



DC  
SUSTAINABLE ENERGY  
UTILITY

## **Second Quarter Report for Fiscal Year 2021**

January 1 – March 31, 2021

**April 30, 2021**



This report of the District of Columbia Sustainable Energy Utility covers the period from January 1 through March 31, 2021. This progress report contains information about the DCSEU's activity to date in FY 2021. It also contains information on Solar for All.

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

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## MESSAGE FROM THE DCSEU

**On March 24,** the DC Sustainable Energy Utility marked its tenth anniversary. We took a moment to reflect on the impact we have had here in the District: on the economy, on the environment, and on the people who live and work here. Over the past ten years, it has been our great pleasure to partner with DOEE, teaming partners, contractors, other District agencies, and the businesses and residents of the District to create a lasting impact.

Together, we've created more than \$1.2 billion in lifetime energy cost savings for residents and businesses. We've created more 800 green jobs for District residents and invested more than \$50 million with Certified Business Enterprises (CBEs). Low-income communities will benefit from more than \$135 million in lifetime energy cost savings, which has become more important than ever over the past year. And collectively, our work will prevent more than 6.2 million metric tons of lifetime greenhouse gas emissions, a significant contribution to meeting the District's long-term climate goals.

While we believe these numbers are impressive and a testament to those who have helped conceive, design, and implement this innovative program, what is most striking is the impact we have had on people. As we reached out to some of our Workforce Development program graduates, customers, and former staff to mark this ten-year milestone, it is evident that the reach of the DCSEU's influence and impact has grown significantly over the past ten years.

Andre Roberson, who graduated from the DCSEU's Workforce Development program in 2019, came in with no experience in solar. Today, he has been promoted to team lead for a local CBE contractor and solar installer.

"The DCSEU helped me get over the fear of getting back into the workforce, by giving me the opportunity to learn some new skills and to develop a certain confidence that I can go out there and compete in today's job market," said Andre.

Richard Quaofio, an international student from Ghana, completed his externship at DC Water in 2017.

"DCSEU's Workforce Development Program was a unique opportunity for me as an international student from Ghana, to augment my scholastic education with real-world experience in an American working environment. The program was a worthwhile experience with incredible and supportive mentors. Thus, I must say, the program literally helped me to secure my current position and I am grateful," said Richard.

The DCSEU has worked closely with Howard University since 2012, providing technical assistance and financial incentives on dozens of energy efficiency projects. Alfonzye Chisholm, Director of Sustainability at Howard University, had this to say back in 2017:

“Without the DCSEU’s support we would not have been able to complete all these sustainability projects.”

When the pandemic began, we decided to expand on the support and outreach we were already doing with local food banks. In addition to distributing energy-efficient light bulbs to residents, which we have been doing for several years, we distributed safety kits to provide access to hand sanitizer, wipes, and soap.

“The lighting and safety kits that DCSEU provided to Food for All DC were very much appreciated. We were able to distribute these to many of our food-insecure clients. These provided access to items like hand sanitizer, wipes, and hand soap—all of which were scarce when the pandemic broke. The LED light bulbs provided were ideal for our homebound clients who can’t easily afford or get out to purchase these. How hard is it to be struggling with food in a dark place? DCSEU helped us lighten the load and shine a light on our clients,” said Graeme King, Site Coordinator at Food for All DC.

Giuls Kunkel served as an Account Manager for the DCSEU since 2014. Throughout her time at the DCSEU, Giuls worked on numerous commercial and institutional (C&I) projects, including starting the DCSEU’s university roundtable, a quarterly discussion for local colleges and universities in the District to come together, build connections, and share knowledge about their campuses’ sustainability efforts. Giuls continues to work for VEIC, who operates the DCSEU on behalf of DOEE, on the Energy Services team as part of Hawaii Energy.

“Working at the DCSEU gives you a sense of pride. Since the DCSEU is committed to hiring DC residents, working there gives its employees a chance to make an impact on the city in which they live,” said Giuls. “I wouldn’t have been ready for my work in Hawaii without my time in DC. From learning how to build programs to navigating relationships with a client and evaluators, to delivering energy equity programs – that all relates back to what I learned in my role as an Account Manager in DC.”

As we look to close FY 2021 and our current five-year contract on a high note, we look forward to the future and the opportunity to continue to make a positive impact here in the District and beyond.

## QUARTERLY FEATURE: Solar for All

On April 26, the DCSEU joined Councilmember Mary Cheh; DOEE Director Tommy Wells; Commissioner Emile Thompson of the Public Service Commission; Kathy Gorman, Children's National Hospital's Chief Operating Officer and Executive Vice President for Patient Care Services; and Mike Healy, CEO of New Columbia Solar, to officially unveil the District's largest solar canopy on the grounds of the Children's National Research & Innovation Campus (RIC). While the project was completed in July 2020, and became fully operational in November 2020, the team was pleased to finally be able to celebrate this project in person (socially distanced) with staff from Children's National, DOEE, New Columbia Solar, and the DCSEU.

"When we began to plan the Children's National Research & Innovation Campus, we wanted to do more than discover new and better ways to care for children. We also wanted to support the local community," said President and CEO of Children's National Kurt Newman, MD. "I'm proud that we could incorporate the solar design into our campus thereby returning clean energy to the residents of Ward 4 and doing our part to support the environment."

Initial discussions about this project began several years ago when Children's National acquired a large five-story above-grade parking garage, which provided the perfect location for a cutting-edge solar array. The original goal for the parking garage was always to incorporate a solar array however, the installation of the 1,148 kW system was an engineering feat, representing one of the District's most complex solar systems. For example, the load-bearing capacity of the concrete deck was less than the weight of the Spydercrane needed to lift and install the steel canopy frame. NCS's engineering team had to devise creative solutions, such as using large steel "railroad ties" to disperse the load of the Spydercrane across a larger surface area.

This Solar for All Community Renewable Energy Facility (CREF) will serve more than 325 income-qualified DC families, saving each household up to \$500 annually, and saving these families up to \$2.4 million over 15 years. Since 2019, the DCSEU has worked with contractors to install solar photovoltaic systems directly on the homes of more than two-hundred income-qualified District residents. We have also worked with developers to install 130 community CREFs, which will cut electricity bills in half for more than 4,000 income-qualified District residents for the next 15 to 20 years. In FY 2021, the DCSEU expects to complete an additional 100 Solar for All Single-Family installations and an additional 6 MW or more of CREF projects that will cut electricity costs in half for up to 2,000 more income-qualified residents through Solar for All Community Solar.

## 1. At a Glance: Progress against Benchmarks

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2021 Q2 Results (January 1, 2021 through March 31, 2021)	FY 2021 Results (October 1, 2020 through March 31, 2021)	Cumulative Results (October 1, 2016 through March 31, 2021)	Cumulative Benchmark Minimum (October 1, 2016 through September 30, 2021)	Cumulative Benchmark Maximum (October 1, 2016 through September 30, 2021)	Minimum Benchmark Progress	Maximum Benchmark Progress
1a	<b>Cumulative Performance Benchmarks</b>	Reduce per-capita consumption - Electricity	MWH Modified Gross	Cumulative	24,589	42,223	524,377	461,188	576,485	114%	91%
1b		Reduce per-capita consumption - Natural gas	Therms Modified Gross	Cumulative	519,553	1,302,973	10,310,946	8,525,645	10,230,774	121%	101%
2		Increase renewable energy generating capacity	KW	Cumulative	206	386	15,795	4,350	5,000	363%	316%
3		Leverage funds	Dollars	Cumulative	\$1,092,141	\$2,658,937	\$5,667,419	\$2,500,000	\$5,000,000	227%	113%

<sup>1</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.

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2021 Q2 Results (January 1, 2021 through March 31, 2021)	FY 2021 Period Results (October 1, 2020 through March 31, 2021)	Annual Benchmark Minimum (October 1, 2020 through September 30, 2021)	Annual Benchmark Maximum (October 1, 2020 through September 30, 2021)	Minimum Benchmark Progress	Maximum Benchmark Progress
4a	Annual Performance Benchmarks	Improve energy efficiency in low-income housing - spend	% of annual budget	Annual	\$1,104,889	\$2,192,144	\$3,691,667		59%	
4b		Improve energy efficiency in low-income housing - savings	MMBTU Net	Annual	18,699	23,946	23,278	46,556	103%	51%
5		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	15	30	66	88	45%	34%
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$796,533	\$1,587,959		\$3,691,667		43%

<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.



7		Expenditures with Small Business Enterprises/Certified Business Enterprises	% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$976,858	\$1,985,179	\$ 5,900,000		34%	
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		7	18				
10		Reduce growth in peak demand	kW		3,944	7,472				

## 2. Sector Highlights in the Core Areas

### Residential

- **The Efficient Products program achieved electricity savings of 5,496 MWh and 634 MMBtus of natural gas savings in the residential market during the second quarter, allocating \$245,295 in rebates.** There were more than 11,000 participants served in the residential market during the second quarter. The DCSEU continued to offer market-rate residential Energy Conservation Kits and customers purchased more than 450 kits in the second quarter.

### Low-Income

- **The Low-Income Team completed 19 multifamily projects and provided \$900,506 in incentives across five programs in the second quarter.** This included 10 projects completed under the Income Qualified Efficiency Fund (IQEF), 3 projects that received rebates through the Low-Income Prescriptive program, and 6 projects under the Low-Income Comprehensive program. The team is currently working to identify additional projects for the Low-Income Comprehensive and Low-Income Prescriptive programs. The team also continued to provide LED lighting to residents at District food banks, as well as free Energy Conservation Kits to customers receiving LIHEAP benefits or that are income-qualified through other programs. The DCSEU distributed kits to 109 residents in the second quarter. The team is seeking to partner with other programs where customers meet income qualification levels to expand the kit offering.
- **In the second quarter, the DCSEU completed its work on natural gas efficiency improvements in affordable multifamily housing with leveraged funding from Washington Gas.** The team completed and submitted a final report to Washington Gas for the program in April 2021.

### Commercial and Institutional

- **The DCSEU completed C&I Custom projects at 28 sites** resulting in 41,499 MMBtus of natural gas savings and 6,125 MWhs of electricity savings. These

projects represent \$386,828 in incentives for C&I customers, including universities, K-12 schools, grocery stores, federal government facilities, and commercial real estate buildings

- **The Business Energy Rebates (BER) program processed 13 projects** comprising \$117,670 in rebates during the second quarter. This included two projects that qualified for enhanced small business (facilities under 10,000 square feet) rebate amounts. These projects represent 1,406 MWhs of electricity savings.
- **The Instant Business Rebates program served 410 program participants with \$184,847 in rebates during the second quarter.** This led to 5,076 MWhs of electricity savings. The DCSEU partners with both Certified Business Enterprise (CBE) and non-CBE lighting distributors to offer instant rebates on energy-efficient lighting, making it simple for District businesses to take advantage of savings.
- **The Commercial Direct Services program processed 1 project comprising \$1,040 in rebates during the second quarter,** with 5 MWhs of electricity savings. Under the Commercial Direct Services program, the DCSEU works directly with CBE subcontractors to complete energy efficiency projects with customers. There are 3 additional lighting retrofit projects in the pipeline for this program.
- **The Account Management Team continued its outreach to the District's C&I vertical markets to build project pipeline,** especially the affordable multifamily housing market. During the second quarter, the team closed 21 Commercial Custom projects that are expected to generate more than \$10 million in lifetime energy cost savings for customers. The team continues to experience a slowdown in projects in the small business community but has kept reaching out to ensure they are supported during this difficult time. The team also has been preparing for the release of Building Energy Performance Standards (BEPS) requirements for buildings who fall below the median scores for each building type. This has included analyzing building benchmarking data, attending trainings and events about BEPS, and starting to develop messaging and outreach strategies for customers. Finally, the team's Trade Ally Manager hosted a webinar for contractors and other trade allies in March on the topic of variable frequency drive (VFD) technologies, their benefits, and how to access rebates.

## Green Jobs

- **The DCSEU's Workforce Development began its winter/spring cohort at the beginning of the second quarter.** Eighteen externs started the program with 8 mentor host sites. During the second quarter, the externs have received numerous trainings, including an introduction to the DCSEU, energy efficiency, energy-efficient lighting, and solar. Externs also began LEED Green Associate training for four weeks during March, and each extern will register and sit for the exam later this spring. Over the course of the second quarter, 2 externs accepted full-time positions and 2 others returned to other training opportunities. Starting in March, the DCSEU began recruiting additional mentors for the next cohort of externs.
- **The DCSEU updated the program design for the Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program and released an RFP seeking course instructors.** In FY 2020, the DCSEU designed and implemented the SEICBP program at the request of and in partnership with DOEE. The program offers training and certification opportunities at no cost to CBE- and CBE-eligible contractors and businesses to build their staff's knowledge and credentials in energy efficiency, renewable energy, building operations, and more. The RFP will close in mid-April and the team hopes to re-launch course offerings to the market in mid- to late-May 2021.

## Innovation

- **The DCSEU continued its Strategic Energy Management (SEM) cohort with DC universities.** This included the development of an "Energy Efficiency on Campus Engagement Toolkit," which provides materials and guidance to encourage staff and students to engage in energy-saving behaviors. Kits will be being delivered to universities in April.

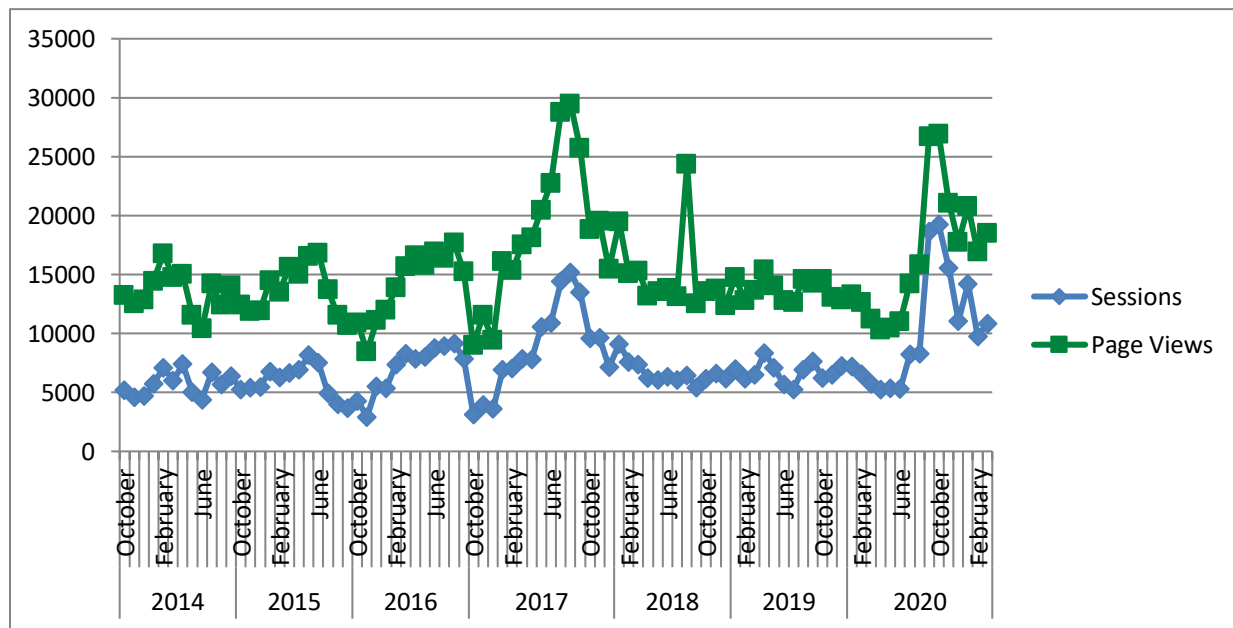
## 3. Activity Supporting DCSEU Initiatives

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

- **The Marketing and Communications Team continued its support of multiple programs during the second quarter.** This included a sweepstakes campaign during February to increase the adoption of DCSEU Energy Conservation Kits. During previous months, the DCSEU averaged approximately 20 kits purchased through the vendor; in February, customers

purchased 87 kits. The team continued its work on the #Here2HelpDC campaign by securing 500 LED light bulbs donated by Signify that the campaign team (DCSEU, PSC, OPC, and DOEE) began distributing to income-qualified residents in February in partnership with Living Classrooms. The #Here2HelpDC campaign team also worked with the Office of Unified Communications to determine how we could support DC311 calls to provide information to 311 callers about utility programs and energy-saving opportunities. In celebration of the DCSEU’s tenth anniversary on March 24, the marketing team created social media content to mark the occasion, which included testimonials from former staff, externs, and DCSEU customers. The team also worked with the Solar for All team to plan additional strategies to reach out to income-qualified single-family customers to drive interest in the Single-Family program. This work will continue this spring and summer. The team also began designing an advertising campaign for the C&I market to drive new customer leads to the Account Management team. The campaign will launch in early May with placements in BISNOW, LinkedIn, and Google Ads, with the possibility of additional placements.

**Figure 1. DCSEU website visits and page views, by month, from FY 2014 to March 31, 2021**



- Facebook
- LinkedIn

**899 Likes, 1,085 Followers**

**1,022 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, and smart thermostats; Energy Conservation Kits for market-rate and income-qualified residents	DC residents
<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
<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

Core area	Initiative name	Description	Customer
<b>Commercial and Institutional</b>	Business Energy Rebates	Rebates for energy-efficient lighting, heating, refrigeration, cooking, 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

#### 4. Solar for All

- In January, the DCSEU solar team hosted a virtual kick-off meeting for FY 2021 Solar for All CREF subcontractors. The team also participated in Pepco's own kick-off meeting for Solar for All developers to ensure that everyone has a clear sense of the interconnection process and timeline.

- Throughout the second quarter, the DCSEU solar team conducted diligence reviews of proposed FY 2021 CREF projects to ensure each is expected to meet program requirements and timelines. Subcontracts were executed with five CREF subcontractors.
- Final milestone payments were made on the final remaining FY 2020 projects. All FY 2020 projects are expected to achieve authorization to operate (ATO) by the end of May 2021.
- Throughout the quarter, the DCSEU solar team coordinated closely with Pepco and DCRA to ensure CREF projects received authorization to install (ATI) and permits, respectively, in a timely manner. All projects received ATI before the end of March.
- The team encountered several challenges during the second quarter:
  - Of the original seven CREF subcontractors that were issued award letters, two dropped out of the program. One was unable to comply with the insurance requirements due to cost. The other was not willing to accept certain provisions of the subcontract.
  - One CREF project dropped from the program due to challenges with securing site control.
  - Several projects were at risk of missing the Milestone 1 and/or Milestone 2 deadlines due to various reasons, but primarily due to permitting delays, financing delays, or procurement challenges. The team expects many, but possibly not all, of these issues to be resolved by extending deadlines to May 5, 2021. These delays are not expected to impact each subcontractor's ability to achieve Temporary Pending Final (TPF) inspection by the Milestone 3 deadline.
  - Although projects are currently on track to achieve ATO by August 31, 2021, Pepco has indicated that this is only feasible under ideal circumstances. The team continues to be in close contact with Pepco to determine what can be done to remove barriers and ensure project completion.
- The Single-Family team secured subcontracts with four solar installers in the second quarter. The team continued to review potential projects and recruit additional customers for the program this year. The pandemic has proven to be a challenge in recruitment as door-to-door canvassing is one of the more effective ways the DCSEU and installers are able to recruit additional customers. The team is exploring other ways of recruiting potential customers with the Marketing and Communications team.