



DC
SUSTAINABLE ENERGY
UTILITY

Second Quarter Report for Fiscal Year 2022

January 1 – March 31, 2022

April 29, 2022



This report of the District of Columbia Sustainable Energy Utility covers the period from January 1 through March 31, 2022. 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

We have reached the halfway point in the DCSEU's first fiscal year (FY) of its current five-year contract period. As we stated in our first quarter report, we know this contract period will be a challenging one. Closing this second quarter, we also know we have a considerable amount of work ahead of us this year to achieve our Annual Performance Benchmarks and ensure we are making significant progress towards our Cumulative Performance Benchmarks. In the second quarter, though, our team made tremendous progress designing and launching new programs and mobilizing our resources to ensure we are prepared to meet our goals and deliver a greater impact over the course of this contract period.

During the first six months of FY 2022, the DCSEU, in partnership with DOEE, stood up the Affordable Housing Retrofit Accelerator program. This year, the DCSEU has received an additional \$21 million, including \$18 million from the American Rescue Plan Act (ARPA) and \$3 million from the Sustainable Energy Trust Fund (SETF), to design and implement this program to help owners of affordable housing make energy efficiency improvements to achieve the District's Building Energy Performance Standards (BEPS) and preserve affordable housing. The program is the first of its kind in the country, and while we have significant experience designing and implementing energy efficiency programs, we are still pioneers on this initiative. In just six months, we have: designed a program process, publicly launched the program and held an information session, solicited and secured eight ASHRAE auditors and nine contractors to assess and complete energy efficiency projects in qualifying properties, vetted applications from 36 qualifying buildings, assigned audits for 28 buildings, and met with building owners and their representatives to help them through the BEPS process. While this has been a learning experience for the DCSEU, we believe we have laid the groundwork for success for this program over the next several years to help building owners make energy efficiency upgrades to meet the BEPS and to preserve and improve affordable housing for residents.

We also have made progress on electrification initiatives for single-family residences in the District. Taking the lessons learned from the DCSEU Low-Income Decarbonization Pilot program in FY 2020, we launched the HVAC Replacement program in the second quarter. Through this program, the DCSEU will help income-qualified DC residents in single-family homes upgrade their fossil-fuel heating and water heating systems to efficient electric heat pumps and heat pump water heaters while also ensuring these customers get access to the Solar for All program to offset increased electricity usage. We have been actively reaching out to residents and sending participating contractors out to evaluate potential homes. For market-rate residents, we have begun to research approaches for significantly increasing rebates for fuel-switching. This work will be critical to understand what it will take to get residents to electrify their homes and to decarbonize DC residences over the next several years.

Finally, we have focused on engagement with the commercial, institutional, and multifamily community on the BEPS. During the 2nd quarter we hosted two DCSEU roundtables: the next in a series of roundtables with colleges and universities, and the first hospital and health care roundtable. These events offer an opportunity for us to engage in deeper discussions on BEPS, the challenges customers are facing, and the solutions that are available from the DCSEU and others here in the District. We have been also supporting DOEE's Benchmarking Help Center with staff from the DCSEU as we actively try to help customers understand their data and ensure it is accurate before they embark on choosing a BEPS Compliance Pathway. Finally, we co-hosted an event with the Washington Business Journal, "Making the Grade: A Guide to DC's Building Energy Performance Standards," to encourage customers to take advantage of the DCSEU's and other District financial and technical resources to ensure they get the assistance they need.

The next 6 months will be about ensuring all our preparation and hard work produces results in the form of energy savings, greenhouse gas emissions reductions, and delivering rebates and incentives to customers to help them pursue energy efficiency and renewable energy projects.

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

Managing Director, DCSEU

QUARTERLY FEATURE: Increasing Impact and Visibility for the Solar for All Program

In the DCSEU's fourth year of the Solar for All program in partnership with DOEE, we've made significant progress in support DC's goal of reducing greenhouse gas emissions by 50% by 2032 and having at least 10% of renewable energy come from solar generated in the District by 2041. To date, we have collaborated with developers to install more than 325 solar PV systems on the homes of income-qualified single-family residents and 166 community renewal energy facilities (CREFS). Sixty percent of all CREFS in DC are a result of the DCSEU's work on the Solar for All program. From FY 2019-2021, the DCSEU and participating solar contractors and developers have installed enough solar to serve 6,000 income-qualified families in DC.

With \$14.5 million in Solar for All funding for FY 2022, the DCSEU plans to make an even bigger impact. The DCSEU plans to provide solar PV installations on 100 single-family homes. The Single-Family program also has an additional \$250,000 to make roof repairs, a significant barrier to many residents in past years. In addition, we expect to complete approximately 40 CREFS in total. By the end of FY 2022, the DCSEU and its contractor and developer partners will install enough solar energy capacity to serve an additional 2,700 income-qualified District families.

With sustainability, equity, and innovation at the forefront of our work, we continue to collaborate with local partners to integrate new technology into DCSEU programs. This fiscal year, we are working on a CREF installation in Ward 4 using solar shingles, a first for the Solar for All program. This effort, in partnership with Flywheel Development, the DC Green Bank, and SunStyle, a solar shingle manufacturer, is a great opportunity to showcase modern technology and highlight why DC is one of the nation's best markets for solar.

This year, we want to increase awareness around Solar for All opportunities for community residents by installing signage at high-traffic sites to encourage residents to sign up for Solar for All Community Solar credits. We want residents to understand that community solar is an accessible resource for them by making it more visible to them in their neighborhoods.

The DCSEU looks forward to continuing the important work to reduce the energy burden for income-qualified families in DC by providing access to solar energy.

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 | FY 2022 Period Results (January 1, 2022 through March 31, 2022) | Cumulative Results (October 1, 2021 through March 31, 2022) | Year 1 Maximum Annual Target (October 1, 2021 through September 30, 2022) | Five-Cumulative Benchmark Maximum (October 1, 2021 through September 30, 2026) | Annual Maximum Target Progress | Five-Cumulative Maximum Benchmark Progress |
|------|--|---|-------------------------------|------------|---|---|---|--|--------------------------------|--|
| 1 | Cumulative Performance Benchmarks | Reduce electricity and natural gas consumption (combined energy savings) | MMBtu (source) | Cumulative | 121,701 | 328,576 | 1,515,718 | 7,578,592 | 22% | 4% |
| 2 | | Greenhouse Gas Emissions reduction | Metric Tons CO ₂ e | Cumulative | 5,757 | 12,953 | 104,867 | 524,334 | 12% | 2% |
| 3 | | Increase Renewable Generating Capacity plus Reduce Energy Consumption at >= 50% of renewable energy generating capacity across solar projects | kW capacity / MWh savings | Cumulative | - | - | 1,000 kW | 5,000 kW | - | - |

| | | | | | | | | | | |
|---|--|-----------------------|---|------------|---|---|----|-----|---|---|
| 4 | | Deep Energy Retrofits | # of projects that lead to at least 30% site energy reduction | Cumulative | - | - | 20 | 100 | - | - |
|---|--|-----------------------|---|------------|---|---|----|-----|---|---|

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

| Item | Benchmark | Description | Metric Unit | Goal Type | FY 2022 Q2 Results (January 1, 2022 through March 31, 2022) | Cumulative Results (October 1, 2021 through March 31, 2022) | Annual Benchmark Minimum (October 1, 2021 through September 30, 2022) | Annual Benchmark Maximum (October 1, 2021 through September 30, 2022) | Annual Minimum Benchmark Progress | Annual Maximum Benchmark Progress |
|------|-------------------------------|---|---|-----------|---|---|---|---|-----------------------------------|-----------------------------------|
| 5 | Annual Performance Benchmarks | Improve energy efficiency in low-income housing - spend | 30% of annual budget (varies annually) | Annual | \$1,198,814 | \$2,009,320 | \$4,010,000 | \$6,015,000 | 50% | 33% |
| 6 | | Increase number of green collar jobs | Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours | Annual | 19 | 37 | 66 | 88 | 56% | 42% |
| 7 | Other Contract Requirements | DCSEU General and Administrative Expenses | % of Cost Reimbursement Ceiling (capped at 20%) | Annual | \$717,359 | \$1,287,254 | | \$4,010,000 | | 32% |

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.

| | | | | | | | | | | |
|---|--|---|---|--------|-----------|-----------|--------------|--|----|--|
| 8 | | Expenditures with Small Business Enterprises/Certified Business Enterprises | 35% of annual DCSEU operating budget subcontracted to SBEs/CBEs | Annual | \$425,657 | \$686,975 | \$20,385,696 | | 3% | |
|---|--|---|---|--------|-----------|-----------|--------------|--|----|--|

1. Sector Highlights in the Core Areas

- **Low-Income Programs**
 - **Income-Qualified Efficiency Fund (IQEF)**
 - The IQEF program processed \$77,002 in incentives for 1 project during the 2nd quarter of FY 2022.
 - During the 2nd quarter, the DCSEU selected a total of 10 projects for Phase 1 of the IQEF program representing approximately \$2.9 million in incentives. Seven of the ten projects will be completed by CBE subcontractors.
 - Contractors are experiencing supply chain delays which the DCSEU expects to delay deadlines for completion of projects.
 - **Affordable Housing Retrofit Accelerator (AHRA)**
 - During the 2nd quarter, the DCSEU worked on recruiting auditors and contractors to work on the AHRA initiative. By the end of March, eight auditors had been onboarded and assigned at least one building.
 - By the end of March, a total of 28 buildings had been assigned an auditor to complete an ASHRAE Level 2 audit.
 - The DCSEU performed outreach to unresponsive owners and managers of AHRA-eligible properties. This included reaching out to industry associations such as the Apartment & Office Building Association of Metropolitan Washington (AOBA-Metro (AOBA) and the Housing Association of Nonprofit Developers (HAND), as well as direct outreach via email and phone to the potential customers. The DCSEU continues to work on identifying updated or more accurate contact information for unresponsive building representatives.
 - The DCSEU worked with DOEE to plan a question-and-answer session for AHRA applicants on April 7, 2022.
 - **Low-Income Comprehensive**
 - The DCSEU provided \$234,900 in incentives for 7 projects in the Low-Income Comprehensive program in the 2nd quarter.
 - **HVAC Replacement Program**
 - During the 2nd quarter, the DCSEU finalized the program plan and began soliciting contractors for the HVAC Replacement program. Three subcontractors were added to the program in the 2nd quarter as well. The team began work in January and February with the Marketing team on outreach to potential customers, including customers who had called or submitted a web form indicating interest in the Solar for All program. In March, the DCSEU began scheduling contractor walkthroughs of customers' homes to determine if they were good candidates for the program.
 - **Energy Conservation Kits and Food Bank Lighting Distribution**
 - During the 2nd quarter, the DCSEU continued distributing lighting kits to Title I DC Public Schools, including 15 additional schools where a total of 5,000 kits will be distributed. The DCSEU continues to provide lighting

through partner food banks as well. Through the food banks and school lighting kit distribution, the DCSEU served more than 10,400 participants with a total value of \$608,512 in incentives.

- The DCSEU provided Energy Conservation Kits to 90 income-qualified participants in the 2nd quarter representing \$3,035 in incentives.

- **Residential Efficient Products program**

- The Efficient Products program allocated \$91,094 in rebates during the 2nd quarter and served more than 4,750 program participants through downstream prescriptive appliance and HVAC rebates, discounted market-rate energy conservation kits, and residential lighting upstream rebates.
- The team began meeting with lighting manufacturers and retailers in the 2nd quarter to discuss opportunities to ramp up in-store promotions of DCSEU discounts this spring and summer.
- DCSEU staff presented information on leaf blower rebates at two events in February.

- **Business Energy Rebates (BER) and Instant Business Rebates programs**

- The DCSEU processed rebates totaling \$24,534 through the Business Energy Rebates program in the 2nd quarter. The DCSEU served 18 program participants, including 3 who received enhanced small business rebates.
- Instant Business Rebates totaling \$144,963 were provided to participating distributors in the 2nd quarter, serving 367 program participants. 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 continued to connect with potential new distributors to participate in the program.

- **Account Management and Engineering**

- The Account Management and Engineering teams served 11 program participants through the Commercial Custom program providing \$63,124 in incentives in the 2nd quarter.
- The DCSEU hosted its first Hospital/Healthcare Strategic Energy Management (SEM) Roundtable on February 18.
- In March, the DCSEU continued its College and University Roundtable series where the team covered the topics of Building Energy Performance Standards (BEPS) and refrigeration management.
- The team also began preparing for its first Hospitality Roundtable with the DC hotel market, which is scheduled for April 26.
- During the 2nd quarter, the DCSEU received positive feedback from a large national firm citing the “ease of use” of the DCSEU’s rebates and incentives as a reason for focusing on their DC data center portfolio to make energy efficiency upgrades.

- **Workforce Development and Training**

- **Workforce Development program**

- On January 10, the DCSEU launched the Winter cohort for the Workforce Development program. This cohort is the DCSEU’s largest one since the program began.
 - The Maryland Public Service Commission requested for the DCSEU to present information about its Workforce Development program. Ted Trabue and Gleniss Wade presented on January 24th to the commission.
 - The DCSEU continued hosting its Weekly Professional Development meetings with the cohort in Q2. The sessions included the following topics: Everything LEED, Solar 101, Keeping the Job – a presentation by ADC Management, Small Business – a presentation by Greenscape Energy, and Financial Literacy.
 - The team began preparing for the FY 2022 Summer Cohort, including recruiting new partners and mentors as well as potential externs.
- **Train Green Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program**
 - During the 2nd quarter, the DCSEU reviewed proposals for Train Green SEICBP courses and selected the courses and course instructors for FY 2022. As contracts with instructors were finalized, the team also began scheduling courses.
 - The DCSEU team worked on promoting the program to new and returning users in partnership with the Department of Small and Local Business Development (DSLBD) and the Coalition for Nonprofit Housing and Economic Development (CNHED) to get their registration number so they are prepared to register for courses when they launch in April.
 - The team also began planning for a Certified Business Enterprise (CBE) Green Rally with DSLBD. The event is scheduled for May 4, 2022, and will be held at the Martin Luther King, Jr. Public Library.
 - The DCSEU also hired a new Training Coordinator for the Train Green SEICBP program during the 2nd quarter.

2. Activity Supporting DCSEU Initiatives

- **Marketing, Public Relations, Community Outreach, and Public Affairs**
 - The team finalized a draft of the DCSEU’s Strategic Plan to provide to DOEE and to the DCSEU Advisory Board.
 - The DCSEU publicly released its FY 2021 Annual Report results in January via press release, social media, and during testimony for the Committee on Transportation and the Environment’s oversight hearing.
 - During the 2nd quarter, the team planned and hosted an event on March 31 with the Washington Business Journal titled "Making the Grade: A Guide to DC’s Building Energy Performance Standards." Panelists included DOEE Director Tommy Wells; DCSEU Managing Director Ted Trabue; DC Green Bank CEO Eli Hopson; Joseph Reilly, Vice President, Director of Property

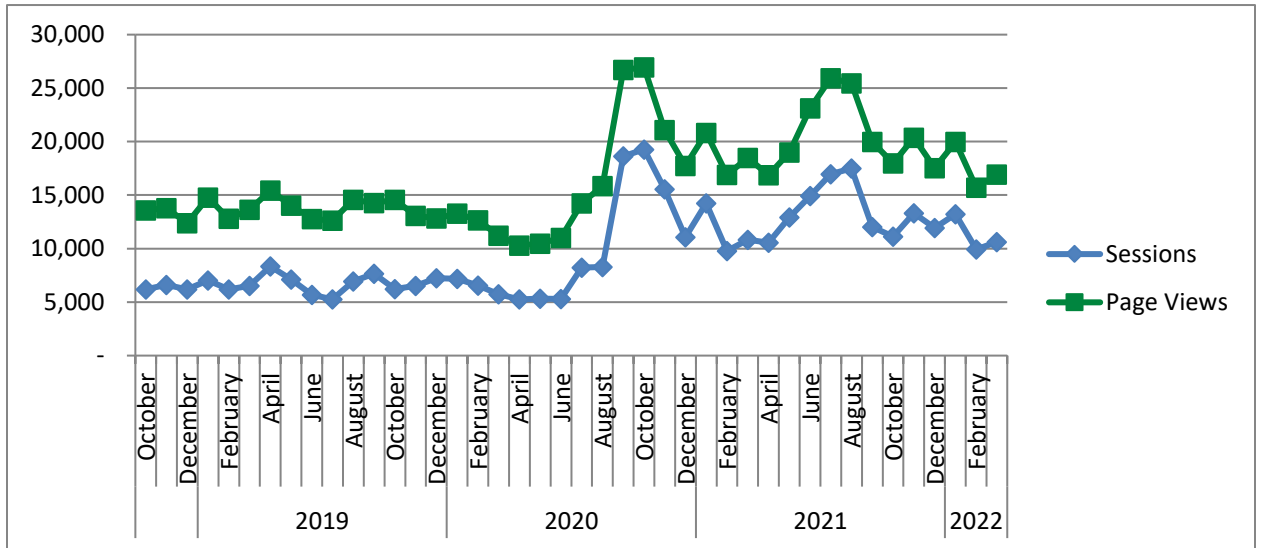
Management and Asset Services at Akridge; and Jay Wilson, Vice President of Sustainability in the Project and Development Services Group at JLL. Nearly 300 people registered for the virtual event and approximately 150 attended.

- The team continued its leaf blower promotions in the 2nd quarter through digital and print advertising, social media, and working with local retailers. This drove more than 150 residential rebates and 17 commercial rebates through the end of the 2nd quarter. The team also created Spanish language program marketing materials and advertisements to ensure accessibility of the program.
- The Marketing team worked with the Train Green SEICBP team to develop and launch new resources for Train Green, including a program registration page and participant data tracking process, information session videos, and e-blasts to potential instructors and participants. The new web page, which allows users to sort courses by topic and level, launched in April.
- The team began work on a redesign of the DCSEU's website. This included releasing an RFP seeking a qualified firm to assist the DCSEU with development of a website content strategy. The team also began work on development of a Mission, Vision, and updated brand identity.
- The team continued its outreach support on driving leads for the Solar for All Single-Family program along with the HVAC Replacement program, as well as designing signage for the CREF program to raise awareness about the program around the District. The DCSEU hopes to place signage with at least 10 projects during this spring and summer.
- The DCSEU received 9 earned media mentions in the 2nd quarter, including mentions on WUSA-TV, Hill Rag, the Bay Journal, and Turf Magazine.
- **Outreach and Events Highlights**
 - January 4: The DCSEU hosted an RFP information session for potential instructors interested in the Train Green SEICBP program.
 - January 11, 18: The DCSEU presented Train Green SEICBP and contracting opportunities at two DSBLD CBE-focused events, the first for Benchmarking on January 11th, and the second on January 18th covering BEPs.
 - January 12: A representative from the DCSEU Account Management team presented at Hilton Hotels Regional Engineering meeting to discuss the DCSEU platform and past successes with various projects supported by the DCSEU.
 - January 26: The DCSEU hosted a virtual interest session for the Train Green SEICBP program. The DCSEU worked with DSLBD and CNHED to promote the session and 31 people attended.
 - February 2 Green Building Advisory Council Meeting: The DCSEU shared Train Green program information with meeting participants.
 - February 13 National Association of Regulatory Utility Commissioners (NARUC) Winter Policy Summit: The DCSEU presented on a panel and

provided information about the DCSEU's Workforce Development program.

- February 16 Department of Small and Local Business Development (DSLBD) Small Business Brief: The DCSEU presented about its current electric leaf blower rebates and how to apply for them along with DOEE, DSLBD, and DCRA. Approximately 20 people attended the meeting.
- February 16 American University Sustainability Awareness Basketball Game: The DCSEU provided Energy Conservation Kits, other giveaway items, and information on DCSEU workforce and training opportunities for the annual game.
- February 23 Metropolitan Washington Council of Governments (MWCOG) Committee on Air Quality Meeting: The DCSEU was asked to present about the design and implementation of its leaf blower rebates alongside staff from Montgomery County who are implementing electric leaf blower rebates there as well.
- February 24 Climate-Forward Efficiency Symposium: The DCSEU attended and shared information about its workforce development and training programs in break out groups.
- March 17 DCSEU College and University Roundtable: the DCSEU met with local college and university leaders to update them on DCSEU programs and to address sector interest in the Yale Refrigeration Initiative.
- March 23 HAND Environmental Justice Affinity Group: the DCSEU participated in the kickoff meeting for this group to discuss environmental justice work that is ongoing or planned, as well as new opportunities. Approximately 20-25 representatives of various groups participated.
- March 25 Washington Metropolitan Chapter Community Associations Institute (WMCCAI) Expo: the DCSEU attended the expo and met with WMCCAI staff to discuss partnership opportunities.
- March 29 National Facilities Management and Technology Expo: the DCSEU attended the event and connected with current and prospective Train Green SEICBP instructors and promoted the program's RFQs.
- March 31 Making the Grade Washington Business Journal event: the DCSEU co-hosted an event with the Washington Business Journal on the topic of BEPS and the financial and technical resources available to DC property owners and managers. Nearly 300 registered for the virtual event and approximately 150 attended.

Figure 1. DCSEU website traffic, including sessions and page views, by month, from FY 2019 to March 31, 2022.



- Facebook **1,095 Followers**
- LinkedIn **1,197 Followers**
- Twitter **2,034 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 the 2nd quarter for the Community Renewable Energy Facility program team:

- All FY 2022 CREF subcontracts were executed in the 2nd quarter.

- Seven projects reached payment milestones (Milestone 2) in March, representing \$1,218,394.00 in incentives.
- The team continued reviewing production from FY 2019 CREF projects and developing weather-adjusted minimum production requirements to begin assessing whether any shortfalls exist.
- The team continued weekly subcontractor monitoring and risk mitigation/management.

Below are updates from the 2nd quarter for the Single-Family program team:

- In the 2nd Quarter, the Single-Family program team concentrated on finalizing subcontracts and outreach to interested customers to fill program pipeline and income-qualify customers.
- 70 of 106 (66%) projects have been income qualified and all are expected to meet milestone 1 deadline of 4/29; this compares to 77/122 (63%) projects at the same time period in FY 2021.
- The team is finding that many projects are not in need of roofing services (~ 10%).