

January 17, 2025

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 DC 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 2023 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. The Board understands that the 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 note, the Board did not have an Evaluation, Measurement, & Verification (EM&V) report for FY23 to verify the attainment or non-attainment of the DCSEU performance benchmarks. This report is based on tracking information provided by the DCSEU.

Please feel free to contact me at the e-mail address below, or Jennifer Johnston at Jennifer.Johnston@dc.gov or (202) 440-1298, if you have any questions regarding this report.

Sincerely,



Jamal Lewis
Chair, DCSEU Advisory Board
jamaljlewis@outlook.com

Enclosure

cc: Nyasha Smith, Secretary of the Council
Councilmember Charles Allen, Chairperson, Committee on Transportation and the Environment

DC Sustainable Energy Utility Advisory Board Fiscal Year 2023 Report

DCSEU FY23 Performance & Activities FY23 – FY24

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1. Executive Summary & Introduction

The DCSEU Advisory Board (Board) met monthly with the DC Sustainable Energy Utility (DCSEU) and Department of Energy and Environment (DOEE) representatives to receive updates on DCSEU programs, discuss the performance, and opportunities. There was leadership turnover at the DCSEU and the Board. In Fiscal Year 2023 (FY23), Ernest Jolly was hired as DCSEU's second Director and served through September 3, 2024. Lou Hutchinson then stepped in as acting Director. Bicky Corman, who served as Board Chair since FY16 stepped down in FY24. The Mayor appointed Jamal Lewis as the new Board Chair on March 12, 2024.

The Board helps to communicate DCSEU's successes and needs to Council by providing testimony to the Council's Committee on Transportation and Environment. The Board provided testimony at DOEE's FY23 oversight hearing on February 29, 2024, and DOEE's budget oversight hearing on April 24, 2024. The Board also submitted testimony to the Public Services Commission (PSC) on the *Value of Distributed Energy Resources* (DER) Study for the District of Columbia. The Board's comments addressed an issue important to the effective incorporation of DC solar installations, highlighting the need to characterize all feeders by their ability to absorb grid-edge DER generation and to automate its management on the grid. The Board's comments also highlighted the cost effectiveness of DER deployment and efficiency incentives for rate design.

FY23 and FY24 marked the second and third years of DCSEU's five-year contract, which will be up for new competition in FY26. The Board reviews the contract performance benchmarks to ensure conditions of the contract reflect current and changing conditions of the programs subject to the benchmarks. In FY24, two performance benchmarks were modified to improve the targeting of resources and efficient management of DCSEU programs. The Board has also begun reviewing the current performance benchmarks in preparation for making recommendations for the next five-year contract.

The DCSEU manages over a dozen different programs funding through the core Sustainable Energy Trust Fund (SETF) fees collected from utility bills. These programs are evaluated using the performance benchmarks identified in the contract. In addition, the DCSEU received additional funding to operate several other high-profile programs, such as Solar for All. These other programs are not subject to the contract performance benchmarks. In FY23, the Solar for All program was honored with a Grand Prize Sunny Award from the U.S. Department of Energy's National Community Solar Partnership for equitable community solar development.

The Board did not have an Evaluation, Measurement, & Verification (EM&V) report for FY23 to verify the attainment of the DCSEU's performance benchmarks. The EM&V contract solicitation is being released to provide that oversight moving forward. Based on reporting from the DCSEU for FY23, the DCSEU did not achieve targets for the cumulative benchmarks, which are rolled up for evaluation at the end of the contract period. However, the DCSEU exceeded the annual green collar jobs target and met the minimum annual low-income spend for FY23.

The Board looks forward to continuing to work with the DCSEU, DOEE, and Council in advising how to position the DCSEU so it can continue to succeed in executing its mission of delivering clean and affordable energy equitably to the District of Columbia (District) businesses and residents.

2. Summary of 2023-2024 Activities and Priorities

2.1. Key Activities of the DCSEU in FY23 into FY24

As outlined in the Clean and Affordable Energy Act of 2008, D.C. Official Code § 8-1774.03¹ (CAEA), the Board is charged to provide advice, comments, and recommendations to DOEE and Council regarding the procurement and administration of the DCSEU's contract and advise on DCSEU's performance.

The Board met 16 times in FY24, including four committee meetings and one special meeting. All FY24 convenings were held virtually via Microsoft Teams except for the meeting on September 10, 2024, which was held at the Daikin Innovation and Sustainability Center. Table 1 in the appendix lists the current Board members and number of meetings attended.

Bicky Corman, who served as Board Chair for over eight years stepped down in January 2024. While serving, Ms. Corman worked with DOEE to successfully adjust the DCSEU contract cycle from a 1-year to a 5-year performance period and recommended the inclusion of a greenhouse gas (GHG) benchmark and led the Board in requesting and obtaining the Public Service Commission (PSC) agreement to convene a meeting on Washington Gas' potential study. After Ms. Corman's transition, Jamal Lewis stepped in as the new Chair and the Board voted for Dr. Larry Martin to be the Vice Chair. A new low-income representative joined the Board member (Sidra Siddiqui) in April 2024 and the renewable energy representative (Sasha Srivastava) renewed her membership to 2027. DOEE is working with the local utilities to fill the vacant positions for the Pepco, Washington Gas, and environmental group representative.

2.1.1. Overall Context

The DCSEU is charged to administer sustainable energy programs in the District, including the development, coordination, and provision of programs to promote the sustainable use of energy in the District. More specifically, the DCSEU aims to reduce energy consumption, increase renewable energy generating capacity, increase the number of green-collar jobs in the District, implement deep energy retrofits, and improve efficiencies of low-income housing, shelters, clinics, and other buildings serving low-income residents. The DCSEU contract is performance-based and provides financial incentives for the Contractor, Vermont Energy Investment Corporation (VEIC), to meet or exceed the required performance benchmarks and financial penalties if the Contractor fails to meet the required performance benchmarks. Several of the programs discussed throughout this document, such as the Solar for All (SFA) program, Affordable Home Electrification Program (AHEP), and the Affordable Housing Retrofit Accelerator (AHRA)², are not subject to performance benchmarks.

¹ "CAEA," D.C. Law 17-250, effective Oct 22, 2008, D.C. Official Code §8-1773.01 et seq.

² AHRA projects are counted towards DCSEU's deep energy retrofit benchmarks.

The DCSEU operates on a five-year contract period. In FY22, the DCSEU contract was renewed, starting another five-year cycle (FY22-FY26). The contract prioritizes GHG reduction, building decarbonization, electrification, energy efficiency, and renewable energy generation in the District. In FY23, the DCSEU had a total budget of \$ 71,015,419, which was comprised of the base contract of up to \$20,701,308 in reimbursable costs and up to \$1,700,000 in performance benchmarks, as well as contract modifications for four additional programs (SFA, AHRA, Sustainable Energy Infrastructure Capacity Building and Pipeline Program [SEICBP], and AHEP) for up to an additional \$48,614,111. DCSEU spent \$41,047,316 in FY23, which included actual reimbursable costs and a 4% non-at-risk operations fee. In FY24, the DCSEU had a total budget of \$34,363,901, which was comprised of the base contract of up to \$20,800,000 in reimbursable costs and up to \$200,000 in performance benchmarks, as well as contract modifications for four additional programs (SFA, AHRA, SEICBP, and AHEP) for up to an additional \$13,363,901.

2.1.2. Key Programs under the DCSEU Contract

In FY23, the DCSEU implemented 15 different programs across the commercial, solar, residential, and low-income industries³. Key initiatives included the Commercial and Institutional (C&I) Customer program, Income Qualified Efficiency Fund (IQEF), Train Green SEICBP workforce development program, business energy rebates, and residential efficient products program. Most of these programs are funded in the core SETF contract.

2.1.3. Programs not under DCSEU Performance Benchmarks

2.1.3.1. Solar for All (SFA)

SFA aims to provide low-income District residents with the benefits of solar electricity. The program was established by the Renewable Portfolio Standard (RPS) Act of 2016 and is funded by the Renewable Energy Defense Fund (REDF)⁴. All SFA participants can expect to see a 50% savings on their electricity bill (based on average resident bill for 2016) for over 15 years. District residents may participate in the SFA single-family program or community solar program. Under the SFA single-family program, eligible District homeowners can have a solar system installed at no cost and under the SFA community solar program, participants can subscribe to the community renewable energy facilities (CREF). SFA operates on a first-come, first-served basis and fulfillment is dependent upon funding availability.

In FY23, the DCSEU deployed 6.34 megawatts (MW) of solar capacity through SFA. In FY23, the DCSEU installed 176 single-family solar systems and 28 CREF sites. The budget included funding for roof repairs and electrical system upgrades. The DCSEU assisted 59 residents with roof repairs including 4 residents who received battery systems.

³ See section 6.2 on page 15 for list of programs.

⁴ Code of the District of Columbia. § 8-1774.10. Sustainable Energy Trust Fund.
<https://code.dccouncil.gov/us/dc/council/code/sections/8-1774.10>

On January 19, 2023, the District’s SFA program was honored with one of just five Grand Prize Sunny Awards from the U.S. Department of Energy’s National Community Solar Partnership for equitable community solar development. The awards recognized community solar projects and programs across the nation that increase equitable access to the benefits of solar for all communities.

2.1.3.2. Affordable Housing Retrofit Accelerator (AHRA)

AHRA offers enhanced technical and financial assistance to owners and managers of qualifying affordable multifamily buildings that do not meet the District’s Building Energy Performance Standards (BEPS). The program launched in December 2021 and was originally funded through the American Rescue Plan Act (ARPA). In FY23, \$35,195,136 was budgeted for the program and \$11,515,258 was spent.

AHRA helps participants:

- Understand the BEPS and how they apply to affordable housing properties;
- Uncover energy-saving opportunities in their building(s);
- Identify resources, including financial incentives and financing opportunities, to help pay for upgrades that will reduce energy use;
- Choose a Compliance Pathway⁵ and get support towards compliance with the BEPS requirements as determined by DOEE; and
- Preserve affordable housing, cut energy costs, run buildings more efficiently, and reduce overall greenhouse gas emissions.

By the end of FY23, 60 ASHRAE Level II audits were completed, and DCSEU worked with contractors to procure or implement energy efficiency measures including chillers, boiler controls, building automation systems, heat pumps, smart thermostats, lighting, pipe insulation, retro-commissioning, low-flow water fixtures, and radiator enclosures at 17 multifamily affordable housing properties with more than 2,800 tenants.

2.1.3.3. Affordable Home Electrification Program (AHEP)

AHEP upgrades eligible low-income single-family homes from natural gas heating systems to efficient electric heaters at no cost to the homeowner. This program launched in FY22 and was derived from DCSEU’s FY19 Low-Income Decarbonization Pilot program⁶. In FY23, 34 households participated in the program totaling 30 efficient electric heat pumps, 25 efficient electric heat pumps water heaters and 21 electric heavy ups.

⁵ Building Innovation Hub. BEPS Compliance Pathway Timelines. <https://buildinginnovationhub.org/resource/regulation-basics/understanding-beps/beps-compliance-pathway-deadlines/>

⁶ DC Sustainable Energy Utility, Studying the Path to Zero Carbon Homes in DC. <https://www.dcseu.com/news-blog/news-blog/blog-posts/studying-the-path-to-zero-carbon-homes-in-dc>

2.1.3.4. *Train Green Sustainable Energy Infrastructure Capacity Building and Pipeline Program (Train Green SEICBP)*

Train Green SEICBP provides Certified Business Enterprises (CBEs) and CBE-eligible firms industry-leading training and certifications at no cost. The DCSEU offers a range of introductory to advanced courses including topics on Energy Efficiency, Sustainability and Health, Building Operations, HVAC, and Renewables and Solar. In FY23, DCSEU offered 32 courses to 145 individuals registered for Train Green SEICBP including 142 of which were affiliated with a CBE or CBE-eligible DC business.

3. Legislative, Regulatory, and Contract Changes

3.1. Contract Changes

In FY23, during the second year of the five-year contract cycle, VEIC/DCSEU requested contract negotiations to revise its performance benchmarks. In FY24, the following changes were implemented:

- 1) Removed the MMBtu (source) energy consumption metric and moved to Metric Tons CO₂e (MTCO₂e) as the primary performance benchmark
 - a. MAX: 73,000 MTCO₂e
 - b. MIN: 51,100 MTCO₂e (70% of MAX)
- 2) Revised the deep energy benchmark to require 20% of energy savings (previously 30%) and adjusted the MAX and MIN
 - a. MAX: 60 Buildings (originally 100)
 - b. MIN: 42 buildings (originally 70)

3.2. Legislative and Regulatory Changes Impacting the DCSEU

The Board tracks legislation that may impact the DCSEU. The Healthy Homes and Residential Electrification Amendment Act of 2024⁷, passed by DC Council on May 7, 2024. D.C. Law 25-189 aims to:

To amend the Clean and Affordable Energy Act of 2008 to create the Breathe Easy Program within the Department of Energy and the Environment to provide residential electrification retrofits for low-income and moderate-income households; to amend the Green Building Act of 2006 to exempt the value of improvements made through the Breathe Easy Program from the definition of substantial improvement for the purposes of the Green Building Act of 2006, and to provide that the Green Building Advisory Council shall advise the Mayor on implementation of the Breathe Easy Program; to amend the Retail Competition and Consumer Protection Act of 1999 to exempt subscribers of projects created through the Solar For All Program from limits on offsets to costs of electricity consumption; and to amend section 47-1803.02 of the District of Columbia Official Code to provide that the value of benefits received through the Breathe Easy Program shall not be subject to District income tax.

⁷ <https://code.dccouncil.gov/us/dc/council/laws/25-189>

3.3. Public Service Commission (PSC) Formal Case Impacting the DCSEU

PSC Formal Case No. 1130 (FC 1130): *In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability*

On July 24, 2023, Synapse Energy Economics filed its study on *A Value of Distributed Energy Resources (DER) Study for the District of Columbia*. The PSC opened the study to public comment and the Board submitted comments on May 15, 2024. The Board highlighted the:

- reliability of data collected and how the representativeness of the Study feeder data of District-wide feeder conditions.
- need to characterize all feeders by their ability to absorb grid-edge DER generation as well as to automate its incorporation into the overall distribution of energy from a substation.
- cost effectiveness of DER deployment.
- most efficient incentive is rate design.

The Board comments can be reviewed in Attachment 2 of this report.

PSC Formal Case No. 1160 (FC 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*.

FC 1160 is the proceeding that is considering Pepco's and Washington Gas's application to administer energy efficiency and demand response (EEDR) programs in the District under Section 201 (b) (D.C. Code § 8-1774.07) of the Clean Energy DC Omnibus Amendment Act of 2018 (CEDC Act, D.C. Law 22-257, effective March 22, 2019). Section 201 (b) of the CEDC Act also established a working group (EEDR WG) to recommend long-term and annual energy savings metrics, quantitative performance indicators, and cost-effective standards for utility EEDR programs.

4. FY23 Performance Review

The DCSEU Board did not have an Evaluation, Measurement, & Verification (EM&V) report for FY23 to verify the attainment or non-attainment of the DCSEU's performance benchmarks. The information provided is based on tracking information provided by the DCSEU.

FY23 represented the second year of DCSEU's five-year contract cycle (FY22-FY26). In FY23, the DCSEU did not achieve the minimum targets for the cumulative benchmarks, however DCSEU exceeded the annual green collar jobs target and met the minimum annual low-income spend.

4.1. Cumulative Performance Benchmarks

4.1.1. Reduce Energy Consumption

Based on annual reductions in electricity and natural gas consumption, the DCSEU has a combined source energy savings five-year cumulative performance benchmark. By FY26, the DCSEU is charged to reduce electricity and natural gas consumption with a minimum target of 6,820,733 MMBtu and a maximum target of 7,578,592 MMBtu. In FY23, the DCSEU reached 822,767 MMBTU in combined source energy savings which represented 25% achievement of its minimum five-year cumulative Performance Benchmark target.

4.1.2. Renewable Energy and Energy Efficiency

By FY26, the DCSEU is charged to install a minimum of 4,500 kW and a maximum of 5,000 kW of renewable energy while reducing energy consumption greater than or equal to 50% of the renewable energy generating capacity across projects. In FY23, the DCSEU supported 469.6 kW of renewable energy capacity and surpassed the 50% ratio of solar measure energy savings to non-solar measure energy savings.

4.1.3. Reduce Greenhouse Gas (GHG) Emissions Impact

The DCSEU has a five-year cumulative performance benchmark to reduce GHG emissions by a minimum of 471,901 metric tons of CO₂ equivalent (MTCO₂e) and a maximum of 524,334 MTCO₂e. In FY23, the DCSEU achieved 47,430 MTCO₂e in savings bringing the cumulative total (FY22 and FY23) to 101,222 MTCO₂e which is 21% of its minimum five-year cumulative target.

4.1.4. Deep Energy Retrofits

By FY26, the DCSEU is charged to conduct deep energy retrofits in a minimum of 70 buildings and a maximum of 100 buildings. To meet this benchmark, all the participating buildings must receive at least a 30% reduction in the building's energy usage⁸. In FY23, the DCSEU completed one deep energy retrofit project. Due to the amount of time it takes to assess and identify buildings, completing this benchmark will take several years.

4.2. Annual Performance Benchmarks

4.2.1. Low-Income Spending

The DCSEU is required to spend 20-30% of its annual budget funding projects in low-income communities. In FY23, the DCSEU met its annual requirement and spent \$5,810,693 on energy efficiency projects in low-income communities.

⁸ In FY24, the deep energy retrofit benchmark was adjusted to require 20% of energy savings (previously 30%).

4.2.2. Green Jobs

The DCSEU is required to fund green jobs in the District during each year of the contract. The contract requires that the DCSEU fund a minimum of 66 full-time equivalent (FTE) jobs each year. The maximum annual target is 88 jobs. To calculate the number of FTE jobs funded, the contract specifies the following criteria:

- one FTE green job equals 1,950 hours worked by DCSEU staff and subcontractors.
- one FTE green job equals \$200,000 worth of DCSEU incentives provided to customers or manufacturers.
- only direct jobs are to be considered. Indirect jobs and induced jobs are not counted.

In FY23, the DCSEU created 88 full time jobs.

4.3. Financial Audit

F.S. Taylor & Associates, P.C. (FSTA) conducted a financial audit to review the FY23 costs reported by DCSEU. FSTA also tested the DCSEU's compliance with various requirements outlined in the contract, including whether the established benchmarks were attained.

Overall, FSTA found that DCSEU presented the expenditures fairly for FY23, but DCSEU did not meet the required 35% minimum CBE spend.

4.3.1. Certified Business Enterprises (CBE) Requirements

Annually, the DCSEU is required to spend a minimum of 35% of its contractable dollars with CBEs. In FY23, the target amount of CBE spending was \$14,366,561 (based on the total subcontract costs of \$41,047,316). The DCSEU spent 26% of contractable dollars on CBEs totaling \$10,520,535.

4.3.2. General and Administrative Expenses

As outlined in the contract, DCSEU's general and administrative costs shall not exceed 20% of the annual cost reimbursement ceiling. For FY23, the general and administrative costs allowed to be charged was \$4,140,262 (based off the \$20,701,308 cost reimbursement ceiling). The DCSEU spent \$3,704,432 which was under the 20% cap and was in compliance for FY23.

4.4. Cost Effectiveness

When the DCSEU is assessed by a third-party evaluator, a societal cost test is completed to determine the cost-effectiveness of programs including the costs and benefits from the program administrator, program participants, and non-participants. Since DOEE did not execute a contract, a third-party evaluator was not selected and an FY23 societal cost test was not completed.

5. Conclusion

Looking forward to FY25 and beyond, the DCSEU will continue to play a central role in helping the District achieve its goals of transitioning to cleaner, renewable sources of energy while also increasing access to efficient and affordable energy and healthier buildings and homes. The Board recognizes the

Council's ambitious climate goals set for the District and that the DCSEU plays a significant role in helping achieve these goals. However, the Board is also aware that achieving these policy goals requires collaboration with our District agency partners such as DOEE, Department of Buildings, DC Green Bank, and more! The Board is eager to build on these collaborations.

This fiscal year, the DCSEU will continue to operate many of its established programs while ushering in and expanding new programs with the help of new local and federal funding sources. These new funding sources will help the DCSEU reach more residents and businesses as well as deliver deeper, more impactful energy efficiency and clean energy solutions.

These enhanced resources are arriving at a critical time here in the District. The city is facing rising energy costs, driven by factors such as increasing gas and electricity rates, the ongoing efforts to address methane gas leaks, and the growing adoption of efficient electric machines like electric vehicles and heat pumps. These dynamics are compounded by the District's evolving energy landscape, characterized by the increasing reliance on electricity, the need to manage peak demand on the grid, and the growing adoption of distributed energy resources like rooftop solar and battery storage. This rapidly changing energy system, which is necessary to achieve DCs policy goals, presents both opportunities and challenges. The DCSEUAB looks forward to exploring opportunities for the DCSEU to leverage these shifting dynamics to maximize benefits for District residents.

To effectively navigate these opportunities and challenges, the DCSEU should prioritize several key actions. First, strengthening partnerships with District agencies, utilities, and other stakeholders is essential to maximize program effectiveness and ensure a coordinated approach to energy efficiency implementation. Second, with the influx of federal and local funding, the DCSEU must significantly enhance its capacity to deliver programs efficiently and quickly. This requires a significant expansion of the District's energy efficiency workforce. While the DCSEU has made strides in workforce development, further investments are crucial to meet the growing demand for services, particularly as federal incentives drive increased adoption of energy efficiency and electrification measures. Finally, robust outreach and marketing efforts are essential to ensure that District residents are aware of available programs and incentives. This will not only further drive demand for energy efficiency and renewable energy services but also ensure that all available funding is effectively utilized to achieve the District's ambitious energy goals. The DCSEU has partnered with several community-based organizations to pursue community engagement, and it will be important to deepen these relationships and expand into new ones to reach new communities.

In addition, the DCSEU's current 5-year contract is set to expire on September 30, 2026. To ensure uninterrupted service delivery, it is critical that the Advisory Board, in collaboration with DOEE, proceed with the process of evaluating the success of the current contract and begin drafting the Request for Proposals (RFP) for a new 5-year contract in FY25. The Advisory Board looks forward to working closely with DOEE and other stakeholders to ensure that the parameters outlined in the RFP are designed to enable the DCSEU to effectively fulfill its mission and deliver maximum benefits to District residents. The Board will continue to prioritize key areas and explore new opportunities in FY25 to prepare for this critical transition.

6. Appendix

6.1.FY24 Board Member Attendance

Name	FY 2024 Special Meetings Attendance Record	FY 2024 Committee Meetings Attendance Record	FY 2024 Regular Meetings Attendance Record
Jamal Lewis - Board Chair (Mayor's Designee)	1/1	1/4	11/11
Mansi Talwar (Councilmember Allen)	1/1	2/4	8/11
Sandra Mattavous-Frye (or OPC proxy)	1/1	4/4	9/11
Danielle Gurkin (PSC)	0/1	1/4	7/11
Pending (Electric Company)	N/A	N/A	N/A
Eric Jones (Building Management)	0/1	4/4	10/11
Vacant (Environment)	N/A	N/A	N/A
Sidra Siddiqui (Low-Income Community)	0/0	0/0	3/4
Jaleel Shujath (Economic Development)	1/1	2/4	9/11
Sasha Srivastava (Renewable Energy)	1/1	3/4	10/11
Giuls Kunkel (Building Construction)	1/1	2/4	9/11
Dr. Larry Martin – Vice Chair (Council Chairperson Mendelson)	1/1	3/4	9/11
Pending (Gas Utility)	N/A	N/A	N/A

6.2. DCSEU Programs vs. Benchmarks

	Program	Delivery Method	Cumulative Benchmarks			Annual Benchmarks		Annual Contract Requirement
			Reduction in Energy Consumption (MTCO ₂ e)	Renewable Energy Generation	Deep Energy Retrofits	Low-Income Spending	Green Jobs	Contributes to CBE Spend (35%)
Core SETF Programs (Market Rate)	Residential Appliance, HVAC, & Lawn Equip Rebates	Downstream Rebate to Customer or Contractor	✓				✓	
	Residential Midstream Lighting & HVAC	Rebate Applied at Participating Distributor	✓		✓		✓	✓
	Commercial Midstream Lighting & HVAC	Rebate Applied at Participating Distributor	✓		✓		✓	✓
	Business Energy Rebates	Downstream Rebate to Customer or Contractor	✓		✓		✓	
	C&I Custom	Custom Incentive to Customer	✓		✓		✓	
	C&I Solar	Custom Incentive to Customer	✓	✓	✓		✓	
	C&I Pay for Performance (P4P)	Custom Incentive to Customer	✓		✓		✓	
	C&I Direct Services	DCSEU Subcontractor Direct Service	✓		✓		✓	✓
	Workforce Development	DCSEU Works with Mentor Companies and Staffing Agencies				✓	✓	✓

	Program	Delivery Method	Cumulative Benchmarks			Annual Benchmarks		Annual Contract Requirement
			Reduction in Energy Consumption (MTCO ₂ e)	Renewable Energy Generation	Deep Energy Retrofits	Low-Income Spending	Green Jobs	Contributes to CBE Spend (35%)
Core SETF Programs (Low Income)	Income-Qualified Efficiency Fund (IQEF)	DCSEU Subcontractor Direct Service	✓		✓	✓	✓	✓
	Low-Income Custom	Custom Incentive to Customer	✓		✓	✓	✓	
	Low-Income Solar	Custom Incentive to Customer	✓	✓	✓	✓	✓	
	Low-Income Energy Kits	Participating Distributor/Qualifying Partner Orgs	✓			✓	✓	✓

	Program	Delivery Method	Cumulative Benchmarks			Annual Benchmarks		Annual Contract Requirement
			Reduction in Energy Consumption (MTCO2e)	Renewable Energy Generation	Deep Energy Retrofits	Low-Income Spending	Green Jobs	Contributes to CBE Spend (35%)
Additional DCSEU Programs	Train Green SEICBP	DCSEU Subcontractor Direct Service (Course Providers)				Does not count	Does not count	✓
	Affordable Homes Electrification Program	DCSEU Subcontractor Direct Service				Does not count	Does not count	✓
	Affordable Housing Retrofit Accelerator	DCSEU Subcontractor Direct Service or Custom Incentive to Customer/Designee	✓		✓	Does not count	Does not count	✓
	Solar for All (Single-Family and Community Solar)	DCSEU Subcontractor Direct Service				Does not count	Does not count	✓

6.3.Attachment 1 – Testimony FY24 DOEE Budget Oversight Hearing (April 24, 2024)

Testimony of Jamal Lewis, Chair
DC Sustainability Energy Utility Advisory Board
Council of the District of Columbia
Committee on Transportation and the Environment
April 29, 2024

Good afternoon, Chairman Allen and members of the Committee on Transportation and the Environment. I am Jamal Lewis, Chair of the DC Sustainable Energy Utility (DCSEU).

As outlined in the Clean and Affordable Energy Act of 2008, D.C. Official Code § 8-1774.03, the Board is charged to provide advice, comments, and recommendations to DOEE and Council regarding the procurement and administration of DCSEU, advise on DCSEU performance, and monitor DCSEU under its contract. The Board is comprised of 13 seats and has 10 active members. DOEE is working with Mayors Office of Talent and Appointments (MOTA) to fill the vacant positions.

Since DCSEU has been established, the Board adjusted DCSEU's contract cycle from a 1-year to a 5-year performance period, recommended a new GHG reduction performance benchmark be included, provided valuable feedback to the PSC on Section 201 of the Clean Energy DC Omnibus Amendment Act of 2018 regarding Pepco's and Washington Gas' proposed energy efficiency and demand response programs, and submitted comments to the PSC in FC 1160 which advocated for more frequent meetings of the Technical Issues Working Group. The Board plays a key role in DCSEU's success and is uniquely positioned to provide feedback on program implementation.

This Spring, the Department of Energy and Environment (DOEE) received guidance from the Mayor's Sustainable Energy Trust Fund Utilization Amendment Act of 2024 to *allocate*

approximately \$17.3 million in SETF resources for the payment of renewable energy credits or alternative compliance fees or to support purchase power agreements. This resulted in a \$12.8 million reduction in DCSEU's FY24 operating budget. Due to this unforeseen reduction, the DCSEU had to cancel new proposals and projects received through the Affordable Homes Electrification Program, Affordable Housing Retrofit Accelerator, and Solar for All program. During the first two quarters of each fiscal year, the DCSEU issues requests for proposals (RFPs) and works hard to set up new contracts for the year. When DOEE received the guidance to cut SETF funding, the DCSEU had already established a pipeline of projects. Letters were distributed to constituents, CBEs, and contractors affected by the abrupt change. However, families, households, and businesses were counting on this work and these services. The DCSEU has worked for years to foster strong relationships within the community and the quickest way to lose trust from those you serve is to fall back on an agreement.

Additionally, the DCSEU is charged with implementing energy efficiency programs, workforce development, and investing in market transformative projects. These types of projects can take years to cultivate, from finding a client or host site to organizing the scope of work. So, when it comes time for the project team to sign a contract and the funding is no longer available, it discourages other building owners from taking the risk of working with the DCSEU.

The climate crisis is here and decarbonization needs to maintain a high priority for the city. The Mayor established strong sustainability goals as outlined in her [Sustainable DC 2.0 Plan](#), [Clean Energy DC Plan](#), and the recently released [Zero Waste DC Plan](#), and steady funding is critical to meeting these goals.

The Board views the DCSEU as one of the most successful District Government initiatives and I could not be more excited to be a part of this impact. Thank you, and I am happy to answer any questions the Committee may have.

###

6.4.Attachment 2 – FC1130 Board Comments (May 15, 2024)

May 15, 2024

Ms. Brinda Westbrook,
Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, N.W. Suite 800
Washington, DC 20005

Re: FC-1130 – In the Matter of the Investigation of Modernizing the Energy Delivery System
for Increased Sustainability

Dear Ms. Westbrook:

The DC Sustainable Energy Utility Advisory Board (DCSEUAB, D.C. Official Code § 8–1774.03) submits the attached response to the District of Columbia Public Service Commission’s October 25, 2023 public notice soliciting comments on the Value of Distributed Energy Resources (VDER) Study and the subsequent Order No. 21928, dated November 16, 2023, stipulating the comment filing deadline of May 15, 2024, with replies due on or before July 1, 2024.

Sincerely,

A handwritten signature in black ink, appearing to read "J. Lewis". The signature is fluid and cursive, with a large initial "J" and a long, sweeping underline.

Jamal Lewis, Chair
DC Sustainable Energy Utility Advisory Board
Jamaljlewis@outlook.com

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

IN THE MATTER OF THE INVESTIGATION		
INTO MODERNIZING THE ENERGY		FORMAL CASE NO. 1130
SYSTEM FOR INCREASED SUSTAINABILITY		

The DC Sustainable Energy Utility Advisory Board (DCSEUAB) submits the attached response to the DC Public Service Commission’s (Commission) October 25, 2023, public notice soliciting comments on the Value of Distributed Energy Resources (VDER) Study and the subsequent Order No. 21928, dated November 16, 2023, stipulating the comment filing deadline of May 15, 2024, with replies due on or before July 1, 2024.

SUMMARY

The DCSEUAB is charged to provide advice, comments, and recommendations on the procurement and administration of the DCSEU, as well as advise on DCSEU performance and contracting, as specified in the Clean and Affordable Energy Act of 2008 (D.C. Code § 8-1774.03). The DCSEUAB’s comments here today pertain to select findings and recommendations found in the VDER Study that could affect the future performance of the DCSEU. We offer responses to the four questions presented by the Commission in the public notice, discussion of a Study finding, and three Study recommendations.

1. BACKGROUND

On October 25, 2023, the Commission published a public notice soliciting comments on the VDER Study, commissioned under FC 1130, in the matter of the Investigation into Modernizing the Energy System for Increased Sustainability. The public notice requested comments address the following four questions:

- a. Upon review of the Study’s recommendations and proposed additional research, what are your comments, and are there any additional recommendations and/or additional research you would propose?
- b. How can the Study, or successor studies, if any, contribute to the District’s climate goals (specifically in the area of avoided greenhouse gas costs)?
- c. How can the Study support the expansion of solar resources in the District?
- d. What other recommendations, if any, do you have on the uses and applications of the VDER Study?

Synapse Energy Economics, Inc. named eight findings and six recommendations. The DCSEUAB focused primarily on the Study’s fourth finding: *large electric distribution grid capacity projects are relatively expensive because they are driven by only a few peak hours of load demand (“needle” peaks) that cause feeders to exceed normal ratings; but may necessitate hundreds of millions of dollars in new capacity investment when a few hours of relief could defer or avoid the upgrade.* The DCSEUAB also focused on the following Study recommendations (see table ES-2 & Sec.7.2)

- #1: Proactively address future electrification pressure through modification or expansion of existing energy efficiency and demand response incentive/rebate programs to the extent doing so is cost-effective;
- #2: Amend solar incentives to include storage and account for temporal- and feeder-specific values; and
- #6: Use RFPs and contracts with DER providers where specific solutions are required to address feeder-specific pressures.

2. GENERAL COMMENTS

The DCSEU, established under the Clean and Affordable Energy Act of 2008 (D.C. Code § 8-1774.01), has made substantive contributions to advancing the District’s clean energy and efficiency policies since its first year of operation. Since 2011, the DCSEU has saved District residents \$1.2 billion in lifetime energy bill savings, invested over \$50 million in low-income communities, and prevented 6.2 million MTCO_{2e} of greenhouse gas emissions. Funding to support the DCSEU's programs comes from the Sustainable Energy Trust Fund (SETF) which consists of payments from DC ratepayers which are marshalled to support the District’s clean energy commitments. The DCSEU’s programs deliver distributed energy resources (DER) primarily in the form of solar installations, incentives for energy efficiency and conservation, and to a lesser extent demand-side management with power-bank batteries deployed to select DC residents. The findings and recommendations contained in the VDER Study, if implemented, could modify the cost-effectiveness of DCSEU programming, shift financial incentives, or otherwise change the conditions that govern the design and implementation of DCSEU programming – which is strictly evaluated through performance measures. These performance measures include reducing greenhouse gas emissions, increasing renewable energy capacity, increasing the number of green-collar jobs, improving energy efficiency of low-income housing and buildings serving low-income residents, and completing deep energy retrofits. Generally, the projects that contribute to the performance metrics are valued the same irrespective of where in the District these improvements occur. The VDER Study supports the overall finding that the location and timely contributions of grid-edge, behind-the-meter DER assets matter. Therefore, any Commission response to the Study should include an awareness of the DCSEU current and possible future contributions.

The *value* of DER is dynamic and highly responsive to conditions and investments to the component substations, feeders and circuits that constitute DC’s electric distribution grid. The DCSEUAB observes that the electric utility submits to the Commission the [Annual Consolidated Report](#) that describes a wide range of planned improvements to substations, transformers, feeders and other equipment (e.g. automation), as well as project updates, reliability statistics, and a productivity performance plan. This information could inform a data-driven distribution and integrated resource planning process that could inform decisions about 1) where to modernize and upgrade the electric grid to control peak load demand and 2) how to manage and maximize the value of DERs for that outcome.

Such a process would also be necessary to make informed decisions about any coordination of DCSEU programming to advance DER strategies for enhancing the electric grid. Care is necessary in defining such a process because the data will drive short- and long-term outcomes

and it is important that there is clarity on “what success looks like” in the context of strategic grid enhancements. The DCSEU appears prepared to welcome opportunities to work with Pepco to advance mutual objectives along these lines.

Under the [Clean Energy DC Omnibus Amendment Act of 2018](#), the utilities have the right to operate energy efficiency and demand response (EEDR) programs. This could be an opportunity for utility EEDR programs to compliment Solar for All installations. The Board wonders if, under this law, it is possible for those EEDR programs to also include more efficient grid management in collaboration with the DCSEU, *inter alia*, to facilitate interconnection of solar and other distributed energy resources (DER) to the distribution grid, and to confer more of their potential value to District electricity customers.

A question repeatedly arose in DCSEUAB discussion of the Study about the reliability of data collected and how the representativeness of the Study feeder data of District-wide feeder conditions. The DCSEUAB reviewed the discussion of avoided distribution cost methodology (Sec. 5) and was unable to determine how representative the selected feeder(/s) that were analyzed are of the District’s approximately 765 feeders. Consequently, the avoided cost components in Sec. 6 would be less reliable if the variables characterized in the study deviate from those in the grid. Although all indications from the Study point to savings resulting from the incorporation of DER onto feeders, an integrated planning approach, as noted above, is necessary to determine the magnitude of savings associated with any specific feeder as well as prioritize feeders that would be most cost-effective for improvements associated with DER.

3. VDER STUDY 4th FINDING

“Because large distribution capacity projects are relatively expensive, and because they are driven by the peak hour of load, “needle” peaks that cause the feeder to exceed its normal rating during only a few overloaded hours are among the most expensive events in terms of \$/MWh. These peaks have the potential to drive hundreds of millions of dollars of capacity investment across the District when a few hours of relief could defer or avoid the upgrade. Because the large cost of a distribution system upgrade is spread across more hours of pressure in our “Maximum Pressure” scenario, it may make more sense to invest in upgrades to the system. However, when the pressure is partially reduced, such that only a few remaining hours are creating pressure, the same logic applies: the hourly value of responsive load curtailment is much greater.”

The implication of this finding is stated plainly on pg. 14 of the introduction: *“As DER installations increase, the Study Team recommends that the DC PSC seek to maximize the temporal- and feeder-specific benefits of DERs, where cost-effective. Full realization of many of those benefits requires system planning that can appropriately value them for the purposes of decision-making.”* To optimize investment in managing peak loads and providing other grid services (e.g., frequency regulation), it is necessary to characterize all feeders by their ability to absorb grid-edge DER generation as well as to automate its incorporation into the overall distribution of energy from a substation. Presently, only Pepco has this information available. The DCSEU is not able to prioritize placement of DER optimally, or to otherwise contribute to shifting or reducing peak load (via energy efficiency measures) on the District’s electric grid. In the absence of an integrated resource plan that makes feeder improvements transparent, the

District can only rely on Pepco to optimally locate DER – a function that it has no incentive to perform given that the utility earns a rate of return on all distribution system investments. The Study appropriately highlights this reality on page 14: *“Without a framework to monitor, coordinate, and compensate DERs appropriately, it is unlikely that the optimal level of DERs will be installed at the most beneficial locations in the city or operate at the most beneficial times.”*

Finding #1 introduces the concept of changing tariffs and fees on the delivery of power that could impact the cost-effectiveness evaluation of the DCSEU's programs. Incorporating a time-of-use or dynamic pricing strategy to be used by the utility would be helpful in incentivizing the use of DER to shift or clip peak demands across the system and at various times throughout the day. Although the Commission is not able to regulate providers (other than standard offer service), the PSC is able to regulate the distribution system to adjust tariffs for time of use. Therefore, as it becomes more expensive to use electricity from the grid at peak times of the day, it becomes more cost effective to deploy electricity from DER at lower costs. Therefore, the DCSEU's deployment of DER could be more cost effective depending on the location of the DER as well as when electricity from the DER is deployed throughout the day.

4. VDER STUDY 6th RECOMMENDATION (for incentive/rebate programs)

“Use RFPs and contracts with DER providers where specific solutions are required to address feeder-specific pressures. Pursue RFPs after other low-cost mechanisms (such as energy efficiency programs and rate design) are employed.”

The RFP review and evaluation process is key to contract success. Considering the cost of kW reductions makes sense for longer term decisions (when incentive programs can ramp up and become more effective over time), however, the near-term investment of meeting peak demand is not a matter of cost-effectiveness – it simply is a must-do.

The DCSEU contract focuses on energy use reduction, measured by GHG reductions; not tracking demand reduction that might be associated with peaks. The association between peak demand reduction – as advocated in the VDER study, and the DCSEU's primary performance goal is that peak demand is typically met by the most GHG intensive fuels.

Financial incentives need to be adequate (and in a manner that will not inflict an undue cost burden on ratepayers) to ensure that DER demand response pledges are reliable.

5. VDER STUDY 1st RECOMMENDATION (for incentive/rebate programs)

“Proactively address future electrification pressure through modification or expansion of existing energy efficiency and demand response incentive/rebate programs to the extent doing so is cost-effective.”

This recommendation to refine the prudent investment in energy efficiency and demand response is contingent on Recommendation #3 (Implement additional time- and location-varying rates to appeal to customers with various types of DERs, including solar and batteries) because rate design is likely the most efficient incentive. The DCSEU invests heavily in energy efficiency programming and can also support acquisition of equipment useful for demand response. While rate design is a key factor, the ability to harness grid data from Pepco would enable better

coordination between DCSEU program investments and would contribute to the optimization of the value of energy efficiency, demand response and DER on the grid.

For the modification or expansion of energy efficiency and demand response incentive/rebate programs to meet requirements for peak load management, it is important to consider that hardware solutions have greater predictability, whereas behavioral solutions relying on customer compliance are not as reliable and compliance can range unpredictably. Reliability must be viewed as a component of the cost-effectiveness of a solution. Important components of reliability are terms of contract and the compensation between the DER/demand response resource manager and the utility. A more analytical assessment of how to ensure equity in grid modernization to accommodate DER also needs to be evaluated.

6. VDER STUDY 2nd RECOMMENDATION (for incentive/rebate programs)

“Amend solar incentives to include storage and account for temporal- and feeder-specific values.”

Installing solar and/or storage in optimized locations requires data on feeder specific values for DER, which is likely to add time to the time required to complete installations. This is consequential to the DCSEU because annual performance periods limit the length of time in which projects can be carried out. Therefore, data access should be streamlined to facilitate timely decision making.

In addition, the VDER study recommendation to possibly prioritize west-facing solar panels to better enable later-in-the-day solar generation to meet evening demand could affect the DCSEU’s implementation of the Solar for All (SFA) program because of potential tradeoff between overall generation vs generation to serve peak demand. The DCSEU has no incentive to shave peak demand, however, its overall increase in renewable energy factors into a performance measure. As previously mentioned, DCSEU’s current contract structure is not set up to offer DER incentives.

7. RESPONSE TO COMMISSION QUESTIONS AND CONCLUSION

a. *Upon review of the Study’s recommendations and proposed additional research, what are your comments, and are there any additional recommendations and/or additional research you would propose?*

The findings of the Study strongly suggest that an integrated resource planning process should be ongoing. The load on feeders is dynamic with demand routinely shifting. In coming years, it is anticipated that a shift away from fossil fuels for heating buildings and transportation will result in growing, but uneven electric demand. The PSC, in its capacity as the utility regulator and primary driver for meeting DC’s clean energy commitments should have the data necessary to evaluate grid modernization to meet electrification objectives and clean energy commitments. Because of the separation of distribution and generation – and all the behind-the-meter equipment for efficiency and demand side management, the data of feeders will need to be shared with energy service providers and other energy industry players, such as the DCSEU, who will be relied upon to coordinate to meet DC’s commitments. Further study is recommended to

evaluate if incentivizing west-facing solar panels would be desirable to better enable later-in-the-day solar generation to meet evening demand and should be conducted before such any decision is made on that alternative.

Regarding Recommendation #6, research to better characterize how solar incentives impact the reliability of DER demand response would be valuable. Such research would identify what models exist with demonstrated reliability for providing valued grid services.

b. *How can the Study, or successor studies, if any, contribute to the District's climate goals (specifically in the area of avoided greenhouse gas costs)?*

Although it may be cost effective for utilities, including the DCSEU, to reduce peak demand, detailed information is required to optimize the efforts of both the utilities and providers. Enhancements to feeders to enable demand-side management, virtual power plants and microgrids as well as reduce peak demand will also reduce greenhouse gas emissions. As noted earlier, this process is data driven and factors such as data granularity and quality are important. DOEE's recent charge to conduct a hosting capacity study is an important initiative that will hopefully aid in identifying feeders and circuits on the grid in need of increased capacity to meet potential grid-edge energy management requirements. Such an undertaking must be supported by a sufficient budget to fund the research [see Commissioner Beverly's call for an integrated resource plan¹]. Recent reports on Eversource's SMART program in Massachusetts² and the results of grid modernization in Hawaii are useful resources for this ongoing discussion.

c. *How can the Study support the expansion of solar resources in the District?*

The Study provides a framework and an example for how to evaluate the contribution of DER for optimizing the location and installation of solar in DC. The Study offers evidence that the continuation of solar installation incentives is a cost-effective strategy for reducing stress on the distribution grid while continuing to help meet DC's clean energy commitments. For the DCSEU to participate in this strategy, a commitment to data sharing (such as feeder usage) by the utility is necessary.

d. *What other recommendations, if any, do you have on the uses and applications of the VDER Study?*

The Study validates the premise that DER has value to the electric distribution grid, and the importance of temporal and proximal siting of DER to load on feeders. The Study methodology provides a template for the more detailed integrated distributed system resource planning that is necessary to make informed decisions about the utility's priority investment areas for equipment modernization to enable third parties to install the DER and energy management systems to conserve power and manage peak loads. In the absence of grid data, the DCSEU only has access to customer data when a customer grants data authorization which then provides the DCSEU Green Button 15-minute interval data. ENERGY STAR® benchmarking provides higher level

¹ Formal Case No. 1130, In the Matter of the Investigation into Modernizing the Energy Delivery System for Increased Sustainability, Order No. 20286, 1/24/2020

² <https://www.mass.gov/info-details/solar-massachusetts-renewable-target-smart-program>

(monthly) data but only for buildings greater than 25,000 square feet. Greater transparency of need and capacity on feeders and at substations is necessary.

Additional studies are needed to enable and accelerate the progress of microgrids. Currently these projects take a long time, particularly with the interconnection process.

6.5.Attachment 3 – FY23 Financial Audit

**REPORT OF RESULTS OF THE
FINANCIAL AND COMPLIANCE AUDIT
OF THE
DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023**



*1420 N Street, N.W., Suite 100
Washington, D.C. 20005
(202) 898-0008*

**REPORT OF RESULTS OF THE FINANCIAL AND COMPLIANCE AUDIT
OF THE DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

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COMPREHENSIVE REPORT

OVERVIEW OF RESULTS

F.S. Taylor & Associates, P.C. (FSTA) was contracted by the District Department of Energy and Environment (DOEE) to audit the costs reported by the District of Columbia Sustainable Energy Utility (DCSEU) under the Contract between DOEE and Vermont Energy Investment Corporation (VEIC). In addition, FSTA was also required to test the DCSEU's compliance with various requirements outlined in the Contract, including whether or not established benchmarks were attained. The period under audit was October 1, 2022 through September 30, 2023.

DOEE awarded a total of \$71,015,419 to the DCSEU for the year ended September 30, 2023, which was comprised of the base contract of up to \$20,701,308 in reimbursable costs and up to \$1,700,000 in performance benchmarks, as well as contract modifications for four additional programs (Solar for All, SEICBP, HVAC Replacement Program and Affordable Housing Retrofit Accelerator) for up to an additional \$48,614,111. Total spending for the Contract for FY 2023 was \$41,047,316, which included actual reimbursable costs and a 4% non-at-risk operations fee. In the FY 2023 Contract, \$1,700,000 was reserved for compensation to VEIC for the attainment of certain performance benchmarks.

There is a finding related to the amount of CBE spending not meeting the required 35% minimum percentage of total spending; CBE spending was only 26% of total spending for the year ended September 30, 2023. This is included as Finding 2023-001 in the schedule of findings and questioned costs. See section 5 under the FY23 Results section for additional information.

RESULTS OF THE FINANCIAL AND COMPLIANCE AUDIT OF THE DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY FOR THE YEAR ENDED SEPTEMBER 30, 2023

A. Background

The Clean and Affordable Energy Act of 2008 through DC Law 17-250 (CAEA, D.C. Code & 8-1773.01 et seq.) (the Act) established authority for the Mayor, through the Department of Energy and Environment (DOEE), to contract with a private entity to be known as the Sustainable Energy Utility (SEU) to administer sustainable energy programs in the District of Columbia. The Act required that the SEU conduct programs in the District to reduce energy consumption, increase renewable energy generating capacity, improve the energy efficiency and increase the renewable energy generating capacity of low-income housing, shelters, clinics, and other buildings serving low-income residents, and increase the number of green-collar jobs in the District. In addition, per the Act, the Contract for the SEU should be performance-based, and the portfolio of energy programs shall meet the societal benefit test on a contract-term basis.

The District of Columbia, through DOEE, contracted with the Vermont Energy Investment Corporation (VEIC), a non-profit organization, to provide these services in a contract dated March 24, 2011, as amended on September 2, 2011. VEIC is the prime contractor in a six-entity partnership known as the Sustainable Energy Partnership formed to manage the SEU branded as the District of Columbia Sustainable Energy Utility (DCSEU). The DCSEU's financial and accounting records for the Contract are maintained by VEIC. The original SEU Contract contained a base year ending September 30, 2011, renewable annually thereafter for up to six (6) option years.

Pursuant to changes in the Act, DOEE competitively rebid the DCSEU Contract during Fiscal Year (FY) 2016, and subsequently entered into a new Multi-year Contract with VEIC, who emerged as the winning Offeror during the Contract rebid process. The new DCSEU Contract, which went into effect on April 5, 2017, includes a five-year base period through September 30, 2021 and an option to renew for an additional five-year period through September 30, 2026. For the year ended September 30, 2023, the Contract had a compensation structure comprised of reimbursement of actual costs incurred and a non-at-risk operations fee of 4% of the reimbursed costs as well at-risk compensation of \$1,700,000 based on the attainment of performance benchmarks. Funding for the DCSEU Contract is provided by the Sustainable Energy Trust Fund (SETF) which is administered through DOEE.

Section 210 (c)(3) of the Act requires DOEE to commission an Annual Independent Review of the expenditures of the DCSEU and report the results to the Sustainable Energy Utility Advisory Board (SEUAB) and the Council of the District of Columbia (the Council) within six months of the end of the fiscal year. On March 22, 2024, the District of Columbia Office of Contracting and Procurement, on behalf of DOEE, contracted with F.S. Taylor & Associates, P.C. (FSTA), an independent certified public accounting firm, to perform a financial and compliance audit of DCSEU expenditures for the period October 1, 2022 through September 30, 2023.

B. Scope and Objectives

The objectives of FSTA engagement were to conduct a financial audit of all SETF reimbursement payments made to VEIC for costs incurred by the DCSEU, as well as an audit of the DCSEU's compliance with stated requirements of the Contract with the District.

The audit was performed in accordance with Generally Accepted Auditing Standards (GAAS) as set forth by the American Institute of Certified Public Accountants and standards set forth by the U.S. General Accounting Office's *Government Auditing Standards*. These standards require that FSTA plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for the results and conclusions based on the objectives of the audit. FSTA achieved the objectives, and the results and conclusions are detailed in this report.

C. Methodology

To accomplish the audit objectives related to the DCSEU, FSTA completed the following tasks:

- Obtained an understanding of the Contract between the DOEE and VEIC in order to identify pertinent terms and requirements to be tested.
- Interviewed staff of VEIC, the DCSEU and DOEE.
- Reviewed policies and procedures related to the operations of the DCSEU.
- Conducted a remote review of original documents provided and maintained by VEIC, which is responsible for the financial management and accounting system for the DCSEU.
- Reviewed and tested monthly billings from VEIC to DOEE for arithmetical accuracy and for adequacy of supporting documentation for reported expenditures.
- Reviewed internal controls related to the accounting system for DCSEU activities to assess whether controls appeared adequate for proper accounting and reporting of expenditures incurred under the Contract.
- Reviewed and tested a sample of subcontracts for award date, signature and description of services to be provided to ensure pertinent terms of the Contracts were followed, and to verify that these subcontracts were executed and disclosed to DOEE prior to VEIC's requesting reimbursement for costs incurred.
- Tested a sample of DCSEU costs billed to DOEE for all major categories by reviewing supporting documentation including appropriate authorizing signatures for disbursements and proper cut-off within the established Contract performance period.
- Reviewed and tested pertinent compliance requirements noted in the Contract.

D. FY 2023 Results

1. General and Administrative Expenses

As outlined in Section C.36 of the Contract, effective April 5, 2017, general and

administrative costs including rent, equipment, software, utilities, indirect costs, budgeting and financial management, contract management, and data collection/reporting, as well as the non-at-risk operations fee shall not exceed 20% of the annual cost reimbursement ceiling. For the Contract effective for the year ended September 30, 2023, the cost reimbursement ceiling was \$20,701,308. As a result, the maximum amount of general and administrative costs allowed to be charged was \$4,140,262. The actual amount of general and administrative costs charged to the Contract was \$3,704,432. Since this amount was below the maximum amount allowed under the Contract, the DCSEU met the related Contract requirement.

2. Non-Incentive Costs

As outlined in Section B.8.1.1.1.4) of the Contract, non-incentive expenditures for the Solar-for-All, HVAC Replacement, SEICBP and Affordable Housing Retrofit Accelerator programs shall not exceed 20% of the awarded budgets for these programs annually. Below is a summary of the related costs incurred under the Contract for the year ended September 30, 2023:

Solar for All (SFA)	
Total reimbursable amount under the Contract	\$ 12,150,985
Maximum non-incentive rate allowed	20%
Maximum non-incentive amount allowed	<u>\$ 2,430,197</u>
Incentive costs	\$ 5,830,109
Total costs	<u>\$ 7,005,772</u>
Total non-incentive costs	<u>\$ 1,175,663</u>
Requirement met?	YES
HVAC Replacement (HVAC)	
Total reimbursable amount under the Contract	\$ 864,007
Maximum non-incentive rate allowed	20%
Maximum non-incentive amount allowed	<u>\$ 172,801</u>
Incentive costs	\$ 692,010
Total costs	<u>\$ 786,104</u>
Total non-incentive costs	<u>\$ 94,094</u>
Requirement met?	YES
SEICBP	
Total reimbursable amount under the Contract	\$ 403,983
Maximum non-incentive rate allowed	20%
Maximum non-incentive amount allowed	<u>\$ 80,797</u>
Incentive costs	\$ 319,297
Total costs	<u>\$ 367,899</u>
Total non-incentive costs	<u>\$ 48,602</u>
Requirement met?	YES
Affordable Housing Retrofit	
Total reimbursable amount under the Contract	\$ 35,195,136
Maximum non-incentive rate allowed	20%
Maximum non-incentive amount allowed	<u>\$ 7,039,027</u>
Incentive costs	\$ 1,172,438
Total costs	<u>\$ 5,010,123</u>
Total non-incentive costs	<u>\$ 3,837,685</u>
Requirement met?	YES

As noted above, non-incentive spending was below the maximum percentage of 20% outlined in the Contract for the specified programs.

3. [Rate of Pay for Employees and Subcontractor Staff](#)

The Contract included an incentive to increase the number of green-collar jobs within the District. As outlined in Section A.1 of the Contract, a green-collar job is defined as any expenditures that create a job held by a District resident who is paid at least a living wage. Effective through June 30, 2023 and September 30, 2023, the living hourly wage in DC was \$16.50 and \$17.00, respectively. For purposes of our testing, the DCSEU provided a listing of ten (10) companies (including the DCSEU) and the green-collar employees reported for each company. From the listing, we selected a sample of fifty (50) employees and verified that they were paid in accordance with the living wage rate effective at the time of reporting; no exceptions were noted in our testing. For the same fifty (50) employees, we also verified documentation of residency within the District at the time of reporting. We noted no exceptions as a result of this testing.

4. [Ownership of Materials, Data, and Products](#)

The Contract states that “Any logos, trademarks, databases, copyrighted material or material eligible for copyright, physical equipment, computer software purchased or developed with SETF monies, surveys, survey results, program designs, and any DCSEU work product determined by DOEE to be necessary to the success of DCSEU programs will be the property of DOEE and used only with the permission of DOEE, with the exception of Customized Software. DOEE shall have access to this data and materials during the DCSEU Contract and the Contractor shall transfer such items to the winning bidder of a future SEU Contract RFP. DOEE ownership rights may not be exclusive in the instance of materials, data or products that are purchased or developed with another entity sharing in the associated costs.”

During the course of the audit, FSTA requested a listing of such equipment, computer software, etc., as noted above. VEIC provided an Expensed Asset Tracking Log which contains all equipment, software, furniture, and fixtures purchased by the DCSEU since its inception in March 2011, with an acquisition cost over \$100. The log includes a description of the asset, acquisition date, tag number, serial number, location of the item, and information related to replacement items if the asset was disposed or retired. FSTA traced a sample of equipment and other related items acquired during the year ending September 30, 2023 to the log to verify that the descriptions, costs, and other pertinent information agreed to invoices and other supporting documentation. No exceptions were noted as a result of our review.

FSTA also reviewed agreements made with a sample of subcontractors to ensure that the DCSEU informed them of the above requirements related to DOEE’s retaining the rights to all program-related data, materials, and equipment. For all subcontractor agreements selected for testing, FSTA noted that the subcontracts included language informing the subcontractors of the above requirements.

5. [Small, Local, and Disadvantaged Business Enterprise Development and Assistance](#)

The Contract included the following provision:

Unless the Director of the Department of Small and Local Business Development (DSLBD) has approved a waiver in writing, for all Contracts in excess of \$250,000, a minimum of 35% of the total dollar volume of the contract, shall be subcontracted to qualified small business enterprises (“SBEs”). If there are insufficient SBEs to completely fulfill the requirement, then the subcontracting may be satisfied by subcontracting 35% of the dollar volume to any qualified certified business enterprises (CBEs); provided, however, that all reasonable efforts shall be made to ensure that SBEs are significant participants in the overall subcontracting work.

For the year ended September 30, 2023, the target amount of SBE spending, based on this criterion, was \$14,366,561. The DCSEU provided a schedule of expenditures related to SBE/CBE subcontractors totaling \$10,520,535. FSTA tested the accuracy of the schedule by tracing reported expenditures to supporting accounting details. For those subcontractors indicated as being a SBE or CBE, FSTA also performed testing to verify this status by searching for the subcontractor on the DSLBD’s website. Based on the testing conducted, FSTA concluded that the requirement regarding SBE participation was not achieved for the period ended September 30, 2023. This will be included as Finding 2023-001 in the schedule of findings and questioned costs.

6. [Project-related Incentive Payments](#)

The DCSEU received reimbursement payments from DOEE for providing incentives to single-family and multi-family households, as well as to small commercial entities, to install certain energy-efficient fixtures and other measures. The energy-efficient equipment and measures to be installed under this program were to be approved by both the subcontractor performing the installation as well as by the respective DCSEU Project Manager prior to the incentive being awarded. The installation had to be documented by an inspection form certifying the project was successfully completed before the payment was processed. For fiscal year 2023, the DCSEU expended \$15,423,901 for project-related incentives. We selected a sample of 118 incentive payments made during FY 2023 and reviewed for signed completion certificates and inspection reports as evidence that the installations were performed within the required time frame, and as evidence that the DCSEU Project Manager verified that the work was properly completed. No exceptions were noted as a result of FSTA testing.

7. [Subcontractor Agreements](#)

The DCSEU works with a number of subcontractors to perform various services under the Contract including the installation of energy-saving measures, the provision of customer rebates, as well as the monitoring of compliance requirements outlined in the Contract. FSTA sampled a number of these subcontracts for various attributes including the following:

- Verified that the agreement was properly approved by VEIC/DCSEU management.
- Ensured costs were not charged to DOEE prior to the agreement being executed between the DCSEU and the subcontractor.
- Compared the total costs charged against the Contract and billed to DOEE against the maximum costs outlined in the agreement.
- Reviewed details of invoices charged against the Contract to ensure services provided agreed with those outlined in the scope of work in the agreement.

No exceptions were noted as a result of our testing.

8. [Eligible Costs and Expenses](#)

Beginning with the execution of Contract DOEE-2016-C-0002, effective April 5, 2017, the Contract outlined additional requirements regarding the types of costs that could be charged, and specifically excluded the following costs unless approved by DOEE:

- Food and beverages except as part of an employee’s travel expenses
- Sponsorship of a third-party event
- Valet parking or employee/consultant parking
- Rent and utilities for employees or consultants

In addition, all travel costs had to be within the respective federal per-diem rates based on the location(s) to which employees traveled.

FSTA selected a separate sample of twenty (20) travel and other employee reimbursements charged during the year. For these transactions, we obtained the supporting invoices and other documentation to verify that they were for actual costs with adequate documentation, costs not excluded under the Contract, and costs not in excess of the federal per diem rates. No exceptions were noted as a result of our testing.

9. [Low-Income Spending](#)

Sections C.40.8.3.1.1 and C.40.8.3.2.1 of the Contract requires the DCSEU to “spend a minimum of 30% of the SETF funds allocated to this Contract on expenditures that increase the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District...The Contractor shall receive 50% of the annual incentive for this benchmark if the Contractor achieves an annual expenditure level for programs targeted towards low-income residents in the District, that is equivalent to 20% of the Contractor’s annual expenditures from the SETF.”

The DCSEU provided a detail of all expenditures designated as low-income spending for the year ended September 30, 2023, totaling \$5,031,094. FSTA also obtained a list of cost centers which the DCSEU has identified as being low-income related and verified that only these cost centers were included in the low-income expenditure detail. Based on the adjusted total spending for the year ended September 30, 2023, we recalculated the

percentage of low-income spending to be 24% of total SETF expenditures.

In addition, we obtained a list of incentives and other costs included in the low-income costs detailed above. From that list, we selected a sample of 15 items to verify that the costs were supported by documentation that the related projects benefited eligible low-income individuals; no exceptions were noted as a result of testing.

10. [Financial Results- Summary](#)

DOEE awarded a total of \$71,015,419 to the DCSEU for the year ended September 30, 2023, which was comprised of the base contract of up to \$20,701,308 in reimbursable costs and up to \$1,700,000 in performance benchmarks, as well as contract modifications for four additional programs (Solar for All, SEICBP, HVAC Replacement Program and Affordable Housing Retrofit Accelerator) for up to an additional \$48,614,111. Of this amount, a total of \$41,047,316 was invoiced by DCSEU and paid by DOEE. There were also indirect cost and fringe reductions by DCSEU of \$54,969, which were refunded to DOEE in February 2024. As a result, adjusted spending for FY 2023 is \$40,992,347.

**DC SUSTAINABLE ENERGY UTILITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023**

FINDING 2023-001

Compliance Requirement: Small, Local, and Disadvantaged Business Enterprise Development and Assistance

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition/Context:

During testing over certified business enterprises (CBEs), we noted that the percentage of spending attributable to contracts with CBEs did not meet the minimum percentage of total spending for the year ended September 30, 2023.

Criteria:

Section H.1 of the Contract states that “a minimum of 35% of the dollar volume of the Contract must be attributable to contracts with CBEs.”

Cause:

Management was not able to procure CBE-related contracts that were sufficient to meet the minimum spending requirement.

Effect:

As a result of the finding, the amount of spending related to CBEs failed to reach the required minimum percentage as outlined in the Contract.

Questioned Costs:

None noted; the items in question were properly documented by supporting invoices and were properly charged to the Contract. In addition, there is no penalty outlined in the Contract related to noncompliance with the requirement.

Recommendation:

We recommend that management continue to reinforce the internal controls related to tracking the amount of spending related to CBEs throughout the year to ensure compliance with the requirements outlined in the Contract.

Views of Responsible Officials and Planned Corrective Actions:

See Corrective Action Plans section.

**DC SUSTAINABLE ENERGY UTILITY
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED SEPTEMBER 30, 2023**

Corrective Action Plans

Finding Reference: 2023-001

Views of Responsible Officials and Planned Corrective Actions:

The DCSEU is committed to utilizing and fostering the growth of District businesses, especially CBEs. Since FY 2012 through FY 2022, the DCSEU has met or exceeded its contractual requirements for spending with CBEs. In FY 23, DCSEU spent 25 percent of the total funds with CBEs.

In FY 2023, the DCSEU faced several challenges that impacted spending with CBEs and achieving its 35 percent target. This included CBE's that the DCSEU previously worked with that lost their CBE status, subcontractor applications for CBE status that were not approved by DSLBD, and CBE's that filed bankruptcy.

The DCSEU also had several programs with competitive bidding requirements. While these programs prioritize CBEs by providing preference points for CBE contractors and a higher incentive payment for projects completed with CBEs, there is no guarantee that CBEs will bid on the work, be hired by building owners, or that they will be scored as the winning bidder. For many of the procurements in FY 23, there were numerous instances where no CBE responded, or the proposal submitted by the CBE failed the reasonable cost review because of significantly higher costs and was denied by DOEE.

DCSEU did an analysis of the FY 23 financial impact of the occurrences listed above and concluded that they exceeded the gap in the actual CBE spend and the FY 23 contractual requirement.

DCSEU will continue in its commitment to utilizing CBE's in achieving the goals of the Programs by building CBE capacity, assisting small business in getting CBE status, reviewing and adjusting CBE preference points in solicitations, and promoting and encouraging the utilization of CBEs to DCSEU customers.

Name of the contact person responsible for corrective action:

Angela S. Johnson, Director of Finance; Tamara Christopher, Manager of Financial Operations; Ernest Jolly, Managing Director; Ben Burdick, Sr. Director of Operations

Planned completion date for corrective action plan:

Ongoing and throughout the entire contract period.

**DC SUSTAINABLE ENERGY UTILITY
STATUS OF PRIOR-YEAR FINDINGS
YEAR ENDED SEPTEMBER 30, 2022**

FINDING 2022-001

Compliance Requirement: Asset Tracking Log

Type of Finding: Significant Deficiency in Internal Control, Noncompliance

Condition/Context:

During testing over non-payroll expenditures, we noted two invoices under the Contract related to the acquisition of various pieces of equipment and furniture totaling \$53,810 that were not included on the Asset Tracking Log (tracking log).

Status: Corrected; no exceptions were noted as a result of testing during the year ended September 30, 2023.

FINANCIAL AND COMPLIANCE AUDIT

INDEPENDENT AUDITOR'S REPORT

To the Sustainable Energy Utility Advisory Board

Opinion

We have audited the accompanying Schedule of Total Actual Spending Summary (financial statement) of the District of Columbia Sustainable Energy Utility (the DCSEU) for the year ended September 30, 2023, and the related notes to the financial statement, which collectively comprise the DCSEU's basic financial statements as listed in the table of contents.

In our opinion, the financial statement referred to in the first paragraph presents fairly, in all material respects, the expenditures of the District of Columbia Sustainable Energy Utility for the year ended September 30, 2023 on the basis of accounting described in Note 2.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the DCSEU and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter

The accompanying financial statement was prepared for the purpose of complying with the requirements of the DCSEU Contract as discussed in Note 2 and is not intended to be a presentation in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of this financial statement in accordance with accounting principles generally accepted in the United States of America and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statement, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the DCSEU's ability to

continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the DCSEU's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events considered in the aggregate, which raise substantial doubt about the DCSEU's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 28, 2024 on our consideration of the DCSEU's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and Contract and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of the testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the DCSEU's internal control over financial reporting and compliance.

F. S. Taylor & Associates, P.C.

F.S. Taylor & Associates, P.C.
Washington, DC
May 28, 2024

**DC SUSTAINABLE ENERGY UTILITY
SCHEDULE OF TOTAL ACTUAL SPENDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	<u>SETF</u>	<u>Solar for All</u>	<u>HVAC</u>	<u>Affordable Housing Retrofit</u>	<u>SEICBP</u>	<u>2023 Total</u>
Labor	\$ 3,969,629	\$ 418,737	\$ 44,780	\$ 1,168,333	\$ 21,052	\$ 5,622,531
Fringe	942,385	100,843	10,838	278,922	5,053	1,338,041
Incentives	7,410,047	5,830,109	692,010	1,172,438	319,297	15,423,901
Subcontractors	4,379,115	92,454		7,317,333		11,788,902
Materials	131,389	15,992		80	-	147,461
Telephone	21,043	7,586		-	-	28,629
Internet	10,919	-		-	-	10,919
Travel	20,402	2,378		4,454	-	27,234
Copying/printing	20,364	8,279		6,619	-	35,261
Postage/shipping	3,749	-		-	-	3,749
Memberships	43,895	-		140	-	44,035
Education/meetings	70,111	2,047		170	10,200	82,528
Equipment/software	78,423	17,461		220	-	96,104
Rent/occupancy	702,756	-		-	-	702,756
ODC	15,452	425		-	-	15,877
Indirect	1,522,035	554,101	64,211	854,514	30,581	3,025,442
Core program support	259,532	-		269,125	-	528,657
Shared services	212,738	321,879	13,547	-	-	548,164
Total reimbursable expenses	<u>19,813,984</u>	<u>7,372,290</u>	<u>825,386</u>	<u>11,072,347</u>	<u>386,184</u>	<u>39,470,191</u>
Operations fee (4%)	<u>793,123</u>	<u>292,972</u>	<u>32,675</u>	<u>442,911</u>	<u>15,445</u>	<u>1,577,126</u>
Total costs billed	<u>20,607,107</u>	<u>7,665,262</u>	<u>858,061</u>	<u>11,515,258</u>	<u>401,628</u>	<u>41,047,316</u>
Adjustments	(39,495)	(5,777)	(395)	(8,934)	(368)	(54,969)
Total actual spending	<u>\$ 20,567,612</u>	<u>\$ 7,659,485</u>	<u>\$ 857,666</u>	<u>\$ 11,506,324</u>	<u>\$ 401,260</u>	<u>\$ 40,992,347</u>

SEE NOTES TO SCHEDULE OF TOTAL ACTUAL SPENDING

**DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
NOTES TO SCHEDULE OF TOTAL ACTUAL SPENDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 1 – ORGANIZATION AND BACKGROUND

The Clean and Affordable Energy Act of 2008 through D.C. Law 17-250 (CECA, D.C. Code & 8-1773.01 et seq.) (the Act) established authority to Contract with a private entity to be known as a Sustainable Energy Utility (SEU) to administer sustainable energy programs in the District of Columbia. The Act required that a Sustainable Energy Utility conduct programs in the District of Columbia to reduce per-capita energy consumption, increase renewable capacity, reduce the growth of peak energy demand, improve the energy efficiency of low-income housing, reduce the growth of energy demand of the largest energy users, and increase the number of green-collar jobs in the District.

Pursuant to changes in the Act, DOEE competitively rebid the DCSEU Contract during Fiscal Year (FY) 2016, and subsequently entered into a new Multi-year Contract with VEIC, who emerged as the winning Offeror during the Contract rebid process. The new DCSEU Contract, which went into effect on April 5, 2017, includes a five-year base period through September 30, 2021 and an option to renew for an additional five-year period through September 30, 2026, which was exercised. For the year ended September 30, 2023, the Contract had a compensation structure comprised of reimbursement of actual costs incurred and a non-at-risk operations fee of 4% of the reimbursed costs as well at-risk compensation of \$1,700,000 based on the attainment of performance benchmarks. Funding for the DCSEU Contract is provided by the Sustainable Energy Trust Fund (SETF) which is administered through DOEE.

The DCSEU's financial and accounting records are maintained by VEIC. DCSEU costs are reported as program costs in VEIC's audited financial statements.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting – Expenditures are expenses and costs related to certain assets. Expenses have been reported on an accrual basis such that expenses are recorded based on when the obligation is incurred. The costs related to certain assets such as furniture and equipment, security deposits, and inventory have been included in expenditures and were not capitalized; such accounting for these assets is not in accordance with generally accepted accounting principles.

Basis of presentation – The financial statement is presented for the purpose of reporting expenditures for the DCSEU, which is a program of VEIC. The financial statement presentation is not intended to be in accordance with generally accepted accounting principles.

**DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
NOTES TO SCHEDULE OF TOTAL ACTUAL SPENDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES – (CONTINUED)

Concentration of funding – The DCSEU received 63% of its funding from the Sustainable Energy Trust Fund which is administered through DOEE. The remaining 37% was provided through the American Rescue Plan Act (ARPA).

Subsequent events – In preparing this financial statement, management of the DCSEU evaluated events and transactions that occurred after September 30, 2023, for potential recognition or disclosure in the financial statements. These events and transactions were evaluated through May 28, 2024, the date that the financial statements were available to be issued.

NOTE 3 – RELATED-PARTY TRANSACTIONS

VEIC is the prime Contractor in a partnership known as the Sustainable Energy Partnership formed to manage the SEU branded as the District of Columbia Sustainable Energy Utility (DCSEU). Teaming partners provide various services to the DCSEU, and are paid, accordingly, as subcontractors for these services. Amounts paid to the various teaming partners and charged to the Contract for the year ended September 30, 2023 were as follows:

<u>Teaming Partner</u>	<u>FY23 Expenditures</u>
Institute for Market Transformation, Inc.	\$ 248,769
PEER Consultants, P.C.	921,055
Total paid to teaming partners	<u>\$ 1,169,824</u>

NOTE 4 – SHARED SERVICES

The shared services center, which was set up by VEIC with the goals of efficiency and centralization in pursuit of cost containment is a cluster of departments comprised of the following that benefit the Contract:

- Consulting
- Evaluation, measurement and verification
- Information and technology
- Customer service and development
- Marketing
- Policy and public affairs
- Business solutions group
- Public relations and internal communications
- Strategic technology services
- Reporting and analytics
- Engineering

**DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
NOTES TO SCHEDULE OF TOTAL ACTUAL SPENDING
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

NOTE 5 – ALLOCATED GENERAL AND ADMINISTRATIVE EXPENSES

These are organization-wide costs that are related to the Contract but cannot be directly traced to it in an economically feasible way. These costs have been allocated to the Contract on the basis of a provisionally established two-tier rate structure that distinguishes fringe benefits from other general and administrative costs. The DCSEU applied the following provisional rates during the year:

Period	Description	Rate	Allocation Base
10/01/2022 - 12/31/2022	Fringe benefits rate	24.40%	Direct labor costs
10/01/2022 - 12/31/2022	General and administrative (indirect cost) rate	8.30%	Total direct costs
01/01/2023 - 09/30/2023	Fringe benefits rate	24.00%	Direct labor costs
01/01/2023 - 09/30/2023	General and administrative (indirect cost) rate	8.60%	Total direct costs

During the course of the year, the DCSEU recovers fringe benefits and general and administrative costs associated with the Contract pursuant to the provisional rates, which it negotiates annually with VEIC’s cognizant agency, the U.S. Department of Energy. The rates outlined above were based on budgeted data for the year. At year end, the DCSEU secures approval of a final rate that is not subject to adjustment, whereby unrecovered costs based on the differential between final and provisional rates are absorbed by the DCSEU, while costs recovered in excess of historical costs are not subject to reimbursement. The DCSEU employs these costs as a baseline for computing fringe benefits and general and administrative rates for the immediately succeeding year.

NOTE 6 – OPERATIONS FEE

The Contract provides for a non-at-risk operations fee of 4 percent of all reimbursed costs.

NOTE 7 – CONTINGENCIES

Contract funds require the fulfillment of certain conditions set forth in the underlying agreement. Failure to fulfill or comply with the conditions could result in the return of funds to DOEE and the termination of the Contract. Although this is a possibility, the DCSEU’s board of directors considers the possibility remote since, by accepting the funds, they have accommodated the objectives of the DCSEU to the provisions of the Contract. Amounts received under the Contract are subject to audit and adjustments by DOEE. Any disallowed costs, including amounts already collected, may constitute a liability for the DCSEU. The amounts, if any, of expenditures, which may be disallowed by DOEE, are recorded at the time that such amounts can be reasonably determined, normally upon notification by DOEE.

In the ordinary course of business, the DCSEU may be subject to litigation for which it carries professional and general liability coverage. The insurance program is designed to provide protection to the DCSEU from such liabilities on a claims-made basis. Professional liability claims may be asserted arising from services provided to clients in the past. Management is unaware of any claims made against the DCSEU.

INDEPENDENT AUDITOR’S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To Sustainable Energy Utility Advisory Board

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statement of the District of Columbia Sustainable Energy Utility (the DCSEU) for the year ended September 30, 2023, and the related notes to the financial statement, which collectively comprise the DCSEU’s basic financial statements, and have issued our report thereon dated May 28, 2024.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the DCSEU’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the DCSEU’s internal control. Accordingly, we do not express an opinion on the effectiveness of the DCSEU’s internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying schedule of findings and questioned costs as Finding 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the DCSEU's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance or other matter that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as Finding 2023-001.

DCSEU's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the DCSEU's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The DCSEU's response was not subjected to the other auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

F. S. Taylor & Associates, P.C.

F.S. Taylor & Associates, P.C.
Washington, DC
May 28, 2024

6.6.Attachment 4 – DCSEU FY24 Outreach Summary



DCSEU Community Outreach Activities

Fiscal Year 2024, 1st, 2nd, 3rd, and 4th quarters

Outreach Quarter Highlights

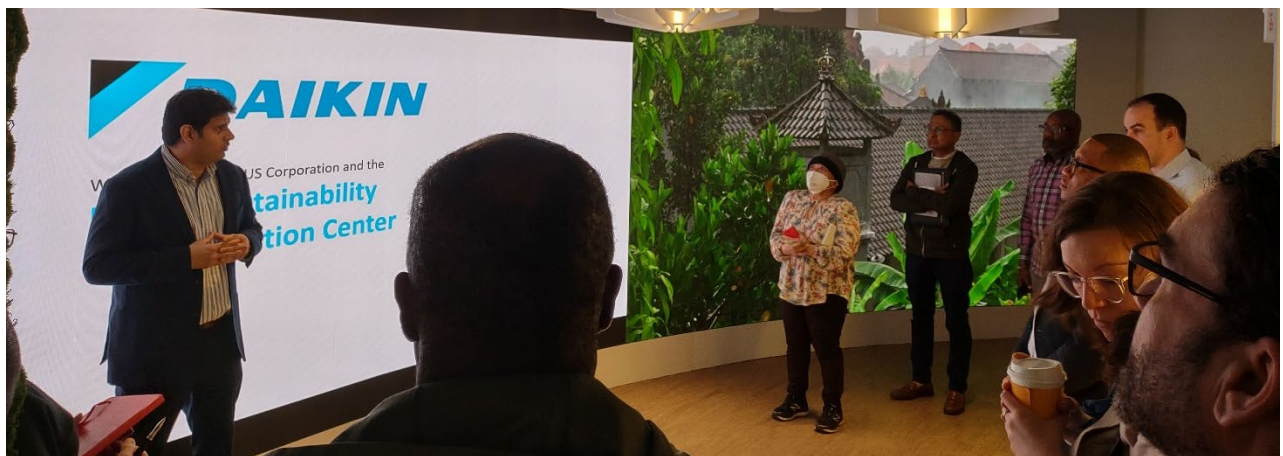
Q1 – So Others Might Eat (SOME), Roberts Residences Grand Opening and DCSEU

Support: So Others Might Eat (SOME) Roberts Residences is a notable addition to the District’s affordable housing community. Located in Ward 5, the 139 unit, 15-story building gracefully fulfills its mission to provide quality housing and support services for single adults with 75 units set aside for people below 30% of the Area Median Income (AMI) and all other units available only to people making less than 50% of the AMI. Seventy-five units are also subsidized by the DC Housing Authority (DCHA), with 30-70% split for residents’ rent with DCHA covering the larger portion. The DCSEU Account Management and Marketing and Communications teams attended the grand opening of the building and followed up with a case study highlighting that the incentivized measures from the DCSEU will help Roberts Residences save just under \$46,951 in annual electricity cost savings and just over \$13,500 in annual water cost savings.



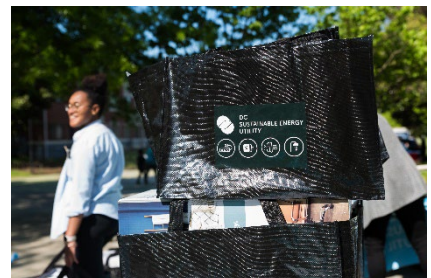


Q2 - Train Green Heat Pump Training Series – Cold Climate Heat Pump Myth-busting: The Train Green closed out the second quarter in a big way with an in-person presentation on cold climate heat pumps and educational tour of Daikin’s Sustainability & Innovation Center through Train Green for District Certified Business Enterprise (CBE) and CBE-eligible HVAC contractors co-sponsored by Daikin. Daikin was able to provide this training for free, not impacting the Train Green FY24 budget and allowing for additional courses to be offered.





Q3 – Paradise at Parkside Free Energy Kit Distribution: The DCSEU along with representatives from District government and the DC business community gathered to celebrate the energy-efficient upgrades at Paradise at Parkside, an affordable housing complex located in the Kenilworth-Mayfair neighborhood. Residents of the 653-unit complex also received free home energy conservation kits that included 2 efficient air purifiers, an advanced powerstrip, and a WiFi enabled smart plug to further improve their energy savings, courtesy of the DCSEU. In addition, the District Department of Energy and Environment (DOEE) signed residents up for Solar for All and gave away \$25 gift cards to those who signed up.





Q4 - DSLBD CBE Greenovation Conference: Staff from across the DCSEU worked closely with the Department of Small and Local Business Development (DSLBD) for over two months to develop content and produce the Greenovation event, the evolution of the CBE Green Rally from previous years. DCSEU staff hosted six tables during matchmaking and offered presentations and workshops throughout the day, engaging over 100 CBEs present throughout the event. DCSEU heavily promoted the event and secured a keynote speaker, Michael Forrester, from the US Department of Energy (DOE) to provide federal funding updates.

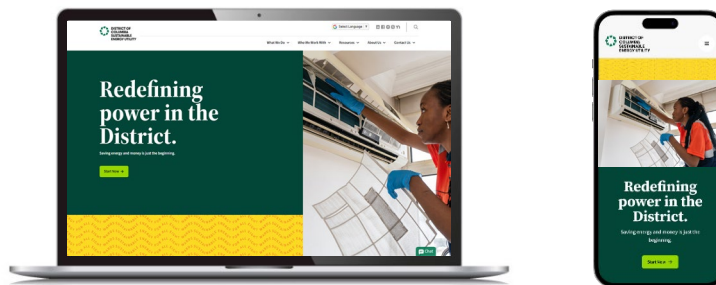




Brand, Website, and Campaign Highlights:

New Brand, New Site – At the end of FY 2024, the DCSEU launched the new brand identity and website. As the DCSEU prepares, in partnership with DOEE, for new funding to serve more District families and businesses, the new website is the first step toward expanding our services. In addition to design and a new structure, the DCSEU’s new web presence features the addition of valuable resources, crafted with community residents in mind:

- [‘Find Your Program’ Quiz](#)
A user-friendly four-click tool, this series of simple questions is designed to help visitors quickly and easily find the DCSEU program or service best suited to their needs.
- [Impact Stories](#)
This feature highlights stories from the, underscores the real-world impact of DCSEU programs, helps users see themselves in the DCSEU’s work, and celebrates the people and businesses who make it all happen.
- [Resource Library](#)
Designed to make energy-saving programs and clean energy information more accessible to community members, the new Resource Library empowers users with the resources they need.



"Electrify Your Home, DC" Affordable Home Electrification Program (AHEP) Campaign - To help increase awareness of AHEP amongst qualified DC residents, the DCSEU Marketing and Communications Team created an advertising campaign. Advertising and promotion of this offer were done through Capital Community News (MidCity DC, East of the River, Hill Rag), East Capitol Neighbors, and Google Ads.

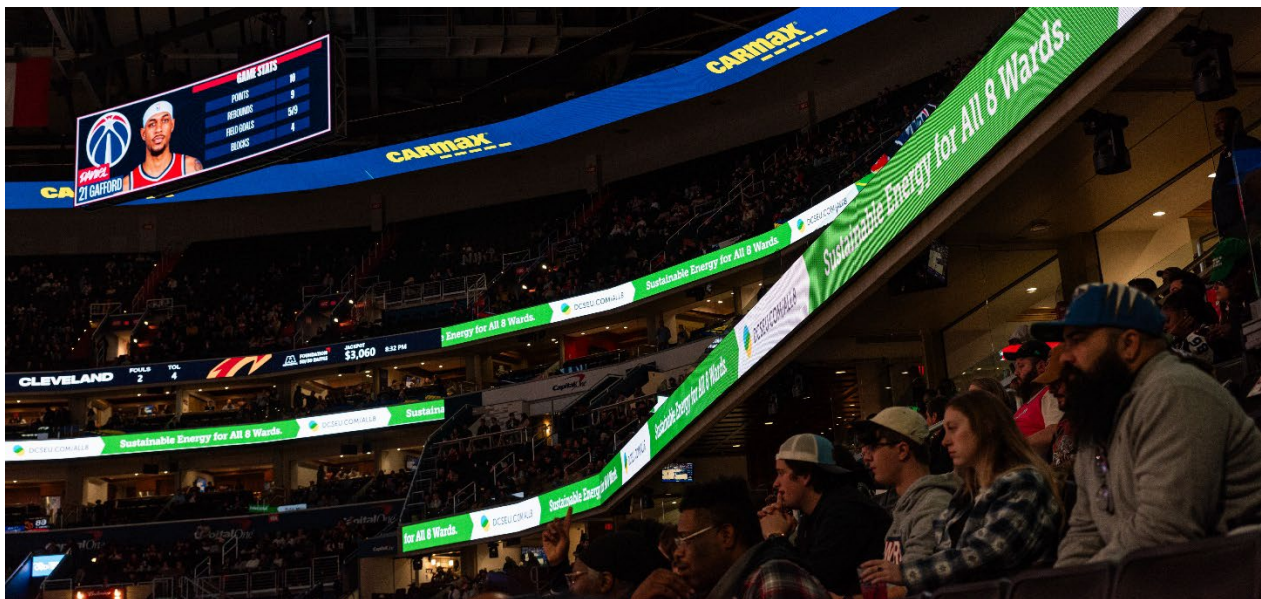


“Sustainable Energy for All 8 Wards” Campaign - In February, the DCSEU Marketing and Communications Team launched an advertising campaign at Capital One Arena and on Washington



Wizards and Capitals Websites/E-Newsletters with Monumental Sports. The campaign, titled "Sustainable Energy for All 8 Wards", focused on increasing the DCSEU brand's visibility and ensuring audiences of the DCSEU's commitment to equity and District residents and businesses. All while also helping campaign audiences navigate DCSEU programs and services with ease through a campaign landing page.

The DCSEU brand and its advertisements appeared at 16 events scheduled at the arena on the LED fascia boards and the in-arena television network - 5 Wizards games, 5 Capitals games, 4 Georgetown games and 2 concerts. All in-arena advertising generated over 740,000 impressions throughout the month while newsletter and website advertising generated over 89,000 impressions.





FY24 Outreach and Events List

October 4: Pepco Energy Assistance Summit DCSEU Director, Program Management Office, Solome Girma, shared information about Solar for All, the Affordable Home Electrification Program, and residential rebates to DC residents at Pepco's Energy Assistance Summit webinar.

October 4: Energy Efficiency Day at Southwest Library The DCSEU tabled at the Energy Efficiency Day celebration at SW Library hosted by DOEE with music by the Metropolitan Police Department's (MPD) Side-by-Side Band. We shared information about Solar for All, the Affordable Home Electrification Program, residential rebates, and workforce development with DC residents in SW.

October 5: VA Energy Efficiency Council Energy Efficiency Forum The DCSEU presented on the WFD panel at VAEEC Energy Efficiency Forum at the University of Richmond.

October 7: Open Streets 2023 - Georgia Ave The DCSEU tabled with information about its residential programs and services on Georgia Avenue while three miles of the road was closed to vehicles to allow people to walk, run, bike, and play.

October 11: DCSEU WFD FY 2024 Mentor Roundtable Hosted an informational Workforce Development Program session for new & existing mentors.

October 16-18: ACEEE Energy Efficiency as a Resource 2023 The DCSEU presented "No Resident Left Behind: Efficiency Upgrades for Low Income DC Residents" on a panel highlighting national multifamily programs. The presentation specifically focused on the Income Qualified Efficiency Fund (IQEF).

October 18: USGBC-National Capital Region Meeting Participated in US Green 2023 recap.

October 23: HAND's Environmental Justice Affinity Group: Equitable Decarbonization in Affordable Housing Attended Kickoff for HAND's Environmental Justice Group.

October 24: DSLBD District Connect DSLBD forum to connect with CBEs and other small businesses with contracting opportunities, matchmaking sessions and interactive workshops to navigate the government contracting process.

October 24: DC Advisory Committee for the DC Contractor Incubator Participated in committee discussion on the pilot of a training program designed to orient small Black and brown contractors to opportunities for work on energy efficiency and energy retrofit projects that are mandated by DC's Building Energy Performance Standard (BEPS).



November 2: DC Democratic Party General Body Meeting Patti Boyd of the DCSEU presented information about the Affordable Home Electrification Program on a housing electrification panel at the DC Dems November General Body Meeting.

November 8: The Greater Washington Region Clean Cities Coalition Green Jobs Fair: DC The DCSEU table at the green jobs fair sharing information about job opportunities in the upcoming Workforce Development Program Winter/Spring Cohort where we engaged approximately 50 job-seeking candidates.

November 9: 2023 Annual Joint TEP Provider and SNAP Grantee Summit Presented Train Green and Workforce Development to a group of approximately 30 TEP and SNAP grantee service providers.

November 9: FY24 Train Green SEICBP Program Instructor RFP Info Session Hosted the info session for the launch of the FY 2024 Train Green SEICBP Program Request for Proposals to find course instructors for the upcoming program year for approximately 25 attendees.

November 14: Electrification Incentives with EnergySage & DCSEU Presented at an electrification themed webinar alongside EnergySage and DOEE about DCSEU residential rebates for electric efficient products and the Affordable Home Electrification Program eligibility and application process.

November 14: GWU Sustainability Night – Sustainable Expo & Career Fair Tabled at George Washington's Sustainable Expo and Career Fair to share information about the upcoming Workforce Development Program Winter/Spring Cohort and upcoming Train Green Courses to a group of approximately 100 GWU students.

November 16: CHESSA Solar Focus 2023 Conference James Clarke, DCSEU Solar Program Portfolio Manager, attended CHESSA's 2023 Solar Focus Conference, sitting in on panels and networking.

November 16: Adell C. White Workforce Center Hiring Fair Tabled at the hiring fair at the Adell C. White Workforce Center in Ward 8, sharing information about the upcoming Workforce Development Program Winter/Spring Cohort.

November 21: Thurgood Marshall Academy Public Charter High School 2nd Annual Wellness Fair Tabled at the wellness fair at Thurgood Marshall Academy Public Charter High School in Ward 8, sharing information about the upcoming Workforce Development Program Winter/Spring Cohort.

DCSEU Train Green Heat Pump Series: Overview of Inverter Heat Pumps Hosted an in-person inverter heat pump overview training through Train Green for CBE HVAC contractors co-sponsored by Thomas Summerville Co. and LG over two days at the DCSEU Office in which 56 individuals registered and 38 attended.



Jobs Not Guns Citywide Recruitment at DC Armory Tabled at the Jobs Not Guns Fair, sharing information about the upcoming Workforce Development Program Winter/Spring Cohort.

December 6, 13: PSC WinterReady DC: Dorothy Height/Benning Library The DCSEU tabled at PSC Winter Ready Benning Library weatherization kit distribution and shared information with residents about residential rebates, Solar for All rooftop solar, Affordable Home Electrification, and Workforce Development Programs.

December 6: DC Green Building Advisory Council Meeting Train Green team briefly presented Heat Pump Training Series to GBAC during bi-monthly meeting.

December 13: Mayor Bowser's 25th Senior Holiday Celebration The DCSEU tabled at the senior holiday celebration and shared information with seniors about residential rebates, Solar for All rooftop solar, Affordable Home Electrification, and Workforce Development Programs.

December 23: Sfa Welcome to the Program Party at Portner Flats The DCSEU tabled at the Solar for All community solar sign-up event at Portner Flats Apartments. The DCSEU share dehumidifier rebate and Workforce Development Program information as well as distributed free LED bulbs to residents.

January 10: FY 2024 Solar for All Single-Family RFP Info Session The DCSEU hosted a webinar introducing the FY24 RFP for the CREF program. Program staff and DOEE leadership presented program basics and changes to the program in FY24 to a large group of potential contractors. The session had 24 attendees and 37 registrants.

January 11: Festival Center - Reimagine Your Space: Open House The DCSEU tabled and spoke about program offerings for houses of worship in DC and beneficial electrification. Including programs available to congregations of houses of worship.

January 17: PSC Winter Ready DC: Woodridge Library The DCSEU tabled at PSC Winter Ready Woodridge Library weatherization kit distribution and shared information with residents about residential rebates, Solar for All rooftop solar, Affordable Home Electrification, and Workforce Development Programs.

January 18: CIADC BEPS Panel Discussion Patti Boyd presented to a mixed crowd of 25 attendees alongside 5 other panelists from DOEE, Honeydew and others to discuss challenges and opportunities for condo and co-op owners to comply with BEPS.

January 18: Dantes Partners New Construction Low-Income Ribbon-Cutting Ceremony, 7th St NW The DCSEU Attended the ribbon-cutting event for Dantes Partners newly constructed low income multi-family building on 7th Street NW.



January 22: FY 2024 Winter/Spring Workforce Development Program Cohort Kickoff/Orientation

The DCSEU FY2024 WFD Program kickoff for externs of the Winter/Spring Cohort.

January 24: FY 2024 Solar for All CREF RFP Info Session The DCSEU hosted a webinar introducing the FY24 RFP for the CREF program. Program staff and DOEE leadership presented program basics and changes to the program in FY24 to a large group of potential contractors. The session had 23 attendees and 34 registrants.

January 25: Green Career Pathways - Faunteroy Center and Ward 7 Resilience Hub The DCSEU joined Greenscape Energy, ServeDC, and the National Marine Sanctuary Foundation to table and present information at the Faunteroy Center about green workforce development opportunities as well as DCSEU programs and services.

February 8: Building Innovation Hub -Seeing Green: Financing Better Buildings Patti Boyd, DCSEU Director of Technology & Innovation, attended the Hub's event focused on how to finance high-performing building improvements.

February 10: Washington Interfaith Network (WIN DC) & Beyond Gas DC Event- Capitol View Library Affordable Home Electrification Program Manager, Nineeka Dukes, shared information about the Affordable Home Electrification program with DC residents at Capitol View Library in Ward 7. Program flyers and guides were distributed to the attendees.

February 19: Washington Informer "Avoiding Solar Scams" Ernest Jolly, DCSEU Managing Director and James Clarke, DCSEU Solar for All Portfolio Manager participated in an interview with the Washington Informer, advising consumers on how to protect themselves against potential scams and perform due diligence when pursuing Solar.

February 21: MIT - Department of Urban Studies and Planning Mater's Candidate Interview James Clarke, DCSEU Solar for All Portfolio Manager, and Josh Wink, DCSEU Solar for All Community Renewable Energy Facility Program Manager participated in an interview conducted by a Michigan Institute of Technology Master's Candidate in City Planning on the design and implementation of the award winning DC, Solar for All Program which touched on challenges, lessons learned and tips for designing similar solar programs, and how to best position them for success.

February 21: February River Terrace Civic Association Monthly Meeting Affordable Home Electrification Program Manager, Nineeka Dukes, shared information about the Affordable Home Electrification program at the River Terrace Education Campus in Ward 7. Program flyers and guides were distributed to the attendees.



February 24: Latin American Montessori Bilingual (LAMB) Community Fair The DCSEU table at the second annual LAMB Enrollment and Community Fair in Ward 4. Solar for All, Affordable Home Electrification, Workforce Development, and residential rebates (Efficient Products) information was shared with attendees in both English and Spanish

February 26: February Deanwood Citizen's Association Monthly Meeting Affordable Home Electrification Program Manager, Nineeka Dukes, shared information about the Affordable Home Electrification program and Efficient Products program virtually to 26 participants on the Deanwood Citizen's Association Monthly Call. The presentation was shared with the association after the call.

February 29: DC Council Hearing- Energy & Transportation Committee The DCSEU Managing Director, Ernest Jolly, presented to DC Council's Energy and Transportation Committee, supporting DOEE's oversight hearing.

March 5: Solar for All 2024 Task Force Kickoff Meeting The DCSEU SFA Portfolio Manager and CREF Program Manager participated in the SFA Task force meeting at DOEE headquarters alongside reps from CFE, IBEW, IPL, GHFI and Groundswell, to plan for rapid implementation of GGRF funding.

March 5: Bisnow DC Office Repositioning Summit DCSEU Account Management and Program Management staff tabled and attended the summit, with over 350 registrants, engaging the commercial real estate sector to discuss DC's plans for attracting and retaining the private sector and explore opportunities to convert office buildings to residential and other building types.

March 7: Co-op & Condo Roundtable The DCSEU hosted a roundtable discussion for 50 co-operative and condominium owners and board members, property managers, contractors, residents, and other building decision makers with the Building Innovation Hub, DOEE, and DC Green bank to provide BEPS update dates and ways to upgrade efficiently and reduce energy use across their buildings.

March 11: March Northeast Boundary Civic Association Monthly Meeting DCSEU Affordable Home Electrification Program Manager gave a presentation about the benefits of the program and residential rebates to 20 attendees of the March Northeast Boundary Civic Association Monthly Meeting.

March 12: DC Department of Buildings (DOB) Collaboration Meeting DCSEU Joined the Directors of DOB and DCSEU to introduce staff, programs, and collaborative opportunities.

March 12: Train Green Heat Pump Training Series – Cold Climate Heat Pump Myth-busting Hosted 2nd Event in heat Pump Training Series, Myth-busting Cold Climate Heat Pumps and Changing Refrigerant Technology at Daikin's Sustainability and Innovation Center for 25 attendees.



March 14: MLK Library DC Government Agencies Resource Fair DCSEU staff joined DC Public Library's Government Agencies Resource Fair in celebration of Civic Learning Week so that residents can learn about various DC agencies' work, programs and initiatives, and other resources.

March 20: Emerald Cities Collaborative: 2024 DC Contractor Incubator DCSEU Affordable Housing Retrofit Accelerator Program Manager presented information about program opportunities for contractors to local contractors at one of the reoccurring sessions of the Emerald Cities Collaborative's DC Contractor Incubator. This series is made to provide small minority construction businesses (MBE) with a comprehensive long-term program of training, support, and business opportunities.

March 29: PSC Amplified Energy DC: Powering Small Businesses with Everyday Resources DCSEU staff tabled at an event hosted by the PSC at Howard University for DC small businesses and engaged ~50 attendees in providing incentive information for small businesses in attendance.

March 29: East River Strengthening Collaborative (ERSC) Benning Community Center Event DCSEU Affordable Home Electrification Program Manager tabled at the East River Strengthening Collaborative's Family Day event at the Benning Community Center in Ward 7 sharing information about Solar for All, Affordable Home Electrification, and Workforce Development, as well as distributing free LED bulbs.

April 2: ElectrifyDC: Why heat Pump Water Heaters? Webinar The DCSEU Marketing & Communications team joined a virtual training by contractors on heat pump water heaters benefits and installation best practice. The team presented to a group of 25 attendees on heat pump water heater rebates available to residents through the DCSEU and how to access them via the Efficient Products and Affordable Home Electrification Program.

April 4: Bisnow 2024 DMV Affordable Housing Summit DCSEU Program Management and Account Management staff tabled at the 2024 Bisnow DMV affordable housing summit sharing information about DCSEU programs and services with affordable housing property owners, managers, and developers. The event is designed to help this audience explore design and construction, financing, investments, partnerships, development, site-selection, and more.

April: ElectrifyDC: Healthy Homes Fair Hosted in Ward 7, the DCSEU tabled at the Healthy Homes Fair sharing program and service information with DC residents, businesses, and contractors. Fairgoers had the opportunity to complete inquiry forms for relevant DCSEU programs as well as take home a set of LED bulbs.

April 18: CESA IRA, BIL, and the Future of Energy: A Summit to Support State Implementation James Clarke, Solar Program Portfolio Manager, presented at the state implementation energy



summit at Gallaudet University in "Breakout Session #2: How to Communicate with the Public about the IRA". Information about how the DCSEU has previously communicated programs and services relevant to the Inflation Reduction Act was shared with the attendees.

April 19: Queen of Zero- Symbi Homes Net Zero Tour DCSEU staff attended a tour of the "Queen of Zero". A ground-up net zero Queen Anne Victorian-style custom single-family home in a historic neighborhood of Prince George's County, MD, just outside Washington, DC.

April 23: Earth Day at Langley Elementary School For Earth Day, the DCSEU and DCPSC gave interactive presentations about solar energy in the District to two 5th grade classes at Langley Elementary School in Ward 5. Students were able to do mock customer calls with the DCPSC and take part in a solar cooking demo with the DCSEU.

April 26: Paradise at Parkside Tour & Low-Income Energy Kit Distribution The DCSEU co-hosted alongside Paradise at Parkside property management a site tour and low-income energy kit distribution for residents of the Ward 7 complex. Residents of the complex were able to get one of the 100 energy kits offered and an opportunity for a \$25 gift card from DOEE if they signed up for Solar for All Community Solar. Each energy kit included 2 air purifiers, a WiFi enable smart plug, and an advanced power strip. DOEE, New Columbia Solar, and John G. Webster each provided remarks.

May 1: Nineteenth Street Baptist Church Salute to Older Americans Engaged over 250 District seniors regarding the Affordable Home Electrification Program, Solar for All, and Efficient Product rebates for residents.

May 14: Solar for All GGRF Coalition Meeting Solar for All Portfolio Manager, CREF Program Manager, DCSEU Managing Director and DCSEU Senior Operations Director participated in the Greenhouse Gas Reduction Fund (GGRF) coalition planning meeting at DOEE headquarters, that was also attended by representatives from DC Greenbank, City First Enterprises, IBEW, Groundswell and Interfaith Power and Light.

May 15: DC Department of Employment Services & DC Infrastructure Academy Week 2024 Hiring Event Engaged over 100 job seekers from the DC Infrastructure Academy programs and the general public recruiting candidates for the Workforce Development Program and Train Green.

May 15: 2024 Workforce Development Program Winter Cohort Graduation The DCSEU hosted the Workforce Development Program Graduation for 24 graduating externs of the Winter Cohort. 95 guests registered to attend the graduation.

May 22-24: Langley Elementary 2nd Annual STEM Fair Langley Elementary School students from Pre-K to 5th grade showcased their science, technology, engineering, and mathematic explorations to a panel of over 12 judges from the DCSEU and the Public Service Commission of the District of Columbia (DCPSC).



May 29: Senior Fest on the Yard at UDC Engaged over 300 District seniors CSEU staff attended a tour of the "Queen of Zero". A ground-up net zero Queen Anne Victorian-style custom single-family home in a historic neighborhood of Prince George's County, MD, just outside Washington, DC. regarding the Affordable Home Electrification Program, Solar for All, and Efficient Product rebates for residents.

June 1: Air Quality Awareness Week Backyard Bubble Event DCSEU supported DOEE and Clean Air Partners Backyard Bubble Event for Air Quality Awareness Week at Frager's Hardware sharing information about Efficient Product rebates, including electric lawn mower rebates.

June 1: 2024 DOEE Resource Fair DCSEU supported the DOEE Resource Fair at Kingman Island with information about Efficient Product rebates, Solar for All, the Affordable Home Electrification Program, Train Green, and the Workforce Development Program.

June 1: DOEE Electric Vehicle Grand Prix DCSEU supported the EV Grand Prix and Truck Touch events at RFK Fairgrounds with information about Efficient Product rebates, Solar for All, the Affordable Home Electrification Program, Train Green, and the Workforce Development Program.

June 5: U.S. Department of Energy's Affordable Home Energy Shot Summit Ernest Jolly, DCSEU Managing Director, served as a panelist for the "Cost Reduction Strategies" session at the 2024 U.S. Department of Energy's Affordable Home Energy Shot Summit alongside leaders from Clean Energy Works, National Housing Trust, United Way of Long Island, and New York City Housing Authority.

June 11-13: Northeast Energy Efficiency Partnership (NEEP) Summit 2024 Gleniss Wade, DCSEU Workforce Development Program Manager, attended the NEEP Summit in Weehawken, NJ, Panelist, Shared platform with Brendan Ryan, Forge Construction. Topic: "How Inclusive Talent Strategies Unlock Unstoppable Growth" We engaged in a conversation with an audience about developing workforce as it pertains to the trades in the United States today.

June 12: Bisnow 2024 DC State of the Market Account Management Team tabled at Bisnow annual State of the Market event featuring Mayor Bowser. DCSEU engaged ~100 attendees in conversations related to commercial real estate and new construction incentive programs, as well as pay-for-performance.

June 12: FY 2025 Income Qualified Efficiency Fund (IQEF) Info Session DCSEU hosted an info session for affordable multifamily property owners and contractors about the launch of the IQEF FY 2025 application. The session had 38 attendees and 54 registrants.

June 13: Houses of Worship Roundtable DCSEU continued its building vertical roundtable series with Houses of Worship alongside the Building Innovation Hub and Interfaith Power and Light (DMV) to help congregations and faith leaders navigate BEPS and upgrades to their faith facilities. The event had 37 attendees and 63 registrants.

June 15: Healthy Homes Act Victory Celebration DCSEU made Solar for All and Affordable Home Electrification Program materials available to Washington Interfaith Network (WIN) and Beyond Gas DC at their celebratory community cookout for the Healthy Homes Act.



June 18: Advanced Energy Group (AEG) DMV Action Challenge: Building Electrification Patti Boyd, DCSEU Director of Technology and Innovation, represented the DCSEU at the AEG Building Electrification Challenge alongside industry leader to address urgent obstacles that the District faces with building electrification for its biggest energy users.

June 25: Solar for All DW News Interview James Clarke, DCSEU SFA Portfolio Manager, Kalen Roach, Marketing & Communications Manager, and Philip Haddix, AHEP Portfolio Manager/Former SFA Portfolio Manager, participated in an interview with international news organization DW News at DCSEU offices on Tuesday, June 25th. Following the interview, the DCSEU provided access to two CREF sites for their story.

June 25: HAND – Exploring National Affordable Homeownership Models & Networking Reception Yvonne Coles, DCSEU Manager, Account Management, attended the Housing Association of Non-profit Developers' (HAND) workshop focused on exploring more ways to make homeownership attainable and affordable. Attendees received presentations from jurisdictions across the nation to learn what is replicable in Washington, D.C., Maryland and Virginia.

July 14: Mystics Go Green Sustainability Day The DCSEU tabled alongside DOEE at the Entertainment & Sports Arena for the Washington Mystics Themed "Go Green" Sustainability Day vs. the Las Vegas Aces. Information about residential rebates, workforce development opportunities, Solar for All, and the Affordable Home Electrification Program were shared with the public.

July 17: GGRF Financial Model Workshop Solar for All Program Manager, Josh Wink, Portfolio Manager, James Clarke, Director of Finance, Angela Johnson, and Senior Director of Operations, Benjamin Burdick, attended remotely, and Managing Director, Ernest Jolly, attended in person to discuss and align the comprehensive financial model of Greenhouse Gas Reduction Fund (GGRF) for Solar for All with partners from DOEE, DC Greenbank and CFE.

July 17: DCSPSC Summer Ready 2024: SW Library The DCSEU tabled at the DCPSC Summer Ready Kit giveaway event alongside DOEE. Information about residential rebates, workforce development opportunities, Solar for All, and the Affordable Home Electrification Program were shared with the public.

July 18: GGRF Metrics Workshop Solar for All Program Manager, Josh Wink, attended to discuss and align the metrics and outputs and outcomes for the GGRF SFA workplan with partners from DOEE, DC Green Bank, CFE, IBEW, IPL, Groundswell and the Green and Healthy Homes Initiative.

July 23: DCSPSC Summer Ready 2024: Woodridge Neighborhood Library The DCSEU tabled at the DCPSC Summer Ready Kit giveaway event. Information about residential rebates, workforce development opportunities, Solar for All, and the Affordable Home Electrification Program were shared with the public.

July 24: DCSPSC Summer Ready 2024: Juanita E. Thornton/Shepherd Park Neighborhood Library Train Green and Marketing staff tabled DCPSC Summer Ready Kit giveaway event alongside DOEE to



educate attendees on DCSEU programs and opportunities. Information about residential rebates, workforce development opportunities, Solar for All, and the Affordable Home Electrification Program were shared with the public.

July 27: Building Bridges Across the River at Ward 8 Homebuyers Club Solar for All Associate Program Manager, Madison Jonson, and Affordable Home Electrification Associate Program Manager, Carolin Tolentino Salvador, attended in person on a Saturday to speak about both programs to new and potential homeowners of the Ward 8 Homebuyers Club (as run by both BBAR and Manna DC).

July 30: DSLBD Greenovation Conference Staff from across the organization worked closely with the Department of Small and Local Business Development for over two months to develop content and produce the Greenovation event, the evolution of the CBE Green Rally from previous years. DCSEU staff hosted six tables during matchmaking and offered presentations and workshops throughout the day, engaging over 100 CBEs present throughout the event. DCSEU heavily promoted the event and secured a keynote speaker from DOE to provide federal funding updates.

July 31: SFA Workforce Development Presentation Portfolio Manager, James Clarke, Program Manager, Josh Wink, and Associate Program Manager, Madison Johnson presented Solar for All in person to Workforce Development Externs.

July 31: DCSPSC Summer Ready 2024: Tenley-Friendship Neighborhood Library Train Green and Marketing staff tabled DCPSC Summer Ready Kit giveaway event alongside DOEE to educate attendees on DCSEU programs and opportunities. Information about residential rebates, workforce development opportunities, Solar for All, and the Affordable Home Electrification Program were shared with the public.

August 13: GRF ITC Adder/Finance Meeting with DOEE Program Manager and Portfolio Manager attended GGRF ITC Adder/Finance Meeting with DOEE, invited NCS for the discussion and gave feedback from various contractors regarding tax adders.

August 20: Groundbreaking Ceremony: One Hawaii Ave. Wesley Housing Development is constructing a LEED Platinum building to provide energy efficient affordable housing. This was attended by Manger, Account Management, Yvonne Coles.

August 22: Advanced Energy Group (AEG) DMV 24Q3 Stakeholder Challenge: Grid Modernization Patti Boyd, Director, Technology and Innovation, and Nikola Jovic, Manager, Engineering, attended the AEG stakeholder challenge on grid modernization to address and overcome obstacles within grid modernization to help achieve the District's climate, energy, health, and equity goals.

August 23: 2024 Fairmont Sustainability Fair The Fairmont's Sustainability Fair is an annual event that is free and open to the public. The event highlighted the eco-initiatives of over 20 DC-based organizations as well as the hotel's own environmental program. The DCSEU tabled and shared information with the public about Efficient Product Rebates, Workforce Development, Solar for All, and Affordable Home Electrification.



August 24: Oxon Run Day & DOEE Resource Fair Friends of Oxon Run and the Department of Energy and Environment (DOEE) cohosted a two-in-one community event at Oxon Run Park for Ward 8 residents to both celebrate the history of the park and to share vital programs and resources with the community. The DCSEU tabled and shared information with the public about Efficient Product Rebates, Workforce Development, Solar for All, and Affordable Home Electrification.

September 9: District Bridges: DOEE/DCSEU Main Streets Associations Webinar [District Bridges](#), a nonprofit organization that manages some of the Main Streets Associations in DC (U Street NW, Lower Georgia Avenue, Chevy Chase, Columbia Heights/Mt Pleasant, Logan Circle and Cleveland Park), hosted a webinar with DOEE and DCSEU to discuss energy rebates, solar incentives, and green workforce development, and urban sustainability for small businesses.

September 11: 2024 Workforce Development Program Summer Cohort Graduation The DCSEU hosted the Workforce Development Program Graduation for 17 graduating externs of the Summer Cohort.

September 24: NRP Group/Marshall Heights Community Development Flatiron Apartments Groundbreaking DCSEU marketing and account management staff attended the groundbreaking for affordable Emblem apartments. The DCSEU intends to support this project with incentives as it comes to fruition.

September 25: Office of the People's Council (OPC) Citywide Clean Energy Forum: Programs & Funding DCSEU Senior Director, Operations, Ben Burdick, presented on a panel about the DCSEU existing and upcoming programs and services alongside DOEE and the DC Green Bank at the forum hosted by the OPC. This webinar focused on utility bill affordability and available funding and clean energy programs for DC residents and businesses.

September 26: Children's Research & Innovation Campus National Clean Energy Week Tour DCSEU Senior Director, Operations, Ben Burdick, provided remarks about Solar for All, DCSEU energy efficiency incentives, and impact across the District for a tour hosted at Children's National Research & Innovation Campus for National Clean Energy Week. This event was attended by multiple solar installation companies, residents, and District government and council officials.

September 26: Healthy Homes Public Forum DCSEU marketing and communications staff attended a forum hosted by Sierra Club DC, Beyond Gas DC, Washington Interfaith Networks (WIN), and DMV Interfaith Power & Light (IPL). This in-person forum was available to DC residents to share their experiences with current DC programs and to advocate for a strong implementation plan.

September 28: Groundswell 2024 Solar Jobs Training Event DCSEU Community Impact Manager, Mark Bryan presented about DCSEU Train Green and workforce development opportunities at Groundswell's Solar Jobs Event hosted at House of Hope City of Hope.