

December 29, 2021

The Honorable Phil Mendelson  
Chairman  
Council of the District of Columbia  
1350 Pennsylvania Avenue NW, Suite 504  
Washington, DC 20004

**RE: Annual Report of the Sustainable Energy Utility Advisory Board**

Dear Chairman Mendelson:

Pursuant to Section 204(g) of the Clean and Affordable Energy Act of 2008 (CAEA), D.C. Law 17-250, I hereby transmit the Sustainable Energy Utility Advisory Board's (Board) Annual Report (Report) on behalf of the Board. This Report provides the Board's assessment of the DC Sustainable Energy Utility's (DCSEU) performance in Fiscal Year 2020, and offers recommendations to the Department of Energy & Environment (DOEE) and the Council of the District of Columbia (Council). This Report was approved by the Board. It is the Board's understanding that DOEE will make this Report available to the public on its website within 10 days of its submission to the Council, as required by the CAEA.

Please feel free to contact me at the telephone number or e-mail address below, or David Epley at [david.epley@dc.gov](mailto:david.epley@dc.gov) or 202-313-1654, if you have any questions regarding this report.

Sincerely,



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Chair, DCSEU Advisory Board  
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Enclosure

cc: Nyasha Smith, Secretary of the Council  
Councilmember Mary Cheh, Chairperson, Committee on Transportation and the Environment.

# **Sustainable Energy Utility Advisory Board**

**Fiscal Year 2020 Annual Report**

**December 29, 2021**

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## I. Executive Summary

The Board is pleased to report on the DCSEU's and its own progress in and since fiscal year 2020 ("FY20").

- 1) With regard to its Annual Cumulative Targets, the DCSEU:
  - a. Exceeded its minimum and maximum FY20 benchmarks for reducing electricity consumptions;
  - b. Exceeded its minimum and maximum FY20 benchmarks for reducing natural gas consumption; and
  - c. Exceeded its minimum and maximum FY20 benchmarks for increasing renewable energy generating capacity;
- 2) With regard to its Annual Target, the DCSEU generally improved the energy efficiency of low-income properties by:
  - a. Exceeding the DCSEU's spend requirement, and
  - b. Exceeding the minimum savings requirement, but fell short of meeting the maximum savings requirement by 18%; and
- 3) With regard to its Five-Year Cumulative Target for Leveraging External Funds, the DCSEU exceeded the minimum requirement for where it should be as of fiscal year 2020; and was on track to meet its Five-Year Cumulative Target.

The DCSEU's independent evaluator found that the DCSEU's portfolio of programs was cost-effective as a whole under the Societal Cost Test. The evaluator found that the DCSEU's cost of saved energy (i.e. dollars spent per unit of energy saved) increased from FY19 to FY20; but that the DCSEU delivered programs at a cost per unit of saved energy that was less than neighboring utilities. The Board notes that the cost of saved energy increases as programs mature, so expects the DCSEU's experience will be likewise.

With regard to the two items whose progress the DCSEU is required to track (in other words, the DCSEU does not have any contractual performance targets to meet for such items), the evaluator found that:

- 1) The DCSEU achieved lower peak demand savings in FY20 than it did in FY18 and 2019; and
- 2) The DCSEU enrolled more large energy users in energy efficiency programs in FY20 than it did in FY18 and FY19.

Based on comparisons with comparable programs discussed below section VI, the Board sees that the DCSEU is a national leader in cost-effective energy efficiency program delivery, and believes that the main thing holding the DCSEU and the District back from achieving deeper efficiency savings is the total budget allocated to the program.

In FY20 and into FY21, the Board played a key role in helping to tie the DCSEU's performance benchmarks more rigorously to meeting the District's overall clean energy objectives. After close study, the Board recommended several measures to strengthen the role of the DCSEU's performance benchmarks in implementing the District's greenhouse gas emission reduction goals.

The Board is pleased that in FY20, DOEE and the DCSEU modified the DCSEU contract in a manner that would remove the penalty on the DCSEU's achievement of the electricity savings performance benchmark, for increased electricity consumption, if the increase resulted from decreased reliance on natural gas ("fuel-switching" penalty).<sup>1</sup>

Additionally, in July 2019, the Board formed a subcommittee to determine whether the Board as a whole should recommend that the DCSEU contract contain a GHG reduction target. The subcommittee also was charged with exploring whether the DCSEU's present peak demand reduction tracking requirement should be converted back into a performance benchmark.

The Board is pleased to report that in FY21, it finalized a series of detailed recommendations that facilitated the inclusion of a GHG performance benchmark in the then forthcoming DCSEU contract. Specifically, the Board voted to recommend inclusion of the below items in the contract, all of which were included in the contract approved by the Council:<sup>2</sup>

- 1) Inclusion of a GHG performance benchmark;
- 2) adoption of a fuel neutral energy savings benchmark in addition to the GHG reduction benchmark;
- 3) use of 2006 as the base year against which DCSEU GHG reduction targets and achievements would be measured; and
- 4) use of marginal rather than average emissions in determining amounts of avoided CO<sub>2</sub> equivalent emissions able to be claimed by the DCSEU.

Additionally, while the Board agreed with DOEE's proposal that the contract require prior approval by DOEE for the DCSEU to reimburse expenditures on "new or existing natural gas or fuel oil appliances and equipment, battery storage electric vehicles/charging infrastructure, and

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<sup>1</sup> Section C.40.8.1.1.2 of the FY17 DCSEU Contract (Contract No. DOEE-2016-C-0002), as amended by Modification #8, now states: "[I]f an energy efficiency program causes a consumer to replace a natural gas furnace with an electric heat pump, then the increase in the consumption of kWh as a result of the switch to using electricity for space heating would NOT be counted as 'negative savings' toward the kWh savings benchmark."

<sup>2</sup> A copy of the approved original contract and contract modifications 1-14 is available on the DOEE website at <https://doee.dc.gov/service/dcseu-contract>.

combined heat and power purchase agreements,” the Board voted to add criteria to inform whether expenditures on such programs should be encouraged. The criteria were also included in the approved contract, including the extent to which the expenditure would further the DCSEU’s achievement of its performance benchmarks; improve equity and/or enhance benefits to be realized by low- and moderate-income residential ratepayers; enhance coordination with other utility and DC-based energy efficiency, demand response, and/or green building programs; or would accelerate achievement of District policy objectives, such as de-carbonization. (See new section B.8.2.2.1.)

The Board also voted to remove the requirement that the DCSEU’s spending in the low-income space include a mandatory energy savings target. Specifically, the Board voted to do this in order to maintain the DCSEU’s competitiveness with PEPCO’s augmented role in the provision of energy efficiency and demand response programs, as the commission did not require that Pepco couple energy savings with spend in the low-income programs. The Board notes agreement that savings in this arena are hard to achieve. Further, the DCSEU’s record showed that a required linkage between savings and spending did not significantly increase the amount of savings obtained, and was instead, because of the difficulty in achieving savings, a deterrent to its spending in this arena.<sup>3</sup>

Specifically, the Board voted to do this to ensure the DCSEU’s targets are more aligned with PEPCO’s Commission-required goals, which required Pepco to reach a spend target on low-moderate income customers.<sup>4</sup>

For the remainder of FY22, the Board plans to focus its efforts on:

- 1) Continuing to advise on the optimal balance of responsibility as between the District’s utilities on the one hand and the DCSEU on the other, for offering energy efficiency and demand response programs;
- 2) Aiding the DCSEU in its implementation (along with its core partner, the DC Green Bank) of DOEE’s recently launched Affordable Housing Retrofit Accelerator, a new, stimulus-funded multi-year program designed to deliver direct technical and financial assistance to help affordable multifamily buildings meet the compliance requirements of the nation’s first Building Energy Performance Standards (BEPS) program;
- 3) Maximizing the DCSEU’s performance as it enters a more mature phase in which it will be seeking to achieve deeper energy savings, while at the same time, navigating the new federal

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<sup>3</sup> In the FY19 SEUAB Annual Report, the Board noted “It is important to note that limited income energy efficiency programs are confronted with additional costs that do not provide direct energy savings benefits, which makes cost-effectiveness screening challenging. Houses often require additional building modifications for health, safety, or home durability and programs must overcome additional barriers to participation. Industry best practice indicates that cost-effectiveness screening for limited income programs account for the additional benefits and challenges associated with these programs, and many jurisdictions exempt limited income programs from cost-effectiveness tests.”

<sup>4</sup> Additionally, though not measured on a program-level, Pepco’s portfolio would be required to meet Commission-required cost effectiveness standards and energy savings targets.

energy savings requirements that will make it more challenging for the DCSEU to demonstrate which incremental savings are attributable to its programs; and

- 4) Monitoring and supporting the DCSEU's progress in achieving benchmarks that were substantially changed for the new 5-year contract, in particular, the addition of a performance benchmark targeting GHG reductions.

### **Board's Participation in District-wide Events**

The Board vigorously implemented its consultation role, called for in 8 D.C. Code § 1774.07(g)(4), which provides:

[Pepco], after consultation and coordination with the Department of Energy and the Environment and the District DCSEU and its advisory Board, may apply to the Commission to offer energy efficiency and demand reduction programs in the District that the company can demonstrate are not substantially similar to programs offered or in development by the DCSEU, unless the DCSEU supports such programs.

In March 12, 2021 comments filed with the PSC in Formal Case No. 1160<sup>5</sup> (attached hereto as Appendix A), the Board specifically supported a discussion of GHG baseline metrics by a Working Group formed by the PSC, but also urged that such discussion occur within a specified time frame, and potentially, that the PSC revisit the question of the utilities' targets by the conclusion of the first program cycle of the utilities' approved program. The Board also recommended that one or more entities (whether the Council, the PSC, the Mayor (DOEE), and/or others, such as the District's utilities or energy consumers) initiate an effort to devise a strategy to harness the resources of all of the foregoing to reduce peak demand as a means of lowering the District's greenhouse gas emissions, through coordinated programming and incentive frameworks, as has been done by several states.

In July 30, 2021 comments filed with the PSC (attached hereto as Appendix B), the Board noted that PEPCO made certain modifications to its proposed new energy efficiency and demand response programs, in part in response to concerns expressed by the Board in furtherance of its statutorily-required consultative role.

On November 15, 2021, the Board filed further comment in FC 1160 (attached hereto as Appendix C), strongly supporting DOEE's request that the DC PSC approve the formation of a Technical Issues Group that would "safeguard an environment in which EEDR programs are complementary rather [than] competitive" to DOEE's programs."<sup>6</sup> On December 8, 2021, the

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<sup>5</sup> Formal Case No. 1160, In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201(B) of the Clean Energy DC Omnibus Amendment Act.

<sup>6</sup> FC No. 1160, Order No. 21076 (Dec. 8, 2021), p. 2, *citing* the Department of Energy and Environment's Motion for Reconsideration and Modification of Order No. 21030, filed November 8, 2021 ("Motion"), as follows:

According to DOEE, there would be sufficient similarity in program offerings, and in order to prevent "undercutting" between DCSEU and the Potomac Electric Power Company ("Pepco"), there would need to

PSC issued an Order creating such a Group, whose purpose is “to discuss technical details of EEDR program implementation and measurement,” and required that said Group include a member of the DCSEU Advisory Board.<sup>7</sup>

### **Board’s Attendance and Meeting Frequency in FY20**

In FY20, the Board met monthly, with the exception of December 2019 and September 2020, for a total of ten times. Of those ten meetings, five were held in person (October, November, January, February, and March) and five were held virtually (April, May, June, July, and August).

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be regular coordination, including during the post-implementation phase, to avoid confusion and to prevent negatively impacting DCSEU’s ability to achieve its performance benchmarks and ultimate success of their program.

<sup>7</sup>*Id.*, p. 4.



## II. Changes to Contract in FY20

### **FY20 Contract Modifications**

The DCSEU Contract was modified three (3) times (“Contract Modification Numbers M08, M09 and M10”) during FY20 to add \$440,000 to fund the implementation of the Sustainable Energy Infrastructure and Capacity Building Pipeline Program, add \$550,000 to implementation of a Low-Income Decarbonization Pilot Program, add four (4) new Tracking Goals, and modify the Green Jobs and Leverage Funds Performance benchmarks.

### **Contract Modification Number M08**

The Low-Income Decarbonization Pilot (“LIDP”) provided deep energy retrofits and installed solar photovoltaic (PV) systems on single-family homes owned or rented by low-income District residents that utilize natural gas or fuel oil as the primary source of heating and cooling. LIDP was designed and implemented to determine costs, greenhouse gas GHG reductions, lifecycle savings, benefits to the consumer, and roadblocks encountered when removing fossil fuel burning Heating Ventilation and Air Conditioning (HVAC) equipment from the homes owned or rented by low-income residents.

The DCSEU implemented the Sustainable Energy Infrastructure Capacity Building and Pipeline Program (“SEICBP Program”) to meet the needs outlined in the Clean Energy DC Omnibus Amendment Act of 2018, Section 402 which require DOEE to provide workforce development initiatives for District residents in energy-related fields, and a robust training and certification program to increase the participation and capacity of Certified Business Enterprises (CBEs) and CBE-eligible firms to engage in contracts and procurements related to professional services, energy efficiency and renewable energy design, construction, inspection, and maintenance. The SEICBP Program was designed to offset the challenges impacting the local green workforce including a shortage of skilled workers, lack of understanding of green job pathways and business opportunities, misalignment between District building needs and qualified contractors, and lack of coordination within training and credentialing opportunities.

Contract Modification M08 also added four (4) tracking goals that require the DCSEU to track and report on an annual basis the amount of GHG emissions reduced, net and lifetime energy savings, and the cost of energy saved.

### **Contract Modification Number M09**

Contract Modification M09 was an administrative modification needed to incorporate VEIC’s new Fringe and Indirect Rates into the DCSEU Contract (i.e., replace previous Attachments J.13 and J.14).

### **Contract Modification Number M10**

Additionally, the DCSEU Contract was modified in September 2020 to add definitions for “Washington Gas” and “Income Qualified Efficiency Fund,” modify the Ownership and Rights in Data section, and make minor adjustments to the Green Jobs and Leveraging External Funds Performance Benchmarks. The Green Jobs Benchmark was modified to replace the phrase “The Contractor shall create at least 88 full-time equivalent (FTE) green jobs each year of this Contract” with the phrase “The Contractor shall create 88 full-time equivalent (FTE) green jobs each year of this Contract.” This adjustment was necessary to avoid any misinterpretations on the minimum number of green jobs that the DCSEU is required to create each fiscal year. A similar adjustment was completed for the Leveraging External Funds Benchmark to clarify the amount external funds needed to meet the minimum and maximum performance targets.

### III. Legislative or Other Changes that Impacted the DCSEU

#### **FY17 DCSEU Contract: Exercise of the 5 Year Option Period (FY22 – FY26)**

In early 2021, DOEE announced to the Board the agency’s intent to exercise the 5-year “Option Period” (extension) of the DCSEU’s FY17-FY21 contract with Vermont Energy Investment Corporation. In July 2021, the Council unanimously approved the 5-year Option Period of the DCSEU Contract. The 5-year option period began on October 1, 2021 (FY22) and will end on September 30, 2026.

#### **Amendments to the Clean Energy DC (CEDC) Act:**

Since enacting the Clean Energy DC Act (CEDC) Act, in 2020 and 2021 the Council passed several emergency and temporary amendments to the law which made several technical changes to the CEDC Act that would be continuously effective, i.e., not expire after a certain date. These changes include:

Title III of the CEDC Act:

- 1) Section 301, Building Energy Performance Standards (BEPS) Program: Amended the deadlines for compliance and BEPS standards:
  - a. Delayed the deadlines by which smaller, privately-owned buildings must comply with DOEE’s new BEPS standard to give those buildings additional time to make the necessary energy efficiency or renewable energy upgrades:
    - i. The deadline for compliance for all privately-owned buildings with at least 25,000 square feet of gross floor area was extended from 2023 to 2027.
    - ii. The deadline for compliance for all privately-owned buildings with at least 10,000 square feet of gross floor area was extended from 2026 to 2033.
  - b. Amended the BEPS standard compliance cycle to be from every five years to every six years. In the original CEDC Act, DOEE was required to update the BEPS performance standards every five years. However, given that the time period for buildings to comply with a BEPS standard was also five years, this requirement did not provide DOEE with the additional time required to analyze data collected from each five year compliance period in order to establish new, updated BEPS standards for the next compliance period.
  - c. By providing DOEE with an additional year, i.e., update the BEPS standards every six years, DOEE will use the 6th year to analyze all the data collected during the prior five years as well as consider changes in the market to establish the new BEPS standards for the next compliance period.
- 2) Section 303, the Strategic Energy Management Plan (SEMP) for District government buildings: The SEMP’s goal is to reduce energy and water use across the DGS portfolio of

District government-owned buildings. The due date for the final version of the SEMP was extended from January 1, 2020 to January 1, 2021.

Title V of the CEDC Act:

- 1) Section 501, Transportation Emission Reduction: This section of the CEDC Act amended the District of Columbia Traffic Act of 1925 to mandate that DMV, with the assistance of DOEE, revise the calculation of excise tax to incorporate fuel efficiency. DMV is required to promulgate rules revising the calculation of the vehicle excise tax:
  - a. Section 501 was amended such that:
    - i. the deadline for DMV to issue rules revising the calculation of the excise tax was changed from January 1, 2020 to January 1, 2021.
    - ii. the change to the vehicle excise tax shall be “revenue neutral or revenue positive” instead of “revenue neutral.”

### **Building Energy Performance Standards (BEPS) program**

The BEPS program represents the biggest single regulatory program focused on existing building energy use and emissions, and as such, will likely be a substantial driver of DCSEU activity in the coming years. DC’s BEPS program is the first of its kind in the United States and many building owners would be hard pressed to meet these requirements without financial and technical support from the DCSEU.

As noted above, several legislative changes were made to the BEPS program which influence the timing of the program. These legislative changes support the more substantive rulemaking effort that has been pursued by DOEE in 2020 and 2021 to draft and finalize rules implementing the BEPS program. The first BEPS compliance cycle began on January 1, 2021, and an emergency rulemaking establishing BEPS standards was issued on the same day. The establishment of the BEPS standards was published as final on April 30, 2021 (20 DCMR 3530). DOEE published the first draft BEPS compliance regulations on December 4, 2020. In response to extensive public comments, DOEE revised the rules and published a second proposed rulemaking on July 23, 2021. A Final Rulemaking for BEPS compliance was issued on November 5, 2021.<sup>8</sup>

Approximately 170 million square feet of commercial and multifamily buildings do not yet meet the BEPS established this year, representing about a quarter of all the building floor area in the District. These buildings will be required to reduce their energy use by up to 20% by 2026.

The process of designing and implementing the BEPS has been advised by the BEPS Task Force. A representative of the DCSEU sits on the BEPS Task Force. No formal links exist between the BEPS Task Force and the DCSEU Advisory Board; however, since April 2021 one BEPS Task Force member now serves on the DCSEU Advisory Board as well. Further, the Board informally

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<sup>8</sup> Read the final rulemaking and other regulations at [https://dc.beam-portal.org/helpdesk/kb/Laws\\_and\\_Regulations/48/](https://dc.beam-portal.org/helpdesk/kb/Laws_and_Regulations/48/)

incorporated input from the BEPS Task Force in its execution of its statutory duty to advise on Pepco’s proposed EEDR programs. The cross pollination between the Board and the Task Force has been helpful for both entities. Building on this collaboration, the DCSEU Advisory Board recommends that the Mayor and Council consider creating a link between it and the Green Building Advisory Council in future DCSEU Advisory Board appointments.

### **Utility Energy Efficiency and Demand Response Programs:**

#### *CEDC Act Section 201: Utility Energy Efficiency and Demand Response Programs:*

Section 201 of the CEDC Act authorizes the Pepco or Washington Gas to submit an application to the Commission to administer energy efficiency and demand response (“EEDR”) programs, with the following requirements:

Section 201 directed the Commission to establish a working group, comprising of Pepco, Washington Gas, the DCSEU, and interested public stakeholders, to recommend long-term and annual energy savings metrics, quantitative performance indicators, and cost-effective standards. (Section 201(g)(1), D.C. Official Code § 8–1774.07 (g)(1));

Section 201 mandates that Pepco and Washington Gas consult and coordinate with DOEE, the DCSEU, and the DCSEU Advisory Board before submitting an application to the Commission to offer EEDR programs in the District that the utility can demonstrate are not substantially similar to programs offered or in development by the DCSEU, unless the DCSEU supports such programs. (Section 201(g)(4), D.C. Official Code § 8–1774.07 (g)(4)); and

Section 201 mandates that an application submitted by Pepco or Washington Gas pursuant to this section shall meet the long-term and annual energy savings metrics, which shall primarily benefit low- and moderate-income residential ratepayers to the extent possible, quantitative performance indicators, and cost-effective standards established by the Commission. (Section 201(g)(5), D.C. Official Code § 8–1774.07 (g)(5)).

#### *DCSEU Advisory Board Participation in CEDC Act Working Group*

On October 3, 2019, the Commission gave notice of the establishment of the Energy Efficiency and Demand Response Metrics Working Group (“EEDR WG”) The EEDR WG was chaired by Commission Staff and operated through the consensus of the participants. Membership in the EEDR WG was open to any interested party. The DCSEU Advisory Board was a member of the EEDR WG and the DCSEU Advisory Board Chair attended and participated in the EEDR WG’s meetings

The EEDR WG report was filed on January 20, 2020, and included the EEDR WG’s recommendations. The EEDR WG also recommended that the Commission reconvene the EEDR WG for an additional 120 days to discuss further the certain issues that still remained unresolved.

On March 12, 2020, the Board submitted its comments in response to the Commission's February 11, 2020 Public Notice seeking comments on the EEDR WG report. See Appendix A for the full text of the Board's comments submitted to the Commission.

On October 30, 2021, the Commission issued Order No. 20654 accepting the EEDR WG's report as filed. In addition, the Commission directed its staff to reconvene the EEDR WG to consider a limited number of unresolved issues. Some of the recommendations in the EEDR WG's report that were adopted by the Commission in Order No 20654 included the following:

- 1) The utilities EEDR programs will have a 3-year program cycle.
- 2) Pepco's EEDR programs will have an energy savings goal of 1% by Year 3 of the first EEDR program cycle and gross savings will be used to set the target.
- 3) The utilities would recover the costs of the EEDR programs through a new surcharge. The utilities will also create a regulatory asset with a 7-year amortization period for their EEDR program costs.
- 4) An EEDR potential study should be conducted sooner rather than later, and Pepco and Washington Gas shall each develop a scope of work and Request for Proposals (RFP) to share with the Commission and EEDR WG.

The reconvened EEDR WG met four times between December, 2020 and end of Feb, 2021, and the DCSEU Advisory Board Chair participated in the meetings. The EEDR WG filed its second report on April 27, 2021, which included a list of consensus and non-consensus issues.

#### *Pepco Coordination and Consultation with DOEE, the DCSEU, and the DCSEU Advisory Board*

As stated above, Section 201(g)(4) of the CEDC Act requires the utilities to consult and coordinate with DOEE, the DCSEU, and the DCSEU Advisory Board before submitting an application to administer EEDR programs in the District. Consistent with this requirement of the CEDC Act, from the Summer of 2020 through the Spring of 2021, Pepco held several meetings with DOEE, the DCSEU, and the DCSEU Advisory Board on its proposed EEDR programs and energy efficiency program coordination.

In May, 2021, Pepco made a presentation to the Board on its proposed EEDR programs and budgets. Board members had multiple concerns with the programs as proposed by Pepco. In particular, concerns that the similarity between DCSEU and Pepco programs for commercial customers—especially those subject to the BEPS—would create market confusion. Board members also had concerns about the size of the budget being proposed by Pepco, and whether it was disproportionate to the resources available to the DCSEU, and thus risked endangering the long-term viability of the DCSEU.

Subsequently, the Board requested additional data from Pepco, particularly on Pepco's proposed budgets. Board members also discussed Pepco's proposed EEDR programs and whether the Board had any feedback or comments on the proposed programs. In July, Pepco returned with an

updated set of programs which proposed the assignment of all buildings subject to BEPS to the DCSEU.

On July 28, 2021, DOEE, on behalf of Board, filed the Board's comments with the Commission. See Appendix B for the full text of the DCSEU Advisory Board's comments. In general, these affirmed that Pepco met its requirements to consult with the Advisory Board, and that certain changes were made as a result. The Board did not then offer any substantive judgement on the programs proposed by Pepco, and reserved its right to submit comments on the proposed programs when filed.

On August 2, 2021, Pepco filed its application to implement EEDR programs in the District with the PSC. On September 8, 2021, the Commission issued Order No. 21009, which invited interested parties to submit comments on Pepco's application by Tuesday, November 23, 2021. On November 15, 2021, the Board filed comment (attached hereto as Appendix C) supporting DOEE's request that the DC PSC approve the formation of a Technical Issues Group that would watch for overlap between programs proposed by the utilities and those offered by the DCSEU, and for the DCSEU and Pepco programs to remain complementary. On December 8, 2021, the PSC issued an Order creating such Group whose purpose is "to discuss technical details of EEDR program implementation and measurement," and required that said Group include a member of the DCSEU Advisory Board.

#### IV. Natural Gas Consumption

In 2020, the DCSEU exceeded both the minimum and maximum targets for the reduction in natural gas consumption. With verified results of 9,016,963 therms, the DCSEU exceeded the four-year cumulative minimum target of 5,797,438 therms by 56%.<sup>9</sup> The FY20 savings of 2,211,174 therms continue the progress in gas savings resulting in the DCSEU achieving the five-year minimum benchmark by 6% and being ahead of pace to achieve the maximum benchmark at 88% in FY20.<sup>10</sup> The savings achieved in FY20 are consistent with the FY17-FY19 performances for both annual savings and distribution of savings between programs.

Further investment, through utility administered energy efficiency programs, should serve to complement the DCSEU’s and achieve additional reductions in greenhouse gas emissions, thereby assisting the District in reaching its stated goal of Carbon Neutrality by 2050.

Though many variables can affect the cost for gross savings, “the DCSEU’s FY20 cost for gross gas savings (\$4.77/therm) is less than the cost for Philadelphia Gas Works (\$5.96/therm) from September 2019 to August 2020. While these comparisons are useful, it is important to understand that these jurisdictions have different markets, savings goals, regulatory requirements, cost-effectiveness tests, program maturity, and delivery systems, which may affect both costs and savings.<sup>11</sup>” “The cost of gas savings have risen by 49% since FY17 due largely to the launch of the Income Qualified Gas Efficiency Fund program in FY20.<sup>12</sup>”

**Table 1: Reduce Gas Consumption Benchmark Performance.**

Modified Gross Annual Gas Savings	Minimum Target (Therms)	Maximum Target (Therms)	Evaluated Savings	Percent of Minimum Target	Percent of Maximum Target
Year Four Cumulative Progress	5,797,438	6,820,516	9,016,963	156%	132%
Five-year Cumulative Progress	8,525,645	10,230,774	9,016,963	106%	88%

Source: DCSEU FY2020 Performance Benchmarks Report, NMR Table 7, p. 12.

<sup>9</sup> NMR Group, Inc Performance Benchmark Assessment of FY20 DC Sustainable Energy Utility Programs, p. 12.

<sup>10</sup> Id., p. 12.

<sup>11</sup> Id., p. 7.

<sup>12</sup> Id., p. 6.



Natural gas savings for FY20 achieved a 100% realization rate, a 5% decrease over FY19.

**Table 2: Modified Gross Gas Savings Verification.**

<b>Fiscal Year</b>	<b>Tracked Modified Gross Savings (Therms)</b>	<b>Realization Rate</b>	<b>Evaluated Modified Gross Savings (Therms)</b>
FY20	2,203,353	100%	2,211,174
FY19	2,718,547	95%	2,569,795
FY18	2,300,391	97%	2,237,961
FY17	2,114,138	95%	1,998,033
<b>TOTAL</b>	<b>9,336,429</b>	<b>97%</b>	<b>9,016,963</b>

*Source: DCSEU FY20 EMV Program Report. Page 12, "Table 6: Modified Gross Gas Savings Verification." NMR Group, Inc.*

## V. Electricity Consumption

In Fiscal Year 2020, the District of Columbia Sustainable Energy Utility (“DCSEU”) continued to build upon Fiscal Year 2019 which was characterized as the DCSEU’s best year since its inception in reducing electricity consumption. However, Fiscal Year 2020 proved to be unprecedented, as the District and its residents confronted the most challenging issue in our lifetime, to date, the COVID-19 pandemic. The pandemic markedly impacted lives and the sustainability and resiliency of communities and the economy. Collectively, the District has moved towards recovery, while continuing to focus on mitigating climate change through carbon reduction and clean energy technologies to meet the District’s landmark clean energy goals with an increased focus on equity and inclusion. During the public health emergency, the DCSEU pivoted to continue its engagement of varying customer segments, including the built environment that represents the greatest contributor to energy consumption and carbon emissions. However, the landscape and issues confronted by the commercial sector were and continue to be unique. DCSEU used video conferences to meet with customers and the execution of performance walk-throughs to explore potential new projects and to inspect projects that were implemented. The DCSEU saved 106,183 MWh of electricity in FY20, with over 12,000 MWh coming from solar installations. FY20 further positions the DCSEU to achieve the 5-year maximum benchmark for electricity savings, as stipulated in its multi-year contract. Throughout 2020, the DCSEU continued to implement a suite of programs, focused on diverse customer segments, including both residential and commercial customers.

NMR, in its Evaluation, Measurement and Verification Report, noted that while energy consumption patterns were substantially altered due to COVID-19, the net overall effect is likely a decrease in energy usage because commercial and industrial usage exceeds residential consumption. DOEE maintained the FY20 savings goals for the DCSEU. The evaluation considered a typical year and normal operations conditions. However, the Pay for Performance (P4P) program was adjusted to reflect usage under normal operating conditions to the extent possible.

Importantly, and consistent with the original objectives of the Clean and Affordable Energy Act, inclusivity remained a priority, ensuring that programs benefit all customers.

### **Select Programs (Highlights)**

Investments in energy efficient lighting for residential customers continued to be an area of focus for the DCSEU, recognizing that more residents were in their homes due to the pandemic. Therefore, the DCSEU considered various options for connecting with residential customers and extending the benefits of LED lights through access. The DCSEU implemented its “Don’t Get Caught in the Dark” marketing campaign to advance LED lighting and build relationships with DC residents. As an outcome, according to the DCSEU, 30,000 residential customers were served through the Efficient Products program. This resulted in 16,000 MWh in electricity savings. LED lighting, appliance and HVAC rebates were offered through various District retailers.

Recognizing that many fewer individuals were actually visiting retailers to purchase, the DCSEU began offering free Home Energy Conservation kits to all residents to reduce their energy usage and consumption regardless of income level. The DCSEU also launched the Online Rebates Center.

The DCSEU continued to be a leader in executing the Solar for All program. The DCSEU completed fifty community renewable energy facilities in FY20, which will represent an additional 6.4 MW of solar, reducing the electric bills of income qualifying residents. The DCSEU's Solar for All program is a separately funded program and is not tied to the SETF performance benchmark. In addition, 120 solar photovoltaic arrays were installed on single-family homes. Combining FY19 and FY20, the DCSEU will reduce electric costs for participating households by half, impacting 4,000 low-to-moderate-income residents. Based on DCSEU data, there will be \$30 million in electricity cost savings for these households over a period of fifteen to twenty years.

With a focus on equity and inclusivity, the DCSEU invested more than \$4,776,441 in energy efficiency in under-resourced communities in FY20 with SETF funds. Again, in FY20, the DCSEU exceeded the minimum benchmark for energy savings in low-income communities. Programs targeted affordable multifamily housing as well as clinics and shelters. Clinics and shelters have been included since FY16. The COVID-19 pandemic prevented people from receiving energy conservation kits in person. However, the DCSEU created a form that could be accessed online for LIHEAP recipients to request a kit. The DCSEU distributed 3,270 kits in FY20, resulting in \$125,000 in annual energy cost savings for the 3,270 households served. The DCSEU also continued to partner with food banks and distributed more than 15,000 LED lights to District residents. A new partnership with Dynamic Concepts, Inc., also resulted in 600 LED nightlight distributions.

In Fiscal Year 2020, the DCSEU, along with other partners, including DOEE, advanced a pilot program to decarbonize single-family homes in the District of Columbia. This initiative is being explored to recognize opportunities as well as challenges. The pilot involves solar installation, through the District of Columbia Solar for All program and replacing gas infrastructure with electric for approximately ten to fifteen income-qualified households. The DCSEU noted that two certified business enterprise completed ten sites in 2020.

### **Commercial and Institutional Programs**

In FY20, the DCSEU served Commercial and Institutional Customers through three primary programs: (1) Customer and Pay for Performance; (2) Instant Business Rebates; and (3) Business Energy Rebates. One hundred and ninety-six customers participated in the Pay for Preference program, resulting in 50,000 MWh of electricity savings. This program is focused on buildings in excess of 1,000 square feet. The DCSEU worked with several lighting distributors to offer rebates on energy efficiency lighting, resulting in \$1.97 million in first-year energy cost savings and \$565k in rebates at the point of sale. The Business Energy Rebate program provided assistance to

163 projects, resulting in \$677k in rebates and 12,000 in MWh first year electric savings. In 2020, the DCSEU has provided that 81,000 MWh of first year electricity savings were realized.<sup>13</sup>

### PJM Savings

Since the inception of the DCSEU, the DCSEU Advisory Board and the DCSEU recognized the importance of the DCSEU bidding energy savings into the PJM market; however, it was critical that a portfolio of programs along with corresponding proven savings be achieved prior to entering the bidding market. The DCSEU has been successfully participating for several years. Energy savings in 2020 resulted in revenue of \$426,343 in FY20 which was consistent with FY19.

### Performance Benchmarks

Pursuant to the DCSEU 2020 Annual Report, total first year electricity consumption from FY17 through FY20 was reduced by 488,103 MWh. The performance benchmark exceeds the maximum cumulative target in the 4<sup>th</sup> year.

**Table 3. Annual Performance Benchmark (Electricity Savings).**

	Goal Type	FY20 Actuals	FY20 Maximum Target	% of Maximum Target
Total electricity savings	Contractual	109,368 MWh	N/A	N/A
Electricity spend	Tracking	\$11,663,825	N/A	N/A

Source: Table 5. Annual Performance Benchmarks (DCSEU FY20 Annual Report).

**Table 4. Cumulative Benchmarks Progress (Total Electricity Savings).**

	Goal Type	Actuals October 2017-September 2020	Contract Minimum Target	% of Contract Minimum	Contract Maximum Target	% to contract maximum target
Total electricity savings	Contractual	488,103 MWh	403,539	119%	576,485	84%

Source: Table 2. Cumulative Benchmarks Progress (DCSEU FY20 Annual Report).

<sup>13</sup> Source: DCSEU Annual 2020 Report

## NMR Evaluation, Measurement and Verification

The Performance Benchmark Assessment of Fiscal Year 2020 conducted by NMR, Inc., found that the DCSEU achieved minimum targets for the five-year benchmarks. The minimum and maximum targets were also met for the portfolio electricity savings. In addition, the DCSEU surpassed the five-year maximum target for the renewable energy generating capacity benchmark. However, the DCSEU did not meet the maximum target for the low-income savings benchmark. The cost of saved energy for low-income programs also increased in FY20. The DCSEU Advisory Board, the District Department of Energy and Environment and the DCSEU have been engaged regarding the requirements of the contract, specific to this benchmark, and the variables that contribute to it not being met annually.

In 2019, NMR reported that the cost of DCSEU’s 2018 energy savings declined for electric efficiency programs, reflecting improved effectiveness of its operations.

The testing for cost-effectiveness concluded that the portfolio of programs is cost effective as a whole, which is consistent with prior years. NMR estimated that 97% of the DCSEU reported actual portfolio electric savings is 97% of the reported tracked electric savings, with most of the reduction being attributable to the Low-Income Prescriptive Rebate program. Based on NMR’s evaluation of savings through 2019, savings total was 378,735 MWh.

### Peak Demand Savings

NMR evaluated peak demand savings for the DCSEU and determined that 2020 demand savings were similar to FY18, with both years being higher than FY17. Due to the correlation between electric savings and demand savings, NMR concluded that the larger electric savings in FY18 and FY19 yielded higher demand savings than in FY17.

**Table 5. Modified Gross Summer Peak Demand Savings Verification.**

	Tracked Savings (MW)	Realization Rate	Evaluated Savings (MW)
Modified gross summer peak demand savings verification	16.1	95%	15.3

Source: Table 21. DCSEU FY20 EMV Program Report, NMR Group.

**Table 6. Evaluated Modified Gross Summer Peak Demand Savings Trends.**

	FY17	FY18	FY19	FY20
Evaluated modified gross electric demand savings during summer peak (MW)	12.4	21.4	22.4	15.3

Source: Table 22. DCSEU FY20 EMV Program Report, NMR Group.

In FY20, the DCSEU achieved peak demand savings of 1% of total system District peak demand usage.

### Program Cost Effectiveness

NMR determined that the DCSEU’s programs were cost-effective in 2020. NMR determined that the FY20 gross and modified gross first-year electric savings were (\$110/MWh) and \$106/MWh. This is not inclusive of renewable energy programs. NMR found that the DCSEU’s overall cost of saved energy is trending in the right direction. Findings were similar for energy efficiency programs. Of note is that the cost of saved energy for low-income programs increased in FY20.

An area that continues to require further review by the DCSEU Advisory Board, the DCSEU and DOEE is evaluation of the cost effectiveness of low-income programs as discussed earlier in the report.

**Table 7. Modified Gross Electric Savings Verification**

Year	Tracked Modified Gross Savings	Realization Rate	Evaluated Modified Gross Savings (MWh)
FY20	106,183	103%	109,368
FY19	155,799	97%	151,321
FY18	135,898	99%	134,728
FY17	93,958	99%	92,686
<b>Total</b>	<b>385,655</b>	<b>98%</b>	<b>378,735</b>

Source: NMR Performance Benchmark Assessment of FY20 (Table 5, Page 11) - Modified Gross Electric Savings Verification.

**Table 8. Reduce Electricity Consumption Benchmark Performance**

Modified Gross Annual Electric Savings (MWh)	Minimum Target (MWh)	Maximum Target (MWh)	Evaluated Savings (MWh)	Percent of Minimum Target	Percent of Maximum Target
Year Four Cumulative Target	345,891	403,539	488,103	141%	121%
Five-year Cumulative Progress	461,188	576,485	488,103	106%	85%

Source: NMR Performance Benchmark Assessment of FY20 (Table 6, Page 10)- Reduce Electricity Consumption Benchmark Performance.

**Table 9. Lifetime Modified Gross Electric Savings**

Year	Tracked Lifetime Modified Gross Savings (MWh)	Realization Rate	Evaluated Modified Gross Savings (MWh)
FY20	1,100,670	102%	1,118,104
FY19	1,807,714	99%	1,784,211
FY18	1,507,610	99%	1,496,844
FY17	1,140,086	98%	1,121,053
<b>Total</b>	<b>4,455,410</b>	<b>99%</b>	<b>4,403,108</b>

Source: NMR Performance Benchmark Assessment of FY20 (Table 27, Page 26) – Lifetime Modified Gross Electric Savings.

## Electricity Sales

The COVID-19 pandemic, which first arrived in early 2020, had a significant impact on electricity sales in the District of Columbia. Overall, electricity sales decreased by 10.9% in 2020 from 2019, with a 2.4% decrease in residential sales, while commercial sales fell by 12.7%. Future sales will continue to be heavily influenced by the persistence of Covid-19 and its impact on businesses and residents in the District of Columbia. It is expected that there will be a change as the District recovers from the pandemic. Over the longer trend line, in comparison to the historical DCSEU baseline years, the District of Columbia experienced a 16.9% reduction in overall actual annual electricity sales from 2007 to 2020, unadjusted for the weather. This decline took place at a time when there was significant population and development growth. The increased energy consumption that would normally correspond with increases in population and business development growth was partially offset by gains in energy efficiency and conservation delivered by the DCSEU, naturally occurring impact of increased local and federal efficiency codes and standards. The net results have permitted the District to prosper and grow, while at the same time, consuming less energy than otherwise would have been expected.

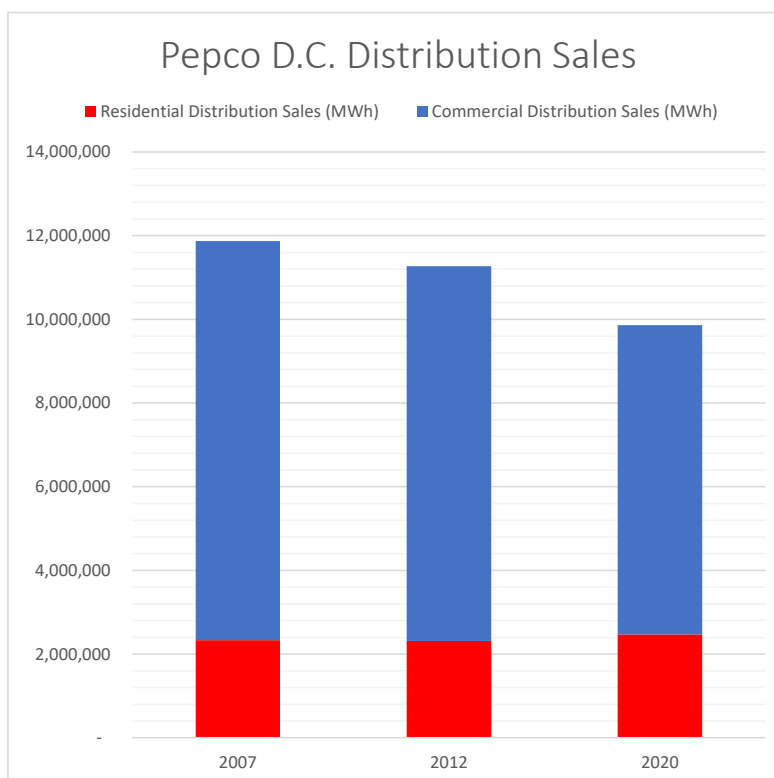
## Discussion of Residential and Commercial Sales

Residential sales have increased by approximately 5.9% from 2007 to 2020, while the population has increased by 23%, resulting in a per capita electricity sales decrease of 22.5% over the same period. There was a 3.1% increase in the number of residential accounts over the December 2019 to December 2020 period and a 2.4% decrease in residential sales. The driver of the decrease in sales is likely largely due to the Covid-19 pandemic and, to some degree, the continued adoption of more efficient housing stock and increased use of high-efficiency electric residential heating and cooling equipment and lighting.

Commercial energy sales of small and large commercial accounts, including rapid transit and streetlights, have been reduced by 22.5% over the past fourteen years from 2007 to 2020 (separate weather-adjusted sales are not readily available for residential and non-residential classes), and

there was a 12.7% decrease in sales between 2020 and 2019, as noted before, mostly due to the ongoing pandemic.

**Figure 1: Pepco Distribution Sales**



Source: Pepco.

The 2020, unadjusted for weather, Total Distribution sales for Pepco in the District was 9,859,615 MWh, while the weather-adjusted sales for the same period was 9,976,715. In addition, the corresponding sales for 2007 baseline year and 2012 have also been provided below. The purpose of this information is to provide a reference point to compare the historical changes of Pepco electricity sales in the District over the baseline year of 2007, 2012 and most recently, the year of 2020.

**Table 10: Pepco Historical Distribution Sales.**

Pepco D.C. Sales	2007	2012	2020
Residential Distribution Sales (MWh)	2,333,431	2,314,580	2,469,963
Commercial Distribution Sales (MWh)	9,535,788	8,957,241	7,389,653
Total Distribution Sales (MWh)	11,869,219	11,271,821	9,859,615
Total WN Distribution Sales (MWh)	11,761,691	11,221,915	9,976,715

Source: Pepco.



### Impact of Weather on Sales

Weather has not had a material impact on sales. The actual sales decline from 2007 to 2020 as previously noted was 16.9%, the weather-adjusted sales for the same period fell by just 15.2%. Weather’s impact over the last fourteen years has had a negligible impact of 1.8% on sales. Weather typically has a larger impact on residential buildings than commercial buildings due to their inherent thermal mass and typical shell and insulation characteristics.

### Residential and Commercial Actual Sales

The detail on residential and commercial classes are based on actual sales (unadjusted for weather). The commercial rate class from 2007 to 2020 saw a significant reduction of 22.5% and actual sales of residential have increased over 5.9% from 2007 to 2020. It is important to note that while the population in the District has increased by 20% from 2007 to 2020 (based on Census data effective April 1, 2020), the energy sales to residential customers have increased only 5.9% over the same period. This could be for a host of reasons, such as higher density residential living, more people per square foot of conditioned space and, at the same time, more efficient use of electricity in the housing stock within the District.

**Table 11: Pepco Weather-Normalized and Non-Weather-Normalized Sales Variance.**

Sales Change	2007 to 2012	2007 to 2020
Weather Normalized Total	-4.6%	-15.2%
Non-Weatherized Total	-5.0%	-16.9%
Actual Residential	-0.8%	5.9%
Actual Commercial	-6.1%	-22.5%

Source: Pepco.

Pepco recently completed a Residential Appliance Saturation Survey that indicates that from 2000 to 2015 there has been a general trend of increasing household size per dwelling unit from 2.2 to 3.4 persons. Most notably, there has been an increase from 50% to 76% in homes with central air conditioning (including Heat Pumps) and an increase in the use of electronic plug loads. Yet, with a moderate 2% increase, unadjusted for weather, Pepco DC residential electricity sales, when compared to a corresponding 20% increase in population, had the net effect of a 12% reduction in per capita consumption. This is an important outcome, reflecting residential customers on a per capita basis are far more efficient on a kWh basis in 2020 compared to 2007.

**Table 12: District of Columbia per Capita kWh Sales.**

Census Data	2007	2012	2020
Residential Population	574,404	635,630	689,545
Population change	N/A	11%	20%
Residential KWh Per Capita	4,062	3,641	3,582
Per Capital decline from 2007	N/A	-10%	-12%

Source: <https://www.census.gov/quickfacts/DC>

## VI. Comparison with Other Programs

While comparisons between utility efficiency programs are inherently complicated, a survey of statewide energy efficiency spending and savings shows DCSEU performs extremely well. The most recent comparison of efficiency savings across all states is the American Council for an Energy-Efficiency Economy State Energy Efficiency Scorecard for 2020, published in December 2020.

In terms of overall energy savings, the District of Columbia continues to lag behind leading states, ranking 9<sup>th</sup> in electricity savings (at 1.21% of electricity sales), and 7<sup>th</sup> in gas savings, at 0.72% of sales. By comparison, the top states, Massachusetts, Rhode Island, Maryland, and Vermont all have utility efficiency programs achieving each are seeing electricity savings of over 2% of annual electricity consumption. On the gas side, the top states of California, Massachusetts, and Rhode Island are all savings somewhat more, at 0.9% to 1.05% of annual consumption.

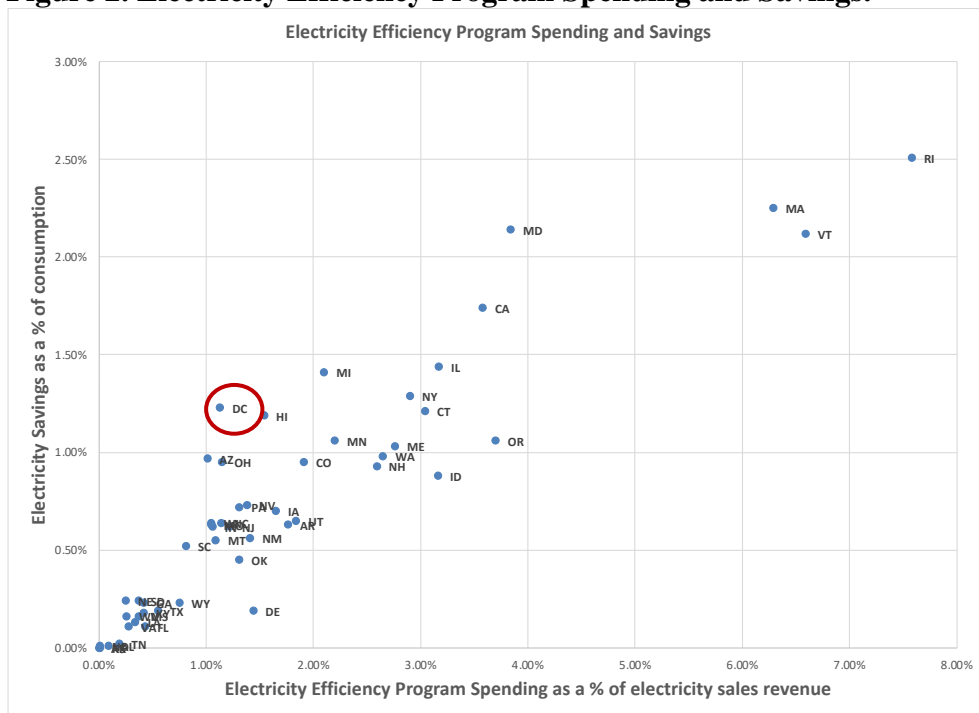
However, those states all spend substantially more on energy efficiency than the District of Columbia does.

According to ACEEE's 2020 State Energy Efficiency Scorecard, in 2019, the District of Columbia ranked 19<sup>th</sup> out of all states and territories in electric efficiency spending, with \$15.4 million allocated to electric efficiency initiatives, or approximately \$21.79 per capita. The top-ranked states spend two to five times as much—Rhode Island electric efficiency spending is \$98.24 per capita; Massachusetts, \$90.02 per capita; Vermont, \$88.46 per capita, and Maryland, \$45.58 per capita.<sup>14</sup> When you account for actual electric consumption and electric costs, and look at spending as a percent of electric utility revenues, DC's electric efficiency spending is even worse—whereas Rhode Island, Vermont, Massachusetts, and Maryland each spend 3.8% to 7.5% of utility revenue, DCSEU electric efficiency spending ranks 31<sup>st</sup> of all states at 1.13%. On gas programs, the District ranks 17<sup>th</sup>, with spending of about \$24.72 per residential customer, while leading states like Massachusetts and Rhode Island spend well over \$100 per residential customer. The comparison is illustrated in the figure below.

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<sup>14</sup> Berg, W., S. Vaidyanathan, B. Jennings, E. Cooper, C. Perry, M. DiMascio, and J. Singletary. 2020. The 2020 State Energy Efficiency Scorecard. Washington, DC: ACEEE. <http://www.aceee.org/research-report/u2011>

**Figure 2. Electricity Efficiency Program Spending and Savings.**



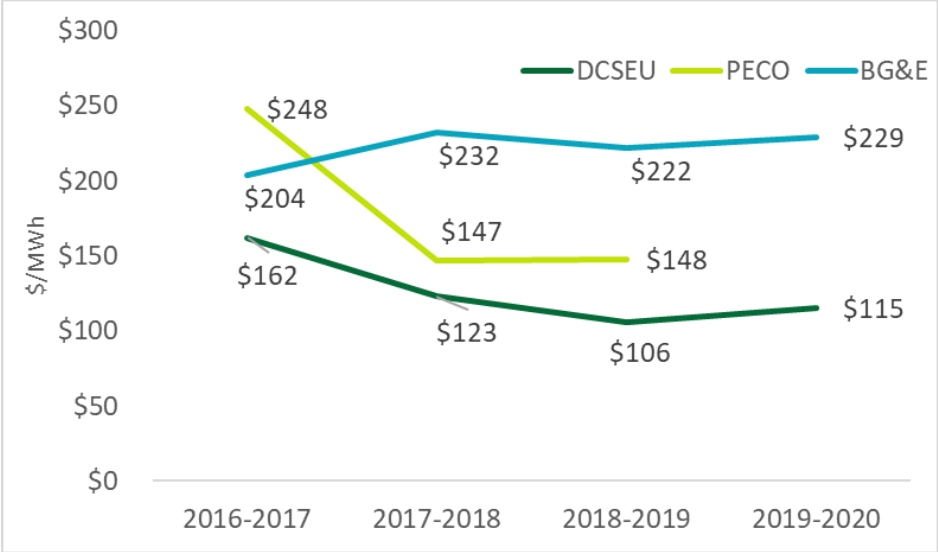
However, the true measure of the DCSEU is not how much it spends, which is fundamentally set by the Council and DOEE, but in how effectively it spends these dollars. This ratio of spending and savings can be quantified in the Cost of Saved Energy, or \$ spent to acquire 1 unit of energy savings. And on this metric, few programs do as well as the DCSEU.

On electricity, the DCSEU ranks 3rd nationwide for lowest acquisition costs in electric efficiency, at only \$115/MWh. By comparison, Maryland acquisition costs are 2 times as much, at \$207.54/MWh, while Vermont, Rhode Island, and Massachusetts all have acquisition costs over \$450. In part, this is to be expected—as the low-hanging fruit of energy efficiency are harvested, additional savings become more expensive. Maryland and the New England states undeniably have more longstanding and sophisticated energy efficiency programs, so costs there would be expected to be higher. But the DCSEU also compares well with other programs regionally that have far fewer energy savings. Virginia’s utility efficiency programs are relatively small, with savings equaling 0.11% of electricity consumption, yet acquisition costs in Virginia are \$237.77/MWh, similar to Maryland. Pennsylvania also boasts less savings than DC and higher acquisition costs, with savings of 0.72% and acquisition costs of \$184.86/MWh. The only states with anything close to the same level of high savings and low acquisition costs for electricity as DC are Arizona and Ohio—both of which have robust industrial efficiency programs, a sector that is particularly known for the high savings potential relative to cost.

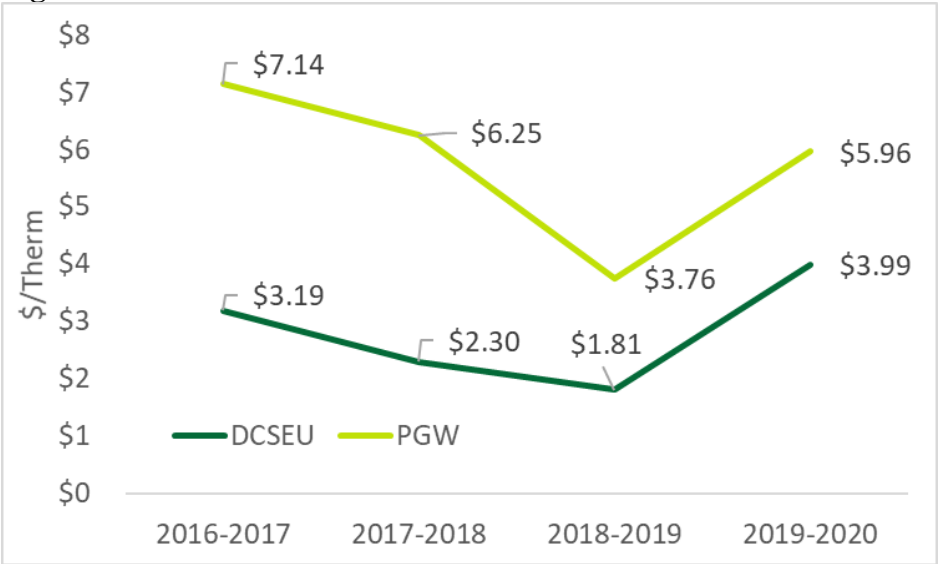
On gas, the DCSEU’s acquisition costs rank 10<sup>th</sup> out of 33 states with gas efficiency programs.

The Evaluator, NMR Group, also looked at this issue, and found that DCSEU has consistently beat out other regional utilities in the cost of saved energy:

**Figure 3.**



**Figure 4.**



In short, the Board sees that the DCSEU is a national leader in cost-effective energy efficiency program delivery, and believes that the main thing holding the DCSEU and the District back from achieving deeper efficiency savings is the total budget allocated to the program.

## VII. Increasing Renewable Energy Generating Capacity

As of April 9, 2021 the total number of solar energy systems certified by the PSC for the District's Renewable Energy Portfolio Standard<sup>15</sup> ("RPS") solar requirement included 11,402 systems, consisting of 8,661 solar photovoltaic systems, and 4 solar thermal systems<sup>16</sup> in the District. In addition, another 2,741 solar energy systems located outside of the District in the PJM Interconnection region states and states adjacent to the PJM Interconnection region were also certified by the PSC, as of April 9, 2021. The total reported generation capacity associated with these systems is about 165 MW, of which about 130.6 MW is located within the District.

There were 3,703 solar energy systems located in the District with a total capacity of nearly 64.8 MW that were certified by the PSC between September 30, 2019 – April 9, 2021, an increase in the capacity of approximately 74.7% over the previously reported time period (October 1, 2018 September 30, 2019).

In FY20, the DCSEU incentivized (\$/watt) 1,352 kW of capacity of solar PV systems at 14 sites using SETF funds. The DCSEU incentivized 12,561 kW of renewable generation capacity since FY17 with SETF funds, which represents 369% of the minimum cumulative benchmark and 314% of the maximum cumulative benchmark for the fourth year of the contract. The 12,561 kW figure represents 289% of the minimum five-year cumulative benchmark and 251% of the maximum benchmark.

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<sup>15</sup>For further information on the District's RPS Program, see the D.C. Public Service Commission's "Report on Renewable Energy Portfolio Standard for Compliance Year 2020" (May 3, 2021):

[https://dcpsc.org/PSCDC/media/Images/2021-RPS-report-FINAL-\(1\).pdf](https://dcpsc.org/PSCDC/media/Images/2021-RPS-report-FINAL-(1).pdf)

<sup>16</sup> Solar thermal systems are used for water heating.

## VIII. Increasing Energy Efficiency of Low-Income Properties

### **Increasing the Efficiency of Low-Income Properties**

The DCSEU achieved significant savings by increasing the efficiency of low-income properties but did not reach the maximum energy savings target for FY20. The Board commends the DCSEU for exceeding the minimum target and urged DCSEU to take action to achieve the maximum savings target in FY21. Significant income inequality in the District, exacerbated by the COVID-19 pandemic, underscores the need to maximize efforts to exceed meeting minimum standards.

The DCSEU benchmarks addressing low-income residents and the DCSEU's performance in achieving those benchmarks were in FY20:

- *Spend 20 percent of Sustainable Energy Trust Fund (SETF) funds on low-income housing, shelters, clinics, or other buildings serving low-income residents in the District.*
  - The DCSEU reported spending \$4,776,441 across seven low-income programs, which represents 125% of the target.
- *Achieve a minimum of 23,278 MMBtu savings from low-income programs, with a maximum target of 46,556 MMBtu.*
  - The DCSEU achieved a verified 37,995 MMBtu in energy savings from low-income programs, which represents 163% of the minimum target and 82% of the maximum target.

The DCSEU employs seven programs to achieve low-income property savings. Those programs are the:

- 1) Income-qualified gas efficiency fund;
- 2) Low-income solar renewable credit;
- 3) Income qualified efficiency fund;
- 4) Low-income multi-family comprehensive;
- 5) Low-income prescriptive rebate;
- 6) Retail lighting food bank; and
- 7) Low-income home energy conservation kit.

### **Program Community Impact**

The DCSEU's programs meaningfully benefit the low-income communities that they serve across the District. DCSEU's income qualified projects resulted in \$11.5m in lifetime cost energy savings. Additionally, DCSEU delivered 3,270 energy kits to District residents, partnered with 10 food banks to distribute more than 15,000 LED light bulbs to their customers, and also partnered with Dynamic Concepts, Inc. (DCI), to provide 600 safety kits containing hand sanitizer, sanitizing wipes, and LED nightlights to food bank customers. Finally, DCSEU has completed 82 energy saving projects in affordable multifamily housing, clinics, and shelters.

The Board commends the DCSEU's responsiveness to the COVID-19 public health emergency and urges the DCSEU to refine or develop programs in order to best meet the District's vulnerable residents' energy savings needs and achieve the maximum savings target. The continued economic challenges from COVID-19 highlight the urgency of achieving energy savings to benefit low-income residents and of continuing to find way to make these programs more cost-effective.



## IX. Green Jobs

Despite the impacts of COVID-19, DCSEU work enabled 88 FTE jobs in the green economy in FY20. From hiring DC residents as new staff members on the DCSEU team and supporting District businesses, to continuing to expand the Workforce Development Program, the DCSEU has succeeded in providing green job opportunities for DC residents.

The DCSEU welcomed its first Sustainability Fellows, recruiting two graduate students in the District who completed research projects related to DCSEU programs, complex environmental and sustainability issues, and innovation within the industry. The DCSEU also hired summer interns to work with DCSEU staff on Engineering, Account Management, and Program Management teams.

The Workforce Development Program has continued to grow as well. The Winter Cohort had 19 externs at 10 host sites, making it the largest cohort since the program's inception. Host sites where externs received mentoring were Greenscape Energy, WDC Solar, Dynamic Concepts, the District Department of Consumer and Regulatory Affairs (DCRA), DC Department of General Services (DGS), Washington Metropolitan Area Transit Authority (WMATA), RSC Electric, Metropolitan Washington Council of Governments (MWCOC), Catholic University, and Energy Shrink. Halfway through the cohort's externships and training, the DCSEU experienced the first impact of COVID-19, causing a shift to remote work and training.

Although working remotely might have presented a challenge, it offered opportunities for more firsts from the DCSEU. One of these was the program's first virtual graduation ceremony. More important, after graduation, 15 of 19 externs found full-time employment, embarking on new, green careers. By strengthening relationships with previous mentor organizations and building new relationships in FY20, DCSEU launched the Summer Cohort in July FY20. These externs will graduate in November 2020.

This year DCSEU also hosted our first Workforce Development Alumni Day; that event allowed externs to hear testimonials and advice from previous extern participants.

The DCSEU's Green Jobs contract performance benchmark target calls for the DCSEU to ensure that it creates or funds 88 full-time equivalent (FTE) green jobs in each year of the contract.<sup>17</sup>

This benchmark's objective is to measure jobs directly created for District residents resulting from the DCSEU's activities. The jobs created include jobs held within the DCSEU and those resulting from others in the District performing work directly associated with the DCSEU portfolio, i.e. the DCSEU's subcontractors. The benchmark excludes indirect jobs, which are created in support of direct jobs, such as suppliers of energy efficiency equipment, and induced jobs, which are created due to the economic impact of hired workers spending incomes within the District.

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<sup>17</sup> Contract No. DDOE-2016-C-0002, p. 49, § C.40.8.4.1.

The target and the metric for measuring the target are described in the contract modification applicable for FY20 as follows:

“The following criteria will be used in the calculations of what constitutes a green job for the purposes of this benchmark:

1. A green job or green-collar job is 1 FTE job held by a District resident who is paid at least a living wage<sup>18</sup> or a factor of \$200,000 of DCSEU’s direct cash incentives to end-use customers and/or manufacturers to buy down the cost of energy efficiency measures. No distinction is required for new versus retained jobs;
2. 1 FTE = 1,950 workhours and is applied to hours reported by the Contractor and its subcontractors. The Contractor shall report hours worked by submitting certified payrolls to DOEE; and
3. Only direct jobs are to be used in the green jobs calculation. Indirect (primarily suppliers to Contractor’s subcontractors or its second-tier subcontractors) and induced jobs (derived from a multiplier effect) shall not be counted.”<sup>19,20</sup>

“The Contractor shall receive 50% (or \$50,000) of the incentive available each fiscal year for achieving 75% (or 66 FTEs) of the number of green jobs specified in [the target]. [...] The Contractor shall receive pro-rated compensation per green job up to the maximum incentive available for this benchmark, for creating more than 75% [...] of the required number of green jobs for a given year...”<sup>21</sup>

The DCSEU worked with three teaming partners, eleven implementation contractors, and two workforce development organizations to meet the Green jobs benchmark.

Table 13 summarizes the DCSEU’s performance measured against the FY20 Green Jobs benchmark. The value of the FY20 total number of green jobs created was calculated in this way:

- **Payroll jobs.** DOEE provided a spreadsheet of payroll hours worked by DCSEU staff and subcontractors. These payroll hours were divided by 1,950 to calculate the number of FTEs. The results were 30.54 jobs for DCSEU staff and 24 jobs for subcontractors for a combined 54.5 (rounded) total of FTE jobs.
- **Jobs created by incentives.** There was an independent assessment to calculate the number of jobs created due to incentives: DCSEU distributed \$8,762,772 as incentives in FY20. Of this, \$2,069,854 flowed through subcontractors, and was therefore excluded as it had already been covered by the payroll calculation. The

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<sup>18</sup> The Living Wage Act of 2006 is Title I of the “Way to Work Amendment Act of 2006”, D.C. Law 16-118 (D.C. Official Code §2-220.01 to .11), which became effective June 8, 2006.

<sup>19</sup> For a more complete definition of indirect and induced jobs, see Executive Office of the President, Council of Economic Advisors, Estimates of Job Creation from the American Recovery and Reinvestment Act of 2009, May 2009, p. 6.

<sup>20</sup> Contract No. DDOE-2016-C-0002, p. 49, § C.40.8.4.2.1.

<sup>21</sup> Contract No. DDOE-2016-C-0002, p. 50, § C.40.8.4.4.1-2.

remaining \$6,692,919 was divided by \$200,000 as set forth in the contractual definition of green jobs. The result was 33.54 FTE green jobs created.

- **Total jobs.** Combining these components, the FY20 verified green jobs total is 88 FTE jobs. This exceeds the Minimum Performance Target of 66 jobs for this benchmark and represents 100% of the Maximum Performance Target.

**Table 13. Green Jobs Benchmark Summary – FY20**

Benchmark Description	Benchmark Minimum	Benchmark Maximum	DOEE Evaluation of FTE Jobs Created	Minimum Benchmark Achieved	Maximum Benchmark Achieved
Number of FTE green-collar jobs created for District residents as a result of DCSEU’s expenditures and activities	66	88	88	Yes (133%)	No (100%)

Source: Tables 16, FY20 Green Jobs Benchmark Performance, NMR, p. 19.

**Table 14. Green Jobs Summary- FY20**

Green Jobs Source	
Staff	30.54
Subcontractors- Install	5.90
Partners	3.07
WFD	14.95
Customer Incentives	33.54
Total	88.00

## X. Leveraging External Funds

The DCSEU brought in \$2,019,762 of supplemental funding in FY20. In total, the DCSEU leveraged \$3,008,482 across the four years of FY17-FY20, supporting its objective of meeting the 5-year cumulative leveraging Performance Benchmark of \$5 million. The FY20 total comprised \$426,343 in revenue from the DCSEU's participation in the PJM capacity market, \$4,000 in sponsorships, \$608 in donations, and \$1,588,811 in funding from Washington Gas for the DCSEU's Income-Qualified Efficiency Fund. This added to the DCSEU's annual core funding of \$20,000,000 SETF funds.

## XI. Reducing Growth in Peak Demand [Tracking Goal]

In its FY19 Annual Report (submitted November 30, 2020), the DCSEU Advisory Board encouraged DC Council and other relevant entities to initiate an effort to establish a comprehensive strategy to reduce the District’s peak demand and to furthermore consider the District’s role in PJM’s peak load hours (the 5 highest daily peak loads for all of PJM from June 1 – September 30) as well as Pepco’s zonal peak (the 5 highest daily peak loads for the entire year for the Pepco service territory<sup>22</sup>), rather than only considering the District’s load during a subset of summer hours as is currently the practice for DCSEU’s tracking goal, measured as the load between 2:00 PM and 6:00 PM from June through September. The 2020 PJM and Pepco zonal peak hours are listed below for reference.

**Table 15. 2020 PJM Capacity Peak Hours.**

	1	2	3	4	5
<b>Day of Peak</b>	7/6/2020	7/9/2020	7/20/2020	7/27/2020	7/29/2020
<b>Hour of Peak</b>	15	18	17	17	18

Source: Pepco PLC Capacity and Transmission Report.

**Table 16. 2020 PEPCO Zone Transmission Peak Hours.<sup>23</sup>**

	1	2	3	4	5
<b>Day of Peak</b>	7/6/2020	7/20/2020	7/21/2020	7/22/2020	7/27/2020
<b>Hour of Peak</b>	17	17	18	15	18

Source: Pepco PLC Capacity and Transmission Report.

Reducing “peak demand” is key to reducing overall demand for electricity or gas: peaker plants brought on by PJM during the times of year when electricity demand is highest (summer heat, exceptional cold in winter) are often the dirtiest power plants. Also, building out local utility infrastructure for the relatively few times a year when energy demand is the highest means higher rates for customers. The DCSEU, while potentially not well-positioned due to lack of access to meter data to be the sole owner and administrator of a peak demand program, is well positioned for other potential scope items required in a comprehensive approach to peak demand reduction, including incentive distribution and equipment installation.

Peak demand management, including PJM and Pepco zonal peak management, remains an important potential lever for the District to use to help achieve its ambitious GHG reduction goals. Zonal and ISO-level peak hours often correspond to the hours with the highest marginal emissions across the year, and a reduced PJM peak can additionally lead to a reduction in new fossil-based generation coming online as new capacity serving the PJM market. Furthermore, costs saved on transmission and distribution system upgrades required for higher PJM and zonal peaks can be invested instead in efforts to create a greener and more resilient grid.

In FY20, DCSEU’s electric savings programs resulted in a peak reduction of 0.8% of the District’s peak load, measured as the load between 2:00 PM and 6:00 PM from June through

<sup>22</sup> The Pepco service territory includes the District of Columbia and portions of Maryland.

<sup>23</sup> Source: Pepco PLC Capacity and Transmission Report:

[https://www.pepco.com/DoingBusinessWithUs/PublishingImages/Pages/MD/RegisteredSuppliers/2021\\_PEPSCO\\_PL\\_C%20Capacity%20and%20Transmission%20Report\\_Web.docx](https://www.pepco.com/DoingBusinessWithUs/PublishingImages/Pages/MD/RegisteredSuppliers/2021_PEPSCO_PL_C%20Capacity%20and%20Transmission%20Report_Web.docx)

September. This was a decline from FY18 and FY19 due to lower electric savings achieved in FY20 compared to prior years. This is a tracking goal only, meaning there was no numeric target and no financial incentive for performance.

NMR evaluated peak demand savings for the DCSEU and determined that 2020 demand savings were similar to FY18, with both years being higher than FY17. Due to the correlation between electric savings and demand savings, NMR concluded that the larger electric savings in FY18 and FY19 yielded higher demand savings than in FY17.

**Table 17. Modified Gross Summer Peak Demand Savings Verification.**

	Tracked Savings (MW)	Realization Rate	Evaluated Savings (MW)
Modified gross summer peak demand savings verification	16.1	95%	15.3

Source: Table 21. DCSEU FY2020 EMV Program Report, NMR Group.

**Table 18. Evaluated Modified Gross Summer Peak Demand Savings Trends.**

	FY17	FY18	FY19	FY20
Evaluated modified gross electric demand savings during summer peak (MW)	12.4	21.4	22.4	15.3

Source: Table 22. DCSEU FY20 EMV Program Report, NMR Group.

During the writing of this report, the term for the new 5-year DCSEU contract (FY22-FY26) has started without a peak demand reduction performance goal due to the data access and multi-agency coordination challenges noted above.<sup>24</sup> The GHG reduction goal established with the start of the FY22 performance year will likely lead the DCSEU to target high emissions hours that will likely correspond more closely to zonal and ISO peaks. However, the Advisory Board continues to urge the Council to consider establishing a comprehensive approach to address peak demand that appropriately harnesses the strengths of the DCSEU as well as other involved agencies.<sup>25</sup>

<sup>24</sup> The Board has long questioned whether Section 201(d) of the original Clean and Affordable Energy Act of 2008 (“CAEA,” D.C. Law 17-250, effective October 22, 2008), which required that the “SEU contract shall provide that the DCSEU shall, at a minimum, .... [r]educe the growth of peak electricity demand in the District of Columbia”, should be reinstated. Section 6092 of the Fiscal Year 2016 Budget Support Act of 2015 (D.C. Law 21-036, effective October 22, 2015) amended the CAEA so as to only “[r]equire the SEU to track and report to DDOE, at least semiannually, on the reduction of the growth in peak electricity demand... due to DCSEU programs.” (D.C. Official Code § 8-1774.01(d)).

<sup>25</sup> Some examples to explore are the Connected Solutions program in MA, CT, and RI; the recent ACT 129 program in PA; and the recently passed CEJA legislation and related programming in IL.

## XII. Reducing Growth in Largest Energy Users [Tracking Goal]

2020 created a unique situation within the commercial real estate sector. While many of the District’s largest energy users continued to make changes to reduce their energy usage and become more efficient, the process was skewed due to the COVID-19 pandemic. According to the U.S. Energy Information Administration (EIA), the District’s total electricity consumption in 2020 was the lowest since 1989, as many of the city’s office buildings scaled back operations during the COVID-19 pandemic and employees worked from home.<sup>26</sup> It is expected that the 2021 numbers may be slightly higher as more and more commercial tenants return to their offices. As part of the push to fight COVID-19, buildings within the District were required to implement minimum standards within their Heating, Ventilation and Air Condition (HVAC) to comply with building safety standards.<sup>27</sup>

As it relates to the actual tracking of usage and subsequent benchmarking, the aforementioned changes in occupancy and energy usage, made this difficult. To complete an actual year over year comparison, one would have to compare properties that were fully opened and operational in 2019 against buildings that were closed in 2020. Based on these efforts, not only was the actual benchmarking for 2020 not completed, but the District Department of Energy & Environment (DOEE) actually provided a one-year delay for all performance and reporting requirements for all buildings subject to the Building Energy Performance Standards (BEPS). This new round of benchmarking coupled with the expected changes in building performance based on BEPS compliance is expected to continue the gains made over previous years as unlike any state, the commercial sector consumes most of the energy in the District.

**Table 19. Evaluated Large Energy User Trends**

Measurement	FY17	FY18	FY19	FY20
Number of large energy users with completed projects	104	127	89	165

Source: NMR Group, Inc. Performance Benchmark Assessment of FY20 DC Sustainable Energy Utility Programs, p. 23, Table 23: FY20 Large Energy User Trends.

<sup>26</sup> U.S. Energy Information Administration District of Columbia State Energy Profile <https://www.eia.gov/state/print.php?sid=DC>

<sup>27</sup> In conjunction with the Centers for Disease Control (CDC), the American Society of Heating, Refrigerating and Air-Conditioning Engineers established a minimum set of operational standards to protect tenants and guest from SARS-CoV-2 (COVID-19) <https://www.ashrae.org/technical-resources/resources>

**Table 20. Fiscal Year 2020 Large Energy User Sites**

<b>Program</b>	<b>Number of Unique Sites</b>
Solar PV Market Rate	4
Commercial Interior Retrofit - Equipment Replacement	49
Market Transformation Value	6
Commercial Upstream	176
Retrofit - Custom	83
Market Opportunities - Custom	17
New Construction - Custom	5
Pay for Performance	10
Low-Income Multifamily Comprehensive	29
Residential Upstream	5
<b>Total</b>	<b>380</b>

Source: NMR Group, Inc. Performance Benchmark Assessment of FY20 DC Sustainable Energy Utility Programs, p. 23, Table 23: FY20 Large Energy User Sites.



### XIII. Innovation

The DCSEU has discretionary funding every year for piloting “innovation” projects that aren’t governed by benchmarks. In October 2019, the DCSEU brought together representatives from DOEE, the Sierra Club, and the contracting community to discuss the benefits and challenges in building a program to “decarbonize” single-family homes in the District, in other words, to convert the building to non-carbon based fuel for heating (space, water, cooking). The result was a one-year DCSEU Low-Income Decarbonization Pilot Program involving a partnership with DOEE to reduce carbon emissions from approximately 10 to 15 income-qualified single-family homes<sup>28</sup>. The strategy incorporated solar PV systems through Solar for All, and replaces natural gas or oil systems with electric systems in each home. The DCSEU worked with two CBE contractors to complete these conversions in 10 homes. COVID-19 complicated the program by causing equipment delivery delays and problems with safe access to customer homes; however, the DCSEU overcame those challenges and the pilot was completed at the end of FY20. The Board is hopeful that a report on the pilot program will provide valuable information on the costs, benefits, and issues when broaching residential electrification and GHG reduction, (in low income homes which can involve special challenges tied to deferred maintenance) or that such information can be obtained from other sources.

Two important markets comprising some of the District’s largest energy users are federal government facilities and colleges and universities. In FY20, the DCSEU piloted Strategic Energy Management (SEM) training initiatives for both markets. The dual objective was to deepen customer relationships and make a lasting impact on how they can use behavior changes to lower energy consumption at their facilities. The DCSEU also began recruitment for the Colleges and Universities’ SEM Cohort initiative in Fall 2019. The DCSEU intended to launch it in Spring 2020, but had to curtail it because of COVID-19. However, in addition to continuing the University Roundtable forum, the DCSEU helped this market understand ways to meet BEPS, via training and outreach events across the C&I market throughout FY20.

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<sup>28</sup> To qualify, homes must be verified as 80% area median income (AMI) or less.

## XIV. Societal Cost Test

### **Background**

The DCSEU contract requires that the Energy Efficiency program portfolio as a whole meet a cost-effectiveness test at the end of the 5-year based period. The DCSEU uses a Societal Cost Test (“SCT”). The SCT is calculated by dividing the present value of total benefits by the present value of total costs, using a social discount rate to determine both totals. A societal benefit-to-cost ratio of 1.0 and greater is considered cost-effective.

For each project in the DCSEU’s, the DCSEU typically screens all proposed energy efficiency measures that the DCSEU incentivizes monetarily for cost-effectiveness. This is done using the SCT. If the test deems that the proposed measure will cost more than the dollar value of the benefits it will provide, then the DCSEU generally will not incentivize the measure on the basis that it is not a good use of the ratepayer funds that finance the DCSEU’s program. The DCSEU Contract does allow for some exceptions by virtue of the fact that it is the portfolio of programs, when taken as a whole, that must meet the test not each individual program.

The SCT is one of several nationally recognized cost-effectiveness tests that are used to screen for project benefits - both monetary savings from reduced energy use and non-energy benefits such as health and environmental benefits. An independent analysis of the DCSEU’s portfolio of energy efficiency and renewable energy programs is conducted by an experienced evaluation, measurement and verification Contractor selected by DOEE. The DCSEU’s program portfolio has been found to be cost-effective for every year of the Contract to date, including in FY20.

### **Non-Energy Benefits Adders**

The total value of benefits screened through the SCT includes both the monetary impact of the incentivized measure (lowered utility bills from energy savings) as well as additional amounts (or “adders”) to account for “Non-energy Benefits” of the measure (estimated at 5%) and for “Environmental Externalities” (an additional 5%).

Non-energy benefits include comfort, noise reduction, aesthetics, health (from improved air quality) and safety, ease of selling/leasing home or building, improved occupant productivity, reduced work absences due to reduced illnesses (e.g., asthma), ability to stay in home/avoided moves, and macroeconomic benefits. “Environmental Externalities” include benefits from reducing air and water pollution, greenhouse gas emissions, and cooling water use.

Following a Board recommendation in 2019, the DCSEU considered adding a “low income” adder to its energy efficiency programs as well as increasing the existing “Non-energy Benefits” adder from 5%. Upon examination, the DCSEU through a calculation provided by DOEE’s third-party evaluator NMR Group Inc. found that when bumping a 5% adder to a hypothetical 25% level, a single project may become cost-effective or more cost-effective. However, such an increase would not make a significant difference to the value of the portfolio as a whole. Therefore, the DCSEU moved away from requesting consideration for the idea of increasing non-financial adders from its

Contract. The Board will investigate whether any updates to SCT inputs are needed and may provide future recommendations.

### **Societal Cost Test Exceptions**

With respect to programs administered by the DCSEU that are not funded as part of the core DCSEU contract (e.g., Low-Income Solar for All and the Low-Income Decarbonization Pilot Program), no Societal Cost Test is applied.

## XV. CBE Requirements

In FY20, DCSEU had a CBE spend requirement of \$7,000,000. DCSEU spent a total of \$12,566,910 (figure includes the Solar for All Program). The DCSEU worked with 19 CBE contractors, distributors, vendors, and retailers in FY20.

## XVI. Engagement and Outreach

In the first quarter of FY20, the DCSEU continued its lighting and smart thermostat campaign with placements in outdoor, print, and digital outlets. The team also met with Think Local First to determine partnership opportunities to reach DC small businesses with information about the DCSEU's rebates and other sustainability issues facing that market. The DCSEU participated in 8 outreach events in the first quarter, including the Mayor's Senior Holiday Celebration, the Washington DC Economic Partnership's (WDCEP) Annual Showcase, and the Pepco Energy Assistance Summit.

In January the DCSEU planned a Small Business Campaign that launched on February 14. The campaign comprises print and digital advertising with 2 offers from the DCSEU, including a free audit/walkthrough for up to 20 small businesses with a DCSEU engineer, as well as enhanced rebates for small businesses under 10,000 square feet. The campaign ran through the end of May 2020, and the DCSEU incorporated increased rebates more permanently for this market. The DCSEU also continued to push its lighting and smart thermostat rebates to District residents through print and digital advertising.

On January 21, the DCSEU partnered with Unity Health Care on a Winter Coat Drive and Giveaway event at Unity's Ward 7 clinic as part of its Martin Luther King, Jr. Day of Service. The team served more than 100 residents, providing winter coats, hats, gloves, and other clothing to those in need. The event was supported by WaWa, the Lead by Example Foundation, and EcoAmerica.

On February 11, DCSEU Director Ted Trabue participated on a panel at the National Association of Regulatory Utility Commissioners (NARUC) Winter Policy Summit in Washington, DC. Trabue presented on the DCSEU's impact on the community through its programs as part of a panel with the topic of "A New Approach to Energy Affordability." Also on the panel were Neil Chatterjee, Chairman of the Federal Energy Regulatory Commission, and Elizabeth Stein from the Environmental Defense Fund.

For the Solar for All program, the DCSEU provided communications and marketing guidance to both Single-Family and Community Renewable Energy Facility (CREF) subcontractors and developers on their upcoming Solar for All work. The DCSEU is created new marketing materials and continues to drive leads to the Single-Family program through the DCSEU website.

The DCSEU Marketing and Communications Team pivoted its outreach efforts in April due to the COVID-19 pandemic. In the residential market, DCSEU knew there would be customers struggling to pay their energy bills and began planning ways that they could support them. Due to reduced customer traffic in participating retailers who sell DCSEU-discounted LED lighting, the team began planning the launch of a campaign for free market-rate Energy Conservation Kits. The offer was launched in August and was promoted via paid advertising on bus shelters; digital advertising with Congress Heights on the Rise, Facebook, Google Ads, and geofenced ads; print and digital ads in *Capital Community News* and the *Washington Informer*; and through the DCSEU's newsletter and social media. Nearly 1,000 kits were requested by customers. In addition, the team worked closely with DOEE's LIHEAP and Solar for All teams to ensure income-qualified customers were aware of their eligibility for free income-qualified Energy

Conservation Kits. These kits were normally requested in person at the DOEE's Service Centers, which have been closed during the pandemic. In order to ensure they could still access kits, the DCSEU developed a web form where customers could request kits and sent a letter (English/Spanish) to approximately 1,200 LIHEAP recipients encouraging them to request a free kit.

With no in-person community outreach possible, the DCSEU worked with the food banks where the DCSEU distributes LEDs to income-qualified customers and provided Safety Kits to these residents. The Safety Kits included hand sanitizer, soap, sanitizing wipes, and an LED night light; 600 kits were distributed to residents. The DCSEU received leveraged funding from local contractor Dynamic Concepts, Inc. (DCI) in support of the Safety Kits.

In May, the team joined the Office of the People's Counsel (OPC), the Public Service Commission (PSC), and DOEE on a joint public awareness campaign entitled #Here2HelpDC designed to inform DC residents about consumer protections, consumer assistance, and energy-saving programs, services, and tips under one campaign. The campaign included a press release, an appearance on the *Washington Informer's* WIN-TV program, and a webinar designed to reach DC residents in September. Work has continued in FY21 on the campaign to include a website created by the PSC and a video created by the DCSEU, along with coordination with DMOI and the utilities.

The team also wanted to stay connected to the commercial and institutional (C&I) market, especially those most impacted by the pandemic. In April, the team extended its Small Business Campaign, which included an offer of a free remote energy audit and enhanced rebates on efficient equipment. The campaign was promoted via email outreach to small businesses, and paid advertising with the *Washington Business Journal* in May and with the Restaurant Association of Metropolitan Washington (RAMW) in September. Small business outreach included participation in webinars with CNHED and DOEE to present the DCSEU's offerings. In May, the team also arranged a sponsorship at BISNOW's Virtual Town Hall on health care facilities and the impact of COVID-19 on operations. The DCSEU's Account Manager for hospitals and health care facilities was able to present information about the DCSEU in front of more than 300 virtual attendees. In June, the team worked with the Account Management and Engineering teams to design a guide for K-12 schools entitled "Summer Shutdown for Energy Savings: Energy Savings Guide for K-12 Schools" designed to help schools find low-and-no cost ways to save energy, as well as recommending priorities for often-deferred maintenance.

Finally, for contractors, the team supported the Sustainable Energy Infrastructure Capacity Building and Pipeline (SEICBP) Program. The team promoted training opportunities to contractors, especially CBEs, via eblasts, a web page, and through partnerships with the Coalition for Nonprofit Housing and Economic Development (CNHED) and the Department of Small and Local Business Development (DSLBD). Between June and September, the DCSEU provided a total of 19 training opportunities for the staff of CBE and non-CBE businesses, all at no cost to the registrants. A total of 111 people representing 72 different businesses registered for at least one training, with more than 300 registration slots filled. As part of these efforts, the DCSEU also worked with DOEE to promote free third-party benchmarking verification services, especially to affordable multifamily property owners and managers.

The DCSEU received more than 50 earned media hits in FY20, including mentions in publications such *Greater Greater Washington*, *Hill Rag*, *Renewable Energy Magazine*, *The DC Line*, *Commercial Property Executive*, and *GreenBiz*. The DCSEU’s Managing Director was interviewed as part of *The Atlantic’s* event “Blueprint: An Atlantic Summit on Infrastructure and Transportation.” Other participants included the Chief Technology Office for GE Renewable Energy, the Director of Sustainability for the City of Baltimore, and the President of the Large Public Power Council. Website users increased by 37% in FY20 over FY19 traffic.

## XVII. Going Forward

FY20 and FY21 required significant efforts by the DCSEU, DOEE, and the Advisory Board to navigate novel challenges posed by Covid-19 to DCSEU operations, explore incentive changes required to ensure the DCSEU's performance benchmarks remain aligned with District climate objectives in the context of more ambitious building energy performance standards, negotiate a sustainable balance with new legislation allowing Pepco and Washington Gas to offer energy efficiency and demand response programs, and ultimately to make a decision on the next phase of procurement for the DCSEU after the completion of the initial 5 year term with VEIC. At the time of this report, the inaugural 5-year contract with VEIC has concluded, with indications of a high rate of overall success in meeting 5-year benchmarks, and a 5-year renewal term option has been confirmed by Council for FY22-FY26.

There are several areas where the Advisory Board plans to focus for the remainder of FY22 to best support DOEE and the DCSEU:

1. Continued participation in Formal Case No. 1160 in the Advisory Board's capacity as a member of the Energy Efficiency and Demand Response Working Group ("EEDR WG") convened by the Public Service Commission, and in fulfillment of the role assigned to the Board by the CEDC. The Advisory Board plans to continue efforts to ensure that DCSEU and any potential utility-run programs are structured in a reasonable and sustainable way.
2. Advising on and supporting new programming efforts by DCSEU and DOEE:
  - a. In FY22 the Department of Energy and Environment (DOEE) is launching the Affordable Housing Retrofit Accelerator, a new stimulus-funded multi-year program designed to deliver direct technical and financial assistance to help affordable multifamily buildings meet the compliance requirements of the nation's first Building Energy Performance Standards (BEPS) program. The DC Sustainable Energy Utility (DCSEU), along with the DC Green Bank, is a core partner in this effort. The DCSEU's role is to help building owners uncover energy savings opportunities and improve building energy performance through measures such as energy audits, technical guidance and consultation, incentives, direct installations, and more.
  - b. Programmatic response to new federal energy appliance and light bulb efficiency requirements, and updated local codes.
  - c. Acceleration of fuel switching pilot efforts to advance electrification.
3. Monitoring and supporting progress towards benchmarks that were substantially changed for the new 5-year contract, notably:
  - a. The addition of a performance benchmark targeting GHG reductions. Meeting this benchmark will require adoption of marginal emissions tracking and accounting that was not previously required nor directly incentivized, as well as potentially navigating a changing marginal emissions profile of the grid.



- b. A new approach to the Renewable Energy Generating Capacity benchmark that requires that solar projects additionally include energy efficiency measures on the targeted facilities. This will be monitored for positive “market mover” impacts, as well as potential drawbacks if project qualification rates are low or required efforts are onerous.
  - c. Deep Energy Retrofit incentives: The inclusion of this carveout was a result of a major collaborative effort between multiple external stakeholders, the DCSEU, DOEE, and the Advisory Board and will be monitored for success as a new approach for a limited number of DCSEU projects.
- 4. Continued advancement of DCSEU’s role in peak demand reduction efforts, as or when a comprehensive approach towards reducing the district’s peak demand is defined by Council.
  - 5. Onboarding a significant cohort of new Advisory Board members and ensuring the new talents and perspectives are appropriately channeled for the maximum positive impact on the DCSEU.

As a result of intensive efforts in FY20 and FY21 to finalize a new 5-year contract, the DCSEU is positioned to scale the use of innovative approaches to energy and GHG reduction in the District for the remainder of FY22 and in future years. The Advisory Board looks forward to helping to support and advance the success and impact of those efforts.

XVIII. Appendix A – Board’s Comments on FC1160 Filed March 12, 2020

ELECTRONIC FILING

March 12, 2020

Ms. Brinda Westbrook-Sedgwick  
Public Service Commission  
Of the District of Columbia Secretary  
1325 G Street, NW, Suite 800  
Washington, DC 20005

**Re: Formal Case No. 1160 -- In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201 (B) of the CleanEnergy DC Omnibus Amendment Act of 2018.**

Dear Ms. Westbrook-Sedgwick:

The Sustainable Energy Utility Advisory Board (SEUAB, D.C. Official Code § 8–1774.03) submits the enclosed Comments in Response to the Public Service Commission of the District of Columbia’s February 11, 2020 Public Notice. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

By: /s/ Bernice Corman  
BERNICE CORMAN  
Chair, Sustainable Energy Utility Advisory Board  
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cc: EEDR Working Group Participants

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE DISTRICT OF COLUMBIA**

**IN THE MATTER OF:** )  
 )  
**In the Matter of the Development of Metrics** )  
**for Electric Company and Gas Company** )  
**Energy Efficiency and Demand Response ) Formal Case No. 1160**  
**Programs Pursuant to Section 201 (B) of the** )  
**CleanEnergy DC Omnibus Amendment Act** )  
**of 2018** )

**COMMENTS OF THE SUSTAINABLE ENERGY UTILITY ADVISORY BOARD IN  
RESPONSE TO ENERGY EFFICIENCY AND DEMAND RESPONSE METRICS  
WORKING GROUP REPORT**

The District of Columbia Sustainable Energy Utility (“DCSEU” or “SEU”) Advisory Board (“Board”) respectfully submits these comments to the Public Service Commission of the District of Columbia (“DC PSC,” “PSC,” or the “Commission”), in response to the Commission’s February 11, 2020 Notice issued in Formal Case 1160, announcing a public comment period on the Report submitted by the Electric Company and Gas Company Energy Efficiency and Demand Response Programs Working Group (“EEDR Metrics Working Group” or “Working Group”). The Working Group was convened by the PSC, pursuant to Section 201(B) of the CleanEnergy DC Omnibus Amendment Act of 2018 (“CEDC”) in Formal Case 1160, which Act clarified a role for the District’s electric and gas utilities in offering energy efficiency and demand reduction programs. The Act specifies that “after consultation and coordination with the Department of Energy and the Environment (“DOEE”) and the District of Columbia Sustainable Energy Utility and its advisory board,” the utilities may apply to the DC PSC to offer EE and DR programs in the District that they “can demonstrate are not substantially similar to programs offered or in development by the SEU, unless the SEU supports such programs.”

Pursuant to Section 204(g) of the Clean and Affordable Energy Act of 2008 (“CAEA”), the Board is required to report each year on the DCSEU’s performance.<sup>1</sup> In its Report on the DCSEU’s FY17 performance, the Board called for an examination into the DCSEU’s

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<sup>1</sup> Section 204 of the CAEA established a DCSEU Advisory Board, which is required to provide advice, comments and recommendations to the DOEE and the Council regarding the procurement and administration of the SEU contract; advise DOEE on the performance of the DCSEU under the DCSEU contract; and monitor the performance of the DCSEU under the DCSEU contract. Members of the Board are appointed by either the Mayor or the Council, and represent specific industry sectors or have certain areas of expertise, including in renewable energy, green jobs, low-income, and building construction and management. Board members also include representatives from the District’s utilities, Office of People’s Counsel, and the DC PSC.

benchmarks. In particular, the Board asked whether the DCSEU's incentive structure is sufficiently aligned with and furthers the implementation of the District's overall clean energy agenda. In short, the CAEA, which established the SEU, focused on energy savings, while many of the Mayor's and the Council of the District of Columbia's (Council's) recent statements have focused on greenhouse gas reductions. The DCSEU presently reports on greenhouse gas reductions achieved through its implementation of its programs, namely by applying a formula that converts energy savings into greenhouse gas reductions. But the DCSEU is not specifically rewarded (or penalized) for its achievement of, or its failure to achieve, greenhouse gas reduction targets. The Board therefore questioned whether it should recommend an alignment of the DCSEU's energy savings targets with the District's greenhouse gas reduction goals, and if so, the means with which to do so.<sup>2</sup>

As the Board recognizes that the CEDC, among other things, will augment the numbers of entities delivering clean energy services in the District, in 2018, the Board explored (1) whether it would recommend to the Council that it enact changes to the DCSEU's benchmarks, (2) whether it would recommend to DOEE and the DCSEU changes to the DCSEU's contract which governs the DCSEU's implementation of programs intended to further the DCSEU's achievement of its benchmarks, or (3) whether it would make recommendations as to items the PSC should consider in fashioning the metrics with which to measure the utilities' implementation of EE and DR programs, and/or to a broader audience than the PSC and the DCSEU. This letter constitutes the Board's recommendations in this third category, as the Board has concluded that certain changes should be considered more systematically, than simply changing mechanisms governing just the DCSEU's performance.

Specifically, the Board states the following:

First, the Board considered whether the DCSEU's benchmarks should be converted from ones that measure the impact of the DCSEU's programs on energy savings,<sup>3</sup> into ones that measure the impact of the DCSEU programs on reducing the District's greenhouse gas emissions. As a means of measuring such reductions, the Board also explored whether the DCSEU's benchmarks should be converted from ones that treat reductions in electricity and natural gas consumption distinctly, into a single overall energy savings goal. At a minimum, the Board has expressed concern for years that the electricity savings achieved by the DCSEU not be counted as decreased electric savings, if electricity consumption increases as a result of decreased reliance on natural gas. The Board is pleased that recently, the DOEE and the DCSEU modified the DCSEU contract in a manner that would remove this negative impact on the DCSEU's achievement of the electricity savings performance benchmark.<sup>4</sup>

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<sup>2</sup> The Board notes that the February 27, 2020 Report by the Office of the District of Columbia Auditor has also recommended, *inter alia*, that DOEE modify the incentives for the DCSEU to reward interventions that lead to additional energy savings and GHG emissions reductions; and align the DCSEU performance targets with the District's climate change strategy by prioritizing GHG reductions (versus energy savings).

<sup>3</sup> The DCSEU's performance benchmarks, per its FY 2017 DCSEU Contract (Contract No. DOEE-2016-C-0002), require 576,485 kWh (5% of consumption) reduction in electricity consumption and 10,230,774 therms (3% of consumption) reduction in natural gas usage over the 5-year base period of the contract.

<sup>4</sup> Section C.40.8.1.1.2 of the FY 2017 DCSEU Contract (Contract No. DOEE-2016-C-0002), as amended by Modification #8, states the following: "[I]f an energy efficiency program causes a consumer to replace a natural gas

The Board recognizes that, as is the case with the DCSEU, the District’s utilities are tracking GHG emissions reductions. The Board recognizes that more discussion is needed to future align utilities’ programs with the goals of the CEDC, and that while the utilities are initially focusing their program goals on energy saving reduction targets, the utilities may also submit programs and or pilots to be approved by the PSC that would focus on greenhouse gas reductions, which should assist in aligning utility programs with the goal of the CEDC. Thus, the Board recommends that this topic continue to be discussed as a part of the EE/DR Metrics Working Group, and allow for the evaluation of potential pilots by utilities and the DCSEU in terms of GHG emissions reductions. The Board specifically supports a discussion of GHG baseline metrics during the next session of the EE/DR Metrics Working Group as a critical input to a future GHG emissions reduction metric. However, the Board urges that the discussion occur within a specified time-frame, and potentially, that the PSC revisit the question of the utilities’ targets by the conclusion of the first program cycle of the utilities’ approved programs.

In 2018, the Board examined whether the DCSEU’s present peak demand reduction tracking requirement should be converted back into a performance benchmark.<sup>5</sup> The focus on peak demand reduction programs has increased recently across the country due to increased electrification. At the same time, with the increase in available technology such as Smart Thermostats, Connected Home Devices and Grid Enabled Water Heaters, behind the meter controllable devices offer cost effective peak demand reduction opportunities. Lastly, by combining energy efficiency and peak demand reduction programs, customers receive maximum benefits that reduce customer acquisition cost.

While it is widely agreed there is a relationship between reduction in peak demand (both the District’s peak coincident with PJM’s relevant system peak, and otherwise) and reduction in greenhouse gas emissions, the District has not yet quantified the impact of the former on the latter, or explored the relationship between District peak, system peak, and related potential programming (e.g., creation of District-specific programs, versus facilitating participation in or expanding the impact of existing PJM programs). The DOEE expects it will have devised the methods with which to quantify the impact of various types of peak demand on greenhouse gas reductions by the end of this calendar year, when it has completed its studies on electrification of the transportation sector.

The Board concluded generally that the DCSEU lacks certain tools that would enable it to unilaterally incentivize peak demand shifting. The DCSEU is well positioned to distribute incentives, facilitate equipment installation, and perform other tasks that may support a larger peak demand program. However, the DCSEU lacks access to customers’ demand data and thus

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furnace with an electric heat pump, then the increase in the consumption of kWh as a result of the switch to using electricity for space heating would NOT be counted as ‘negative savings’ toward the kWh savings benchmark.”

<sup>5</sup> Section 201(d) of the original Clean and Affordable Energy Act of 2008 (“CAEA,” D.C. Law 17-250, effective October 22, 2008) required that the “SEU contract shall provide that the SEU shall, at a minimum, ... [r]educe the growth of peak electricity demand in the District of Columbia”; Section 6092 of the Fiscal Year 2016 Budget Support Act of 2015 (D.C. Law 21-036, effective October 22, 2015) amended the CAEA such that for peak demand, the SEU contract shall “[r]equire the SEU to track and report to DDOE, at least semiannually, on the reduction of the growth in peak electricity demand....due to SEU programs.” (D.C. Official Code § 8-1774.01(d))

the ability to effectively measure relevant baselines and event performance in demand reduction programs. Conversely, utilities are uniquely positioned to implement peak demand reduction programs.<sup>6</sup> The Board also concluded that additional information regarding addressing peak demand shifting may be helpful to the PSC. Finally, the Board notes that the DOEE is poised to release its conclusions regarding the relationship between peak demand reductions and greenhouse gas emissions reductions.

The Board recognizes that in the context of MEDSIS, the PSC is examining rate design (such as time of use rates) as a tool for incentivizing non-peak use. In its Order of January 24, 2020, the PSC announced the establishment of a Rate Design Working Group to propose best practice rate design solutions including a new residential Dynamic Pricing program(s), and directed Pepco to file a time-of-use rate pilot by March 9, 2020.<sup>7</sup> In addition, through Formal Case No. 1160, and the CEDC, utilities can file for approval to increase their peak demand reduction programs, enabling both customer and grid benefits as an important step in addressing the need for additional peak demand reduction.

Given this background, the Board recommends that one or more entities (whether the Council, the PSC, the Mayor (DOEE), and/or others, such as the District's utilities and/or energy consumers) initiate an effort to devise a strategy to harness the resources of all of the foregoing to reduce peak demand as a means of lowering the District's greenhouse gas emissions, through coordinated programming and incentive frameworks. Certain states, such as Massachusetts, Arizona and New York, have adopted clean peak standards as a means of reducing the costs and environmental impact of periods when electricity demand is highest, and generation tends to be the most polluting. Fifteen jurisdictions have addressed energy storage issues, either by facilitating operational experience with energy storage by ensuring its presence on the grid or enabling future deployments by removing or reducing barriers thereto.

The Board is pleased to serve as a resource in this important discussion.

Very truly yours,



Bicky Corman  
Chair, DC SEU Advisory Board

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<sup>6</sup> Pepco has been successfully implementing a Peak Demand Reduction Program for nearly 10 years. Pepco currently has over 25,000 customers currently participating in the Energy Wise Rewards program, a summer peak program involving demand response from air conditioners and heat pumps. In some cases, this program has the ability to shift peak demand by over 20MW of load when activated for peak events. *See* <https://energywiserewards.pepco.com/dc/> for program description.

<sup>7</sup> PSC Order No. 20286 of 1-24-2020 in Formal Case 1130, p. 34.

XIX. Appendix B - Board's Comments on FC1160 Filed July 28, 2020

**ELECTRONIC FILING**

July 28, 2021

Ms. Brinda Westbrook-Sedgwick  
Public Service Commission  
Of the District of Columbia Secretary  
1325 G Street, NW, Suite 800  
Washington, DC 20005

**Re: Formal Case No. 1160 -- In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201 (B) of the CleanEnergy DC Omnibus Amendment Act of 2018.**

Dear Ms. Westbrook-Sedgwick:

The Sustainable Energy Utility Advisory Board (D.C. Official Code § 8–1774.03) submits the enclosed Comments on Potomac Electric Power Company’s (“Pepco’s”) proposed Energy Efficiency and Demand Response (EEDR) Programs in the District. If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

By: /s/ Bernice Corman  
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Chair, Sustainable Energy Utility Advisory Board  
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cc: Donna Cooper, Pepco Region President  
Megan Partridge, Pepco Manager, Energy Efficiency and Demand Response Programs  
Ted Trabue, Director, DCSEU  
Tommy Wells, Director, DC Department of Energy and Environment

July 28, 2021

Ms. Brinda Westbrook-Sedgwick  
Commission Secretary  
Public Service Commission of the District of Columbia  
1325 G Street, NW, 8<sup>th</sup> Floor  
Washington, DC 20005

**Re: Formal Case No. 1160**

Dear Ms. Westbrook-Sedgwick:

Please include this report by the District of Columbia Sustainable Energy Utility Advisory Board (“SEU Advisory Board” or “Board”) among the materials to be reviewed by the Public Service Commission in conjunction with the Potomac Electric Power Company’s (“Pepco’s”) proposed Energy Efficiency and Demand Response (EEDR) Programs.

8 D.C. Code § 1774.07(g)(4) provides:

[Pepco], after consultation and coordination with the Department of Energy and the Environment and the District SEU and its advisory Board, may apply to the Commission to offer energy efficiency and demand reduction programs in the District that the company can demonstrate are not substantially similar to programs offered or in development by the SEU, unless the SEU supports such programs.

On October 30, 2020, the Commission, in ruling on recommendations filed by the FC1160 Working Group, added:

The CleanEnergy DC Act requires that the utility show that a proposed program is not “substantially similar” to those offered by the DCSEU. The Commission adopts the Working Group’s proposal that the utilities: (1) present their EEDR proposals to DOEE, DCSEU, and the SEU Advisory Board prior to filing an Application with the Commission; and (2) include the date of presentation of programs to DOEE, DCSEU, and SEU Advisory Board in the application that is filed with the Commission. Specifically, we believe that review and comment by the DCSEU on a proposed program provides the utility with a direct route to learning whether a proposed EEDR program is duplicative of a DCSEU program or is not complimentary to its program.

Order No. 20654 (Oct. 30, 2020), ¶ 88.



The SEU Advisory Board wishes to report that Pepco generally met its obligation to consult and coordinate with the Board,<sup>29</sup> and following initial consultations, made certain modifications to its proposed programs in part in response to some of the Board's concerns.

The Board reserves its right, and individual Board members reserve their individual rights, to provide further comment on Pepco's proposed EEDR programs in the forthcoming PSC-administered comment period thereon.

Sincerely,



Bernice I. Corman  
Chair, SEU Advisory Board

CC:

Donna Cooper, Pepco Region President

Megan Partridge, Pepco Manager, Energy Efficiency and Demand Response Programs

Ted Trabue, Director, DCSEU

Tommy Wells, Director, DC Department of Energy and Environment

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<sup>29</sup> As of the date of the preparation of this document, Pepco had agreed to provide the Board with additional information on its proposed programs, including more granular information on the budget for same.

XX. Appendix C - Board's Comments on FC1160 Filed November 15, 2021

**ELECTRONIC FILING**

November 15, 2021

Ms. Brinda Westbrook-Sedgwick  
Public Service Commission  
Of the District of Columbia Secretary  
1325 G Street, NW, Suite 800  
Washington, DC 20005

**Re: Formal Case No. 1160 -- In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201 (B) of the CleanEnergy DC Omnibus Amendment Act of 2018.**

Dear Ms. Westbrook-Sedgwick:

The Sustainable Energy Utility Advisory Board (SEUAB, D.C. Official Code § 8– 1774.03) submits the enclosed Response in Support of the Department of Energy and Environment’s Motion for Reconsideration and Modification of Order No. 21030.

If you have any questions regarding this filing, please do not hesitate to contact the undersigned.

Respectfully submitted,

By: /s/ Bernice Corman  
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cc: Brian Caldwell  
Assistant Attorney General  
EEDR Working Group Participants

**BEFORE THE  
PUBLIC SERVICE COMMISSION  
OF THE DISTRICT OF COLUMBIA**

**IN THE MATTER OF:** )  
 )  
**The Development of Metrics for** )  
**Electric Company and Gas Company** ) **Formal Case No. 1160**  
**Energy Efficiency and Demand** )  
**Response Programs Pursuant to** )  
**Section 201(b) of the Clean Energy** )  
**DC Omnibus Amendment Act of 2018** )

**RESPONSE OF  
DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY ADVISORY BOARD  
IN SUPPORT OF THE DEPARTMENT OF ENERGY AND ENVIRONMENT’S  
MOTION FOR RECONSIDERATION AND MODIFICATION OF ORDER NO. 21030**

Pursuant to 15 D.C.M.R. § 140.3, the District of Columbia Sustainable Energy Utility Advisory Board (the “DC SEU Advisory Board” or the “Board”) respectfully files this response in support of the Department of Energy and Environment’s (“DOEE’s”) November 8, 2021 Motion for Reconsideration and Modification of Order No. 21030 (“DOEE Motion”),<sup>30</sup> in its capacity first, as a member of the Energy Efficiency and Demand Response Working Group (“EEDR WG”) convened by the District of Columbia Public Service Commission (“DC PSC”) pursuant to Section 201(b) of the CleanEnergy DC Omnibus Amendment Act of 2018 (“CEDC”) (adding a new subsection (g)(1) to D.C. Official Code § 8-1774.07); second, in fulfillment of the role assigned to the Board pursuant to the CEDC, Section 201(b) (adding a new subsection (g)(4) to D.C. Official

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<sup>30</sup> Pursuant to Section 203 of the Clean and Affordable Energy Act of 2008 (“CAEA,” D.C. Official Code § 8-1773.01 *et seq.*), the Board is comprised of members appointed by either the Mayor or the Council to have certain areas of expertise, including in renewable energy, green jobs, low-income, and building construction and management. Board members also include representatives from the District’s utilities, Office of People’s Counsel, and the DC Public Service Commission.

Code § 8-1774.07), to assist DOEE and the DC SEU in determining whether energy efficiency and demand response programs proposed by the utilities are not substantially similar to programs

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offered or in development by the DC SEU, and if substantially similar, whether they are supportable; and last, in furtherance of its role under Section 203(a) of CAEA (D.C. Official Code § 8-1774.03(a)), which requires that the Board provide advice, comments and recommendations to the DOEE and the Council regarding the procurement and administration of the SEU contract, advise DOEE on the performance of the DC SEU under the DC SEU contract, and monitor the performance of the DC SEU under the DC SEU contract.

In light of the aforementioned responsibilities, the Board has a strong interest in ensuring the continued vitality of the DC SEU, especially at this critical juncture – when the District’s utilities will be augmenting the numbers and types of clean energy services they are also delivering to District ratepayers. The Board believes it is essential that it, the DC SEU, DOEE the DC PSC, OPC, and interested stakeholders, have visibility into the roll-out and implementation of the utilities’ programs, and that there be built into the system an ability to course correct, if necessary. The Board agrees with DOEE that bi-annual EEDR WG meetings are too infrequent to allow the parties to be able to ensure that the array of EEDR programs offered by multiple providers are complementary.

As such, and for the reasons stated in DOEE’s Motion, in particular, DOEE’s concern that the likely overlap between programs proposed by the utilities and those offered by the DC SEU will require regular coordination in order to avoid confusion of ratepayers and to prevent “undercutting” between the DC SEU and PEPCO,<sup>31</sup> the Board strongly supports DOEE’s request that the DC PSC

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<sup>31</sup> DOEE Motion, pp. 5 – 6.

reconsider its rejection of the EEDR WG's recommendation that the DC PSC stand up an Evaluation, Measurement and Verification Working Group ("EV&M WG"), or in the

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alternative, that it approve the formation of a Technical Issues Group to meet more frequently than the EEDR WG.

Respectfully submitted,

District of Columbia Sustainable Energy  
Utility Advisory Board



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## CERTIFICATE OF SERVICE

**Formal Case No. 1160**, *In the Matter of the Development of Metrics for Electric Company and Gas Company Energy Efficiency and Demand Response Programs Pursuant to Section 201(B) of the Clean Energy DC Omnibus Amendment Act of 2018*

I certify that on November 15, 2021 a copy of the District of Columbia Sustainable Energy Utility Advisory Board's Response in Support of the Department of Energy and Environment's November 8, 2021 Motion for Reconsideration and Modification of Order No. 21030 was served on the following parties of record by hand delivery, first class mail, postage prepaid or electronic mail:

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