



DC
SUSTAINABLE ENERGY
UTILITY

Third Quarter Report for Fiscal Year 2019

April 1 – June 30, 2019

July 30, 2019



This report of the District of Columbia Sustainable Energy Utility covers the period from April 1 to June 30, 2019. This progress report contains information about the DCSEU's activity to date in FY 2019 in the four core service areas: Residential, Low-Income Multifamily (LIMF), Renewables, and Commercial and Institutional (C&I). It also contains information on Solar for All and Emergency Heating, Ventilation, and Cooling programs.

Table of Contents

MESSAGE FROM THE MANAGING DIRECTOR	1
QUARTERLY FEATURE: Update on Our Solar for All Program Work	2
1. At a Glance: Progress against Benchmarks	3
2. Sector Highlights in the Core Areas	8
3. Activity Supporting DCSEU Initiatives	11
Figure 1. DCSEU website visits and page views, by month, from FY 2014 to date	12
4. Renewable Energy Development Fund	14
5. Additional Sustainable Energy Trust Fund (SETF) Programming	15

MESSAGE FROM THE MANAGING DIRECTOR

Now that the third quarter for fiscal year (FY) 2019 has come to an end, the DCSEU is in a prime position to close out the year with a strong performance. Our programs are set to meet or exceed contract benchmarks as we prepare for the final two years of the current contract. This important work is making a difference in the District and we are excited to play a role in the important changes that are taking place throughout DC related to energy efficiency.

To help building managers and owners navigate the upcoming Building Energy Performance Standards (BEPS), we participated in the kick-off working group session hosted by the District Department of Energy and Environment (DOEE) in June. We will continue to participate in these sessions and to play a role in educating stakeholders on how we can support compliance with BEPS through incentives and technical assistance.

Additionally, DCSEU staff contributed to a key new report that offered recommendations for how to modernize DC's electric grid as the city continues to grow. Through the District of Columbia Public Service Commission's MEDSIS initiative, which stands for Modernizing the Energy Development System for Increased Sustainability, DCSEU staff participated on multiple working groups and contributed to the report released in June.

We are also proud that our Workforce Development Program received earned media attention during the third quarter. The program's success was featured on a nationally-syndicated podcast by [Yale Climate Connections](#), which is heard on more than 470 radio stations. Richard Quaofio, who completed the program in late 2018, shared how his paid internship helped him afford basic expenses while pursuing a master's degree in mechanical engineering and put him on a career path in energy efficiency. The FY 2019 Spring/Summer Cohort has 11 externs and 7 host sites, where they are working as program and project assistants as well as mechanical engineers, and solar installers. The Workforce Development Team is also hosting a Building Operations Certification program.

Our Workforce Development Program is not the only area where we are supporting professional development. In June, we had five interns begin working with us. They are currently supporting our solar program, program management, account management, and marketing teams. As part of their internships, they are giving back to the community through organized volunteering activities. They are expected to present what they have learned throughout their internships in August.

We also made large strides with our work on the DOEE's Emergency HVAC program. Between April and June, we helped 45 customers with emergency HVAC or water heating systems and are currently working on 74 more projects. This is substantial as the District's temperature continues to climb and air conditioning becomes a necessity to prevent health issues, especially for the elderly, a key demographic which this program serves.

As we begin the fourth quarter of FY 2019, we are eager to close this year out strong. Our team is starting to put together our annual report to highlight some of our major achievements this year. We are also looking forward to completing our work with Phase 2 of the DOEE's Solar for All program. You can read more about our current progress on the program in our Quarterly Feature.

Ted Trabue

DCSEU Director

QUARTERLY FEATURE: Update on Our Solar for All Program Work

We are grateful to the District Department of Energy and Environment (DOEE) for the opportunity to administer work on the second phase of the Solar for All program. Our goal this year is to deploy 7MWs of community solar as well as to install solar on over 100 income qualified homes. The third quarter of the 2019 fiscal year was an exciting time for this solar work.

In May, we announced the seven local contractors and developers that were selected to partner with the DCSEU to install single-family home and community solar projects. The selected contractors we are working with to install solar on income qualified homes include: Greenscape Environmental Services, GRID Alternatives Mid-Atlantic, and WDC Solar. The developers we are collaborating with on community solar projects are New Columbia Solar, Greenscape Environmental Services, Together Solar, Flywheel, and NEO. In total, the signed community solar and single-family home contracts represent about 7MW of solar and approximately \$5.5 million in Certified Business Enterprise (CBE) spend.

One of the community solar projects to reach major milestones is located at Woodmont Crossing, an income-qualified apartment complex located in Southeast DC. NEO, which is overseeing the development of the project, submitted the engineered designs, received projects permits, and acquired the major materials to complete the project. Members of the DCSEU's solar team conducted a preliminary site inspection in June once the project reached substantial completion.

This program provides energy cost relief to DC residents by installing systems directly on homeowner roofs and by offering free power to income-qualified residents through the 90 community solar projects being built across the District. The output from the community solar projects is directed to the DOEE who then works with PEPCO to distribute the solar to income qualified homes, including rental homes, and those homes that are not good candidates for solar due to shading, structural, or other issues. This innovative structure between the DCSEU, installers, financiers, DOEE, PEPCO, and low-income residents and homeowners is the first of its kind in the nation. The power generated is provide at no cost to residents and homeowners and could save residents and homeowners over \$500 annually.

“Some homeowners are making decisions between critical items such as food or prescriptions and keeping the lights on,” said Shelley Cohen, director of DCSEU's solar program. “I am so glad that we can provide relief for some homeowners from the cost of their utility bills and put more money back in their pockets.”

The DCSEU continues to promote Solar for All and build a pipeline of interested homeowners and solar projects across the City. We are achieving this outreach by highlighting our successful solar projects by taking photos and videos of the construction of these projects and sharing them on our website and on social media. We also now have a mini-series on our blog that is devoted to sharing our solar stories. Follow our progress and success at dcseu.com.

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	FY19 Annual Results (October 1, 2018 through June 30, 2019)	Cumulative Results (October 1, 2016 through June 30, 2019)	Cumulative Benchmark Minimum (October 1, 2016 through September 30, 2019)	Cumulative Benchmark Maximum (October 1, 2016 through September 30, 2019)	Minimum Benchmark Progress	Maximum Benchmark Progress	FY18 Results to Date
1a	Cumulative Performance Benchmarks	Reduce per-capita consumption - Electricity	MWH Net	Cumulative	101,325	329,907	230,594	288,242	143%	114%	88,045
1b		Reduce per-capita consumption - Natural gas	Therms Net	Cumulative	1,419,500	5,717,912	4,092,310	5,115,387	140%	112%	899,373
2		Increase renewable energy generating capacity	KW	Cumulative	384	4,464	2,300	3,000	194%	149%	1598

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.

Item	Benchmark	Description	Metric Unit	Goal Type	FY19 Annual Results (October 1, 2018 through June 30, 2019)	Cumulative Results (October 1, 2016 through June 30, 2019)	Cumulative Benchmark Minimum (October 1, 2016 through September 30, 2019)	Cumulative Benchmark Maximum (October 1, 2016 through September 30, 2019)	Minimum Benchmark Progress	Maximum Benchmark Progress	FY18 Results to Date
3	Cumulative Performance Benchmarks	Leverage funds	Dollars	Cumulative	\$ 207,943	\$ 674,789	\$ 2,500,000	\$ 5,000,000	27%	13%	

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY19 Annual Results (October 1, 2018 through June 30, 2019)	Annual Benchmark Minimum (October 1, 2018 through September 30, 2019)	Annual Benchmark Maximum (October 1, 2018 through September 30, 2019)	Minimum Benchmark Progress	Maximum Benchmark Progress	FY18 Results to Date
4a	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	% of annual budget	Annual	\$ 2,107,699	\$ 3,694,167		57%		1,108,941
4b		Improve energy efficiency in low-income housing – savings	MMBTU Net	Annual	36,317	23,278	46,556	156%	78%	10,029

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.

Item	Benchmark	Description	Metric Unit	Goal Type	FY19 Annual Results (October 1, 2018 through June 30, 2019)	Annual Benchmark Minimum (October 1, 2018 through September 30, 2019)	Annual Benchmark Maximum (October 1, 2018 through September 30, 2019)	Minimum Benchmark Progress	Maximum Benchmark Progress	FY18 Results to Date
5	Annual Performance Benchmarks	Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	53	66	88	80%	60%	59
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$ 1,423,209		\$ 3,694,167		39%	2,182,120
7		Expenditures with Small Business Enterprises/Certified Business Enterprises	% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$ 1,913,000	\$ 6,845,900		28%		1,064,727
8a		Annual expenditures related to electric energy efficiency	% of funds provided from assessments on electricity company	Annual	\$ 9,825,266	\$ 11,082,499		89%		\$ 9,538,857.00

Item	Benchmark	Description	Metric Unit	Goal Type	FY19 Annual Results (October 1, 2018 through June 30, 2019)	Annual Benchmark Minimum (October 1, 2018 through September 30, 2019)	Annual Benchmark Maximum (October 1, 2018 through September 30, 2019)	Minimum Benchmark Progress	Maximum Benchmark Progress	FY18 Results to Date
8b	Other Contract Requirements	Annual expenditures related to natural gas energy efficiency	% of funds provided from assessments on natural gas company	Annual	\$ 1,628,578	\$ 2,770,625		59%		\$ 2,384,714.00
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		63				90	
10		Reduce growth in peak demand	KW		13,551				13024	

2. Sector Highlights in the Core Areas

Residential Services

- **The Efficient Products program achieved electricity savings of 4,732 MWh** in the residential market during the third quarter and allocated \$172,000 in incentives. The DCSEU has also achieved natural gas savings of 243 MMBtu in the third quarter. There were approximately 8,532 participants served in the residential market during the second quarter.

Low-Income Multifamily

- **The Low-Income Program Team completed 33 projects resulting in \$676,545 in annual energy cost savings during the third quarter.** These projects represent 6,291 MWhs in combined electricity savings and 949 MMBtus of natural gas savings. Projects were completed at multifamily buildings throughout the District as well as at a federally qualified health center, and a health clinic that primarily serves DC's homeless population.
- **The team also worked with Mega Lights to provide 400 light bulbs to an Ayuda low-income service center,** which supports and protects immigrant victims of domestic violence, sexual assault, stalking, and human trafficking, as well as neglected children and youth.
- **The team met with the Department of Housing and Community Development** to plan for the next fiscal year and to have a better working relationship to support applicant's that are seeking funding for their programs.

Renewable Energy

- **The DCSEU in partnership with Solar United Neighborhoods (SUN),** an installer/ contractor, has installed 250kW of solar on 70 Single Family Homes in DC. Once the project is built, the DCSEU purchases the solar renewable energy credits (SREC), which helps improve the upfront value of SRECs. The DCSEU program (1) allows SUN, the program grantee, to increase the number of households it can serve; (2) provides additional solar benefits to income-qualified DC residents; (3) reduces utility costs; and (4) leverages SREC funding to support DCSEU programming. Income-qualified DC homeowners will also

benefit from owning the system as soon as it is installed and will own the SRECS generated from the system after five years.

- **The team set up a solar rebate of \$45/MWh through the Sustainable Energy Trust Fund (SETF)** and determined how to prequalify a solar project to ensure we have enough information to move quickly on a potential project opportunity.

Commercial and Institutional

- **During the third quarter, the DCSEU closed 32 commercial and institutional projects resulting in 26,792 MMBtus of natural gas savings and 21,002 MWhs of electricity savings.** These projects represent more than \$2.48 million in annual energy cost savings.
- **The Account Management Team closed out multiple projects during the second quarter,** which were completed at places such as a telecommunications company, a hotel, multiple convenience stores, and a hospital.
- **Team members attended the STEM expo with Burroughs Elementary School.** The Expo was an end of the year exhibition for students to learn about different technologies. Team members also represented the DCSEU at the Small Business Summit and a kick-off event at the DOEE for the Building Energy Performance Standards. Additionally, the team held its third University Round Table.
- **The Business Energy Rebate (BER) program processed 28 projects** comprising \$100,360 in rebates during the third quarter. These projects represent 2,207 MWhs of savings. There are currently 12 projects in queue for payment with a rebate value of \$31,947. By the end of the third quarter, the DCSEU had 48 active BER opportunities, with an estimated rebate value of more than \$213,368.
- **The Commercial Direct Services processed 6 projects comprising of \$109,046 in rebates during the third quarter.** There are 5 lighting projects associated

with public transportation with an estimated 716 MWhs of savings set to complete by the end of September.

- **Instant Business Rebates projects worth \$159,474 were invoiced during the third quarter.** This led to 2,307 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

- **In Q2, the Leveraging Team began work with Marketing on their first crowdfunding campaign** in support of efficiency upgrades at a local shelter. The campaign will launch in July. Additionally, the leveraging team worked to explore potential funding opportunities at the intersection of health and energy efficiency. Partnership discussions were underway with lighting manufacturers, a retailer, and a financial institution. These partnerships are expected to launch in Q4.

Green Jobs

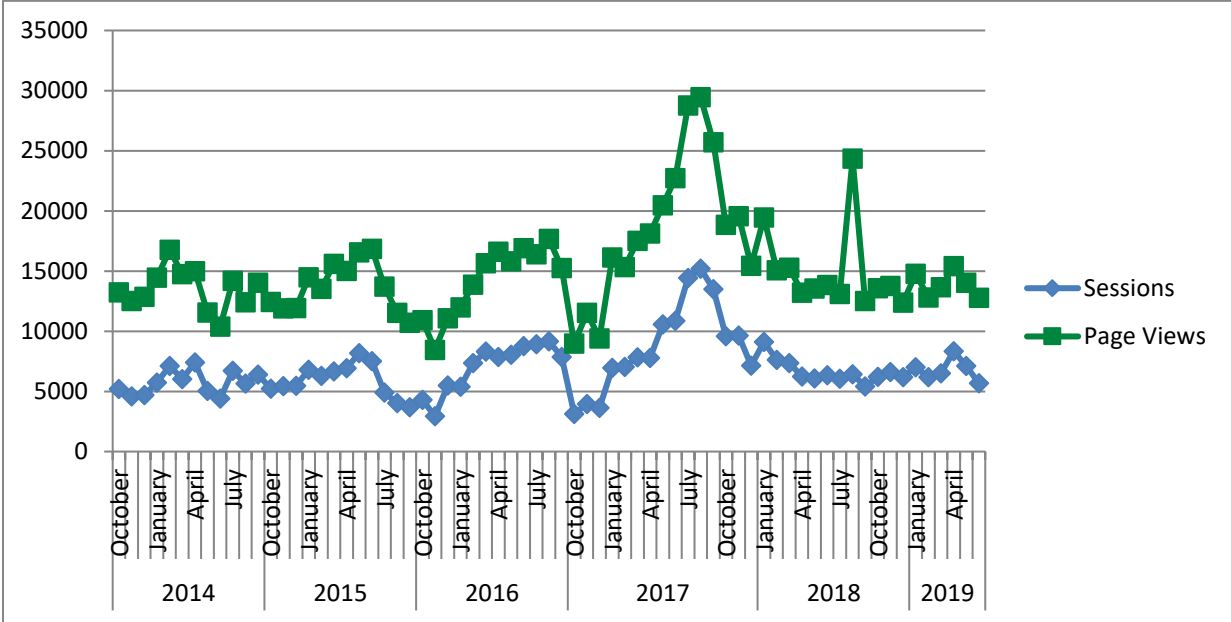
- **The Workforce Development Team began the FY 2019 Spring/Summer Cohort during Q3.** This cohort has 11 externs and 7 host sites, where they are working as program and project assistants as well as mechanical engineers, and solar installers. The Workforce Development Team is also hosting a Building Operations Certification program that includes 10 participants.
- **The team held a financial literacy training for the cohort in partnership with a national bank.** The team also attended the National Association of Workforce Development Professionals (NAWDP) Annual Conference in San Antonio, TX. NAWDP is an association dedicated to supporting career development and setting standards of excellence for workforce development programs.
- **The team facilitated LEED Green Associate training** for the Workforce Development participants as well as DCSEU associates.

3. Activity Supporting DCSEU Initiatives

Marketing, Public Relations, Community Outreach, and Public Affairs

- **The Marketing and Communications Team monitored the lighting and smart thermostat campaign** with placements in outdoor, print, and digital outlets. From April-June, the DCSEU website saw a 31% increase in new users on website, 20% increase in website sessions/visits, and 9% increase in page views compared to the period of January-March. This campaign will be extended through the end of FY 2019.
- **The team completed the DCSEU's Annual Plan** during Q3. The team met with program managers and other stakeholders to collect information and drafted the plan to deliver to DOEE by June 30.
- **The team captured video content and planned a calendar for video shoots** working with its Marketing intern at DC SAFE, a Solar for All site, La Clinica del Pueblo, and the Capital Area Food Bank. The team will be working on producing video content for these and other projects in Q4.
- **The DCSEU participated in more than 15 outreach events** in Q3, including 2 events sponsored by the Mayor in June designed to reach seniors. The team focused heavily on promoting the DCSEU's Emergency Heating and Cooling program and single-family Solar for All offering, especially during the month June.
- **The DCSEU received 42 earned media hits in Q3** including mentions in *Solar Power World*, *Renewable Energy News*, and *ACEEE.org*.

Figure 1. DCSEU website visits and page views, by month, from FY 2014 to June 30, 2019



- Facebook **887 Followers**
- Twitter **1,872 Followers**

Table 6. DCSEU initiatives, by sector

Core area	Initiative name	Description	Customer	Status
Residential	Efficient Products	Deep discounts on LEDs with partnering retailers in DC; mail-in rebates for qualifying energy-efficient appliances and smart thermostats; HVAC rebates on qualifying equipment; free energy kits for DC residents	DC residents	On track
Low-Income Multifamily	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
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems	Commercial business owners	On track
Commercial and Institutional	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-size commercial businesses	Business owners	On track
	Instant Business Rebates	Discounted energy-efficient lighting through CBE distributors	Business owners	On track
	Commercial and Institutional Custom	Technical assistance, account management, and financial incentives for energy efficiency projects	Large commercial and institutional customers	On track

Core area	Initiative name	Description	Customer	Status
	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	On track

4. Renewable Energy Development Fund

Solar for All

- **The Solar for All Team successfully signed contracts with all 5 CREF and all 3 single family home contractors.** The signed contracts represent about 7MW of solar and approximately \$5.5 Million in CBE Spend.
- **NEO LLC was the first subcontractor to successfully be awarded milestones 1 and 2 in Solar for All for a total of \$200,000 in incentive funds.** NEO’s CREF projects are taking place at Woodmont Crossing and Benning Road, two affordable housing developments run by the NHP Foundation. These projects were documented with photos and video and have been promoted on social media.
- **In June, four New Columbia Solar projects** successfully achieved milestone 1 and 2 for CREF projects representing about \$90,000 in incentives.
- **The team went to events to meet with key stakeholders, such as the Build It In DC event hosted by the Washington DC Economic Partnership (WDCEP),** where they offered consultation on solar regulations and permitting in the District. Shelley Cohen, director of solar programs, also discussed the DCSEU’s role in the Solar for All program on a US DOE Better buildings webinar.

- **The team also attended the Solar Foundation’s Annual Summer Solstice event.** It provided great opportunities to network and promote the team’s work on DOEE’s Solar for All program.
- **The team attended two events hosted by Mayor Bowser to promote the Solar for All program** and build a pipeline with seniors who reside in DC.

5. Additional Sustainable Energy Trust Fund (SETF) Programming

Emergency Heating, Cooling, and Air Conditioning (HVAC) Program

- **The Emergency HVAC Team assisted 45 DC residents in total** with boiler, furnace, and water heating repairs and replacements during the third quarter and there are currently 74 active projects.