



DC  
SUSTAINABLE ENERGY  
UTILITY

## **First Quarter Report for Fiscal Year 2024**

October 1 – December 31, 2023

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This report of the District of Columbia Sustainable Energy Utility covers the period from October 1 through December 31, 2023. This progress report contains information about the DCSEU's activity to date in FY 2024. It also contains information on the Affordable Housing Retrofit Accelerator, HVAC Replacement, Sustainable Energy Infrastructure and Capacity Building Pipeline, and Solar for All programs.

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



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# A MESSAGE FROM THE DCSEU

The DCSEU team concluded the 2023 fiscal year, moving into Q1 of the 2024 fiscal year, by establishing the Affordable Home Electrification Program (formally the HVAC Replacement Program), engaging with government and business partners, and recruiting for the Workforce Development program. While we have been dedicated to our work, we have also been monitoring recent developments within the local business community. More businesses are transitioning their employees back to the office, either part-time or full-time, and Mayor Bowser launched the Gallery Place/Chinatown Task Force to prioritize downtown development. With these changes and the continued trend toward a new normal with an increased return to the office for workers, the DCSEU faces both a unique opportunity and a challenge in promoting commercial energy efficiency measures.

As the District emphasizes commercial development, it is crucial for the DCSEU to ensure that reducing energy consumption and GHG emissions remains a priority for building owners and managers. In FY 2023, we launched the Commercial Energy Audits incentive program, which, to date, has helped the DCSEU identify potential energy-efficient upgrades for 45

buildings to help them meet the District's Building Energy Performance Standards (BEPS). However, with increased costs due to inflation and higher interest rates, businesses are more hesitant to make the investments necessary to meet BEPS. Therefore, we are exploring ways to broaden our partnership with DC Green Bank to strengthen our financial impact in District commercial spaces. We anticipate further investment in this sector, which will inevitably bring a slow-down period. To balance this stage in time, we will adjust to the changes while continuing to implement programs that will create the highest benefits for both commercial buildings and the District's climate goals.

Apart from focusing on a new normal post-pandemic, the DCSEU is expanding our programs to continue to provide lasting value to DC residents and job seekers. The former HVAC Replacement program has become the Affordable Homes Electrification Program (AHEP), with more than 55 active projects and a significant increase in investment from the District of Columbia to help income-qualified DC residents transition from gas to electrical appliances at no cost to them. We participated in the PSC's Winter Ready Series, hosted the first Train Green Heat Pump Training session, and the Workforce Development team held a Mentor Roundtable to strengthen the program's mentor community. Furthermore, VEIC was certified as a "Great Place to Work."

As we anticipate increased investment in DC's commercial sector, we are prepared to implement energy efficiency measures as the District's Sustainable Energy Utility in 2024. With the continued transition to a post-pandemic environment, new strategies for downtown DC's district, and increased inflation, we will continue to adjust to the changing environment and remain confident in our efforts to bring the benefits of energy efficiency to the District.



**ERNEST JOLLY,**  
Managing Director

# QUARTERLY FEATURE: TRAIN GREEN HEAT PUMP TRAINING SERIES

Train Green kicked off FY2024 in a big way with a 2-day in-person inverter heat pump overview training through Train Green for District Certified Business Enterprise (CBE) and CBE-eligible HVAC contractors co-sponsored by Thomas Sommerville Co., a local HVAC distributor, and the USA Air Conditioning Technologies division of LG.

While heat pump technology has consistently demonstrated high levels of energy efficiency, the sizing, design, installation, and commissioning of these units are critical to achieving targeted performance goals. Incorrectly sized or installed heat pumps can lead to higher energy costs, decreased efficiency and air quality issues, necessitating an increased focus on accurate load calculations and proper Manual J calculations.

Contractors were able to learn:

- How inverters work and the advantages of an inverter heat pump
- Manual J basic concepts and importance of

Manual J on every job

- System design and application
- How to size a heat pump
- Proper installation basics
- The LG product lineup and overview of the LG Pro Dealer Program
- How to work with local distributor, Thos. Sommerville Co.

Over the two days at the DCSEU office, 38 individuals from 34 different companies, of which 22 were CBEs gathered to learn more about opportunities with heat pump technology.

As the demand for residential and commercial electrification increases across the District, having a local workforce that is up to the task is more essential than ever and the DCSEU will continue to look for ways to leverage relationships to expand Train Green offerings that provided training opportunities to service meet this need. Next quarter, the DCSEU plans to work with Daiken to host session #2 of the Train Green Heat Pump Training Series.



# IMPACT ACROSS THE COMMUNITY



# AT A GLANCE: PROGRESS AGAINST BENCHMARKS

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

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2024 Q1 Results (October 1, 2023 through December 31, 2023)	FY 2024 Results (October 1, 2023 through December 31, 2023)	Cumulative Results (October 1, 2021 through December 31, 2023)	Year 3 Minimum Target (October 1, 2021 through September 30, 2024)	Year 3 Maximum Target (October 1, 2021 through September 30, 2024)	Five-Cumulative Benchmark Minimum (October 1, 2021 through September 30, 2026)	Five-Cumulative Benchmark Maximum (October 1, 2021 through September 30, 2026)	Annual Minimum Target Progress	Five-Cumulative Minimum Benchmark Progress
1	Cumulative Performance Benchmarks	Reduce electricity and natural gas consumption (combined energy savings)	MMBtu (source)	Cumulative	26,738	26,738	1,734,165	3,789,296	4,547,155	6,820,733	7,578,592	46%	25%
2		Greenhouse Gas Emissions reduction	Metric Tons CO <sub>2</sub> e (modified gross) <sup>4</sup>	Cumulative	1,548	1,548	102,213	262,167	314,601	471,901	524,334	39%	22%
3a		Increase Renewable Generating Capacity	kW capacity	Cumulative	34.2 kW	34.2 kW	1,164.9 kW	2,700 kW	3,000 kW	4,500 kW	5,000 kW	43%	26%
3b		Reduce Energy Consumption at >= 50% of renewable energy generating capacity across solar projects	Ratio of solar measure energy savings to non-solar measure energy savings (%)	Cumulative	-	-	>50%	-	-	>= 50%	-	-	On Track / Exceeding
4		Deep Energy Retrofits	# of projects that lead to at least 30% site energy reduction	Cumulative	-	-	-	-	-	70	100	-	-

<sup>4</sup> Please note: the DCSEU's Greenhouse Gas Emissions reduction estimates in previous monthly and quarterly reports in FY 2022 were provided in "net" values. The DCSEU is evaluated on "modified gross" values and has updated its reporting to reflect this as of the April 2022 report.

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2024 Period Results (October 1, 2023 through December 31, 2023)	Annual Benchmark Minimum (October 1, 2023 through September 30, 2024)	Annual Benchmark Maximum (October 1, 2023 through September 30, 2024)	Annual Minimum Benchmark Progress	Annual Maximum Benchmark Progress
5	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	20% (min) to 30% (max) of annual spending (varies annually)	Annual	\$398,569	\$3,710,000	\$5,565,000	11%	7%
6		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	12.69	66	88	19%	14%
7		DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling (capped at 20%)	Annual	\$552,811		\$3,710,000		15%
8	Other Contract Requirements	Expenditures with Small Business Enterprises/ Certified Business Enterprises	35% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$211,351	\$14,493,690		1%	

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



# SECTOR HIGHLIGHTS IN THE CORE AREAS

## **Low-Income Programs**

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### **Income-Qualified Efficiency Fund (IQEF)**

The IQEF program received significant interest which received 15 applications from 7 different contractors. The team reviewed proposals and has selected projects with pre-inspections underway. The DCSEU is on track to issue incentive agreements by January 2024.

### **Affordable Housing Retrofit Accelerator (AHRA)**

The DCSEU worked closely with DCGB on the FY24 funding offer, creating and soliciting responses on a building owner survey so customers could provide input into the FY24 funding structure, and planning building owner meetings to discuss details of the offer and review eligible measures.

Through the end of the first quarter, the DCSEU has worked on 2 audits and 4 direct install projects totaling \$445,466 in incentives with 3,089 MMBTU in first-year source energy savings and 168 MTCO<sub>2</sub>e in annual emissions reduced.

### **Low-Income Comprehensive**

The DCSEU closed 2 projects, including one large project with a nonprofit housing developer. The total incentives delivered were \$135,850 with 1,773 MMBTU in first-year source energy savings and MTCO<sub>2</sub>e in annual emissions reduced. The DCSEU team attended the grand opening for the client.

The DCSEU is increasing LI rebates for FY24 to drive more program participation.

### **Affordable Homes Electrification Program (AHEP – formerly HVAC Replacement)**

The DCSEU met with the Washington Interfaith Network (WIN DC), DOEE, and a representative from Councilmember Charles Allen's office to discuss collaboration opportunities for the program, especially in serving the Deanwood and River Terrace neighborhoods as specified in Budget Support Act.

The program team continued onboarding contractors for HVAC, and began work on solicitations for weatherization implementation contractors and third-party DOB inspectors.

The team also supported the finalization of the program design and process plan which is under DOEE review.

As of the end of Q1, the DCSEU had more than 55 projects in the pipeline, along with more than 85 customer leads to evaluate for eligibility for the program.

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## Residential Efficient Products Program

The Efficient Products program allocated \$29,355 in rebates representing 930 MMBTU in first-year source energy savings and 53 MTCO<sub>2</sub>e in annual emissions reduced during the first quarter that served more than 203 program participants through downstream prescriptive appliance, HVAC rebates, and electric lawn mower rebates.

- Appliance Rebates: 136 participants
- Electric Lawn Mower Rebates: 6 participants
- HVAC Rebates: 67 participants

## Business Energy Rebates (BER) and Instant Business Rebates Programs

- The DCSEU provided rebates totaling \$149,373 through the Business Energy Rebates (BER) program in the first quarter representing 18,377 MMBTU in first-year source energy savings and 1,066 MTCO<sub>2</sub>e. The DCSEU served 32 program participants.

## Commercial Energy Audit Incentive Offer

- The DCSEU provided \$124,517 for 11 projects in incentives to assist customers with completing ASHRAE Level II Commercial energy audits. The DCSEU meets with each customer and their auditor to review the audit and determine next steps for supporting potential energy savings measures identified during the audit with DCSEU financial incentives and technical support.

## Account Management and Engineering

- The Account Management and Engineering teams served 4 program participants through the Commercial Custom program providing \$72,550 in incentives in the first quarter. This resulted in 4,993 MMBTU in first-year source energy savings and 288 MTCO<sub>2</sub>e.
- The DCSEU revised the Pay for Performance customized offer in the first quarter to incentivize continuous energy improvement beyond traditional projects.
- The DCSEU worked with federal customers who initiated an Energy Savings Performance Contract (ESPC).

## Workforce Development and Training

- **Workforce Development program**
  - In the first quarter, the DCSEU's Workforce Development (WFD) team began extern candidate interviews/screenings for the FY24 Winter Cohort.
  - The team also held meetings with prospective mentors/host sites for externs, with a goal of identifying new mentors for FY24.
  - The DCSEU continued preparations to launch the Winter Cohort in January 2024.

- **Train Green Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program**
  - In Q1, the DCSEU drafted the FY24 Instructors Request for Proposals (RFP) for quick launch in FY 2024.
  - The following Train Green on-demand online courses were available through the end of December 2023.
    - Passive Design and Energy Modeling for Architects (Spanish)
    - Cx in Practice: A How-to for Code Compliance and Quality Assurance in Washington, DC
    - Multifamily Air Sealing Strategies to Pass Unit Infiltration Testing Requirements
  - After proposals were received, the Train Green review team met to choose the initial selection of courses and identify additional courses by priority if additional funding is available. Contract negotiations have begun with instructors to finalize course selection and pricing provisions.

## Marketing, Public Relations, Community Outreach, and Public Affairs

- The marketing team posted two customer stories to the DCSEU blog. The first features Ms. Senior DC 2023, Cerise Turner, a Solar for All and Affordable Home Electrification participant. The second features Paradise at Parkside, an affordable housing complex in the Ward 7 Kenilworth-Mayfair neighborhood.
- The marketing team also distributed the December 2023 Energy Saver Newsletter to over 9,000 subscribers with the feature story being “Gift Ideas for the Energy Saver in Your Life”.
- DCSEU Managing Director, Ernest Jolly, was quoted in a Hill Rag story about Inflation Reduction Act Tax Credits and current local incentives.
- The marketing team continued to work on the front-end development of the new website and brand transition.
- The marketing team supported the launch of the Solar for All Single-Family RFP in the first quarter.
- In July 2023 (Q4 FY23), the DCSEU website analytics transitioned from Google Universal Analytics (UA) to Google Analytics 4 (GA4) as mentioned in previous reports. Google decommissioned UA in 2023 and our transition is one of many organizations and companies who made the transition. Our analytics below (Figure 1) show a significant dip in views and pages sessions starting in Q4 of FY23, the early months after the transition to GA4, and a rebound as we moved through Q1 of FY24.

## Outreach and Events Highlights:

- **October 5 VA Energy Efficiency Council Energy Efficiency Forum** The DCSEU presented on the WFD panel at VAECC Energy Efficiency Forum at the University of Richmond.
- **October 11 DCSEU WFD FY 2024 Mentor Roundtable** Hosted an informational WFD 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 DOE 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

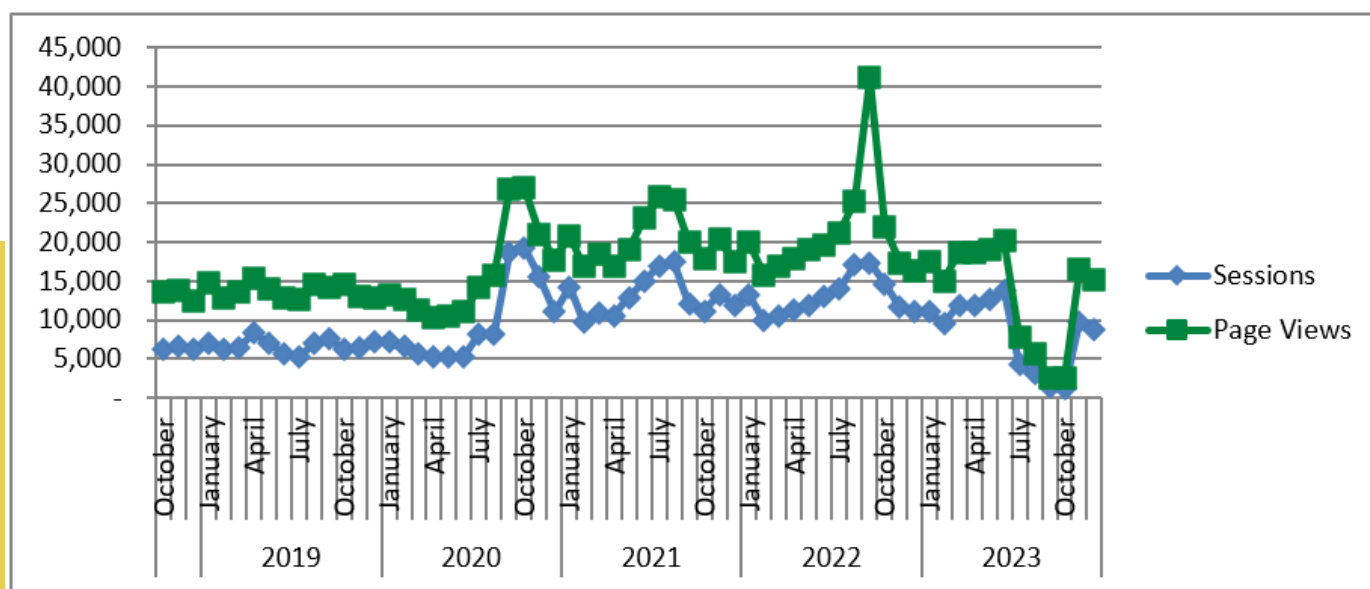
by Thomas Summerville Co. and LG over two days at the DCSEU Office in which 56 individuals registered and 38 attended.

- **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 Winter Ready 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.



# ACTIVITY SUPPORTING DCSEU INITIATIVES

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



LinkedIn:  
**1,966 Followers**



Facebook:  
**1,100 Followers**



Instagram:  
**821 Followers**



Twitter:  
**2,078 Followers**

**Table 6. DCSEU initiatives, by sector**

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

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

# SOLAR FOR ALL

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

- The team provided \$104,169 in incentives for milestones completed in the first quarter.
- The Solar for all team finalized the contractor RFP that will be launched in January.

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

- During the first quarter, the DCSEU provided \$57,744 in incentives to installers who completed single family projects in the first quarter.
- The DCSEU's Solar Program Portfolio Manager attended CHESSA's 2023 Solar Focus Conference, sitting in on panels and networking on November 16th and the DC Public Service Commission's (PSC) Winter Ready DC at Bellevue (William O. Lockridge) Neighborhood Library on December 13th, meeting with residents, discussing and distributing information on the Solar for All Program as well as other DCSEU initiatives.
- The DCSEU released the RFP to solicit proposals for the FY 2024 Single-Family program from solar contractors.



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