy Education**
Provides additional funding for electric customers to be used in concert with the Federal Low Income Home Energy Assistance Program
10. **D2, RAD Extension**
Offers eligible Residential Aid Discount low-income customers expanded discount rates
11. **G1, Residential Essential Service Expansion and Awareness Program**
Provides low-income gas customers greater affordability toward their total gas bills and to increase the participation rate by at least 30%.

CAEA BUDGET AND EXPENDITURES

Reprogramming of budget authority requested in the first quarter of FY10 is expected in the next quarter. The changes will align budget authority with personnel services and program implementation costs for each project of the Sustainable Energy Trust Fund (SETF) and the Energy Assistance Trust Fund (EATF).

Highlights of the changes include moving funds into the Residential Weatherization and Efficiency Program (project number NGG309), which currently is without budget authority, and moving budget out of the Affordable Housing Energy Efficient Rebate Program (project number TEE109), Weatherization Rehabilitation Asset Partnership (project number TEE209), and the Home Energy Rating System program (project number TEC509) that are defined as temporary programs in the Clean and Affordable Energy Act of 2009.

This report includes the following financial attachments:

- Attachment 1: Revenue Collections
- Attachment 2: Financial Activity as of the end of the quarter
- Attachment 3: Administrative Budget and Expenditures
- Attachment 4: Monthly Expenditures by Program

Sustainable Energy Trust Fund

Program Name:	Weatherization Plus
Program Number:	D4
Reporting Period:	October 2009 - December 2009

Program Description

This program expands DDOE's Weatherization Assistance Program (WAP) to accelerate the installation of energy efficient measures that save electricity. The program performs energy audits and installs audit-identified measures in low-income dwelling units. Typical measures installed may include: energy efficient lighting upgrades, insulation, weather stripping, windows/door replacement, heat pump repair/replacement, hot-water heater replacement/wraps, faucet aerators, showerheads, and programmable thermostats. Program eligibility is based on federal LIHEAP guidelines.

Program Status

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

Program Accomplishments

The Weatherization Plus Program received a total of 192 applications from both single and multi-family low-income residents. One third of the applications received were collected during the Joint Utility Discount Day (JUDD) event which was held on September 17, 2009. The program administrator contacted 17 multi-family dwellings and began the LIHEAP certification process in 7 buildings.

Table 1: Weatherization Plus Program Deliverables

Program Deliverables	Quarter Achievement	Cumulative Achievement	Program Goal
Applications Received	192	192	147
Audits Completed	60	60	0
Total Installations Completed	0	0	0

Table 2: Weatherization Plus Summary of Projects

Projects	Ward	Number of Units	Project Status
58 Galveston Place SW	8	4	Audit Complete
Fort Stanton Apartments	8	95	LIHEAP certification process
Gregory Apartments	8	120	LIHEAP certification process
Foster House	2	67	LIHEAP certification process
105 Wayne Place SE	8	4	Audit process
Southern Hills Apartments	8	255	LIHEAP certification process
Atlantic Terrace	8	196	LIHEAP certification process
Atlantic Gardens	8	108	LIHEAP certification process
Benning Heights	8	148	LIHEAP certification process
Samuel Kelsey	1	150	LIHEAP certification process

The annual Program Kick-Off Conference for the Weatherization Plus, Low Income Appliance Replacement Program, Weatherization and Rehabilitation and Heating System Repair, Replacement, and Tune-Up Program programs was held on November 17, 2009. The Kick-Off Conference is a roundtable event that promotes information exchange on program operation and implementation issues encountered and ways to improve productivity. This meeting was mandatory for all Community Based Organizations (CBO) and their staff, as well as contractors.

Visits to property owners and developers helped to fully explain the benefits of the program. DDOE held a meeting with DC Housing Authority and E & G Group to discuss potential multi-family buildings as participants. The program benefits from a constant flow of referrals from

satisfied building owners, residents, and developers that have received weatherization assistance.

Also, the contracted CBOs helped to promote the program through their outreach efforts.

Table 3: Weatherization Plus Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Conduct energy audits/assessments	October 2009	November 1, 2009
Sign Sub-Grantee Agreements with CBOs and issue Grant Award Letters.	November 2009	November 19, 2009
Create Requisition to generate Purchase Order	December 2009	December 9, 2009
Identify and recruit homes and multi-family buildings for participation in the program	December 2009	On going

Next Quarter’s Projected Goals

Marketing and recruitment activities for the program will consist of a few on-site visits to property owners of multi-family buildings to fully explain the benefits of the program. DDOE will also continue to collaborate with CBOs to help promote the program through their outreach efforts.

Table 4: Weatherization Plus Quarter 2 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 2 January – March 2010		
Identify and recruit homes for participation in program	March 2010	
Conduct energy audits	March 2010	
Install recommended energy efficient measures	March 2010	
Review monthly reports submitted by CBOs.	March 2010	

Issues and Remedial Plan

None

Program Name:	Low Income Appliance Replacement Program
Program Number:	D5
Reporting Period:	October 2009 - December 2009

Program Description

The Low-Income Appliance Replacement Program performs energy audits and installs high-efficiency electric appliances to replace old and inefficient models in low-income dwelling units. The program is designed to reduce energy usage by allowing low-income residents of the District to dispose of their inefficient room air conditioners and refrigerators in an environmentally safe manner. Homeowners or renters can have their inefficient appliance replaced on a one for one basis. Program eligibility is based on federal LIHEAP guidelines.

Program Status

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

Program Accomplishments

The Low Income Appliance Replacement Program received a total of 192 applications from both single and multi-family low-income residents. One third of the applications received were collected during the Joint Utility Discount Day (JUDD) event which was held on September 17, 2009. The program administrator contacted 17 multi-family dwellings and began the LIHEAP certification process in 7 buildings.

Table 5: Low Income Appliance Replacement Program Deliverables

Progress Deliverables	Quarter Achievement	Cumulative Achievement	Program Goal
# of Appliances Audited	14	14	1,792
# of Refrigerators Replaced	5	5	825
# of Room Air Conditioners Replaced	2	2	967
Total Appliances Installed	7	7	1,792

The projected start date for single family appliance audits is January 15, 2010, and there have been on-site visits to property owners and developers to fully explain the benefits of the program. The program benefits from a constant flow of referrals from satisfied building owners, residents, and developers that have received weatherization assistance. Also, the contracted CBOs helped to promote the program through their outreach efforts.

Table 6: Low Income Appliance Replacement Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Conduct energy audits/assessments	November 2009	November 1, 2009
Sign Sub-Grantee Agreements with CBOs and issue Grant Award Letters.	November 2009	November 19, 2009
Create Requisition to generate Purchase Order	December 2009	December 9, 2009
Identify and recruit homes and multi-family buildings for participation in the program	December 2009	On-going

Next Quarter’s Projected Goals

Marketing and recruitment activities for the program will consist of a few on-site visits to property owners of multi-family buildings to fully explain the benefits of the program. Program management will also continue to collaborate with CBOs to help promote the program through their outreach efforts.

Table 7: Low Income Appliance Replacement Quarter2 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 2 January – March 2010		
Identify and recruit homes for participation in program	March 2010	
Conduct energy audits	March 2010	
Install recommended energy efficient measures	March 2010	
Review monthly reports submitted by CBOs.	March 2010	

Issues and Remedial Plan

None

Program Name:	Weatherization and Rehabilitation
Program Number:	D6
Reporting Period:	October 2009 - December 2009

Program Description

The Weatherization and Rehabilitation Program performs energy audits and installs electricity energy-saving measures in rehabilitated low-income housing units. The program targets non-profits and community based organizations that are providing improvements to multi-family low-income housing units. SETF funds are used to add an energy efficiency component to the home improvement efforts. Only electricity-saving measures will be paid by SETF funds, although the audit may identify non-electricity-saving measures. Program eligibility is based on federal LIHEAP guidelines.

Program Status

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

Program Accomplishments

Prospective participant Asbury Dwellings is in the process of being upgraded. The building has 147 units and is the residence for low income seniors and disabled. The LIHEAP application certification and audit process for this project has been completed. The installation is expected to be completed by February 2010.

Table 8: Weatherization and Rehabilitation Program Deliverables

Program Deliverables	Quarter Achievement	Cumulative Achievement	Program Goal
Applications Received	147	147	132
Audits Completed	147	147	132
Total Installations Completed	0	0	132

Table 9: Weatherization and Rehabilitation Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Sign Sub-Grantee Agreements with CBOs and issue grant award letters.	October 2009	November 19, 2009
Identify and recruit homes for participation	December 2009	December 15, 2009
Conduct energy audits/assessments	December 2009	December 2009
Review monthly reports submitted by CBOs.	December 2009	December 2009

Next Quarter's Projected Goals

Marketing and recruitment activities for the program will consist of a few on-site visits to property owners of multi-family buildings to fully explain the benefits of the program. The program continues to benefit from a constant flow of referrals from satisfied building owners, residents, and developers that have received weatherization assistance in the past. Program management will also continue to collaborate with CBOs to help promote the program through their outreach efforts.

Table 10: Weatherization and Rehabilitation Quarter 2 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 2 January – March 2010		
Identify and recruit homes for participation	March 2010	
Conduct energy audits/assessments	March 2010	
Review monthly reports submitted by CBOs.	March 2010	

Issues and Remedial Plan

None

Program Name:	Heating System Repair, Replacement, and Tune-Up Program
Program Number:	G2
Reporting Period:	October 2009 - December 2009

Program Description

The Heating System Repair, Replacement, and Tune-up Program performs energy audits and natural gas-fired heating system tune-ups, repairs, and replacements in low-income dwelling units. The program also replaces inefficient gas hot water heaters and programmable thermostats. Participants in this program receive an assessment of their heating system as part of the general weatherization audit, except when heating systems are replaced or repaired on an emergency basis because there is no heat in the home or as a health and safety measure. Program eligibility is based on federal LIHEAP guidelines.

Program Status

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

Program Accomplishments

The program processed 67 applications for the heating system repair, replacement, and/or tune-up program related to heating system and hot water service. Table 11 below provides a breakdown of the number and type of work completed, and Table 12 provides a breakdown of clients served by Ward.

Table 11: Heating System Repair, Replacement, and Tune-Up Program Deliverables

Program Deliverables	Quarter Achievement	Cumulative Achievement	Program Goal
# of Repairs Completed	8	8	50
# of Replacements Completed	43	43	153
# of Tune-Ups Completed	0	0	55
# of Hot Water Heaters Completed	16	16	50

The number of completions for each measure is subject to change because the program operates on a first come, first serve basis. Therefore, the program goal for each measure is an estimated figure and is subject to change as the program progresses.

Table 12: Heating System Repair, Replacement, and Tune-Up Program Client Participation Wards

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Current Quarter	10	1	0	14	16	6	10	10	67
Cumulative Total	10	1	0	14	16	6	10	10	67

Table 13: Heating System Repair, Replacement, and Tune-Up Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Sign Sub-Grantee Agreements with CBOs and issue Grant Award Letters.	October 2009	November 19, 2009
Identify and recruit homes for participation in tuning-up, repairing and replacement of heating systems.	December 2009	
Conduct energy audits/assessments and Red tag emergency intake	December 2009	
Install recommended energy efficient heating systems and /or repairs	December 2009	
Review monthly reports submitted by CBOs.	December 2009	

Next Quarter's Projected Goals

Marketing and recruitment activities for the program will consist of a few on-site visits to property owners of multi-family buildings to fully explain the benefits of the program. The program continues to benefit from a constant flow of referrals from satisfied building owners,

residents, and developers that have received weatherization assistance in the past. Program management will also continue to collaborate with CBOs to help promote the program through their outreach efforts.

Table 14: Heating System Repair, Replacement, and Tune-Up Quarter 2 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 2 January – March 2010		
Identify and recruit homes for participation in tuning-up, repairing and replacement of heating systems.	March 2010	
Conduct energy audits/assessments and red tag emergency intake	March 2010	
Install recommended energy efficient heating systems and /or repairs	March 2010	
Review monthly reports submitted by CBOs.	February 2010	

Issues and Remedial Plan

None

Program Name:	Residential Weatherization and Efficiency Program
Program Number:	G3
Reporting Period:	October 2009 - December 2009

Program Description

The Residential Weatherization and Efficiency Program is designed to encourage and enable residents of the District to use natural gas in a more efficient and cost effective manner by offering incentives for installing energy efficient gas measures. It is designed to capture natural gas savings at the time of purchase of new equipment or replacement of equipment.

Program Status:

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

Program Accomplishment

The Scope of Work (SOW) for the solicitation of a rebate fulfillment company is currently being revised to maximize the effectiveness of the new program budget. DDOE identified a list of potential bidders for this project that will be forwarded to OCP along with the SOW. Based on the length of time it will take to successfully go through the procurement process, the program is expected to start in April 2010. The following rebates will be available under this program:

- Gas Boiler
- Gas Furnace
- Steam Boilers
- Thermostats
- Weatherization rebates
 - Door replacement
 - Insulation
 - Window replacement
 - Door and window weatherstripping
 - Duct insulation

Table 15: Residential Weatherization and Efficiency Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Submit budget reprogramming	October 2009	
Finalize rebate item list	October 2009	October 31, 2009
Begin revising Scope of Work (SOW)	November 2009	November
Complete SOW	December 2009	

Next Quarter’s Projected Goals

Program focus for the second quarter will be on procuring the services of a rebate fulfillment company and the development of program education materials and strategy.

Table 16: Residential Weatherization and Efficiency Quarter 2 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 2 January – March 2010		
Develop and finalize promotion of program	January 2010	
Submit SOW to OCP	January 2010	
Release Invitation for Bid	February 2010	
Bids due	March 2010	

Issues and Remedial Plan

This program is waiting for the reprogramming of budget authority requested in this quarter, which is expected to be finalized in the next quarter.

Program Name:	Energy Awareness Program
Program Number:	G5
Reporting Period:	October 2009 – December 2009

Program Description

The Energy Awareness Program seeks to raise the energy efficiency awareness of District residents and encourage participation in natural gas related programs.

Program Status

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

Program Accomplishments

The Energy Awareness Program began dissemination of practical tips and information on energy awareness that DC residents and businesses can use at home and at the office to reduce energy consumption. This information is shared at community outreach events, meetings and expos around the District of Columbia.

Table 17: Energy Awareness Quarter 1 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October – December 2009		
Obtain advertising estimates	October 2009	November 2009
Disseminate free program info via community listserve groups, PSA announcements etc.	October 2009	October 2009
Submit requisitions for procurement	November 2009	December 7, 2009
Begin Purchased Awareness Campaigns	November 2009	Currently seeking necessary approvals of FINAL scripts.