



DC
SUSTAINABLE ENERGY
UTILITY

First Quarter Report for Fiscal Year 2022

October 1 – December 31, 2021

January 28, 2022



This report of the District of Columbia Sustainable Energy Utility covers the period from October 1 through December 31, 2021. This progress report contains information about the DCSEU's activity to date in FY 2022. It also contains information on the Affordable Housing Retrofit Accelerator, HVAC Replacement, Sustainable Energy Infrastructure and Capacity Building Pipeline, and Solar for All programs.

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

The first quarter of FY 2022 consisted of three parts: closing FY 2021 and the previous five-year contract period; assessing and planning for the new opportunities and challenges in the new contract period; and ramping up new programs and services. Five years ago, while we were confident in our team and our abilities, we were unsure of how we would be able to achieve the Performance Benchmarks in front of us. As we closed the books on FY 2021 and the previous contract period, we delivered an annual report detailing a strong performance in FY 2021 and over the past 5 years where we exceeded all our maximum cumulative Performance Benchmark targets, and made significant achievements and impact over the past 10 years.

As we dive into the next contract period, we face some of the same uncertainties with new Performance Benchmarks and the challenges that come with them. We must balance reducing energy consumption with electrifying and decarbonizing buildings. We must dig deeper for energy savings in a more mature market. And we must deliver significant reductions in carbon emissions, not only to achieve our performance benchmarks, but also to ensure the District achieves its Clean Energy DC goals. During the first quarter, we analyzed these new challenges and began to uncover opportunities to address them as we worked on our FY 2022-2026 Strategic Plan. With an experienced team who overcame the challenges of the previous 5 years, we are confident we can build on our success by providing tried-and-true programs and services while designing and implementing new initiatives that will deliver results.

Finally, the first quarter was about ramping up new initiatives and revamping existing programs. In April 2018, the District passed legislation that banned gas-powered leaf blowers starting on January 1, 2022. In FY 2021, we began researching the possibility of offering a rebate to residents and businesses for electric and battery-powered leaf blowers. In November, we launched these rebates, our first designed to reduce greenhouse gas emissions, and have been working closely with DOEE, DSLBD, manufacturers, local retailers, and other stakeholders to coordinate our outreach efforts. We also partnered with DOEE to officially launch the Affordable Housing Retrofit Accelerator, which will provide significant technical and financial assistance to multifamily affordable housing owners and managers whose buildings did not meet the District's Building Energy Performance Standards. We solicited contractors and developers for Solar for All Single-Family and Community Solar efforts and expect to launch these programs in the second quarter. We also finalized the program design and began contractor recruitment for the HVAC Replacement program, an initiative informed by our FY 2020 Low-Income Decarbonization Pilot, that will help electrify space and water heating in income-qualified single-family homes over the next five years. This program will be integrated with our Single-Family Solar for All offering to ensure these residents are able to access to solar benefits as they electrify their homes. Finally, in December we began soliciting instructors for

the Sustainable Energy Infrastructure and Capacity Building Pipeline (Train Green SEICBP) program, where we will be seeking to offer classes in Spanish for the first time. This will be the story throughout FY 2022: revamping existing programs and planning and launching new initiatives.

Our team has hit the ground running in FY 2022 and we have just two words to say about the next 57 months ahead: Challenge accepted.

A handwritten signature in black ink that reads "Ted Trabue". The signature is written in a cursive, flowing style.

Managing Director, DCSEU

QUARTERLY FEATURE: Community Solar Takes a Village

Developed 80 years ago, the Fairfax Village Community Association consists of more than 800 residences located near Pennsylvania Ave. SE in Ward 7. On December 2, 2021, the DCSEU joined the DC Green Bank along with Councilmember Mary Cheh, Deputy Mayor for Operations and Infrastructure Lucinda Babers, Flywheel Development, and community residents to celebrate the completion of the second phase of a large Solar for All Community Solar installation in the Fairfax Village community. The project is a great example of collaboration between the DCSEU, DC Green Bank, and Flywheel Development to bring a large community solar project and the associated benefits to DC residents.



Over the past three years, the DCSEU has worked with Flywheel Development, a woman-owned Certified Business Enterprise (CBE), to develop 24 community solar installations across the District through Solar for All. On this project, between FY 2020 and FY 2021 the DCSEU provided approximately \$1.8 million in Solar for All funding to Flywheel to develop multiple community solar arrays at the site. Over this time, Flywheel has also partnered with the DC Green Bank to access financing that helped bring these projects to fruition. With more than 4,000 solar panels installed across rooftops, parking structures, and on ground mounts, the arrays installed in these first two phases will cut electricity bills in half for more than 450 income-qualified DC residents, some of which may be Fairfax Village residents, for the next 15 years.

Similar to other Solar for All installations, Fairfax Village has benefited in other ways by making their properties available to host these community solar arrays. "We've been able to replace leaking roofs, make structural repairs, and complete other capital improvement projects and fill

up our condo reserves during the pandemic when many residents struggled to afford their condo fees," said Lemuel Walker, Fairfax Village Board Member and resident.

The DCSEU looks forward to completing additional phases at Fairfax Village in FY 2022 to bring even more community solar online through Solar for All.

At a Glance: Progress against Benchmarks

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

PLEASE NOTE: The DCSEU is in the process of developing program, accounting, and reporting methodologies for accurately tracking and reporting FY 2022-2026 Performance Benchmark progress. The values below should be considered preliminary as we refine our processes and procedures.

Item	Benchmark	Description	Metric Unit	Goal Type	Cumulative Results (October 1, 2021 through December 31, 2021)	Cumulative Benchmark Minimum (October 1, 2021 through September 30, 2026)	Cumulative Benchmark Maximum (October 1, 2021 through September 30, 2026)	Minimum Benchmark Progress	Maximum Benchmark Progress
1	Cumulative Performance Benchmarks	Reduce electricity and natural gas consumption (combined energy savings)	MMBtu (source)	Cumulative	206,782	6,820,733	7,578,592	3%	2.7%
2		Greenhouse Gas Emissions reduction	Metric Tons CO _{2e}	Cumulative	7,200	471,901	524,334	1.5%	1.3%
3		Increase Renewable Generating Capacity plus Reduce Energy Consumption at >= 50% of renewable energy generating capacity	kW capacity / MWh savings	Cumulative	-	4,500 kW	5,000 kW	-	-

		across solar projects							
4		Deep Energy Retrofits	# of projects that lead to at least 30% site energy reduction	Cumulative	-	70	100	-	-

Table 2. Annual Benchmarks. Performance to date, measured against benchmarks and contract requirements¹

Item	Benchmark	Description	Metric Unit	Goal Type	Period Results (October 1, 2021 through December 31, 2021)	Annual Benchmark Minimum (October 1, 2021 through September 30, 2022)	Annual Benchmark Maximum (October 1, 2021 through September 30, 2022)	Minimum Benchmark Progress	Maximum Benchmark Progress
5	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	30% of annual budget (varies annually)	Annual	\$810,506	\$6,015,000		13.5%	

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.

6		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	16.71	66	88	25%	18.9%
7		DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling (capped at 20%)	Annual	\$569,895		\$4,010,000		14%
8	Other Contract Requirements	Expenditures with Small Business Enterprises/Certified Business Enterprises	35% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$261,884	\$20,385,696		1%	

1. Sector Highlights in the Core Areas

- **Low-Income Programs**
 - **Income-Qualified Efficiency Fund**
 - The DCSEU received a total of 15 applications for incentives for affordable multifamily, clinic, or shelter energy efficiency projects before the October 29, 2021, program application deadline. Approximately \$4.1 million in incentives were requested by customers and contractors.
 - The team reviewed subcontractor submissions to the Request for Qualifications (RFQ) Attachment B scope of work, with three new potential subcontractors.
 - The DCSEU graded 10 applications and approved 2 projects for direct installation incentives, with the remaining 8 to be reviewed for further consideration in the program after deeper review is conducted by the engineering team.
 - **Affordable Housing Retrofit Accelerator**
 - The DCSEU worked closely with DOEE on the program plan and goals for the Affordable Housing Retrofit Accelerator to launch in November.
 - The program was officially launched on December 8 with a press release by DOEE, supported by the DCSEU.
 - On December 15, the DCSEU and DOEE hosted a webinar training on the program.
 - The DCSEU has contracted with two auditors to begin ASHRAE audits of buildings who have applied.
 - The DCSEU is providing weekly updates to DOEE on program progress, including the number of applications submitted and completed, as well as the number of audits scheduled and completed.
 - **Low-Income Comprehensive**
 - The DCSEU provided \$7,900 in incentives for one project under the Low-Income Comprehensive program in Q1.
 - **HVAC Replacement Program**
 - The DCSEU worked on the program plan to review with DOEE and launched an RFQ to solicit potential contractors for the program in October.
 - The DCSEU developed an application and plans to integrate the program into the Solar for All Single-Family program intake process to income-qualify residents and gauge their interest in participating in the HVAC Replacement Program.
 - **Energy Conservation Kits and Food Bank Lighting Distribution**
 - The DCSEU launched a lighting kit distribution with DC Public Schools in October. A total of 6,000 efficient lighting kits were scheduled to be distributed at 25 Title I schools during October-December.
 - The DCSEU served more than 1,700 program participants through its Food Bank Lighting Distribution program and Energy Kit offering in the first

quarter. This included more than 110 energy conservation kits provided to income-qualified DC residents at no cost.

- **Residential Efficient Products program**
 - The Efficient Products program allocated \$115,990 in rebates during the first quarter and served more than 6,500 program participants through downstream prescriptive appliance and HVAC rebates, discounted market-rate energy conservation kits, and residential lighting upstream rebates.
 - The team renewed MOUs to continue offering discounted LED lighting in District retail outlets and also increased residential heat pump rebates in Q1.
 - The team launched the electric and battery-powered leaf blower rebates in November and launched outreach. The team has met several times with DOEE, DSLBD, DCRA, and other stakeholders to discuss collaboration and promotional opportunities. Rebate submissions have been steady for the program so far with more 78 rebates provided to residential customers through the end of Q1.

- **Business Energy Rebates (BER) and Instant Business Rebates programs**
 - The DCSEU processed rebates totaling \$52,180 for 14 projects through the Business Energy Rebates program in Q1. The DCSEU served 14 program participants, including 2 who received enhanced small business rebates.
 - All natural gas measures were removed from rebates as of October 1.
 - Similar to the Efficient Products program, the DCSEU added a commercial rebate for electric and battery-powered leaf blowers in November. The DCSEU issued its first commercial leaf blower rebate in December. While rebate submissions have begun more slowly in this market, we expect traffic to increase in 2022.
 - Instant Business Rebates totaling \$146,263 were provided to participating distributors in Q1. The DCSEU partners 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. The DCSEU also plans to speak with a potential new distributor for the program.

- **Account Management and Engineering**
 - The Account Management and Engineering teams served 20 program participants through the Commercial Custom program providing \$632,811 in incentives in Q1.
 - The teams continued engagement with various vertical markets during Q1. Staff continue to make adjustments to their approaches to different markets based on BEPS as well as the DCSEU's contract changes.
 - The DCSEU's Community Impact Manager met with numerous stakeholder groups, including AOBA, New Buildings Institute, and the Coalition for Green Capital about potential partnership and outreach opportunities for DCSEU programs.
 - In November, team members met with a grocery store customer to scope refrigeration projects at multiple locations as part of the DCSEU's Refrigeration Campaign.
 - In November, staff also attended a meeting highlighting the General Services Administration's (GSA) sustainability action plans to achieve strategic goals of the Federal government to reduce greenhouse gas emissions.

- **Workforce Development and Training**
 - **Workforce Development program**
 - During the first quarter, the DCSEU worked on extern and mentor recruitment for the next cohort for FY 2022. This included attending job fairs during the month of November. The winter/spring cohort launched on January 10, 2022, with 27 externs participating in the program.
 - **Train Green Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program**
 - The DCSEU finalized the FY 2022 program plan in October. The course catalog for Train Green SEICBP FY 2022 will be similar to FY 2021. The DCSEU plans to launch courses as soon as possible in the second quarter of the fiscal year to accommodate training sessions that could extend through 12 weeks. Recommended pathways for learning and specialization will be offered to provide an entry point for those looking to transition into the energy sector, as well as those looking to improve current skillsets or learn advanced applications.
 - To formalize and streamline program registration, the Train Green team is working with the Marketing and Communications team to develop an online program registration page that simplifies the intake and course registration processes, as well as allowing for the ongoing tracking of student's progress on pathways and contracting opportunities. The DCSEU also plans to offer select courses in Spanish in FY 2022.

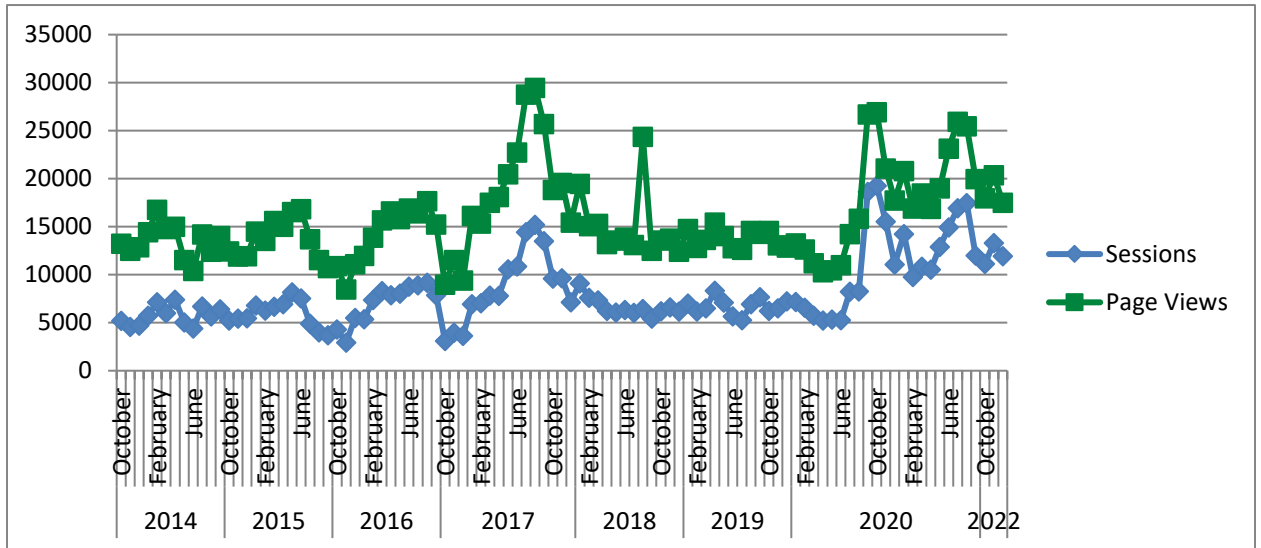
2. Activity Supporting DCSEU Initiatives

- **Marketing, Public Relations, Community Outreach, and Public Affairs**
 - The team planned a press release and event for Energy Efficiency Day on October 6th to launch the DCSEU's partnership with DC Public Schools to distribute efficient lighting kits to students and their families.
 - The DCSEU delivered its FY 2022 Annual Report on November 30, 2021, and plans to promote its achievements in January 2022 through earned and owned media outreach.
 - The team launched marketing efforts for new plug-in and battery-powered leaf blower rebates. This included an eblast, social media outreach, and paid media, including media planned for December-February with *PoPville*, *the Washington Informer*, *Capital Community News*, and *El Tiempo Latino*. The team is working closely with DOEE, DSLBD, DCRA, and other stakeholders to coordinate outreach, promotion, and a potential exchange event later this spring.
 - The DCSEU supported a Solar for All Community Solar installation ribbon cutting at Pepco's Benning Road facility. This included supporting a press release and Managing Director Ted Trabue speaking at the event. The team also partnered with the DC Green Bank and DOEE on another Solar for All ribbon cutting at

Fairfax Villages, which included a press release and DCSEU Director of Operations Brandon Bowles speaking at the event.

- The Marketing and Communications team created and launched a new logo, web page, web form application, and promoted and ran a training webinar for the Affordable Housing Retrofit Accelerator.
- The DCSEU is receiving news media interest on the leaf blower rebates, including coverage on *DCist*, *El Tiempo Latino*, and in the Mayor's press release on new 2022 laws going into effect, with more articles in January 2022.
- **Outreach and Events Highlights**
 - October 2: The DCSEU exhibited alongside DOEE and Pepco at the Open Streets DC event on Georgia Avenue in Petworth.
 - October 6: The DCSEU kicked off its school lighting distribution at Plummer Elementary School on Energy Efficiency Day October 6th, holding a special event and distributing kits directly to students and their families during school dismissal.
 - October 21: A group of DCSEU staff participated in the Building Innovation Hub's "Success with BEPS" event in October to meet with affordable multifamily building owners and managers whose buildings did not meet the District's Building Energy Performance Standards (BEPS).
 - October 22: The DCSEU joined the Department on Aging and Community Living Golden Rule Plaza presentation on October 22 to talk to seniors about DCSEU programs and services.
 - November 3: AHMF 50001 Ready: The DCSEU began recruiting for a joint effort with the U.S. Department of Energy to provide low-income multifamily buildings located in the District of Columbia with free training and technical support tailored to help reduce operational costs and realize deeper and sustained energy savings. Participation in this six-month program will be limited to a maximum of 15 sites, filled on a first-come, first-served basis.
 - December 2: The DCSEU partnered with the DC Green Bank, DOEE, and the Deputy Mayor for Operations and Infrastructure on a ribbon cutting event at Fairfax Villages.
 - December 15: The DCSEU hosted the Affordable Housing Retrofit Accelerator training webinar on December 15, with more than 60 attendees.
 - December 15: The DCSEU exhibited at the 23rd Annual Senior Holiday Celebration hosted by Mayor Muriel Bowser at the Convention Center. The DCSEU promoted its energy conservation kit, Solar for All, and workforce and training offerings to the attendees. A total of 25 residents requested an income-qualified energy conservation kit at the event.
 - December 16: The DCSEU Account Management team hosted another University Roundtable that provides local colleges and universities a platform to discuss energy issues and continue our ongoing engagement about Strategic Energy Management (SEM).

Figure 1. DCSEU website traffic, including sessions and page views, by month, from FY 2014 to December 31, 2021.



- Facebook
- LinkedIn
- Twitter

908 Likes, 945 Followers
1,160 Followers
2,016 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 and online rebates for qualifying energy-efficient appliances, HVAC equipment, smart thermostats, and leaf blowers; Energy Conservation Kits for market-rate and income-qualified residents	DC residents
Low-Income Multifamily	Low-Income Multifamily Comprehensive	Custom technical and financial assistance for energy efficiency improvements for multifamily properties	Property owners/managers 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/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents
	Low-Income Prescriptive Rebates	Rebates for energy-efficient lighting, heating and cooling for income-qualified properties	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents; contractors
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems offered as part of the C&I Custom program. (only for existing projects; no new projects will receive incentives)	Commercial business owners

Core area	Initiative name	Description	Customer
Commercial and Institutional	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, leaf blowers, and other qualifying equipment; includes enhanced rebate amounts for businesses with facilities under 10,000 sq. ft.	Business owners
	Commercial Direct Services	Direct installation of energy efficiency measures at primarily small and medium commercial facilities	Business owners
	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 (part of Custom program)	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

3. Solar for All

Below are updates from Q1 for the CREF team:

- Closed last milestone from final remaining FY 2021 CREF projects.

- Launched the FY 2022 RFP, hosted an information session, completed proposal review process, and issued Notice of Intent to Award to selected bidders
- Completed production estimate analysis for FY 2021 CREF projects

Below are updates from Q1 for the Single-Family team:

- Issued RFP for FY 2022 contractors for the Single-Family program, held information session, completed proposal review process, and issued Notice of Intent to Award to selected contractors
- Completed production estimate analysis for FY 2021 Single-family homes.
- Combed through list of customers who have inquired for FY 2022.