



DC
SUSTAINABLE ENERGY
UTILITY

Second Quarter Report for Fiscal Year 2023

January 1 – March 31, 2023



This report of the District of Columbia Sustainable Energy Utility covers the period from January 1 through March 31, 2023. This progress report contains information about the DCSEU's activity to date in FY 2023. It also contains information on the Affordable Housing Retrofit Accelerator, HVAC Replacement, Sustainable Energy Infrastructure and Capacity Building Pipeline, and Solar for All programs.

The data presented in this report is preliminary based on the DCSEU's estimates and is subject to change upon final verification. The data is subject to rigorous monitoring and verification by third-party evaluation and auditing firms hired by the District Department of Energy and Environment at the end of each fiscal year.

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MESSAGE FROM THE DCSEU

The second quarter brought us 2023, a year that is turning out to be one of reconvening and reevaluating. Coming out of the pandemic, residents and businesses are making tough decisions to balance long-term health and financial plans. The District is a microcosm of what many in the clean energy space are facing across the country. The policy environment is changing locally and nationally, customer investment cycles are lengthening due to inflation and uncertainty in the financial market, and underlying economic conditions continue to result in organizations reconsidering their investments in energy efficiency and clean energy projects. In the District, buildings are facing historically low vacancy rates and the District is examining ways to revitalize downtown, including the conversion of commercial office buildings into multi-family housing.

To assist buildings with navigating DC's Building Energy Performance Standards (BEPS) and uncover savings opportunities, we launched the Commercial Audit Incentive in February. This program offers up to \$15,000 in financial assistance for commercial buildings over 50,000 square feet who are seeking an American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE) Level II Audit and help to their put buildings on the path forward to BEPS compliance. To continue to help the DC workforce, especially Certified Business Enterprises, remain competitive and access the credentials they need, Train Green SEICBP registration launched with up to 21 courses available for CBEs, CBE-eligible firms, and District residents this year to build their capacity to take on energy efficient projects.

Despite the challenges the market is facing, the DCSEU continues to implement our programs and initiatives to push the District forward in its clean energy goals. In January 2023, DC's Solar for All program was one of five recipients of the Sunny Award for Equitable Community Solar presented by the U.S. Department of Energy. We were also highlighted as an ENERGY STAR Partner of the Year for Energy Efficiency Program Delivery. The Workforce Development program was recently highlighted in the *Washington Informer*, demonstrating how the DCSEU is creating jobs in the green workforce. These acknowledgments highlight the standard we are setting for programs to thrive in different markets around the country.

With the lessons we have learned throughout the last 12 years at the DCSEU, we've faced every challenge head on. As plans for the Inflation Reduction Act (IRA) come into focus, this unprecedented investment offers a tremendous opportunity to accelerate the District's clean energy transition, to ensure that transition is more equitable, to create jobs and economic opportunities for DC residents and businesses, and to reduce greenhouse gas emissions. We look forward to any opportunities to support the District and DOEE in any way we can to ensure the success of IRA implementation and continued investment in clean energy to ensure a bright future for the District.

Ernest Jolly

Managing Director, DCSEU

QUARTERLY FEATURE: Workforce Development: The Past Meets the Future

On Wednesday, April 12, 2023, five former externs from the Workforce Development program joined the current cohort for Alumni Day, a time for past externs to share their stories of success and how their externships along with weekly development meetings at the DCSEU have prepared them to succeed in the workforce. Alumni Day typically happens in the last month of the five-month externship as our current externs prepare to graduate and are in the peak of their job search. Meet two former Workforce Development externs who are on the move in the green industry:

Debra Lyle was a salesperson from the beginning. When she was very young, she went door to door selling Burpee seeds. After college at Howard University, she owned and operated several successful businesses including a construction company and a company that operated electronic surveillance for BWI Airport. Her life seemed to come to a screeching halt when she was diagnosed with pancreatic cancer—stage four. Thanks to great doctors and her own fighting spirit she is now cancer free. Grateful for a renewed appreciation for life, she felt she needed to reinvent herself. She got her MBA but was at a crossroads on the direction of her future. She joined the Workforce Development cohort in 2019 and graduated in 2020. She worked as an extern for WDC Solar and found her home there. Today she is the VP of Business Development. One of her favorite sayings is from Stephen Covey, the author of the bestselling book *7 Habits of Highly Successful People*. “Begin with the end in mind,” she told the externs. “Have a goal, then work to get there.”

It was just 7 months ago **Anzel Nichols** was sitting in the same seats as the current externs. Before he came to the program he was at a low point and was looking for new opportunities. It was a brush with death that inspired him to a new appreciation of life and live it to the fullest. But first he had to get over the fear that plagued him from seeing danger up close. He used positive self-talk and affirmations to start moving forward again. Still, things didn’t happen quickly or easily. Finally, he came to the WFD program and externed at Citizen Energy. He learned networking and received a promotion. At his current role as Administrative Assistant at VEIC, he now feels like he is on his way to a great life and career, but it took his own strength to get him there.

These are just two examples of former Workforce Development externs who have gone onto to thrive in their careers. Since 2011, the WFD has helped more than 180 District residents earn full-time roles in the green industry. Once this cohort graduates on May 17, another group of

externs will embark on their journey in the program this spring and summer. With the impact of the program spreading across the District, including Program Manager Gleniss V. Brown Wade being featured in the National Association of Workforce Development Newsletter and a recent feature in the *Washington Informer*, this program continues to make a lasting impact on District residents while bridging the gap for contractors and organizations in the green industry that are facing challenges hiring qualified candidates in this growing field.

At a Glance: Progress against Benchmarks

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

PLEASE NOTE: The values below should be considered preliminary estimates. VEIC’s Evaluation, Measurement, and Verification (EM&V) team performs monthly quality assurance on DCSEU custom engineering projects to ensure the accuracy of energy savings and GHG emissions reduction. This process has been in place since 2012 and can result in variances in the values presented in previous reports.

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2023 Q2 Results (January 1, 2023 through March 31, 2023)	FY 2023 Results (October 1, 2022 through March 31, 2023)	Cumulative Results (October 1, 2021 through March 31, 2023)	Year 2 Minimum Target (October 1, 2021 through September 30, 2023)	Year 2 Maximum Target (October 1, 2021 through September 30, 2023)	Five-Cumulative Benchmark Minimum (October 1, 2021 through September 30, 2026)	Five-Cumulative Benchmark Maximum (October 1, 2021 through September 30, 2026)	Annual Minimum Target Progress	Five-Cumulative Minimum Benchmark Progress
1	Cumulative Performance Benchmarks	Reduce electricity and natural gas consumption (combined energy savings)	MMBtu (source)	Cumulative	190,070	333,862	1,228,448	2,273,578	3,031,437	6,820,733	7,578,592	54%	18%
2		Greenhouse Gas Emissions reduction	Metric Tons CO ₂ e (modified gross) ¹	Cumulative	10,630	18,852	72,644	157,300	209,734	471,901	524,334	46%	15%
3a		Increase Renewable Generating Capacity	kW capacity	Cumulative	92.9 kW	192.9 kW	853.9 kW	1,500 kW	2,000 kW	4,500 kW	5,000 kW	57%	19%
3b		Reduce Energy Consumption at >= 50% of renewable energy generating	Ratio of solar measure energy savings to non-solar measure	Cumulative	-	-	>50%	-	-	>= 50%	-	-	-

¹ Please note: the DCSEU’s Greenhouse Gas Emissions reduction estimates in previous monthly and quarterly reports in FY 2022 were provided in “net” values. The DCSEU is evaluated on “modified gross” values and has updated its reporting to reflect this as of the April 2022 report.

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

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2023 Period Results (October 1, 2022 through March 31, 2023)	Annual Benchmark Minimum (October 1, 2022 through September 30, 2023)	Annual Benchmark Maximum (October 1, 2022 through September 30, 2023)	Annual Minimum Benchmark Progress	Annual Maximum Benchmark Progress
5	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	20% (min) 30% (max) of annual budget (varies annually)	Annual	\$2,213,150	\$3,860,000	\$5,790,000	57%	38%
6		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	33.57	66	88	51%	38%

²The DCSEU provides services under a performance-based contract that contains a broad array of performance benchmarks and other contract requirements. These benchmarks are derived from goals established in the District's Clean and Affordable Energy Act of 2008. The DCSEU contract contains additional minimum contract requirements, beyond the contract performance goals.

7		DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling (capped at 20%)	Annual	\$1,392,641		\$3,860,000		36%
8	Other Contract Requirements	Expenditures with Small Business Enterprises/Certified Business Enterprises	35% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$2,068,008	\$18,814,305		11%	

1. Sector Highlights in the Core Areas

- **Low-Income Programs**
 - **Income-Qualified Efficiency Fund (IQEF)**
 - The IQEF program worked on finalizing work orders and incentive agreements with contractors and customers and had 3 projects in progress in the second quarter.
 - To date, incentive agreements totaling more than \$1.4 million have been executed with customers.
 - **Affordable Housing Retrofit Accelerator (AHRA)**
 - The DCSEU worked closely with DOEE to determine opportunities to accelerate projects in the audit and implementation phases in the second quarter. This included bringing on additional bench strength from across VEIC to support the program and other DCSEU programs to ensure strong coverage across the DCSEU portfolio. Taken together, the DCSEU has identified up to \$28.32 million in work that could be completed, or equipment that could be procured for installation, by 9/30/23.
 - Through the end of the second quarter, the DCSEU had 27 audits that passed DOEE's technical review. Over \$4 million in measures were identified as being able to complete prior to 9/30.
 - **Low-Income Comprehensive**
 - The DCSEU provided \$26,500 in incentives for 2 projects in the Low-Income Comprehensive program in the second quarter resulting in 623 MMBTU in first-year source energy savings and 35 metric tons of CO₂ equivalent (MTCO₂e)
 - **HVAC Replacement Program**
 - During the second quarter, the DCSEU completed 5 projects totaling \$136,050 in incentives to provide income-qualified customers access to home electrification.
 - The DCSEU continued to engage customers for the HVAC Replacement program through other income-qualified programs (both DCSEU and non-DCSEU), especially through the Solar for All program. More than 50 customers filled out the DCSEU's web form indicating interest in Solar for All and HVAC Replacement programs during the second quarter.
- **Residential Efficient Products program**
 - The Efficient Products program allocated \$109,196 in rebates during the second quarter that served more than 6,300 program participants through downstream prescriptive appliance, HVAC rebates, electric lawn mower rebates, and the final

rebates processed for in-store lighting discounts to residential customers, which ended as of December 31, 2022.

- Retail Lighting: 6,042 participants
- Appliance Rebates: 174 participants
 - Electric Lawn Mower Rebates: 8 participants
- HVAC Rebates: 97 participants

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

- The DCSEU provided rebates totaling \$77,394 through the Business Energy Rebates (BER) program in the second quarter representing 9,122 MMBTU in first-year source energy savings and 527 MTCO₂e. The DCSEU served 16 program participants, including 2 who received enhanced small business (<10,000 square feet) rebates.
- Instant Business Rebates totaling \$149,752 were provided to 10 participating distributors in the second quarter, serving more than 293 program participants and resulting in 20,905 MMBTU in first-year source energy savings and 1,213 MTCO₂e. The DCSEU partners with both Certified Business Enterprise (CBE) and non-CBE lighting distributors to offer instant rebates on energy-efficient lighting, making it simpler for District businesses to take advantage of savings.

- **Commercial Direct Services program**

- The DCSEU provided \$21,446 in incentives for two projects working with direct subcontractors and customers resulting in 973 MMBTU in first-year source energy savings and 56 MTCO₂e.

- **Account Management and Engineering**

- The Account Management and Engineering teams served 19 program participants through the Commercial Custom program providing \$437,796 in incentives in the second quarter. This resulted in 147,516 MMBTU in first-year source energy savings and 8,167 MTCO₂e.
- The DCSEU also provided \$17,950 in incentives for two solar projects with commercial customers for 92.9 kW in renewable energy capacity resulting in 80 MTCO₂e.
- The DCSEU planned and launched a new incentive offer to help buildings over 50,000 square feet, especially those that have not met DC's Building Energy Performance Standards (BEPS), complete an ASHRAE Level II audit with up to \$15,000 in incentives available per building. More than 25 buildings have submitted interest forms in the program.
 - The DCSEU engaged with numerous auditors, including CBEs and those already participating in the AHRA program, to participate in the offer. To date, 12 auditors are participating.
- The DCSEU's Account Management Team met with DC Green Bank staff for an update on financial products and services.
- The DCSEU began working with GoGreenTogether (GGT) to collaborate on outreach to faith-based, under-resourced buildings.

- The DCSEU hosted a Commercial Real Estate Roundtable: Spring Update to discuss BEPS and other policies, DCSEU offers, and how to engage with the DCSEU team. There were about 30 commercial customers in attendance. The Roundtable recording was made available on the DCSEU YouTube channel.
- The Account Management team initiated project opportunities with new construction and total renovation coming online including, DC government, Federal buildings, hotels, hospital, colleges, and Naturally Occurring Affordable Housing (NOAH).
- Account Management staff provided technical support to education organizations to identify project opportunities and complete grant application for Renewing Our Schools Grant, participate in a BEPS support meeting with DOEE and Building Innovation Hub for charter school enterprise, and participate in the ACEEE K-12 National Working Group.
- **Workforce Development and Training**
 - **Workforce Development program**
 - On January 17, the DCSEU held its Winter Cohort kickoff at its offices with 17 externs participating.
 - The DCSEU held weekly meetings and numerous trainings in the third quarter, including:
 - 2/1: Extern Professional Development training with Crystal McDonald, DCSEU Director of Account Management and Workforce Development
 - 2/8: Extern Professional Development Training "Energy Efficiency" presentation
 - 2/15: Extern Professional Development Training "Lighting Presentation"
 - 2/21: Making Equity Real: Black Workers and Good Jobs (Webinar)
 - 2/22: Extern Professional Development Training "Solar Presentation"
 - 3/1: LEED GA Process presented by Mark Bryan, Community Impact Manager
 - 3/8: Financial Literacy presentation by Leroy Wade, CPA
 - 3/15: Green Buildings 101 presentation by Kara Strong of CDC
 - 3/22: "Keeping the job" presentation by Levar Freeman, HR Director, ADC Mgmt. Solutions
 - 3/27: USAJOBS.gov presentation by Dr. Keith Washington, Deputy Assistant Secretary, US Department of Transportation (DOT)
 - **Train Green Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program**
 - The DCSEU launched its FY 2023 course offerings in the second quarter, beginning with Introductory courses and long-running courses like Certified Energy Manager, NABCEP Solar Installers package, and Building Operator Certification (BOC).

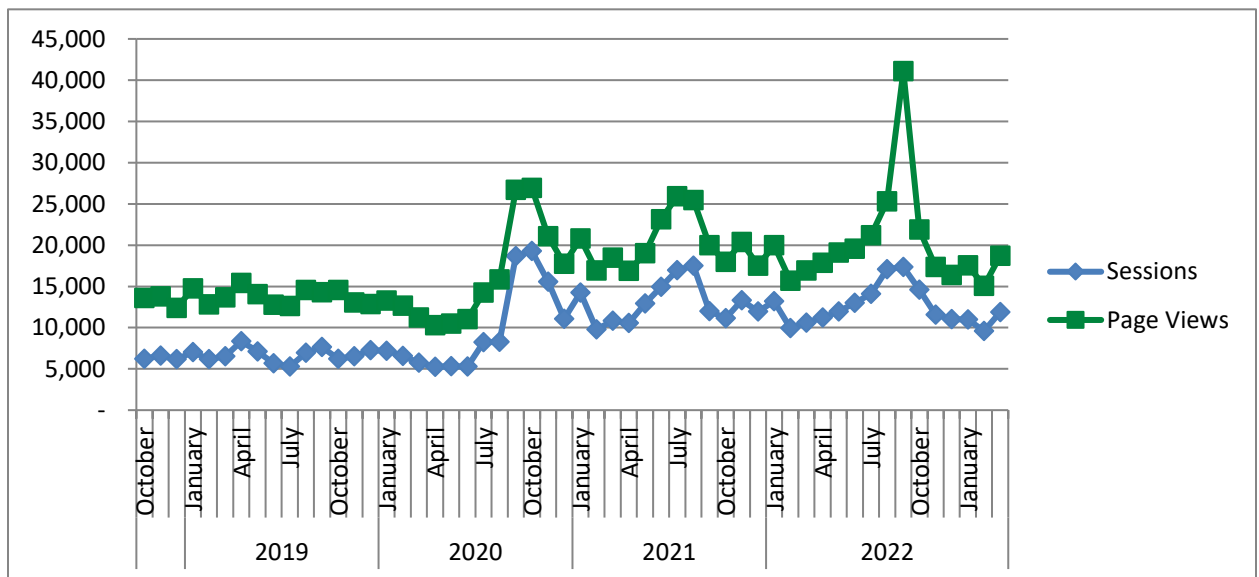
- More than 100 individuals registered for the program in the first month of operations, with a number of CBE staff returning to continue their clean energy training.
 - In March, the DCSEU participated in the Green Jobs summit hosted by the Deputy Mayor for Operations and Infrastructure (DMOI) to identify linkages, obstacles and opportunities to connect DC's more than 70 workforce development initiatives.
 - The DCSEU finalized remaining contracts with instructors and began development work on customized courses like Introduction to Heat Pumps, Heat Pump Design Applications, Commissioning Series and Efficient Tradesperson Series Activity Supporting DCSEU Initiatives
- **Marketing, Public Relations, Community Outreach, and Public Affairs**
 - During the second quarter, the DCSEU Marketing and Communications team continued work on the new DCSEU website and updated brand identity.
 - The DCSEU prepared and delivered testimony at the District of Columbia Council Committee and Transportation and the Environment Oversight Hearing on February 16.
 - The team secured a speaking role for Managing Director Ernest Jolly at the DC Public Service Commission's DC Clean Energy Summit in January.
 - In the second quarter, the DCSEU prepared and launched an Audit Incentive Ad Campaign in March on Google Ads, LinkedIn, and BISNOW. Results included:
 - BISNOW Morning Links Newsletter had just under 100k impressions and 176 clicks in the month of March
 - LinkedIn Display Ads had over 163k impressions and 722 clicks in the month of March
 - Google Ads Search Campaign had over 4.7k impressions and 54 clicks in the month of March.
 - The DCSEU also issued a press release announcing its ENERGY STAR Partner of the Year Award Announcement in March.
 - The team launched and supported the promotion of the FY 2023 Train Green Course Supplement and "First Courses" with multiple eblasts in the second quarter.
 - During the second quarter, the DCSEU received earned media in the following media outlets:
 - [Washington City Paper](#)
 - [Washington Informer, Washington Informer 2](#)
 - [GW Today](#)
 - [NBC 4](#)
 - [WHUR](#)
- **Outreach and Events Highlights:**
 - **January 12 KIPP DC Career Networking Event:** The DCSEU served as a panelist on virtual to an audience of approximately 125 students and professionals

regarding career opportunities in clean energy, and worked one-on-one with students to discuss career opportunities.

- **January 17-19 RE+ Community Solar Power Summit, U.S. Department of Energy National Community Solar Partnership Annual Summit:** DCSEU Solar for All staff attended multi-day conference to accept the Sunny Awards for Community Solar Grand Prize award on behalf of the Solar for All program and connected with and learned from industry members and other solar program administrators from across the U.S. on best practices in program design.
- **January 18 DC Clean Energy Summit:** The DCSEU's Managing Director participated on the Affordability Panel and was interviewed by news media and the PSC for its event recap video. DCSEU staff networked with key stakeholders from DC and the region in the energy space.
- **January 24 Clean Energy DC 2.0 Stakeholder Kickoff Meeting:** DCSEU staff attended DOEE's presentation to inquire about role of incentives and partners in plan development.
- **January 27 Better Together Clergy Meeting:** The DCSEU presented its programs to clergy who have a pipeline of worship facilities, community centers, and affordable housing.
- **February 3 NDS Construction Consortium's CBE/Small Business Program:** Presented to NDS Construction Consortium, a woman-owned, veteran-owned, and service-driven construction collaboration.
- **February 7 U.S. Department of Energy Better Buildings Workforce Accelerator Partner Quarterly Call:** The DCSEU's Workforce Development and Train Green Program Managers presented their programs at the request of project administrators to a group of 35 workforce development professionals from across the country.
- **February 22 Commercial Audit Incentive Contractor Info Session:** As part of the launch of the Commercial Audit Incentive the DCSEU invited potential auditing contractors to learn about becoming a DCSEU Participating Auditor, with 23 individuals attending the webinar.
- **March 1 Green Jobs Summit:** DCSEU representatives participated in all day summit of DC agencies working to connect approximately 40 agency staff to identify roadblocks and solutions to building the District's clean energy workforce.
- **March 3 Riverfront PUD Interagency Meeting**
- **March 8-10 NAHMA Top Issues in Affordable Housing Winter Meeting 2023**
- **March 22 NFMT Baltimore:** The DCSEU's Workforce Development Manager connected with approximately 30 vendors working in DC's building industry regarding training, WFD and contracting opportunities.
- **March 28-29 Montgomery County Energy Summit:** The DCSEU's Workforce Development Manager connected with approximately 20 vendors working in DC's building industry regarding training, WFD and contracting opportunities.

- **March 29 Town Call with Anacostia Coordinating Council:** DCSEU's Managing Director and Programs Team presented information about rebates, Solar for All, and the HVAC replacement program.

Figure 1. DCSEU website traffic, including sessions and page views, by month, from FY 2019 to March 31, 2023.



- Facebook **1,000 Followers**
- LinkedIn **1,707 Followers**
- Twitter **2,072 Followers**
- Instagram **678 Followers**

Table 6. DCSEU initiatives, by sector

Core area	Initiative name	Description	Customer
Residential	Efficient Products	Deep discounts on LEDs with partnering retailers in DC; mail-in and online rebates for qualifying energy-efficient appliances, HVAC equipment, smart thermostats, and electric lawn equipment; Energy Conservation Kits for market-rate and income-qualified residents	DC residents
	HVAC Replacement program	Replace fossil-fuel heating and water heating systems for income-qualified residents in single-family homes with efficient electric heat pumps and heat pump water heaters at no cost to residents. Combine with Solar for All program.	Income-qualified DC residents in single-family homes
Low-Income Multifamily	Low-Income Multifamily Comprehensive	Custom technical and financial assistance for energy efficiency improvements for multifamily properties	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents
	Income Qualified Efficiency Fund	Custom technical and financial assistance for energy efficiency improvements in multifamily and other qualifying properties working with DCSEU-qualified contractors	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents
	Low-Income Prescriptive Rebates	Rebates for energy-efficient lighting, heating and cooling for income-qualified properties	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents; contractors

Core area	Initiative name	Description	Customer
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems offered as part of the C&I Custom program. (only for existing projects; no new projects will receive incentives)	Commercial business owners
Commercial and Institutional	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, leaf blowers, and other qualifying equipment; includes enhanced rebate amounts for businesses with facilities under 10,000 sq. ft.	Business owners
	Commercial Direct Services	Direct installation of energy efficiency measures at primarily small and medium commercial facilities	Business owners
	Instant Business Rebates	Discounted energy-efficient lighting through participating distributors	Business owners
	Commercial and Institutional Custom	Technical assistance, account management, and financial incentives for energy efficiency projects	Large commercial and institutional customers
	Pay for Performance (part of Custom program)	Technical assistance, account management, and incentives for energy efficiency projects. Measures energy savings using pre- and post-project metered data rather than calculation estimates. Allows incentives for behavioral, operational, and complex mixed-measure projects.	Large commercial and institutional energy users; qualified vendors

2. Solar for All

Below are updates from the first quarter for the Community Renewable Energy Facility (CREF) program team:

- The team provided \$142,340.40 in incentives for milestones completed from FY 2022 projects in the second quarter.
- The DCSEU received final approval to initiate the FY 2023 CREF program and sent Notices of Intent to Award to subcontractors, and reviewed the portfolio of projects with DOEE.
- The DCSEU worked with DOEE to finalize strategy surrounding FY 2019 penalty assessments.
- Along with staff from DOEE, team members represented Solar for All at the National Community Solar Partnership's Annual Summit and accepted one of five grand prizes for the Sunny Awards for Equitable Community Solar competition.
- Successfully recruited a new Portfolio Manager to lead the Solar for All portfolio.

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

- During the second quarter, subcontracts were signed by subcontractors. By the end of the second quarter, 90% of pipeline had been allocated from the DCSEU and contractors for the program in FY 2023.
- The DCSEU held Battery Storage Pilot discussions to introduce battery storage to Solar for All Single-Family customers.