



DC  
SUSTAINABLE ENERGY  
UTILITY

## **First Quarter Report for Fiscal Year 2020**

October 1 – December 31, 2019

**January 30, 2020**



This report of the District of Columbia Sustainable Energy Utility covers the period from October 1 to December 31, 2020. This progress report contains information about the DCSEU's activity to date in FY 2020. It also contains information on Solar for All.

The data presented in this report is preliminary based on the DCSEU's estimates and is subject to change upon final verification. The data is subject to rigorous monitoring and verification by third-party evaluation and auditing firms hired by the District Department of Energy and Environment at the end of each fiscal year.

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## MESSAGE FROM THE DCSEU

**A**s we close the first quarter of fiscal year (FY) 2020, the DCSEU is strongly positioned to meet its five-year energy savings benchmarks. One contributing factor to this position is the DCSEU's efforts to launch programs earlier, which creates a stronger pipeline of projects and ensures customers can take advantage of technical assistance and incentives earlier in their planning processes. As an example, the DCSEU re-launched the Income-Qualified Efficiency Fund (IQEF), which serves owners and property managers of affordable multifamily housing, shelters, and clinics, in August of FY 2019 to ensure a strong pipeline of projects in FY 2020. Being in this position allows the DCSEU to make investments in programs and initiatives that create a positive impact in the District as well as help the City meet the ambitious targets it has set forth in the Clean Energy DC Omnibus Amendment Act of 2018.

One area where the DCSEU is focused is community impact. In FY 2019, the DCSEU hired a Community Impact Manager who will look to expand the DCSEU's programming and partnerships to create a bigger impact in the areas of green jobs, serving the low-income and nonprofit communities, and expanding opportunities for local businesses. In FY 2020, the DCSEU will expand its Workforce Development Program, hosting more externs and seeking new mentor organizations and businesses to be a part of the program. In the first quarter, the DCSEU partnered with AimHire, Back on My Feet, United Planning Organization (UPO), Court Services and Offender Supervision Agency (CSOSA), and Pathways to Housing DC, on targeted recruitment efforts. The new extern cohort will begin in January 2020 with twelve host sites, six of which are new, and twenty externs, our largest cohort ever.

Another area where the DCSEU wants to continue to build its strength is in developing innovative programs and services to set customers up for success as the City seeks to achieve its energy and climate goals. In FY 2019, the DCSEU's Pay for Performance pilot transitioned to a full-fledged program, expanding qualified service providers and closing several projects. Today, the DCSEU is seeing significant interest in the Pay for Performance program from both building owners and property managers, as well as service providers. In FY 2019, the DCSEU began a partnership with the Department of Consumer and Regulatory Affairs (DCRA) on a pilot to offer incentives to builders who are seeking to achieve net-zero energy (NZE) residential development. In FY 2020, the pilot will continue, with funding available for approximately 5 projects.

While the DCSEU's energy efficiency and renewable energy programs and services have significantly reduced carbon emissions – since 2011 we have prevented 6.2 million tons of lifetime greenhouse gas emissions – our focus has been on reducing electricity and natural gas consumption. In FY 2020, the DCSEU will launch a Low-Income Decarbonization Pilot program study the feasibility of reducing carbon emissions by replacing natural gas and oil HVAC equipment in approximately ten to fifteen income-qualified single-family homes. The DCSEU looks forward to launching this pilot in partnership with the District Department of Energy & Environment (DOEE) in the second quarter of FY 2020, which you can read more about in the Quarterly Feature.

*Ted Trabae*  
DCSEU Director

*Shawn Fenstermacher*  
DCSEU General Manager

## QUARTERLY FEATURE: Low-Income Decarbonization Pilot

With the ambitious climate goals set forth by the District, there is urgency to tackle carbon reduction head on and from all angles. In late-FY 2019, DOEE and the DCSEU began discussing the design and implementation of a small pilot program where the DCSEU would replace natural gas and oil heating equipment in income-qualified homes in the District with heat pump technology. The pilot would be designed to determine costs (both installation and utility bill), GHG reductions, lifecycle savings, benefits to the consumer, and the road blocks encountered when removing fossil fuel burning HVAC equipment from homes in DC.

In October 2019, the DCSEU convened stakeholders, including local HVAC contractors, environmental groups, nonprofits, and District government agencies, to get comprehensive input on the design and implementation of such a pilot. The meeting was incredibly productive, covering topics from costs and project timelines to customer comfort and willingness to make the switch to new technology. After the meeting, the DCSEU summarized the stakeholder feedback and worked with DOEE to finalize a program plan for the Low-Income Decarbonization Pilot.

During the second quarter of FY 2020, the DCSEU will solicit local contractors to do the following work in approximately ten to fifteen income-qualified single-family homes in DC:

- Convert oil and natural gas heating and cooling equipment to electric heat pumps
- Provide residents with energy efficiency measures such as weatherization, air sealing, and energy-efficient lighting
- Install solar PV or provide access to community solar to offset the increase in electricity use
- Replace other natural gas equipment, such as water heaters, stoves, and dryers, on a case-by-case basis

Once the work is complete, the DCSEU will develop of a set of lessons learned to be shared as a white paper that will inform the District's ability to perform these conversions at scale. We appreciate this opportunity from DOEE to design and implement this pilot program and look forward to sharing the results and lessons learned with the market.

## 1. At a Glance: Progress against Benchmarks

**Table 1. Cumulative Benchmarks. Performance to date, measured against benchmarks and contract requirements<sup>1</sup>**

Item	Benchmark	Description	Metric Unit	Goal Type	FY20 Period Results (October 1, 2019 through December 31, 2019)	Cumulative Results (October 1, 2016 through December 31, 2019)	Cumulative Benchmark Minimum (October 1, 2016 through September 30, 2020)	Cumulative Benchmark Maximum (October 1, 2016 through September 30, 2020)	Minimum Benchmark Progress	Maximum Benchmark Progress
1a	<b>Cumulative Performance Benchmarks</b>	Reduce per-capita consumption - Electricity	MWH Net	Cumulative	20,922	401,402	345,891	403,539	116%	99%
1b		Reduce per-capita consumption - Natural gas	Therms Net	Cumulative	223,468	7,176,841	5,797,439	6,820,516	124%	105%
2		Increase renewable energy generating capacity	KW	Cumulative	3,304	14,513	3,400	4,000	427%	363%
3		Leverage funds	Dollars	Cumulative	\$2,000	\$988,720 <sup>2</sup>	\$ 2,500,000	\$ 5,000,000	40%	20%

<sup>1</sup>The DCSEU provides services under a performance-based contract that contains a broad array of performance benchmarks and other contract requirements. These benchmarks are derived from goals established in the District's Clean and Affordable Energy Act of 2008. The DCSEU contract contains additional minimum contract requirements, beyond the contract performance goals.

<sup>2</sup> The leveraged funds cumulative results reported here is an adjustment from the FY 2019 Annual Report.

**Table 2. Annual Benchmarks. Performance to date, measured against benchmarks and contract requirements<sup>3</sup>**

Item	Benchmark	Description	Metric Unit	Goal Type	FY20 Period Results (October 1, 2019 through December 31, 2019)	Annual Benchmark Minimum (October 1, 2019 through September 30, 2020)	Annual Benchmark Maximum (October 1, 2019 through September 30, 2020)	Minimum Benchmark Progress	Maximum Benchmark Progress
4a	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	% of annual budget	Annual	\$281,863	\$ 3,694,167		8%	
4b		Improve energy efficiency in low-income housing - savings	MMBTU Net	Annual	2,410	23,278	46,556	10%	5%
5		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	14	66	88	21%	16%
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$737,031		\$ 3,694,167		20%

<sup>3</sup>The DCSEU provides services under a performance-based contract that contains a broad array of performance benchmarks and other contract requirements. These benchmarks are derived from goals established in the District's Clean and Affordable Energy Act of 2008. The DCSEU contract contains additional minimum contract requirements, beyond the contract performance goals.

7		Expenditures with Small Business Enterprises/Certified Business Enterprises	% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$2,685,746	\$ 6,362,261		42%	
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		33				
10		Reduce growth in peak demand	kW		4,280				



## 2. Sector Highlights in the Core Areas

### Residential

- **The Efficient Products program achieved electricity savings of 2,373 MWh** in the residential market during the first quarter and allocated \$ 103,356 in incentives. The DCSEU has also achieved natural gas savings of 313 MMBtu in the first quarter. There were approximately 5,190 participants served in the residential market during the first quarter.

### Low-Income

- **The Low-Income Program Team completed 6 multifamily projects representing \$51,817 in incentives.** These projects represent 389 MWhs in electricity savings and 77 MMBtus of natural gas savings. Projects were completed at multifamily buildings throughout the District. The team also distributed rebates of \$3,842 through Low-Income Prescriptive rebates representing 67 MWh of electricity savings.
- **The team distributed 1,078 home energy conservation kits** to income-qualified residents at DOEE LIHEAP centers.
- **The team reviewed projects for the Income Qualified Efficiency Fund (IQEF)** and expects to select projects in January. A total of 29 applications were received for the IQEF program.

### Commercial and Institutional

- **During the first quarter, the DCSEU completed commercial and institutional (C&I) Custom and Pay for Performance projects for 31 customers** resulting in 21,925 MMBtus of natural gas savings and 6,768 MWhs of electricity savings. These projects represent \$621,568 in incentives for C&I customers.
- **The Account Management Team held its fifth University Roundtable meeting,** with participants from most local universities present. The DCSEU discussed Strategic Energy Management with the university representatives. The team also worked with the Great Streets initiative on ensuring the upcoming grantees are aware of DCSEU incentives and technical assistance

as they pursue improvements to their businesses. This work will continue in January and February as grantees go through orientation.

- **The Business Energy Rebate (BER) program processed 63 projects** comprising \$300,237 in rebates during the first quarter. These projects represent 5,551 MWhs of savings. At the end of the first quarter there were 17 active projects with an estimated incentive of about \$45,000. By the end of the first quarter, the DCSEU had 45 active BER opportunities, with an estimated rebate value of more than \$230,000.
- **The Commercial Direct Services program processed 2 projects comprising \$61,712 in rebates during the first quarter.** These projects represent an estimated 215 MWhs of electricity savings.
- **The Instant Business Rebates program served 426 program participants with \$148,354 in rebates during the first quarter.** This led to 4,675 MWhs of savings. The DCSEU is partnering with both Certified Business Enterprise (CBE) and non-CBE lighting distributors to offer instant rebates on energy-efficient lighting, making it simple for District businesses to take advantage of savings.

### Leveraging

- **The Leveraging team focused on revamping the Energy Efficiency Financing Program to better serve customers as an energy efficiency and renewable energy financing technical assistance program.** To pilot this revised model, the Leveraging team worked with the Account Management team to discuss financing options for several hospitals and federally qualified health centers. This also led to strengthening the DCSEU's partnership with the DC PACE program. The DCSEU looks forward to continuing this work in the second quarter.

In partnership with Solar United Neighborhoods (SUN), an installer / contractor, the DCSEU also closed out the final 7 projects of the SREC Leveraging Program. Under this contract, SUN successfully installed 74 solar systems on low-income, single-family homes. Once projects are completed,

the DCSEU purchases the solar renewable energy credits (SREC) for 5 years and provides the installer with upfront capital to install the solar system. After 5 years, the SRECs and corresponding revenue stream reverts back to the homeowner. The DCSEU program (1) allows SUN, the program grantee, to increase the number of households it can serve, and (2) provide additional solar benefits to income-qualified DC residents (3) reduces utility costs, and (4) leverages SREC funding to support DCSEU programming. The DCSEU met with Calvert Capital to discuss continuing a partnership on the SREC Leveraging Program. SUN presented the DCSEU with an award in December for its local partnership on this program.

### Green Jobs

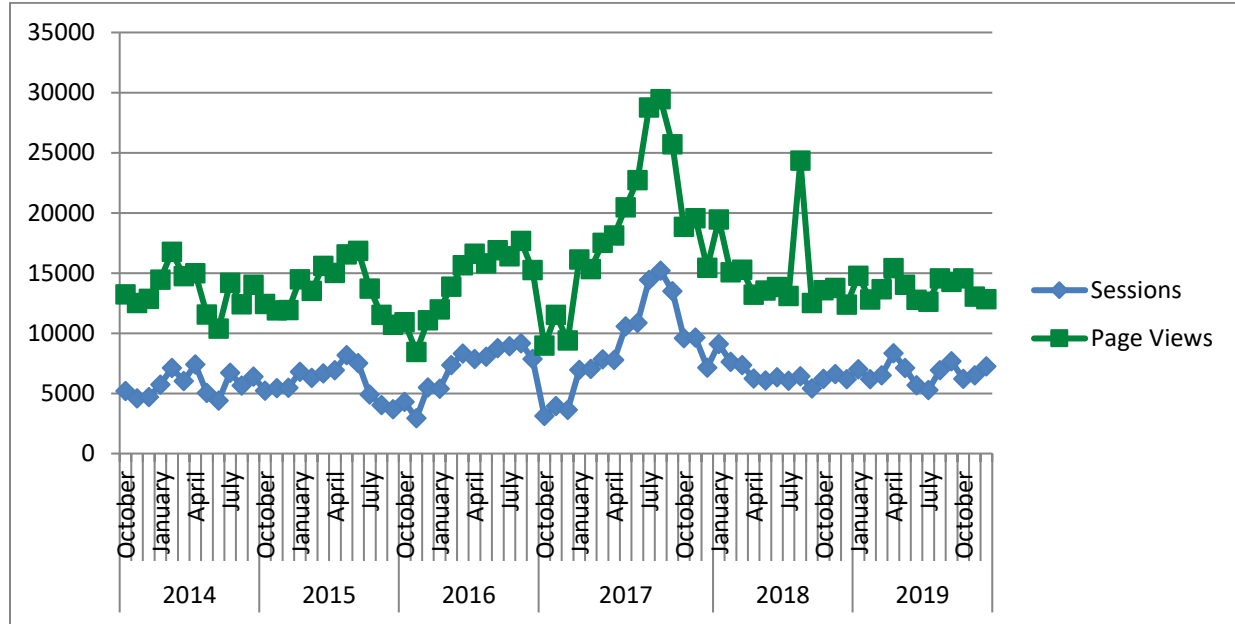
- **The Workforce Development Team began recruitment for its Winter cohort.** The DCSEU partnered with three new community-based organizations this quarter to expand recruitment efforts for the Workforce Development Program. Partnerships with AimHire, Back on My Feet, United Planning Organization, CSOSA, and Pathways to Housing DC led to the largest targeted recruitment efforts. AimHire held a private career fair for DCSEU this November 21 with over 35 candidates interviewed for our various extern positions including HVAC Technician, Solar Installers, Project Assistants, and Engineers. This cohort will begin in January 2020 with twelve host organizations and twenty externs.
- **The DCSEU began conversations to partner with ASHE (American Society of Healthcare Engineers) and ecoAmerica** to discuss local District opportunities to partner with health care facilities on workforce development, capacity building, and energy efficiency and strategic management services.
- **The DCSEU's Community Impact Manager attended the Alliance to Save Energy's Energy Efficiency Impact Report Launch event on December 17th** for the release of the first ever Energy Efficiency Impact report highlighting trends and analysis regarding green jobs, building impact, energy efficiency in utilities, and more.

### 3. Activity Supporting DCSEU Initiatives

#### Marketing, Public Relations, Community Outreach, and Public Affairs

- **The Marketing and Communications Team continued its lighting and smart thermostat campaign** with placements in outdoor, print, and digital outlets. The team also launched an updated navigation for the DCSEU website to make it easier and clearer for customers to find information and rebates on the site. The team also met with Think Local First to determine partnership opportunities to reach DC small businesses with information about the DCSEU's rebates and other sustainability issues facing that market. The team is planning a small business campaign with the Account Management team for February or March.
- **The team completed the DCSEU's FY 2019 Annual Report** during the first quarter. The team plans to use the work completed as the basis for a potential brand campaign this Spring.
- **The DCSEU participated in 8 outreach events** in the first quarter, including the Mayor's Senior Holiday Celebration, the Washington DC Economic Partnership's (WDCEP) Annual Showcase, and the Pepco Energy Assistance Summit. The team is planning its second annual Winter Coat Drive in partnership with Unity Health Care as part of Martin Luther King, Jr. Day of Service activities on January 21.
- **The DCSEU received 8 earned media hits in the first quarter** including mentions in *Planet Forward*, *Greater Greater Washington*, and *DC Urban Turf*. The DCSEU's Managing Director was interviewed as part of *The Atlantic's* event "Blueprint: An Atlantic Summit on Infrastructure and Transportation." Other participants included the Chief Technology Office for GE Renewable Energy, the Director of Sustainability for the City of Baltimore, and the President of the Large Public Power Council.

**Figure 1. DCSEU website visits and page views, by month, from FY 2014 to December 31, 2019**



- Facebook
- Twitter

**907 Followers**  
**1,915 Followers**

**Table 6. DCSEU initiatives, by sector**

Core area	Initiative name	Description	Customer	Status
<b>Residential</b>	Efficient Products	Deep discounts on LEDs with partnering retailers in DC; mail-in rebates for qualifying energy-efficient appliances and HVAC equipment; instant rebates and mail-in rebates for smart thermostats	DC residents	On track
<b>Low-Income Multifamily</b>	Low-Income Multifamily Comprehensive	Custom technical and financial assistance for energy efficiency improvements for multifamily properties	Property owners of multifamily buildings, shelters, and clinics serving income-qualified DC residents	On track
	Income Qualified Efficiency Fund	Custom technical and financial assistance for energy efficiency improvements in multifamily and other qualifying properties working with DCSEU-qualified contractors	Property owners of multifamily buildings, shelters, and clinics serving income-qualified DC residents	On track
<b>Renewable Energy</b>	Commercial Solar	Incentives and financing to install solar PV systems	Commercial business owners	On track
<b>Commercial and Institutional</b>	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, and other qualifying equipment	Business owners	On track
	Commercial Direct Services	Direct installation of energy efficiency measures at primarily small and medium commercial facilities	Business owners	On track
	Instant Business Rebates	Discounted energy-efficient lighting through participating distributors	Business owners	On track

Core area	Initiative name	Description	Customer	Status
	Commercial and Institutional Custom	Technical assistance, account management, and financial incentives for energy efficiency projects	Large commercial and institutional customers	On track
	Pay for Performance	Technical assistance, account management, and incentives for energy efficiency projects. Measures energy savings using pre- and post-project metered data rather than calculation estimates. Allows incentives for behavioral, operational, and complex mixed-measure projects.	Large commercial and institutional energy users; qualified vendors	Active

#### 4. Renewable Energy Development Fund

##### Solar for All

- **The Solar for All Team had 36 Community Renewable Energy Facility (CREF) projects** complete milestone 3 in the first quarter representing over 1.7 MW of solar output. The team successfully conducted more than 30 site visits in December to quality check that projects being installed match the permits and the as-built drawings. This is a critical step in the Solar for All process as incentives are based on what is installed on the roof.
- **The Solar for All Team released two Solar for All RFPs for FY 2020, including:**
  - Single Family homes: goal of 130 homes
  - Community Renewable Energy Facilities (CREF): goal of 5 MW of output

Proposals for these RFPs are due to the DCSEU on December 20, 2019, and the DCSEU plans to select subcontractors in February 2020.