



DC
SUSTAINABLE ENERGY
UTILITY

Third Quarter Report for Fiscal Year 2021

April 1 – June 30, 2021

July 30, 2021



This report of the District of Columbia Sustainable Energy Utility covers the period from April 1 through June 30, 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

Five years ago, the DCSEU was preparing for a new contract period, facing bigger challenges and more ambitious performance benchmarks than ever before. While we knew we had the team, the knowledge, and the drive to overcome those challenges and deliver results, we also knew it would be a feat to achieve several of the maximum performance benchmarks in front of us. As we write this report with just over two months left in our final contract year, we are confident that we will be able to achieve or exceed all the maximum cumulative performance benchmarks by the end of this contract term on September 30.

For the past sixteen months, we have all dealt with the incredible challenges of this global pandemic. As we complete the last quarter of this contract and begin planning for the new contract period, with bigger challenges and ambitious benchmarks ahead, we are incredibly proud of the results we have achieved in partnership with DOEE, contractors, businesses, and residents, and we are excited to forge a new path over the next five years.

Energy and Environmental Impact

For the DCSEU's cumulative electricity and natural gas savings performance benchmarks, we expect to exceed the maximum benchmarks for both. This will deliver more than \$750 million in lifetime energy cost savings for District businesses and residents. As the District looks to decarbonize and electrify to pursue the goals of the Clean Energy DC Plan, the DCSEU's next contract will push us to find deeper electricity savings opportunities as fossil fuel technologies are phased out, and to explore new ways to reduce greenhouse gas emissions and reduce overall energy consumption.

Equity

The DCSEU has developed programs over the past 5 years to increase our impact with the resources available in the low-income community. We have invested more than \$50 million in energy efficiency and renewable energy in low-income communities in the District, helping to make affordable housing more sustainable from both an environmental and economic standpoint. The DCSEU was also able to leverage more than \$4 million in partnership with Washington Gas to help affordable multifamily buildings reduce their natural gas consumption, helping us achieve the \$5 million cumulative maximum performance benchmark for financial leveraging. In FY 2019, we began work on the Solar for All program, and by the end of FY 2021 we expect to have installed more than 300 systems on income-qualified single-family homes, and enough community solar capacity to cut electricity bills in half for nearly 6,000 DC families. Starting in FY 2022, the District will be making significantly larger investments in low-income communities through the Affordable Housing Retrofit Accelerator and increasing investments for Solar for All. We recognize the importance of these investments and the positive impact they will have long-term.

Economic Development

With many of the staff who work at the DCSEU being District residents, we are particularly invested in seeing the businesses and residents of DC gain new opportunities through the work we do. Over the past five years, we've spent more than \$50 million with Certified Business Enterprises (CBEs), and we have seen several grow their workforce significantly and expand their business inside and beyond DC's borders. By the end of this contract, we will have helped create green jobs (full-time equivalent) for more than 400 DC residents, and have watched more than 85% of our Workforce Development Program graduates gain full-time employment. Over the next five years, we will have even more opportunities to invest in readying the District's workforce through the Workforce Development program as well as the Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program. These programs will help ensure more District residents and contractors are prepared to compete for the expanded opportunities that will be available as we all strive to achieve the goals laid out in the Clean Energy DC plan.

We are honored that the District government has placed its trust in us to continue to deliver these programs and services to District ratepayers for five more years. We look forward to the challenge ahead and to continuing to deliver results that make a lasting impact in our community and on the environment.

QUARTERLY FEATURE: Washington Tennis and Education Foundation Expands Mission Through Solar for All



Since 1955, the Washington Tennis and Education Foundation (WTEF) has supported the DC community by offering academic instruction, life skills training, and tennis instruction through after school programs and summer camps. Working with the DCSEU and Solar for All Community Solar developer New Columbia Solar, WTEF is installing a 749 kW system on the roof of its 50,000 square foot facility that will benefit both WTEF and the community they serve. Through Solar for All, WTEF will now be able extend its reach by sharing clean energy benefits in the DC community.



Over the 15-year lifetime of the solar array, WTEF will receive lease payments to host the solar system, which will directly benefit its after school academic, tennis, and wellness programs. Once completed this fall, the system will also allow more than 214 income-qualified families in DC to

cut their electricity bills in half over the next fifteen years through the Solar for All program. The project was recently featured in early July in an NBC 4 News segment.

1. At a Glance: Progress against Benchmarks

Table 1. Cumulative Benchmarks. Performance to date, measured against benchmarks and contract requirements¹

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2021 Q3 Results (April 1, 2021 through June 30, 2021)	FY 2021 Results (October 1, 2020 through June 30, 2021)	Cumulative Results (October 1, 2016 through June 30, 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	Cumulative Performance Benchmarks	Reduce per-capita consumption - Electricity	MWH Modified Gross	Cumulative	15,372	57,945	545,984	461,188	576,485	118%	95%
1b		Reduce per-capita consumption - Natural gas	Therms Modified Gross	Cumulative	84,870	1,389,433	10,406,394	8,525,645	10,230,774	122%	102%
2		Increase renewable energy generating capacity	KW	Cumulative	-	386	12,947	4,350	5,000	298%	259%
3		Leverage funds	Dollars	Cumulative	-	\$2,658,937	\$5,667,419	\$2,500,000	\$5,000,000	227%	113%

¹The 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. Cumulative results incorporate third-party verified results for FY 2017-FY 2020 and DCSEU unverified results for FY 2021.

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

Item	Benchmark	Description	Metric Unit	Goal Type	FY 2021 Q3 Results (April 1, 2021 through June 30, 2021)	FY 2021 Results (October 1, 2020 through June 30, 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	\$189,653	\$2,537,598	\$3,819,677		66%	
4b		Improve energy efficiency in low-income housing - savings	MMBTU Net	Annual	6,433	31,762	23,278	46,556	136%	68%
5		Increase number of green collar jobs	Green job FTE's directly worked by DC residents, earning at least a Living Wage - Hours	Annual	18	53	66	88	80%	60%
6	Other Contract Requirements	DCSEU General and Administrative Expenses	% of Cost Reimbursement Ceiling	Annual	\$661,914	\$2,249,873		\$3,819,677		59%

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7		Expenditures with Small Business Enterprises/Certified Business Enterprises	% of annual DCSEU operating budget subcontracted to SBEs/CBEs	Annual	\$4,213,280	\$6,163,763	\$6,463,023		95%	
9	Tracking Goals	Reduce growth in energy demand of largest users	# of projects completed with a square footage of > 200,000		11	21				
10		Reduce growth in peak demand	kW		2,258	9,746				

2. Sector Highlights in the Core Areas

Residential

- **The Efficient Products program achieved electricity savings of 5,802 MWh** and 575 MMBtus of natural gas savings in the residential market during the third quarter, allocating \$243,717 in rebates. There were more than 12,000 participants served in the residential market during the third quarter. The DCSEU continued to offer market-rate residential Energy Conservation Kits and customers purchased more than 530 kits in the third quarter. In line with District policy and the Clean Energy DC plan, the DCSEU will stop offering rebates on natural gas boilers, furnaces, water heaters, and clothes dryers as of August 20, 2021. The DCSEU will increase rebates for the most efficient heat pumps to encourage customers to begin transitioning to efficient electric heating in their homes.

Low-Income

- **The Low-Income Team completed 3 multifamily projects in the third quarter, and provided a total \$154,261 in incentives through the Low-Income Comprehensive, Food Bank Bulb Distribution, and Low-Income Energy Kit programs.** In total, low-income programs achieved 1,885 MWhs in electricity savings and 3 MMBtu in natural gas savings. The 3 multifamily projects closed under the Low-Income Comprehensive program represent 749 MWhs in electricity savings. In the third quarter, the team was focused on building additional pipeline for the Low-Income Comprehensive program, offering the potential of enhanced incentives for projects that could potentially close before the end of the fiscal year. The team also continues to build additional pipeline for the Low-Income Prescriptive program, adding several new HVAC measures available for rebates. Members of the team attended and exhibited at the Housing Association of Nonprofit Developers (HAND) Virtual Expo in June as part of these efforts. The DCSEU continues to see supply chain delays for HVAC equipment, and limited financial resources available from building owners to support projects.
- The team 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 167 residents in the third quarter. The team worked closely with the Marketing and Customer Support teams to reach out to affordable multifamily building owners and managers to determine their interest in helping their residents access these energy kits. Fifteen building owners and managers have shown interest and the team is following up with them to determine ways to help their residents request and receive kits. Finally, the team continues to distribute efficient LED lighting to income-qualified residents in partnership with area food banks. More than 2,000 participants were served through the food banks in the third quarter representing 1,094 MWh in electricity savings from the LED lighting distributed. The DCSEU will seek to expand LED distribution with food banks and a possible partnership with DC Public Schools.

Commercial and Institutional (C&I)

- **The DCSEU completed C&I Custom projects at 16 sites** resulting in 7,909 MMBtus of natural gas savings and 2,299 MWhs of electricity savings in the third quarter. These projects represent \$229,232 in incentives for C&I customers, including universities, hospitals, grocery stores, federal government facilities, and commercial real estate buildings. These projects will result in more than \$4 million in lifetime energy cost savings for customers.
- **The Business Energy Rebates (BER) program processed 15 projects** comprising \$50,730 in rebates during the third quarter. This included three projects that qualified for enhanced small business (facilities under 10,000 square feet) rebate amounts. These projects represent 1,063 MWhs of electricity savings. The team is focused on building pipeline for prescriptive rebates, including refrigeration projects where the DCSEU is running a special offer campaign on electronically commutated motors (ECMs) and door heater controls through September 15.
- **The Instant Business Rebates program served 309 program participants with \$130,758 in rebates during the third quarter.** This led to 4,307 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 \$4,220 in rebates during the third quarter**, with 17 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 2 additional projects in the pipeline for this program in the fourth quarter.
- **The Account Management Team continued ongoing outreach to the District's C&I vertical markets to build project pipeline** and worked to close projects before the end of this fiscal year. The Account Management team worked with the Program Management team and the Marketing and Communications team on developing and launching a refrigeration campaign offering. The offer will cover up to 100% materials costs on electronically commutated motors (ECMs) and door heater controls until September 15, 2021. Work began in May and June on planning events for this summer, including a K-12 Schools Roundtable discussion in partnership with the Building Innovation Hub, and a Refrigeration Tech Talk for trade allies. The Tech Talk is in support of the DCSEU's Refrigeration campaign and general education efforts about energy and GHG savings opportunities for refrigeration. The Trade Ally Manager began extensive outreach efforts to more than 50 new refrigeration and mechanical contracts to identify potential new contractors to support the campaign and future refrigeration efforts. The team continues to discuss new roundtable and Strategic Energy Management opportunities with new markets, such as hospitals and affordable multifamily housing. The DCSEU and the team welcomed a new Community Impact Manager during Q3, who will be focusing on workforce development and training, as well as building and leveraging customer relationships and partnerships for the DCSEU to expand the reach and impact of our programs. This work began in June with meetings with the AOBA Educational Foundation, YouthBuild, and the NHP Foundation. The DCSEU also continues to participate in the Building Energy Performance Standards (BEPS) stakeholder meetings, and is continuing to work on analyzing the BEPS data to prepare to support non-compliant buildings.

Green Jobs

- **The DCSEU's Workforce Development held its fall/winter cohort graduation and kicked off the summer/fall cohort in the third quarter.** On April 13, the DCSEU held its 2nd Annual Workforce Development Program Alumni Day. The Alumni shared their experiences during their time as an extern as well as what they are doing now in their new careers. Five Workforce Development Alumni returned to share their stories and lessons learned with the FY 2021 fall/winter cohort. On May 26, the DCSEU held its fall/winter graduation. The graduates included 13 Externs who completed the program in May and 5 FY 2020 Summer cohort graduates were also conferred certificates in the program. Twelve of the fall/winter FY2021 externs and the entire FY 2020 cohort were offered full-time employment upon graduating from the program. The Workforce Development Program Manager focused on recruiting externs and mentors during the month of May. In June, the DCSEU kicked off the summer/fall FY 2021 cohort with 23 externs and welcomed two new mentors to the program. The externs meet weekly for continued professional development trainings and have also taken the OSHA-10 online training course.
- **The DCSEU launched the Sustainable Energy Infrastructure and Capacity Building Pipeline (SEICBP) program.** During the third quarter, the DCSEU launched a request for proposals (RFP) seeking instructors for a variety of courses and certification opportunities. The program officially launched on June 23, with a press release and pre-registration for potential students. There have been some delays for course instructor subcontracts that has affected scheduling some courses for this fiscal year. The team has been working closely with DOEE, the Department of Small and Local Business Development (DSLBD), and the Coalition for Nonprofit Housing and Economic Development (CNHED) on developing and promoting the program. Courses will continue to be added throughout the summer and promoted to the market through eblasts, social media, and partnerships with trade associations and other organizations who can help spread the message. The Train Green SEICBP program is designed to assist CBEs and CBE-eligible firms

in acquiring new or enhanced skills and knowledge around energy efficiency and renewable energy design, construction, inspection, and maintenance.

Innovation

- **The DCSEU completed its Strategic Energy Management (SEM) cohort with DC universities in Q3.** During Q3, the team distributed an “Energy Efficiency on Campus Engagement Toolkit” to participants that included materials and guidance to encourage staff and students to engage in energy-saving behaviors. Kits were distributed in April and received positive feedback from several of the universities, including some requests for additional and co-branded materials. Moving forward, the DCSEU will continue meeting with the universities for regular quarterly roundtable meetings.

3. Activity Supporting DCSEU Initiatives

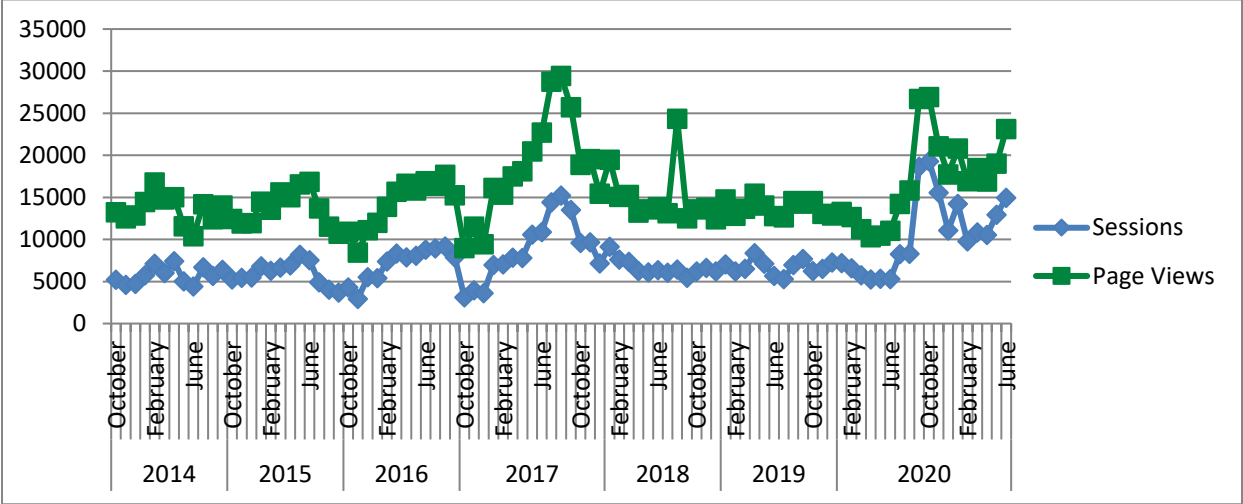
Marketing, Public Relations, Community Outreach, and Public Affairs

- **The Marketing and Communications Team developed several campaigns and supported multiple programs during the third quarter.** This included the following efforts:
 - Supporting the development and launch of the SEICBP program with promotion of the RFP, launching a press release and developing a flyer for use in promoting the program this summer, developing a pre-registration process to avoid delays in promoting the program and developing a queue for courses, and prepping the website and registration process for when courses become available.
 - Developing the refrigeration campaign offer and creating marketing materials, a web presence, and marketing tactics for promoting the campaign. The team will be placing ads through LinkedIn and the Restaurant Association of Metropolitan Washington, and is seeking opportunities to promote through organizations like Think Local First, DSLBD, and Main Streets programs.
 - Developing an Account Management Lead Generation campaign to drive new customers and potential project leads to the Account Managers. Customers are able to book a meeting directly with an Account Manager for their vertical market without having to call or

send an email. The campaign has advertising placements with BISNOW and LinkedIn, and will have additional ads placed in the Washington Business Journal in July. Through June, the campaign had driven more than 150,000 impressions and more than 400 clicks through BISNOW and LinkedIn.

- Pursuing public relations opportunities for Solar for All during the summer and fall as projects are underway or receive authorization to operate (ATO). This included planning a ribbon cutting, press release, and media outreach at Children’s National Research and Innovation Campus (RIC) that received several media hits, and supporting a segment with NBC 4 in late-June at a community solar project at the Washington Tennis and Education Foundation.
- Designing, developing, producing, and distributing the SEM University Campus Engagement Toolkit.
- Working with Pepco and DOEE on the Reduce Energy Use DC campaign. This included producing a video and other content for the campaign, as well as facilitating an “Energy Break” webinar panel on the topic of Workplace and Small Business Sustainability.
- The team also began development of a residential Summer Sweepstakes campaign in the third quarter, similar to the campaign in February. The campaign will run for July-August and offer opportunities to win prizes by either purchasing a DCSEU Home Energy Conservation Kit or entering on the DCSEU website.

Figure 1. DCSEU website visits and page views, by month, from FY 2014 to June 30, 2021



- Facebook **901 Likes, 922 Followers**
- LinkedIn **1,074 Followers**
- Twitter **1,975 Followers**

Table 6. DCSEU initiatives, by sector

Core area	Initiative name	Description	Customer
Residential	Efficient Products	Deep discounts on LEDs with partnering retailers in DC; mail-in and online rebates for qualifying energy-efficient appliances, HVAC equipment, and smart thermostats; Energy Conservation Kits for market-rate and income-qualified residents	DC residents
Low-Income Multifamily	Low-Income Multifamily Comprehensive	Custom technical and financial assistance for energy efficiency improvements for multifamily properties	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents
	Income Qualified Efficiency Fund	Custom technical and financial assistance for energy efficiency improvements in multifamily and other qualifying properties working with DCSEU-qualified contractors	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents
	Low-Income Prescriptive Rebates	Rebates for energy-efficient lighting, heating and cooling for income-qualified properties	Property owners/managers of multifamily buildings, shelters, and clinics serving income-qualified DC residents; contractors
Renewable Energy	Commercial Solar	Incentives and financing to install solar PV systems offered as part of the C&I Custom program. (only for existing projects; no new projects will receive incentives)	Commercial business owners

Core area	Initiative name	Description	Customer
Commercial and Institutional	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

Below are updates from Q3 for the CREF team:

- 29 CREFs reached Milestone 1
- 28 CREFs reached Milestone 2, representing \$3,130,823 in incentives
- 24 CREFs reached Milestone 3, representing \$1,764,173 in incentives

- Worked closely with the Marketing team and developers on a ribbon cutting for the FY 2020 Solar for All CREF project at Children's at Walter Reed.
- Began planning for FY 2022 RFP process.
- Began or continued engagement with subcontractors on leveraging communications opportunities from their FY 2021 CREF project portfolios.
- The team continued to work with subcontractors on achieving or getting back on track with program milestones and timelines.
- The CREF team is working with subcontractors on identifying additional project capacity to fully leverage any available FY 2021 incentive funds for the benefit of program subscribers.

Below are updates from Q3 for the Single-Family team:

- Currently on track to successfully complete 125 homes, exceeding FY 2020 goal of 120.
- 53 total single-family solar installations have been completed as of July 20, 2021.
- The team continues to hold weekly meetings with each subcontractor virtually to review project status, milestone deliverables against project timeline.
- As the program moves forward for FY22, the team plans to pursue more targeted outreach in specific neighborhoods with support from the Marketing team.