



DC
SUSTAINABLE ENERGY
UTILITY

First Quarter Report for Fiscal Year 2021

October 1 – December 31, 2020

January 30, 2021



This report of the District of Columbia Sustainable Energy Utility covers the period from October 1 through December 31, 2020. This progress report contains information about the DCSEU's activity to date in FY 2021. 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

As we close the first quarter of fiscal year (FY) 2021, the culminating year of the current five-year contract, we realize how much we all have gone through in the last nine months. When the COVID-19 pandemic hit, we could not have anticipated that our staff would be working from home for these nine months, forcing them to find new and innovative ways to overcome challenges and continue serving residents and businesses. Their hard work and their resilience during this time, much of which is detailed in the FY 2020 Annual Report delivered in November, is to be commended. We also witnessed a remarkable election. On the local level, the District welcomed three new councilmembers, who we look forward to working with and whose constituents we look forward to serving. On the national level, we're anticipating an administration with a renewed focus on clean energy and the environment, and we look forward to continuing to contribute to the conversation and demonstrate the success of the work being done right here in the District.

While things in the District often slow down during the holidays, the DCSEU had a very strong first quarter in FY 2021. We closed more projects than in any other first quarter over the last four years; delivered the second-most incentive dollars to residents, businesses, and institutions in first quarter over the last four years; and helped these customers save more than 84,000 MMBtus of natural gas, our strongest first quarter for gas savings as well. With our five-year cumulative maximum energy savings benchmarks within reach, our team is working diligently to deliver on our maximum annual benchmarks for low-income spending, low-income savings, and green job creation. To that end, we spent the first quarter reviewing affordable multifamily efficiency projects for the Income Qualified Efficiency Fund (IQEF), delivering incentives for energy-saving projects in affordable housing, and delivering energy conservation kits and LED lighting to income-qualified residents. We also helped the DCSEU Workforce Development program's summer/fall graduates find full-time employment and began interviewing candidates for the 2021 winter/spring program cohort. This work is especially important as the District residents and businesses continue to face the negative impacts of the pandemic.

Our team also continues to support the District's Building Energy Performance Standards (BEPS), participating in training events and customer outreach efforts to educate the market. As the median scores are announced in 2021, the DCSEU stands ready to work with DOEE, the Building Innovation Hub, and other partners to reach out to customers who fall short of the median score and offer technical assistance and incentives to help get them on the right path. We also continued our work on the Solar for All program to deliver solar energy to income-qualified residents, reviewing proposals from contractors and developers for single-family and community solar work in the first quarter. By year's end, our three years of work on Solar for All will bring the benefits of solar to approximately 6,000 income-qualified residents in the District.

The new year brings with it new hope and new challenges for the DCSEU as we strive to close this fifth year on a high note.

Ted Trabae

DCSEU Director

QUARTERLY FEATURE: Collaboration is Key

The Clean Energy Omnibus Act of 2018 passed by the Council of the District of Columbia set forth a number of ambitious goals, including achieving 100% renewable energy in DC by 2032, cutting greenhouse gas (GHG) emissions in half by 2032, setting Building Energy Performance Standards (BEPS) for District buildings, and creating a program to increase the capacity and participation of District businesses in energy efficiency and renewable energy. The DCSEU has been proud to support the progress towards these goals over the past two years. The Act also prescribed that the electric and natural gas utilities, Pepco and Washington Gas, would be able to implement new energy efficiency programming in the future. In order for all of us to be effective in implementing impactful energy efficiency initiatives, communication and collaboration will be key and we have been working closely with the utilities to ensure this happens.

In 2019, VEIC was awarded \$4.2 million from Washington Gas to implement a natural gas efficiency initiative in affordable multifamily dwellings. The funding, part of Washington Gas' commitment to the community in the AltaGas and WGL merger in July 2018, has been directed through the DCSEU's existing IQEF program and contributes to the DCSEU's leveraging benchmark. By the end of FY 2021, the DCSEU will have completed projects at 27 properties with more than 1,400 units, helping to deliver more than 10,000 MMBtu of first-year natural gas savings. The DCSEU plans to send a letter to all residents in these properties to offer a free DCSEU Energy Conservation Kit that residents can request. This work on behalf of Washington Gas has provided a great opportunity to collaborate, including the DCSEU presenting its program offerings and achievements to DC residents and businesses at Washington Gas' Climate Business Plan Community Meeting on January 26, 2021.

The DCSEU has also worked closely with Pepco, starting with outreach to the utility and the company to which they have awarded funding to complete deep energy retrofits in affordable multifamily housing. Funding for this Deep Retrofit Program, part of the Energy Efficiency and Energy Conservation Initiatives Fund as ordered by the DC Public Service Commission, was awarded to iCast, a company based out of Colorado that will begin program implementation in early 2021. The DCSEU has met with both Pepco and iCast to determine how we can collaborate and prevent any confusion in the market with the DCSEU's existing affordable multifamily programs and services. This has included presenting alongside iCast, DOEE, the DC Green Bank, and the DC Innovation Hub at a virtual information session about BEPS hosted by the Housing Association of Nonprofit Developers (HAND) and the National Housing Trust (NHT) on December 3, 2020. Collaboration and communications with Pepco and iCast will continue throughout FY 2021.

The DCSEU looks forward to further collaboration with both utilities and their partners in FY 2021 to ensure we are not duplicating efforts and that we are all serving ratepayers of the District with impactful programs and services.

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	FY21 Period Results (October 1, 2020 through December 31, 2020)	Cumulative Results (October 1, 2016 through December 31, 2020)	Cumulative Benchmark Minimum (October 1, 2016 through September 30, 2021)	Cumulative Benchmark Maximum (October 1, 2016 through September 30, 2021)	Minimum Benchmark Progress	Maximum Benchmark Progress
1a	Cumulative Performance Benchmarks	Reduce per-capita consumption - Electricity	MWH Modified Gross	Cumulative	17,634	499,788	461,188	576,485	108%	87%
1b		Reduce per-capita consumption - Natural gas	Therms Modified Gross	Cumulative	783,420	9,766,550	8,525,645	10,230,774	115%	95%
2		Increase renewable energy generating capacity	KW	Cumulative	180	15,589	4,350	5,000	358%	312%
3		Leverage funds	Dollars	Cumulative	\$1,566,796	\$4,575,279	\$2,500,000	\$5,000,000	183%	92%

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	FY21 Period Results (October 1, 2020 through December 31, 2020)	Annual Benchmark Minimum (October 1, 2020 through September 30, 2021)	Annual Benchmark Maximum (October 1, 2020 through September 30, 2021)	Minimum Benchmark Progress	Maximum Benchmark Progress
4a	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	% of annual budget	Annual	\$1,087,255	\$3,691,667		29%	
4b		Improve energy efficiency in low-income housing - savings	MMBTU Net	Annual	5,247	23,278	46,556	23%	11%
5		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	15	66	88	23%	17%
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$791,426		\$3,691,667		21%

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	\$1,008,321	\$ 5,900,000		17%	
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		11				
10		Reduce growth in peak demand	kW		3,528				

2. Sector Highlights in the Core Areas

Residential

- **The Efficient Products program achieved electricity savings of 2,121 MWh and 527 MMBtus of natural gas savings in the residential market during the first quarter, allocating \$121,236 in rebates.** There were more than 4,600 participants served in the residential market during the first quarter. Rebate levels remained at their increased levels for appliances and heating and cooling. The DCSEU continued to offer market-rate residential Energy Conservation Kits, transitioning from offering a free kit to offering a kit for purchase for \$10.

Low-Income

- **The Low-Income Team completed 18 multifamily projects representing \$898,567 in incentives across three programs, including Income-Qualified Comprehensive, Income-Qualified Efficiency Fund (IQEF), and Low-Income Prescriptive Rebates.** The DCSEU also reviewed and graded 24 affordable multifamily housing, clinic, and shelter projects submitted for funding under the IQEF program. The team continues to work to reach out to the affordable multifamily market to build project pipeline for the Income-Qualified Comprehensive and Low-Income Prescriptive Rebates programs, holding an information session for property managers and participating in a broader information session for contractors in the first quarter. With the DCSEU not currently accepting any new IQEF project submissions for FY 2021, the team is working on further promoting Low-Income Prescriptive Rebates to the market.
- **The DCSEU completed 14 efficiency projects with leveraged funding from Washington Gas to make natural gas efficiency improvements in affordable multifamily housing in the first quarter.** These projects represent 6,124 MMBtus in natural gas savings and more than \$1.2 million in incentives for customers. This program contributes to the DCSEU's leveraging benchmark.
- **The DCSEU continues to distribute Energy Conservation Kits to DOEE LIHEAP recipients and other income-qualified customers.** The DCSEU provided kits to 103 participants in the first quarter. The team also continues

to provide LED lighting through food banks in the District, serving 192 participants in the first quarter. This work is expected to provide more than \$15,000 in first-year energy cost savings for the participants. The DCSEU is also launching outreach in the second quarter to residents in buildings where upgrades were completed with Washington Gas funding to allow these residents to request Energy Conservation Kits as well.

- **In FY 2020 the DCSEU received funding from DOEE to design and implement a Low-Income Decarbonization Pilot (LIDP)** to improve general understanding of the overall costs and other resources needed to implement electrification of single-family homes that utilize natural gas or fuel oil as the primary source of heating and cooling decarbonization efforts. The team worked on a white paper in the first quarter that will be delivered to DOEE in February.

Commercial and Institutional

- **The DCSEU completed commercial and institutional (C&I) Custom and Pay for Performance projects for 18 customers** resulting in 76,824 MMBtus of natural gas savings and 7,501 MWhs of electricity savings. These projects represent \$572,025 in incentives for C&I customers.
- **The Business Energy Rebates (BER) program processed 14 projects** comprising \$27,348 in rebates during the first quarter. This included one project that qualified for enhanced small business rebate amounts. These projects represent 741 MWhs of electricity savings. The application process for market-rate and small business rebates has been moved online to the DCSEU's Online Rebates Center. Rebates have been decreased for the second quarter.
- **The Instant Business Rebates program served 300 program participants with \$240,321 in rebates during the first quarter.** This led to 5,947 MWhs of electricity savings. 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. Two new participating distributors joined the Instant Business Rebates program in the first quarter, and activity in the program has

increased.

- **The Commercial Direct Services program processed 1 project comprising \$26,726 in rebates** during the first quarter, with 78 MWhs of electricity savings. This project was completed at a house of worship and is expected to deliver more than \$89,000 in lifetime energy cost savings for the customer. The DCSEU expects to close another project in the 2nd quarter. Under the Commercial Direct Services program, the DCSEU works directly with CBE subcontractors to complete energy efficiency projects with customers.
- **The Account Management Team worked on building pipeline across vertical markets**, especially the affordable multifamily housing market. The team has reached out to the DC Hospital Association to create a hospital roundtable cohort for the DCSEU similar to the work done with universities. The team was also added to the LEED Team for 15 Department of General Services projects. The team is also working on outreach to the small business market, specifically the restaurant market. This includes outreach to restaurant equipment vendors to raise awareness about the DCSEU rebates available for this market. Finally, the DCSEU's Trade Ally Manager continues to reach out to distributors, vendors, and contractors to inform them about DCSEU rebates and services, recruit new distributors for Instant Business Rebates, and ensure the market is trained on how to access and apply for rebates.

Green Jobs

- **The DCSEU continued to support the Workforce Development program in the first quarter.** \In November, five externs graduated from the summer/fall cohort, all of whom secured full-time employment. The DCSEU also recruited candidates and mentors for the winter/spring cohort, which began on January 25. The DCSEU will be hosting 18 externs for this cohort. During this cohort, training and certification opportunities may include the following for externs:
 - OSHA 10
 - Building Operator Certification (BOC)
 - LEED Green Associate Exam Prep
 - Solar Energy International (SEI) Renewable Energy 101
 - Small Business Seminar
 - Financial Wellness
 - Resume Writing / How to Keep the Job Workshop

ISSP or Sustainability Excellence Professional (SEP) While the pandemic has forced the DCSEU's Workforce Development training online, the DCSEU is excited to be able to continue to offer this opportunity to District residents at this critical time.

Innovation

The DCSEU continued work on Strategic Energy Management (SEM) with DC universities. Colleges and Universities still face COVID-related challenges similar to other vertical markets. Some campuses are welcoming students back at various levels, while others are not and occupying limited buildings with limited staff. The DCSEU remains committed to working with all SEM college and university participants to develop energy management strategies and capture usage and cost-reduction solutions. The DCSEU delivered custom-tailored discussions to tackle historical, current, and potential future challenges for how campuses manage its operations. The focus is on helping participants set individual goals, ensure organizational commitment around energy use and to establish the processes (data management, recording, reporting, etc.) and commitment under a campus energy master plan or policy directive.

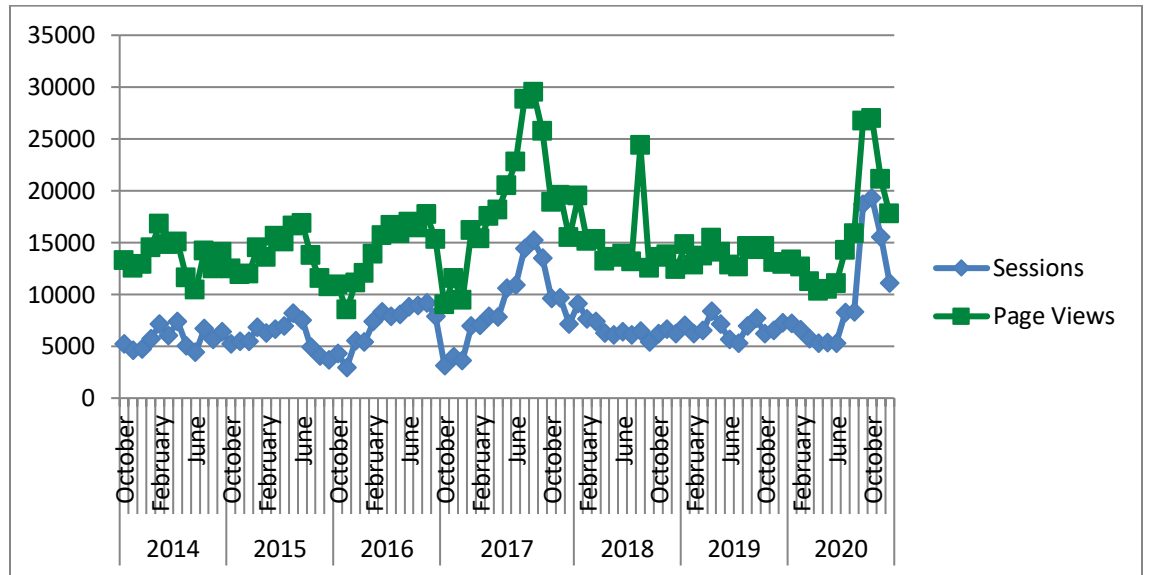
3. Activity Supporting DCSEU Initiatives

Marketing, Public Relations, Community Outreach, and Public Affairs

- **The Marketing and Communications Team delivered the FY 2020 Annual Report.** The team also continued its work with the Office of the People's Counsel (OPC), the Public Service Commission (PSC) and DOEE on the joint public awareness campaign #Here2HelpDC. This included a video for the campaign, the launch of a new website and corresponding press release, as well as the campaign's information being posted on the Mayor's coronavirus.dc.gov website. In October, the team arranged and promoted two information sessions for DCSEU contractors and property managers, along with a presentation with multiple DCSEU staff participating as part of DSBLD's *District Connect: DC's Small Business Contracting Expo* with a webinar on how to work with the DCSEU and access rebates and services.

The DCSEU received 11 earned media mentions in the first quarter, including mentions in the *Washington Business Journal*, *GreenBiz*, *Solar Power World*, and *Street Sense Media*.

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



- Facebook
- Twitter

920 Followers
1,946 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
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems (no new applications for incentives are being accepted at this time)	Commercial business owners
Commercial and Institutional	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, and other qualifying equipment; includes enhanced amounts for small businesses (<10,000 sq. ft.) and income-qualified facilities	Business owners, property owners/managers
	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. Solar for All

- DCSEU and DOEE staff reviewed and scored the proposals for the FY 2021 Solar for All Single Family and Community Renewable Energy Facility (CREF) programs. The DCSEU plans to announce the selected contractors, finalize contracts, and begin projects as soon as possible in the second quarter.
- In November, DCSEU staff participated as panel speakers at the MDV-SEIA 2020 virtual conference, speaking about overcoming barriers to distributed generation and deploying solar to low-income residents in DC, as well as more generally about the benefits the DCSEU and the Solar for All program bring to the District.
- The DCSEU worked with CREF developers New Columbia Solar and SaveSolar on a press release featuring a Solar for All CREF project at Fort Chaplin Park Apartments, one of the largest rooftop community solar installations in the District. The press release is expected to be distributed in February 2021.