



DC
SUSTAINABLE ENERGY
UTILITY

Second Quarter Report for Fiscal Year 2020

January 1 – March 31, 2020

April 30, 2020



This report of the District of Columbia Sustainable Energy Utility covers the period from January 1 through March 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

We find ourselves in unprecedented times as a City, facing an unknown timeline and recovery ahead. In late-March, as we took measures to keep our customers, contractors, and staff safe, we began looking for ways to pivot our programs, keep projects moving, continue interacting with contractors, and best serve our customers. With many businesses facing uncertain futures and long recoveries, and residents facing rising unemployment, we at the DCSEU approached this situation, our customers, our partners, and our contractors with one question: “How can we help?” Our work during the first 3 years of this contract has put us in a great position – having already achieved our four-year cumulative maximum benchmarks for electricity and natural gas savings, we can focus on making a positive impact at this critical time.

We can focus on helping our most vulnerable residents. We continue to work with affordable multifamily housing owners and property managers to complete energy-saving projects through the Income-Qualified Efficiency Fund program. We are working with DOEE to find ways to continue to distribute energy conservation kits to LIHEAP customers even though LIHEAP centers are closed, and to potentially expand this offering with other partners. We are partnering with local nonprofits to distribute safety kits, which include hand sanitizer, soap, and sanitizing wipes, to vulnerable residents. And we are working to keep Solar for All moving safely, as these projects will provide much-needed savings on electricity costs to thousands of families for years to come.

We can focus on helping small businesses and contractors. For contractors and business customers, our team is working to keep projects moving to ensure rebates and incentives can be paid. From remote walk throughs of potential projects, to remote inspections of completed projects waiting on incentives, we are finding ways to safely ensure projects are not being held up. For Solar for All, contractors have come up with creative strategies to lower their health risks, including remote intake of customers, touch-free contract signatures, and even installing temporary bathroom facilities onsite to use instead of entering customers’ homes. These Solar for All projects will provide ongoing work for District contractors (many of which are CBEs) and the District residents they employ. In February, the DCSEU launched a campaign to offer free audits and enhanced incentives on select energy-efficiency equipment to businesses under 10,000 square feet. Originally scheduled to end on May 15, 2020, we will be extending this campaign to ensure businesses are able to take advantage of this offer. In addition, we are developing low- and no-cost tips and tools so that these businesses can reduce their costs as much as possible until they are able to resume more normal operations.

As we look ahead to the new normal we will face, we also believe the DCSEU can play a pivotal role in the District’s recovery and resiliency. Due to its unique design, the DCSEU can create immediate opportunities for District contractors, create green job opportunities for District residents, create much-needed savings opportunities for small businesses and residents alike for years to come, and continue to contribute to making the District the greenest and most sustainable city in the country. We are ready to help.

Ted Trabue

DCSEU Director

Shawn Fenstermacher

DCSEU General Manager

QUARTERLY FEATURE: Solar for All

On March 30, Mayor Muriel Bowser ordered DC residents to “stay home [...] to flatten the curve and protect yourself, your family, and our entire community from COVID-19,” however, the Mayor’s Order specifically allows certain activities to continue, including those deemed “essential business.” This specifically includes construction of “essential infrastructure” including electric and utility infrastructure such as solar projects. Together, the District’s guidance allows the development and construction of solar projects to carry on – with some added precautions to keep contractors and customers safe. Installation work can be completed almost entirely outdoors, so with a few extra precautions to limit contact with customers, solar installations, including those for Solar for All, can be done safely.

The Solar for All program offers an opportunity to keep District contractors and residents working, provide crucial savings opportunities for residents who need it most, and make the District more resilient in the long-term. For the final Community Renewable Energy Facility (CREF) projects initiated in FY 2019, the DCSEU worked closely with contractors to complete DCRA inspections of 40 projects and confirmed that 18 projects received authorization to operate (ATO) from Pepco. The last remaining project located at Children’s National at Walter Reed is the largest CREF project with a capacity of more than 1 megawatt and is expected to complete DCRA inspection in April 2020. All told, when all the CREF projects that were initiated in FY 2019 are operational, they will provide enough capacity for approximately 2,000 income-qualified families to receive credits that will reduce each family’s energy bill by about \$500 per year.

In January 2020, the DCSEU began reviewing proposals from contractors and developers for both Single-Family and CREF projects for FY 2020. Three subcontractors were selected to complete work for the Single-Family program, and five subcontractors were selected to complete work for the CREF program. In February, the Solar team hosted two separate information sessions for FY 2020 Solar for All Single-Family and CREF subcontractors. Representatives from DOEE, DCRA, and Pepco were in attendance to discuss the process for FY 2020 projects. The DCSEU’s Solar team is finalizing contracts with subcontractors and will be working closely with contractors, DOEE, DCRA, and Pepco, to keep projects moving safely in order to deliver 115 single-family installations and about 7MW of community solar projects. Upon completion, we expect these projects will help another 2,000 DC residents save significantly on their electricity bills.

1. At a Glance: Progress against Benchmarks

Table 1. Cumulative Benchmarks. Performance to date, measured against benchmarks and contract requirements¹

Item	Benchmark	Description	Metric Unit	Goal Type	FY20 Period Results (October 1, 2019 through March 31, 2020)	Cumulative Results (October 1, 2016 through March 31, 2020)	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	Cumulative Performance Benchmarks	Reduce per-capita consumption - Electricity	MWH Modified Gross	Cumulative	41,104	421,584	345,891	403,539	122%	104%
1b		Reduce per-capita consumption - Natural gas	Therms Modified Gross	Cumulative	457,735	7,411,108	5,797,439	6,820,516	128%	109%
2		Increase renewable energy generating capacity	KW	Cumulative	3,572	14,782	3,400	4,000	435%	370%
3		Leverage funds	Dollars	Cumulative	\$608	\$989,328	\$ 2,500,000	\$ 5,000,000	40%	20%

¹The 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.

Table 2. Annual Benchmarks. Performance to date, measured against benchmarks and contract requirements²

Item	Benchmark	Description	Metric Unit	Goal Type	FY20 Period Results (October 1, 2019 through March 31, 2020)	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	\$1,303,520	\$ 3,818,333		34%	
4b		Improve energy efficiency in low-income housing-savings	MMBTU Net	Annual	14,372	23,278	46,556	62%	31%
5		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	35	66	88	53%	40%
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$1,596,849		\$ 3,694,167		44%

²The 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	\$4,320,908	\$ 7,000,000		62%	
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		43				
10		Reduce growth in peak demand	kW		6,871				

2. Sector Highlights in the Core Areas

Potential COVID-19 Impacts

The DCSEU is currently monitoring the COVID-19 situation to determine the impacts on customers, contractors, and vendors, and resulting impacts to DCSEU programs. To ensure the health and safety of our customers, staff, and contractors, all in-person site visits and inspections have been suspended for DCSEU staff. For projects that are complete and awaiting incentive payments, the DCSEU has developed remote inspection protocols, such as video inspections and photo checklists, to ensure proper QA/QC. In the residential and low-income multifamily markets, any projects involving in-unit work will likely be delayed or postponed. Projects in health facilities, clinics, and shelters will also be delayed or postponed. For commercial and institutional (C&I) programs, including prescriptive and custom programs, the DCSEU is monitoring challenges in different markets. In the commercial real estate and multifamily markets, projects are still moving forward but may experience a slowdown. Universities and schools are experiencing a gradual slowing of projects. And projects at hotels, hospitals, and small businesses are mostly at a standstill. The DCSEU will continue to monitor these challenges and their impacts to programs and provide regular updates to DOEE.

Residential

- **The Efficient Products program achieved electricity savings of 5,648 MWh** in the residential market during the second quarter and allocated \$209,777 in incentives. The DCSEU has also achieved natural gas savings of 510 MMBtu in the second quarter. There were approximately 12,000 participants served in the residential market during the second quarter.

Low-Income

- **The Low-Income Team completed 22 multifamily projects representing \$736,792 in incentives across three programs, including Income-Qualified Comprehensive, Income-Qualified Efficiency Fund, and Low-Income Prescriptive.** These projects represent 2,450 MWhs in electricity savings and 1,693 MMBtus of natural gas savings.

- **The team distributed 3,020 home energy conservation kits** to income-qualified residents at DOEE LIHEAP centers. These kits represent 541 MWhs of electricity savings and 63 MMBtus of natural gas savings. Due to COVID-19 LIHEAP centers are closed; the team is working with DOEE to find alternative ways to have customers request kits.
- **The team launched RFQs for contractors to support the Low-Income Decarbonization Pilot.** This pilot is designed to reduce the carbon emissions of approximately 10 to 15 low-income single-family homes and determine the costs, benefits, and barriers of:
 - Converting oil and natural gas heating and cooling equipment to electric heat pumps
 - Providing residents with energy efficiency measures such as weatherization, air sealing, and energy-efficient lighting
 - Installing solar PV or provide access to community solar to offset the increase in electricity use
 - Replacing other natural gas equipment, such as water heaters, stoves, and dryers, on a case-by-case basis

Commercial and Institutional

- **During the second quarter, the DCSEU completed commercial and institutional (C&I) Custom and Pay for Performance projects for 40 customers** resulting in 21,161 MMBtus of natural gas savings and 3,918 MWhs of electricity savings. These projects represent \$286,034 in incentives for C&I customers.
- **The Business Energy Rebates (BER) program processed 34 projects** comprising \$95,882 in rebates during the second quarter. These projects represent 2,060 MWhs of savings.
- **The Commercial Direct Services program processed 1 project comprising \$2,500 in rebates during the second quarter.** This project represents 27 MWhs of electricity savings.

- **The Instant Business Rebates program served 513 program participants with \$152,420 in rebates during the second quarter.** This led to 5,269 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.

Green Jobs

- **The Workforce Development and Community Impact team kicked off its largest Workforce Development Program cohort** welcoming 19 externs across 10 host sites to provide green career pathways and on the job training. Externs are working in a variety of positions within the green industry including solar installers, engineers, energy analysts, facilities maintenance, and project assistants. Externs attended sessions centered around renewable energy, lighting, interview skills, LEED certification opportunities, and a field trip to the American Geophysical Union, the District's first net zero building renovation project. Externs are formally enrolled in the online Solar Energy International "Renewable Energy 100 Course" and are currently working with their respective host sites.
- **DCSEU's Workforce Development and Community Impact team is continuing to partner with new organizations and businesses to support green career pathways.** This March, MDV Solar Energy Industries Association (MDVSEIA) hosted a webinar for members to learn more about the DCSEU Workforce development program and how to become a partner host site. The team also met with Linda Fennell of DC Water to discuss future workforce partnership opportunities. DCSEU hosted a hiring event with Back on My Feet and AimHire to recruit summer cohort candidates.
- **The DCSEU also welcomed their first ever Sustainability fellows.** Both fellows will focus on research projects related to DCSEU programs, complex environmental and sustainability issues, and innovation within the industry. They will be with the DCSEU until the end of August.

Innovation

- **The DCSEU continued work on Strategic Energy Management (SEM) with universities and Federal government buildings.** The DCSEU had individual phone calls with each university to answer their questions about the program, and to discuss what their energy team may look like. The team also

had a call with the EPA ENERGY STAR Program because they are excited by the program “Treasure Hunts” that we are going to be offering and are interested in both promoting and joining us for a Treasure hunt if and when it is safe to do so. The team has created the P4P Participation Agreement and this has been issued to seven universities.

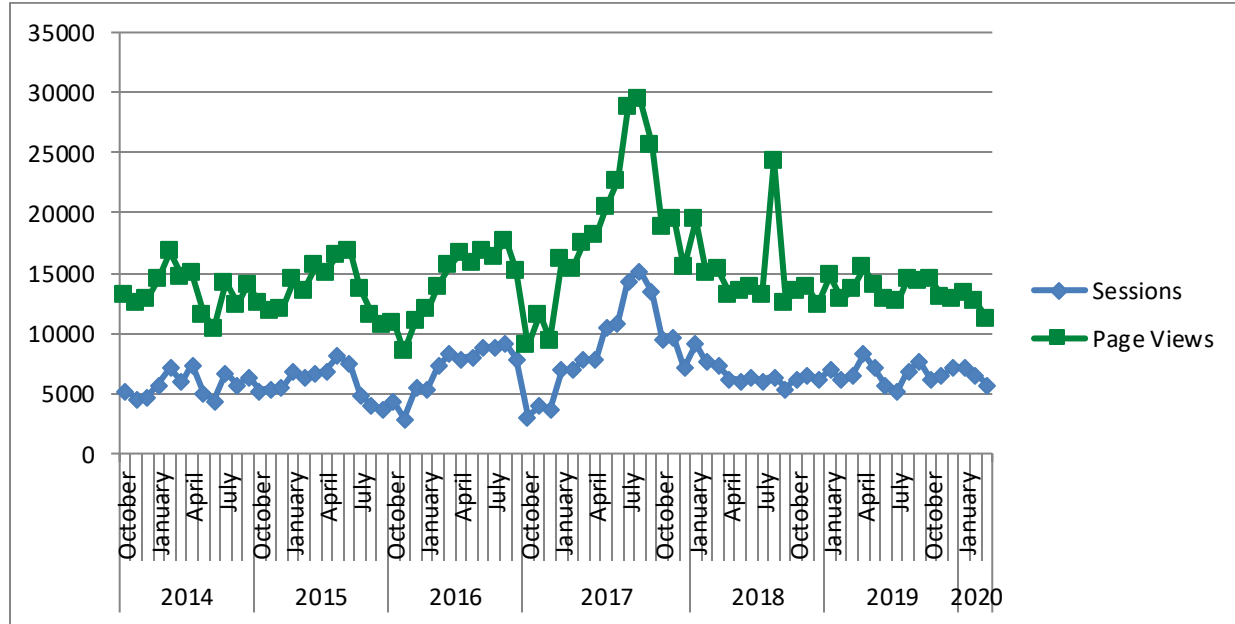
For the Federal SEM offering, the DCSEU held a webinar on March 24 with 29 customers joining the webinar. The team currently has verbal commitments from 2 DC facilities to participate.

3. Activity Supporting DCSEU Initiatives

Marketing, Public Relations, Community Outreach, and Public Affairs

- **The Marketing and Communications Team launched a Small Business Campaign on February 14 working with the Account Management team.** The campaign includes 2 offers from the DCSEU: a free audit/walkthrough for up to 20 small businesses with a DCSEU engineer, as well as enhanced rebates for small businesses (under 10,000 square feet). The campaign was set to run through May 15 but will now be extended due to the COVID-19 situation to ensure small businesses are able to take advantage. The team also began planning for a Solar for All ribbon cutting event to be held at one of the DCSEU’s CREF sites in early April (postponed due to COVID-19 situation). As the COVID-19 situation developed in March, the team began work to transition the DCSEU’s Energy Conservation Kit intake form from a paper form distributed at LIHEAP Centers to an online form where customers could request a kit. In the second quarter, the DCSEU received 24 earned media mentions, including mentions in the Hill Rag, ScienceDaily, the GW Hatchet, and Commercial Observer.

Figure 1. DCSEU website visits and page views, by month, from FY 2014 to March 31, 2020



- Facebook **920 Followers**
- Twitter **1,928 Followers**

Table 6. DCSEU initiatives, by sector

Core area	Initiative name	Description	Customer
Residential	Efficient Products	Deep discounts on LEDs with partnering retailers in DC; mail-in rebates for qualifying energy-efficient appliances and HVAC equipment; mail-in rebates for smart thermostats	DC residents
Low-Income	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
	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
	Low-Income Decarbonization Pilot	Pilot program to reduce the carbon emissions of approximately 10 to 15 low-income single-family homes through electrification	Income-qualified DC residents
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems	Commercial business owners
Commercial and Institutional	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, and other qualifying equipment	Business owners
	Commercial Direct Services	Direct installation of energy efficiency measures at primarily small and medium commercial facilities	Business owners

Core area	Initiative name	Description	Customer
	Instant Business Rebates	Discounted energy-efficient lighting through participating distributors	Business owners
	Commercial and Institutional Custom	Technical assistance, account management, and financial incentives for energy efficiency projects	Large commercial and institutional customers
	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

4. Renewable Energy Development Fund

Solar for All

- During the second quarter, forty FY 2019 CREF projects reached milestone 3.** Achieving milestone 3 means that the projects have been constructed, inspected, and installed to DCRA’s standards. Eighteen projects representing approximately 1,200 kW on capacity received ATO from Pepco. The remaining FY 2019 project is in the process of working with the DCSEU to conduct a remote inspection rather than in-person due to COVID-19. The Solar team helped pilot a remote project inspection process in collaboration with the engineering team. This project is expected to complete Milestone 3 in April 2020.
- Deemed essential during COVID-19 emergency restrictions, the Solar Industry has been allowed to continue with installation of solar projects.** The solar team has been working with DOEE, PEPCO, and DCRA to ensure that

when FY 2020 contracts are signed with contractors, they are able to move forward with the development process.