

GOVERNMENT OF THE DISTRICT OF COLUMBIA

District Department of the Environment



February 15, 2012

The Honorable Kwame Brown
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

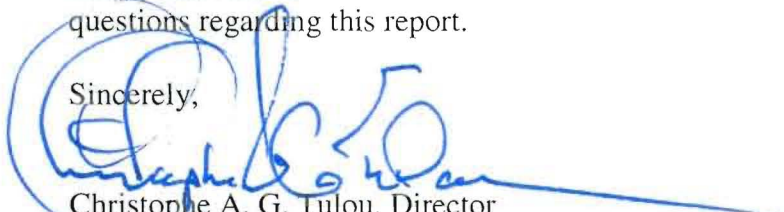
RE: DC Sustainable Energy Utility's Quarterly Report

Dear Chairman Brown:

Pursuant to Section 201 of the Clean and Affordable Energy Act of 2008, D.C. Law 17-250, I am pleased to submit the attached quarterly report on behalf of the District of Columbia Sustainable Energy Utility ("DC SEU"). The report details the progress made by DC SEU towards implementing energy efficiency and renewable energy programs during October 1, 2011 – December 31, 2011. As the designated contract administrator, DDOE has fully reviewed and approved the attached report.

Please feel free to contact me or Dr. Taresa Lawrence at 202-671-3313 if you have any questions regarding this report.

Sincerely,



Christophe A. G. Tulou, Director
District Department of the Environment

Attachments

cc: Councilmember Mary Cheh, Chairperson, Committee on the Environment, Public Works, and Transportation
DC Councilmembers
Nyasha Smith, Secretary of the Council



District of Columbia Sustainable Energy Utility
Quarterly Report for Fiscal Year 2012

First Quarter: October 1, 2011 – December 31, 2011

January 11, 2012

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Introduction

The Vermont Energy Investment Corporation's (VEIC) Quarterly Report for the First Quarter of FY 2012, on the work of the District of Columbia Sustainable Energy Utility (DC SEU), covers the period from October 1, 2011 through December 31, 2011.

A. Report approach

This report provides details on the accomplishments of the DC SEU in the first three months of the second fiscal year (first option year after the base year of FY 2011) of its contract. During this period, the DC SEU has ramped down the short-term "Quick-Start" programs of FY 2011, which were designed to meet contract performance goals for that initial Contract Period (March 24 – September 30, 2011). Unlike the DC SEU *Quarterly Report—Third Quarter FY 2011*, this report does not contain narrative about activity milestones, but instead summarizes: (1) completion of the Quick-Start programs and their results; (2) progress on the design and implementation of the first round of new programming for the markets in Low-Income Multifamily, Commercial and Institutional, Single-Family Residential, and Renewable Energy sectors; and (3) ongoing market analysis, public affairs activity, consumer education and marketing efforts, community outreach activity, and workforce development.

Because the current period has been characterized by the closing-out of one set of activity and the beginning of a new set of activity, this report presents results of completed work, and outlines the design and implementation work already under way with new programming in the various market sectors. Programming for FY 2012 is generally designed for a transition from direct installation work to market-based approaches, with market sectors identified for targeted sustainable energy strategies. The transition period, as expected, accounted for approximately 12 weeks in FY 2012.

B. Report structure

This Quarterly Report for the First Quarter of FY 2012 contains: (1) a summary of overall progress in, and the context for, shifting the programming approach to meet Performance Benchmarks 1, 2, 3, 4, and 5; (2) a summary of activity from the various functions supporting the new programming approach; (3) a summary of activity in each of the four DC SEU market sectors: Low-Income Multifamily, Commercial and Institutional, Single-Family Residential, and Renewable Energy; (4) District-resident employment in full-time equivalent (FTE) positions by VEIC and its Teaming Partners, collaborators, and Implementation Contractors, attributable to the DC SEU programs, in support of Performance Benchmark 6; (5) and the number of District Department of Employment Services (DOES) referrals hired; (6) a section reporting progress on meeting the special contract requirement regarding use of CBEs; (7) actual expenditures for administrative, information technology, natural gas, and electricity-related program expenditures, and service delivery costs, compared to the approved budget; and (8) consumer education and marketing material distributed during the period.

C. Programming and implementation changes for Contract Year 2

With the close of FY 2011 activity, the DC SEU has inaugurated three different approaches for attaining the DC SEU's goals for energy savings, job creation, and invigoration of the renewable energy market.

- **Slow ramp-down of direct installation and small-scale retrofit Quick-Start programs.** As planned, the DC SEU transitioned the successful direct installation and small-scale retrofit programs that characterized implementation activity in FY 2011 into multiple new programs in each of the core market sectors: Low-Income Multifamily, Commercial and Institutional, Single-Family Residential, and Renewable Energy. The ramp-down has proceeded in a deliberate, step-wise fashion while new programming has begun to come onto the market. This strategy helps to avoid market shocks from sudden cessation of programs in the various sectors in which the DC SEU is doing business, and provides continuity of message and purpose to DC utility ratepayers.
- **Shift from the direct installation approach to a market-based approach.** The shift from direct installation to serving distinct market sectors is rooted in long experience of the Sustainable Energy Partnership (SEP) in successful, results-driven energy efficiency and renewable energy program design. Although direct installation achieves reasonable savings in a short amount of time and is relatively easy to do, it is not the most cost-effective model for long-term efficiency. Essentially, it is the first of many steps toward the market transformation and behavior change necessary to attain cost-effective efficiency measures benefiting all customers. When all customers benefit, the District can see a real reduction in the social, economic, and environmental costs of energy use.

Direct installation and small-scale retrofits, because they are transitory in their overall effect, can be designed for targeted market sub-sectors as the DC SEU matures, but they are not a substitute for deep, permanent savings in energy and costs to customers. The market-based approach is a more permanent and proven solution. It involves developing productive business relationships with Implementation Contractors, multifamily building owners, single-family homeowners, and C&I customers—as much as it involves open communication with civic and community leaders, building design professionals, retail stores, and other trade allies. Although other efficiency programs have relied on a project approach, or on a single-program approach, the SEP knows from experience that these approaches enjoy only short-term success. This is largely because their designs assume that customers seek out programs or projects, rather than constituting part of a larger market that can be targeted for cost-effective energy efficiency service delivery. A market-based approach also has the flexibility to accommodate changes in market conditions.

- **Staffing for the long-term health of the DC SEU.** With the hiring of Ted Trabue as Managing Director, followed by key hires for program leadership throughout this first quarter of FY 2012 (see **Message from the Managing Director**), the DC SEU has begun

its planned transition from a largely Vermont-based start-up team of employees to District-resident staffing for the long-term health of the DC SEU. Core program and support employees with District residency now fulfill nearly all of the critically important functions of DC SEU work. Further, current management has designed an additional professional benefit to DC SEU employees: Instead of identifying a specific date to cut ties to the Vermont employees involved in the start-up activity and who have been replaced by local employees, management will use them to mentor the new employees, as needed. One key feature of this mentoring activity has been the joint development by Vermont and District-based staff of the eight program plans for market-based work to be launched in FY 2012.

The use of the term *DC SEU* throughout this report indicates an integrated collaboration among the Teaming Partners of the Sustainable Energy Partnership, under VEIC's leadership.

Message from the Managing Director

Greetings to all of you as we enter the New Year of 2012. In a way, this is the second New Year for the DC SEU, since Contract Year 2 began October 1 with the beginning of Fiscal Year 2012. Great things were in store for the DC SEU then—and more things are in store now.

With each of those new years, we look forward to what lies ahead. The planning and program design work that took place in the FY 2011 now can be put in place, with new approaches that benefit utility ratepayers throughout the District, stoke a hot marketplace for retail efficient products, give meaning to the term *sustainability*, help the low-income community to live more affordably, and bring more green jobs to the District.

Since I took over as Managing Director in November, the DC SEU has hired five new full-time employees—all of them District residents. Each of them is very talented, and we look forward to seeing them grow in these positions. The first step toward expanding many of the DC SEU staff members' knowledge will be a trip in January to Burlington, Vermont, for specialized training with experts at VEIC headquarters. This visit will address the wide range of skills and knowledge necessary for the smooth functioning of the DC SEU, both in the field and in the office.

Here in the District, it is no secret that the success of the DC SEU depends on the integration of many efforts with the local community. This is not only a rewarding part of our activity, but also the right thing to do. A business model that recognizes that we are in this together—where we can both offer an exchange of knowledge and expertise and learn from each other—is a sustainable business model. It is even better that we are in the business of building the District's energy sustainability. To that end, we are working on presentations to the DC Building Industry Association and the Downtown Business Improvement District. We are also working on a joint meeting this spring with the Office of People's Counsel.

We are very excited about what the New Year will mean to the DC SEU effort. As this report will show, we have shifted our activity to a longer-term and now market-based approach to delivering efficiency services, with market sectors now clearly identified and new programs planned for the Low-Income Multifamily, Residential, and Commercial and Institutional sectors, and for the Renewable Energy sector.

Broadening the scope of what we do, and deepening our engagement with customers and the community, will continue to bring lasting energy savings to the District, while putting more DC residents to work in jobs that help us and our neighbors to live more comfortably.

Especially with regard to jobs, we are continuing our recruiting efforts to fill critical staff positions, so that the DC SEU team will be ready to meet the challenges of a changing climate, a shifting energy landscape, and a potentially dynamic job market.

We invite you to walk with us as we move forward in bringing sustainable energy to life in DC.

With best wishes for a great New Year to all of you,

Ted Trabue

1 Background

The District Department of the Environment (DDOE) has contracted with Vermont Energy Investment Corporation, the lead in the specially established Sustainable Energy Partnership, to provide programs and initiatives as the District of Columbia Sustainable Energy Utility (DC SEU). The DC SEU conducts programs in the District to reduce per-capita energy consumption, increase the number of green collar jobs in the District, stimulate the local economy via contract spending with District businesses, increase renewable energy generating capacity, reduce the growth of peak electricity demand, improve the energy efficiency of low-income housing, reduce the growth of energy demand of the largest energy users.

2 District of Columbia Sustainable Energy Utility Budget and Actual Expenditures

Financial activity throughout the First Quarter is presented as **Attachment 1, Financial Activity—Budget to Actual**.

3 Progress Report on Activity Supporting DC SEU Programming

3.1 Management Information Systems and Information Technology

Management information systems. Between October and December, the DCSEU programs were fully supported by VEIC's information technology (IT) department. The support included releasing three sets of enhancements to the KITT+ application (KITT is the primary database that the DC SEU uses to track and measure all market activities). These enhancements improve how DC SEU staff manage customer interactions and data relating to participation in programs, resulting in high levels of effective and efficient customer support. These improvements were:

- Greater speed in retrieving data
- Better tracking of workflow and tasks
- Deeper integration of the DC SEU's operations with VEIC's accounting systems
- Tracking enhancements for CBE and FTE data collection (including Ward information)

In addition, MIS staff supported data collection efforts on Quick-Start programs for close-out FY 2011 reporting. New reporting methods were developed to support DC SEU management and regulatory requirements.

MIS / IT personnel also began active coordination with program leads in the design and development of new, market-based programs for FY 2012. This coordination involved engaging program staff in design conversations, resulting in the modification or development of management reports and minor modifications to KITT +.

As part of this effort, MIS staff have begun to modify existing applications used to support comprehensive Residential Existing Homes and Home Performance with ENERGY STAR® activity in other jurisdictions served by VEIC. These modifications for DC SEU programs are expected to be rolled out as a tool called HERO-HP, in early 2012. *HERO-HP* stands for Home Energy Reporting Online—Home Performance, a web interface that streamlines Implementation Contractors' reporting on Residential projects undertaken and completed.

In addition, MIS staff supported all of the ramp-down activity of Quick-Start programs that have continued into FY 2012.

Advanced technical analysis support—Comprehensive analysis tool, analysis of avoided costs, screening tool, *Technical Reference Manual*. VEIC's technical staff have developed a DC SEU-specific version of the Comprehensive Analysis Tool, which will assist the market-based custom approach (as opposed to the standard, "prescriptive" rebate approach) used in Commercial and Institutional (C&I) and Low-Income Multifamily efforts. They also analyzed data to determine DC-specific avoided costs and measure characterizations. Both of these will inform cost-effectiveness screening for energy efficiency measures. The *DC Technical Reference Manual (TRM)* is also under way. The work is expected to be finalized in the coming weeks.

The technical analysis activity resulted in:

- Determination of DC-specific savings load profiles
- Determination of avoided costs for the DC screening tool and proxies, where appropriate
- Development of a screening tool for DC SEU program work in the field
- Creation of a DC-specific Comprehensive Analysis Tool (DC CAT) for DC prescriptive and custom screening of efficiency measures
- Screening of prescriptive measures to use as inputs for prescriptive tool
- Coordination with Efficiency Vermont's IT group and the DC SEU on deliverable needs and input assumptions (ongoing)
- Reconciliation of the DC SEU TRM format structure and content for functionality with DC Prescriptive Tool (ongoing)
- Development of assumptions for the DC Prescriptive Screening Tool, reconciling information about FY 2011 measures and adding new measures to support FY 2012 programming (for example, C&I programs such as the T12 Blitz)
- Screen and apply savings factors to all DC SEU measures for FY 2011 & FY 2012

Information technology. VEIC installed an advanced telephone system at the DC SEU offices in October. This system is compatible with the VEIC headquarters' phone system, and 202 Area Code direct dialing was made active in December. This change in systems was accomplished with no disruption in service to DC SEU customers. Additionally, VEIC set up a new point-to-point internet connection, to ensure the ability to move data between locations without speed or quality degradation, consistent access to the VEIC primary server co-location in Williston,

Vermont. Establishing this connection also allowed VEIC to install and test a video conferencing system known as LifeSize, which will enable improved communications to geographically distant staff and partner locations.

3.2 Consumer Education and Marketing

Activity concluding FY 2011 work. With the end of FY 2011 on September 30, the DC SEU Marketing group began ramping down its activity on behalf of Year 1 Quick-Start direct installation programs. As part of these efforts, the group revised content and updated functionality on the DC SEU website, which featured Contract Period 1 program highlights, press releases and news coverage, and buttons linking the site to the DC SEU's social media properties (see **Attachment 2, Marketing Materials**, for samples of this work). In its efforts to inform the public about Contract Period 1 program highlights, the Marketing group:

- Released FY 2011 highlights to the press
- Communicated to the DC Council member offices, providing them with these highlights, including total projects completed in each Councilmember's respective Ward
- Created an FY 2011 highlights marketing piece
- Shared the press release via Twitter and Facebook

The DC SEU web site continued to attract new visitors throughout October, November, and December. More than 50% of visits to the web site were first-time visitors. While the ramp-down of the Quick-Start programs slowed traffic to the web site, the numbers remained strong:

- 1,407 visits and 5,155 page views were logged in October
- 1,138 visits and 4,006 page views in November
- 814 visits and 3,258 page views in December

The DC SEU Marketing group also made an announcement in October about the hiring of the new Managing Director, Ted Trabue, using traditional and non-traditional media outlets. The announcement received a very positive response.

Expanding media relationships for FY 2012. In preparation for the development of Contract Year 2 advertising and public relations efforts, the group has established relationships with DC-based major media properties:

- Television (ABC7, News Channel 8, WUSA 9, Comcast)
- Radio (WMAL, WHUR, WTOP, Mix 107.3)
- Print (*Capitol Community News*, *Currents* newspapers, *City Paper*, the *Blade*, *Examiner*, *Informer*, *Washington Sun*, *Afro-American*)
- Non-traditional media (Biz Now, National Cinemedia, etc.)

The Marketing group also successfully launched its social media presence in support of the DC SEU on both the Facebook and Twitter platforms:

- Facebook: www.facebook.com/dcseu
- Twitter: @dcseu (www.twitter.com/dcseu)

Support of FY 2012 programming. With the development of Contract Year 2 programs and increasing general brand awareness of the DC SEU, the Marketing group produced a brochure for the DC restaurant market, Menu of Savings. This brochure was developed in preparation for a meeting to advance the DC SEU brand and activity to the hospitality industry's sustainability and waste management agenda. It creatively delivers valuable information on how energy efficiency can save hundreds of dollars annually on operating costs. The Menu of Savings was unveiled at the Sustainable Restaurant Seminar of the Restaurant Association Metropolitan Washington, November 28 (see **Table 1**, and **Attachment 2, Marketing Materials**).

The Marketing group also began marketing efforts for the DC Home Performance with ENERGY STAR® Program by producing a flyer designed to build awareness among contractors about the program and its benefits. The flyer was distributed via e-mail by program staff.

Attachment 2 contains samples of all Marketing material produced throughout the current reporting period.

Next steps. The Marketing team will continue its work with program staff to develop marketing plans and messaging for Year 2 programs. In addition, the group will coordinate its brand awareness work with the Managing Director and the Public Affairs and Community Outreach groups, to support Year 2 programs and the ongoing goals for the DC SEU, and building the DC SEU's presence on the web and social media.

3.3 Public Affairs

As **Table 1** indicates, Public Affairs activity in FY 2012 has continued its outreach to civic and community leaders, as well as to utilities. However, it has also begun to include relationship-building with market actors, in keeping with the shift to a market-based approach to energy efficiency and renewable energy programming.

Table 1. Public Affairs activity during the current reporting period

Date and Meeting	Key Officials	Outcomes
<p>October 3</p> <p>University of the District of Columbia, Office of the Provost</p> <p>DC SEU representative: George Nichols</p>	<p>Howard Ways, AICP Director of Planning and Sustainability Vice President for Academic Affairs</p>	<p>Relationship building and status reporting on collaborative project</p>
<p>October 5</p> <p>Office of Councilmember Yvette Alexander (Ward 7)</p> <p>DC SEU representative: George Nichols</p>	<p>Rayna Smith Legislative Director</p>	<p>Relationship building, progress reporting, and discussion of Ward 7 interests</p>
<p>October 6</p> <p>Office of Councilmember Michael Brown</p> <p>DC SEU representatives: Scott Johnstone George Nichols</p>	<p>Kilin Boardman-Schroyer Legislative Director Councilmember Michael A. Brown - At-Large</p>	<p>Relationship building, progress reporting, and discussion of CM Brown’s interests and DC SEU Programs</p>
<p>October 6</p> <p>Pepco</p> <p>DC SEU representatives: George Nichols, Scott Johnstone Jim Grevatt</p>	<p>Dr. Donna Cooper Vice President for Government Affairs, SEU Advisory Board</p> <p>Stephen L. Sunderhauf Manager of Program Design and Evaluation</p>	<p>Data sharing and exploration of possible collaborative opportunity with Opower (advanced metering company)</p>
<p>October 8</p> <p>OPC Energy Efficiency Workshop- Ward 7</p> <p>DC SEU representative: George Nichols</p>	<p>Councilmember Alexander Sandra Mattavous-Frye People's Counsel and Member, SEU Advisory Board</p>	<p>Presented DC SEU programs and participated in panel discussion</p>

Date and Meeting	Key Officials	Outcomes
<p>October 12</p> <p>Meeting of the</p> <ul style="list-style-type: none"> • Deputy Mayor for Planning and Economic Development of the District of Columbia • White House Council on Environmental Quality <p>DC SEU representatives: George Nichols Maria V. Brown</p>	<p>Victor L. Hopkins Deputy Mayor</p> <p>Christophe Tulou Director, DDOE</p> <p>Harriet Tregoning Director, Office of Planning</p>	<p>Participated in briefing on DC SEU role in supporting U.S. Department of Energy Building Challenge</p>
<p>October 13, 20, 21, 25</p> <p>Advanced Metering Infrastructure (AMI) Advisory Task Force</p> <p>DC SEU representatives: George Nichols Maria V. Brown</p>	<p>Linda Jordan Chair, Advisory Task Force Director, Office of Consumer Affairs, Public Service Commission</p>	<p>Focused on providing comment on AMI messaging as member of Task Force</p>
<p>Oct. 18</p> <p>Downtown DC Business Improvement District</p> <p>DC SEU representatives: Scott Johnstone George Nichols</p>	<p>Scott Pomeroy Sustainability Manager</p> <p>Ellen Jones Director of Infrastructure and Sustainability</p> <p>Richard Bradley Executive Director</p>	<ul style="list-style-type: none"> • Possible policy collaboration on U.S. DOE Building Challenge and identification of leveraging opportunities • Presentation by Viridity (data management software firm) on demand-side planning
<p>October 20</p> <p>Energy Investors Forum Sponsors: DDOE and the Carbon War Room</p> <p>DC SEU representative: David Barash</p>	<p>Leaders from municipal and commercial organizations and associations; finance organizations; and energy services companies</p>	<p>Introduction of the DC SEU to this audience, with discussion of program design, goals, market approaches, financing, and general services</p>

Date and Meeting	Key Officials	Outcomes
<p>Oct. 26</p> <p>Washington Gas</p> <p>DC SEU representatives: Scott Johnstone George Nichols Lilia Abron</p>	<p>Bernice K. McIntyre, Esq. Washington Gas Member, SEU Advisory Board</p> <p>Colin Shay Director of Business Development</p>	<p>Regularly scheduled meeting on data access and sharing; and general support opportunities</p>
<p>November 2</p> <p>University of the District of Columbia</p> <p>Office of the Provost</p> <p>DC SEU representative: George Nichols</p>	<p>Howard Ways, AICP Director of Planning and Sustainability Vice President for Academic Affairs</p>	<p>Relationship building and status reporting on collaborative project</p>
<p>November 8</p> <p>Pepco</p> <p>DC SEU representatives: George Nichols Maria V. Brown</p>	<p>Donna Cooper Vice President for Government Affairs SEU Advisory Board</p> <p>Avolon Joseph AMI Customer Education Program Manager</p>	<p>Exploration of possible collaborative opportunities for energy efficiency marketing and public affairs</p>
<p>November 8</p> <p>Metropolitan Washington Council of Governments</p> <p>DC SEU representative: George Nichols</p>	<p>Joan Rholfs Director, Environmental Resources</p> <p>Leah Boggs Environmental Planner</p>	<p>Exploration of opportunities for leveraging and public affairs</p>
<p>November 16</p> <p>Advanced Metering Infrastructure (AMI) Advisory Task Force</p> <p>DC SEU representative: George Nichols</p>	<p>Linda Jordan Chair, Advisory Task Force Director, Office of Consumer Affairs, Public Service Commission</p>	<p>Opportunity to provide comment on Pepco's draft Residential Air Conditioner Direct Load Control Program Customer Education Plan</p>

Date and Meeting	Key Officials	Outcomes
<p>November 18</p> <p>Downtown DC Business Improvement District</p> <p>DC SEU representatives: Ted Trabue George Nichols Maria V. Brown</p>	<p>Scott Pomeroy Sustainability Manager</p> <p>Ellen Jones Director of Infrastructure and Sustainability</p> <p>Harriet Tregoning Director, Office of Planning</p>	<p>Possible policy collaboration on U.S. DOE Building Challenge, Mayor’s Sustainability Initiative, and identification of leveraging opportunities</p>
<p>November 28</p> <p>SEU Advisory Board Data Access Subcommittee Meeting</p> <p>DC SEU representatives: Ted Trabue George Nichols Scott Johnstone</p>	<p>Rick Morgan, SEU Advisory Board Member, PSC Commissioner</p> <p>Donna Cooper, SEU Advisory Board, Pepco</p> <p>Jermaine Brown, SEU Advisory Board</p> <p>Bernice McIntyre, SEU Advisory Board</p>	<p>Identification of possible remedies to the data access challenges, using an approach that establishes protections for use of data and privacy.</p>
<p>November 28</p> <p>Sustainable Restaurant Seminar Downtown DC Business Improvement District</p> <p>DC SEU representatives: Ted Trabue George Nichols Danielle Griffin</p>	<p>Scott Pomeroy Sustainability Manager</p> <p>Ellen Jones Director of Infrastructure and Sustainability</p> <p>Harriet Tregoning Director, Office of Planning</p>	<p>Relationship building and public affairs opportunities to members of restaurant association</p>
<p>December 9</p> <p>Meeting with Howard Ways - UDC</p> <p>DC SEU representatives: Ted Trabue George Nichols</p>	<p>Howard Ways, AICP Director of Planning and Sustainability Office of the Provost / Vice President for Academic Affairs Adjunct Professor</p>	<p>Progress Report on DC SEU leveraging project and explore PR opportunity to showcase / profile UDC graduate via DC SEU</p>

Date and Meeting	Key Officials	Outcomes
<p>December 14</p> <p>Metropolitan Washington Council of Governments Annual Meeting</p> <p>DC SEU representatives: Ted Trabue George Nichols</p>	<p>Phil Mendelsohn DC Councilmember (At-large)</p> <p>Mayor Vincent Gray</p>	<p>Network and introductions; Public affairs opportunities city and regional officials</p>
<p>December 15</p> <p>Sustainable DC--Energy Working Group</p> <p>DC SEU representatives: George Nichols Danielle Griffin Brian Levy</p>	<p>N/A</p>	<p>Input into developing energy vision for Sustainable DC, an initiative of Mayor Vincent Gray. The DC SEU is also a member of the Green Economy Working Group for this initiative</p>
<p>December 19</p> <p>SEU Advisory Board Green Jobs Subcommittee Meeting</p> <p>DC SEU representatives: Ted Trabue George Nichols Lilia Abron Loretta Caldwell Gail Montplaisir David Barash</p>	<p>Donna Cooper Pepco, SEU Advisory Board</p> <p>Jermaine Brown SEU Advisory Board</p> <p>Bernice McIntyre Washington Gas, SEU Advisory Board</p>	<p>Education and input on green jobs compliance</p>

3.4 Market Analysis

Overview. During the first quarter of FY2012, the DC SEU completed credit score data analysis, a study of opportunities to leverage funds from other sources, and market analysis of residential and commercial properties.

The credit score analysis looked at scores and home equity data to identify potential consumer targets for whole-house retrofits and energy efficiency incentives. The leveraging outreach involved contact with lenders, private foundations, and federal lending agencies. And the residential market research comprised a retail market analysis of major appliance retail stores. This information helped build an understanding of the location of stores that sell energy-efficient refrigerators and clothes washers, and how much unmet retail demand leaves the District for surrounding areas. In addition, the DC SEU developed a database of affordable housing facilities in the District, to target incentive programs for these properties.

The retail market analysis and affordable housing database both contributed to a broader memorandum on the residential market in the District that includes previously sourced demographic research. Commercial market research carried out this quarter includes an ongoing project to develop a list of primary commercial buildings to target for energy efficiency retrofits.

Credit score and home equity data analysis. The DC SEU Market Analysis group studied credit score and home equity data to evaluate the potential for the District’s residential market participation in an effective loan and / or grant program. **Table 2** shows credit score data in the District, indicating that a high number of households maintain credit scores over 650 and could support energy efficiency loans. These data also indicate that even low-income homeowners are likely to qualify for energy efficiency loans and grants. This use of credit score and home equity data allows the DC SEU to develop varied loan and / or grant programs that can be marketed to consumer groups with specific demographic characteristics.

Table 2. Allocation of credit scores, as a proportion of all District homeowner households, by income cohort

Credit Scores	Income Level					
	< \$30K	\$30-\$50K	\$50-\$80K	\$80-\$100K	\$100-\$150K	\$150K +
801 +	0%	0%	1%	2%	2%	3%
751-800	7%	11%	24%	49%	64%	69%
701-750	14%	18%	23%	24%	20%	19%
651-700	23%	25%	24%	14%	8%	5%
600-650	25%	24%	17%	8%	3%	2%
550-600	23%	19%	9%	3%	1%	1%

Credit Scores	Income Level					
	< \$30K	\$30-\$50K	\$50-\$80K	\$80-\$100K	\$100-\$150K	\$150K +
500-550	7%	4%	1%	1%	0%	0%
450-500	0%	0%	0%	0%	0%	0%
400-450	0%	0%	0%	0%	0%	0%
Total: 650+	45%	53%	73%	89%	95%	96%
Total: < 650	55%	47%	27%	11%	5%	4%

Source: Preliminary analysis by PES Group, using data from Intellidyn

Leveraging. The DC SEU Market Analysis group continued to discuss the potential for leveraging additional funding with the U.S. Department of Housing and Urban Development, Living Cities, Inc., the Federal Home Loan Bank, and Bank of America. Additional research included bonding and debt caps in association with DC Public Schools.

- **U.S. Department of Housing and Urban Development:** The DC SEU decided against pursuing a proposal to the U.S. Department of Housing and Urban Development in conjunction with Enterprise Community Partners, due to match requirements.
- **Living Cities, Inc.:** The DC SEU is continuing to pursue a relationship with Living Cities, a nonprofit organization that links philanthropy and financial institutions with low-income city residents. Following a discussion with Living Cities in October, the Market Analysis group drafted a letter of inquiry on behalf of the DC SEU, outlining potential areas of mutual interest that could be pursued.
- **Federal Home Loan Bank (FHLB):** In an effort to leverage funds from other sources to support ratepayer energy efficiency programming, the Market Analysis group worked with DC SEU staff to pursue a possible FHLB program for low-income homeowners in the District. Under the program, homeowners would be able to obtain up to \$15,000 of funding in forgivable loans through participating FHLB member banks. The DC SEU produced a concept sheet to introduce the idea to FHLB-member banks it approaches to discuss participation in the program. DC SEU staff Ted Trabue, Elizabeth Chant, and Jim Grevatt met with Industrial Bank, and in the closing days of this reporting period, Industrial Bank agreed to work with the FHLB and DC SEU on this effort.
- **Bonds and debt caps:** Research continued into bonding and debt caps in the District, building on initial work originating with the DC SEU's Commercial and Institutional market outreach in August 2011 with the DC Public Schools. With regard to Qualified Energy Conservation Bonds in particular, it has become evident that the District intends to use its bond allocation for retrofitting a prominent building. This project is outside the scope of current DC SEU work. However, the DC SEU is continuing to explore other potential bonding authority the DC Government might have. The DC SEU met with

District leadership to discuss other bonding opportunities and the role the DC SEU might play in using the District's bonding authority to leverage more funds for sustainable energy activity.

- **Bank of America:** The DC SEU's joint application (with Enterprise Community Partners and the National Housing Trust) to the Bank of America has been awarded. With Enterprise Community Partners as the prime contractor, approximately \$1 million is expected to become available to improve energy efficiency in selected affordable housing projects.

Residential and Commercial and Institutional market analysis. Residential market research included a retail market analysis of major appliance retail stores. This information built an understanding of the location of stores that sell energy-efficient refrigerators and clothes washers, and how much unmet retail demand leaves the District for surrounding areas. This study was completed to support the Retail Efficient Products programs.

Of the seven retail stores in the District that sell major appliances, four are national chains, two are high-end specialty stores, and one is a standard, family-owned store. The estimated annual sales at these stores are far exceeded by available demand in the District.

In addition, the Market Analysis group developed a database of affordable housing facilities in the District, to target incentive programs for these properties. The database contains information about buildings, specifically: the facility name, address, number of units, and a description of the services provided. Building ownership and management information also enables direct contact with the property manager regarding energy efficiency upgrades.

3.5 Market Transformation

Market Transformation initiatives comprise long-term strategies to incorporate energy efficiency into standard practice in the building industry. The primary task of market transformation is to find ways to overcome market barriers to participation in energy efficiency efforts. These barriers include lack of sufficient information to make an informed decision about investing in energy efficiency, disincentives for tenants and landlords / building owners alike to invest in energy efficiency, and insufficient education to understand the benefits of energy efficiency and the processes involved in making buildings more efficient. Organizations that advance Market Transformation efforts develop solutions tailored to treat the market as a whole.

Energy benchmarking. The Green Building Act of 2006 (GBA) and the Clean and Affordable Energy Act of 2008 (CAEA) require the District Government to evaluate energy use in public buildings 10,000 square feet or larger. This practice, known as energy benchmarking, will expand in years to come to address energy use in private buildings with space larger than

50,000 square feet. The District of Columbia tracks buildings' energy use with ENERGY STAR Portfolio Manager software, a tool developed by the U.S. Environmental Protection Agency (EPA). The tool compares energy performance of one building to other similar buildings across the country.

During the current reporting period, the DC SEU now has in the DDOE office an externally funded employee to improve outreach, compliance, and intake responsibilities related to the District's benchmarking law. To date, regulations have been revised, and were resubmitted for comment. This employee is also in charge of answering questions from the public about the benchmarking program.

The DC SEU Market Transformation group is developing methods for projecting energy savings resulting from benchmarking legislation in place in the District. The goal is to establish a framework for assessing the energy savings impact potential of energy benchmarking.

Building energy codes. The Construction Code Coordinating Board (CCCB) successfully approved the adoption of the newest and most energy-efficient building codes available, the 2012 IECC. Through the involvement of the DC SEU's Market Transformation group, the CCCB was able to hear from a broad group of experts and make 2012 IECC recommendation to the Mayor. These codes will be moved through the standard approval processes across 2012 and be implemented thereafter by District Department of Consumer and Regulatory Affairs (DCRA).

Access to utility data. The DC SEU has worked with local utility providers and the SEU Advisory Board Data Access Subcommittee to establish a path forward for the DC SEU to access utility customers' energy use data. As a partial result of activity in the first quarter of FY 2012, the DC Council might consider a vote sometime in 2012 on proposed legislation mandating and clarifying a data-sharing process. Conversations are ongoing with utilities regarding the technical issues of data transfer and management. Utility data can inform strategies for effective Market Transformation, market analysis, and program design.

Program and business development. The DC SEU has developed materials for customer service intake related to market transformation initiatives. Customers can now obtain reliable information from a single source on code compliance, property appraisal, the benchmarking law, and green leasing practices, as well as information on options for saving energy and thus reducing energy costs.

The C&I program development and business development for FY 2012 was informed by ongoing market transformation analysis. The DC SEU engaged with multiple local leaders in the sustainability industry to assess market needs and characteristics.

4 DC SEU Programming—Ramping Down Four Quick-Start Programs

4.1 Low-Income Multifamily Direct Installation

The Low-Income Multifamily program group worked through the first quarter of FY 2012 to: (1) complete recording and reporting on FY 2011 activities; (2) request utility data from Pepco and Washington Gas on projects that were completed; and (3) initiate a ramp-down plan for the Direct Install program.

Accomplishments. The Low-Income Multifamily Direct Installation (LIMF DI), initiated as a Quick-Start program in Contract Period 1 concluded successfully, with implementation contractors (ICs) installing efficient products through September 30, the final day of Contract Period 1. Much of October was spent in the necessary follow-up work to record and report on those activities. This activity was composed of data entry, invoicing, inventory reconciliation, and quality assurance and required remediation. Additionally, IC debriefing sessions were held to continue the mentoring process of ICs who have gained some experience in this market arena. Debriefs were completed individually with each IC, and then a brainstorming session was held with the ICs who would continue work in FY 2012. The session made possible an exchange of ideas about most effective strategies from their respective on-the-ground experiences, to improve the cost-effectiveness of installations.

More than 3,200 utility account releases were compiled and forwarded to Pepco, and nearly 700 to Washington Gas, so that data may be accessed for units in which installations had been completed in FY 2011. The high number for electric accounts is largely due to the fact that electricity is more often individually metered in multifamily buildings, while natural gas is often centrally metered.

A plan for the ramp-down of the LIMF DI program was initiated in October. After the debriefing and brainstorming sessions, ICs were contracted and worked in apartments through November and December to complete installations. Additional onsite mentoring was done with each contractor as they started work in the field. Quality control and quality assurance were conducted in near-real-time to provide contractors with fast feedback on their activities. The program was completed in December.

Table 3. Low-Income Multifamily Quick-Start Program data for the quarter and program to date, by Ward

Ward	Units Completed, FY 2012	Units Completed, Full Program
1	0	293
2	94	719
3	0	96
4	0	45
5	0	1,052
6	261	665
7	107	326
8	520	2,496
TOTAL	982	5,692

4.2 Small Commercial Direct Installation

Activity for the Small Commercial Direct Installation Quick-Start program (SCDI) is now complete. **Table 4** presents the final census of businesses that received services, by Ward.

Table 4. SCDI Quick-Start Program performance for FY 2012, by Ward

Ward	Businesses Served in FY 2012	Businesses Served, Full Program
1	9	139
2	6	70
3	0	36
4	5	131
5	50	126
6	13	99
7	16	127
8	6	112
Shelters	0	19
TOTAL	105	859

4.3 Existing Single Family Homes

The Single-Family Quick-Start program offered half-day visits to single-family existing homes for small-scale retrofit activity in targeted neighborhoods. The work was carried out by qualified ICs. Participants were recruited through door-to-door canvassing and through neighborhood meetings. The goal was to complete approximately 200 projects.

By the conclusion of the program, field staff had installed the following measures in 195 single-family homes, as shown in **Table 5**. It is important to note that not all homes received all measures. Installations occurred with homeowner assent and identified need. **Table 6** presents completed project data.

Table 5. Small-scale retrofit measures installed in 197 single-family homes

Measure	Measures Installed, FY 2011	Measures Installed, Full Program
Low-flow faucet aerators	157	298
Electric insulated hot water tanks	27	32
Linear feet of hot water pipe insulation	612	221
Low-flow showerheads	77	134
CFLs	432	4,404*
Airsealing / other insulation measures	249	322
Miscellaneous LEDs		33
Totals	1,554	5,444
*This higher number reflects a re-assessed approach to how the numbers of CFLs installed were recorded		

Table 6. Single-Family Existing Homes Quick-Start Program performance, by Ward

Ward	Residential Units Served	
	Number, FY 2011	Full Program
1	31	33
2	7	6
3	3	10
4	18	22
5	28	31
6	28	29

Ward	Residential Units Served	
	Number, FY 2011	Full Program
7	23	30
8	31	36
TOTAL	169	197

4.4 Renewable Energy—Commercial Solar Hot Water and Rooftop PV

With the Renewable Energy Quick-Start Program fully subscribed and completed by the close of FY 2011, ramp-down activity in FY 2012 has been limited to quality assurance spot checks on the completed installations. The DC SEU refined its plans for FY 2012 (see **Section 5.4, Renewable Energy**), informed by its experience in the Quick-Start program, interactions with the local renewable energy industry, and the need to make renewable energy accessible to low-income populations.

Table 7. Renewable Energy Quick-Start Program performance, by Ward

Ward	Projects Enrolled for Commercial Hot Water Program		Residential Units with Rooftop PV Projects Completed (Incentive Checks Sent)	
	Number of Collectors	Number of Units Served, FY 2011	Capacity of Program Installations (kW)	Number of Residential Units Served, FY 2011
1	0	0	12.790	3
2	44	387	0	0
3	0	0	18.970	3
4	0	0	14.420	2
5	0	0	7.055	2
6	128	1,150	20.859	5
7	0	0	0	0
8	46	300	0	0
Total	218	1,837	74.094	15

5 DC SEU Programming: Market-Based Approaches for FY 2012

5.1 Low-Income Multifamily

Planning for long-term programming in low-income multifamily markets has been an important and productive activity of the Low-Income Multifamily group in this first quarter of FY 2012. A suite of services for this market sector has been outlined that together position the DC SEU to engage with projects at specific pivotal moments when multifamily buildings are undergoing renovations, rehabilitation, or other improvements. The goal is to analyze any energy systems that are under construction or rehabilitation because of the opportunities they are likely to present for energy and cost savings. Two program plans were proposed during the current reporting period:

- Low-income Multifamily Comprehensive Program
- Low-income Multifamily Property Management Direct Installation

Low-Income Multifamily Comprehensive. This program will improve energy efficiency in affordable housing projects that are under construction, are being redeveloped, or are being substantially rehabilitated. The program will provide technical assistance relating to energy efficiency and financial incentives to these projects. Any energy systems that are part of the construction or rehabilitation present opportunities for energy and cost savings, and will be analyzed. Program implementation planning has started, with expected rollout early in Calendar Year 2012.

Low-Income Multifamily Property Management. This direct installation program uses the same measures and protocols that were used in the Low-Income Multifamily Direct Installation program in FY 2011, but rather than having ICs provide direct contracting services, the program will work with property management and maintenance staff, who will complete installations using DC SEU-provided products and protocols. This approach is intended to gain savings more cost-effectively than contracted direct installation work, while affording existing property management and maintenance staff to build energy efficiency capabilities. Program implementation is expected to begin in Spring 2012.

5.2 Commercial and Institutional

Two program plans, one for customized comprehensive measures for the C&I market and one targeting inefficient lighting, have been proposed during the current reporting period and are scheduled for immediate implementation.

C&I Custom. This program is designed to capture energy efficiency opportunities with a broader set of large commercial customers. In this case, the DC SEU will consider all District commercial,

institutional, and industrial customers that are eligible for program services. Using the market sector approach and classification for energy efficiency service delivery, the DC SEU proposes an umbrella program in the Commercial and Institutional sector, the C&I Custom Program.

The C&I Custom Program will target “market events”—the moments in which a business owner makes a decision to replace old equipment, for example, or renovate a building or begin new construction. With information and assistance from energy efficiency experts, those decisions can be sufficiently influenced to result in the purchase and installation of efficient equipment and measures. This initiative will offer comprehensive efficiency services including: financial incentives (covering measure, design, and analysis costs); technical and design assistance; and coordination services to assist consumers, design professionals, vendors, and contractors in overcoming the barriers to installing efficient equipment. From a customer perspective, the Custom Program will provide sufficient analytical information to customers to demonstrate economic benefits from electricity and natural gas savings.

T12 Blitz. The T12 Blitz is a retrofit initiative for small commercial businesses that currently have inefficient T12 fluorescent lighting technologies. Rather than a direct installation effort, this initiative will engage, educate, and motivate local contractors to identify, sell, and install upgrades of T12 lighting with more efficient high-performance T8 lighting. Energy savings from the installation of high-performance T8s are approximately 40% over the performance of the T12s they are replacing. Contractor training and bonuses will be combined with attractive customer rebates to offer an attractive business proposition that engages the contractor community, builds their skills, and brings their customers into the program. The initiative will offer enhanced rebates to customers who work with a contractor, distributor, or other lighting professional to complete a T12 replacement project.

5.3 Single-Family Residential

Three program plans have been submitted to DDOE for FY 2012 implementation. They provide services where residential—both low-income and non-low-income—customers shop, and when residential customers renovate and rehabilitate their homes.

Retail CFL Promotion. The DC SEU will raise awareness of energy-efficient CFL options for District residents, and make it easier for District residents to obtain and install these products in their homes and businesses. This promotion will also raise awareness of the financial and environmental benefits of using CFL lighting products, and will work with manufacturers and retailers of these products to increase the availability of CFLs, reduce their price, and lower other market barriers to participation. The goals of the DC SEU Retail CFL promotion are twofold. The first is to achieve significant, immediate energy savings (resource acquisition) with the widespread installation, by DC residents, of energy-efficient products—rather than keeping their baseline products, typically incandescent bulbs. The second goal is to transform the retail

efficient products market, with retailers stocking greater quantities and selection of energy-efficient products and DC residents choosing more efficient options than they normally would.

Food Bank CFL Partnership. The DC SEU has proposed a partnership with area food banks, using the food bank network of programs and partner agencies to distribute energy-efficient compact fluorescent light bulbs (CFLs) to low-income District residents. Food banks are ideally suited to help bring energy-efficient products to low-income residents. Food banks have the facilities, programs, and staff in position to distribute energy-saving products to those who need them most. When most Energy Efficiency Program Sponsors (EEPS) nationwide focus on retail programs, they typically place the products and program incentives in traditional retail stores—stores that might be beyond the financial reach of low-income consumers. Low-income consumers are hard-to-reach energy efficiency program participants, and represent an underserved market segment that justifies greater efforts to engage.

As a member of the Sustainable Energy Partnership implementing the DC SEU, the Vermont Energy Investment Corporation (VEIC) will bring its experience from its Efficiency Vermont project with the Vermont Foodbank to the DC SEU. That project has provided 30,000 standard spiral CFLs in its first year, and subsequently expanded to include greater volumes of standard spiral CFLs and specialty CFLs, and also to include additional product categories such as LED / SSL student desk lamps, and advanced power strips.¹ The Efficiency Vermont–Vermont Foodbank promotion has gained national recognition, and has been successfully copied by electricity utilities and energy efficiency program sponsors in Massachusetts.

The DC SEU version of this initiative will target low-income District residents to raise awareness of the financial and environmental benefits of using efficient CFL products, and will work with the Capital Area Food Bank and manufacturers of these products to increase their availability and affordability, and to overcome market barriers to participation.

Home Performance with ENERGY STAR. The transition from the Single-Family Existing Homes Quick-Start (SFQS) program, described as a “small-scale retrofit” program for single-family homes, to a more comprehensive program will use the nation’s most trusted home retrofit model, Home Performance with ENERGY STAR (HPwES). The new awareness and interest from the mini-retrofit effort exist among homeowners and ICs; the Home Performance program will work to build the marketplace for home energy retrofits in the District. The new comprehensive retrofit service will be characterized by:

- A recognized brand for high-quality, comprehensive home retrofit services that will be clearly identifiable to District residents and contractors
- A focus on both electricity and natural gas savings
- Technical support for contractors to become certified and / or accredited Building Performance Institute (BPI) contractors, the gold standard for HPwES workers

¹ LED / SSL: Lamps using light-emitting diode or solid state lighting technology. This technology delivers high energy efficiency benefits to the consumer.

- Modest incentives to homeowners to encourage participation in HPwES
- Strong quality assurance protocols to ensure that customers receive the services they are paying for and that the savings are valid and reliable
- Comprehensive tools for reporting and tracking project results

The primary outcome of implementing this program is expected to be an association between seeking significant reductions in home energy use with a first call to the DC SEU for home retrofit energy efficiency services. This type of market-based approach lays the foundation for a healthy customer-contractor relationship. The DC SEU will not be the contractor in this model. Rather, it will facilitate a successful relationship between qualified HPwES contractors and homeowners. To achieve the energy savings specified in the DC SEU Contract, minimizing costs and maximizing activity across a wide spectrum of homeowners are of paramount importance.

See **Attachment 2, Marketing Materials**, for the fact sheet introducing the program to District contractors.

5.4 Renewable Energy

The District of Columbia's customer-sited renewable energy market is established and is growing sufficiently well to support sustained development of renewable energy systems. The DC SEU proposes to continue initiatives that complement currently available incentives such as federal tax credits and renewable energy credit revenues—incentives that are designed to broaden participation in the renewable energy markets. However, the DC SEU's approach will target customer-sited renewable energy in low-income markets that would likely be underserved in the absence of DC SEU initiatives. In the process, the DC SEU will leverage the renewable energy incentives and emerging private financing models to increase the renewable energy market in the District. A growing market will support local job creation and add to the energy mix in the District in the short term, while reducing conventional energy expenditures in the long term. A program plan containing two initiatives was proposed in the current reporting period.

The two initiatives are for low-income small-scale solar projects, and for reducing financial risk for medium-sized systems. Both initiatives encourage renewable energy development in low-income communities. They are expected to provide critical experience and information on how the DC SEU can be best positioned to support renewable energy expansion in the coming years.

Low-Income Small-Scale Solar Initiative. There are many barriers to low-income participation in the customer-sited renewable energy markets. To date, almost no projects serving low-income communities have been developed in the District; the broad market benefits provided by the existing Renewable Portfolio Standard and Renewable Energy Incentive Program are not sufficient to enable participation by the low-income community. Through this initiative the DC SEU proposes to work with a competitively selected Implementation Contractor to deploy 15 to

20 small-scale photovoltaic or hot water systems. Selection criteria will be: a strong local presence, a history of working in the target communities, and how effectively the respondent proposes to maximize the use of other incentives and resources (such as tax benefits and revenue from Solar Renewable Energy Certificates–SRECs). DC SEU funds will be disbursed directly through ICs who complete projects. The funds will not be offered as incentives to the open market, because of the limited budget and the expected number of projects.

Risk Reduction Initiative for Medium-Scale Systems. This initiative will test and demonstrate the use of a reserve fund to reduce the provider’s financial risk associated with a power purchase agreement. In this initiative the DC SEU will also partner with one or more competitively selected ICs and expects to support approximately 10 projects for the low-income market in FY 2012. These projects are expected to be larger than the projects supported by the Low-Income Small-Scale Solar Initiative. A power purchase loss reserve fund can mobilize, leverage, and support commercial financing for energy projects. A key element of this initiative is to demonstrate that “risk” might in fact be “perceived risk,” as opposed to actual and demonstrated risk, due to the private-sector financial partners’ lack of experience with energy efficiency financing.

6 Performance Benchmarks: Green Job Creation

6.1 Performance Benchmark Description

Contract Section B.10.3.7, Full-time Equivalent (FTE) Green Jobs. The Performance Benchmark requires the tracking of: (1) total FTE green jobs resulting from DC SEU expenditures (for every \$200,000 of DC SEU investment, 2,080 person-hours of work or 1 FTE must result), whether District residents are placed into those FTE green jobs or not; (2) the number of green job FTEs occupied by District residents not earning a Living Wage; and (3) the total number of FTE green jobs occupied by District residents earning a Living Wage. The Contract defines a “green job” as any job “created from SEU expenditures...whether the job is on the payroll of the SEU or contracted out,” and is “further defined as being held by a District resident who is paid a living wage.”

6.2 Performance to Date—Positions Occupied, by Job Title and Ward

Table 8 presents progress made to date on FTE District hires, by job title and Ward.

Table 8. Positions occupied, by job title and Ward

Job Title	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Accounting Manager	1								1
Administrative Assistant			1				1	1	3
Account Specialist						1			1
Compliance Assistant					1		1		2
Compliance Executive					1				1
Field Support	1	1							2
Installer(s)				2	2		5		9
Managing Director				3					3
Market Analysis Researcher				2					2
Marketing Manager						2			2
Marketing Program Manager									0
Market Transformation Advisor	1		1						2
Market Transformation Associate	2			2					4
Operations Assistant	1								1
Program Manager	1					4	1		6
Project Assistant					1			1	2
Project Coordinator					1				1
Project Manager									0
Project Specialist	1	1							2
Public Affairs Program Manager						1			1
Support Staff	2	1					3		6
Cumulative total positions, by Ward	10	3	2	9	6	8	11	2	51

6.2 Performance to Date—Workforce Development

Scopes of work for workforce development have been developed and will be rolled out when programs are implemented. During the current reporting period, no training sessions were held. Other activity, primarily in October, related to close-out reporting for FY 2011 activity.

6.3 Performance to Date—Total FTE Hires of District Residents

Table 9. Total FTE hours for the quarter

All DC SEU jobs are paid at or above the District Living Wage of \$12.50.

Job Title	Ward (if District Resident)	District Resident FTE Green Jobs, in Hours	Non- District Resident FTE Green Jobs, in Hours	Total FTE Green Jobs, in Hours
Executive				
Founder	N/A		7.50	7.50
Managing Director-Interim	N/A		218.00	218.00
Managing Director	4	312.50		312.50
Subtotal Executive		312.50	225.50	538.00
Operations				
Director of Operations	N/A		380.00	380.00
Technical Editor	N/A		275.50	275.50
Subtotal General Operations			655.50	655.50
<i>Core Programs-LIMF, C&I, Single-Family, Renewable Energy (Managers, support, field work)</i>				
Account Specialist-C&I	6	292.50		292.50
Assistant Program Manager	N/A		143.50	143.50
Analyst	N/A		115.25	115.25
Consulting Advisor-SFQS	N/A		54.00	54.00
Consulting Advisor -Renewables	N/A		36.00	36.00
Consulting Advisor-Business Dev.	N/A		0.50	0.50
Consulting Advisor - Single Family	N/A		19.25	19.25
Consulting Advisor-Single Family	N/A		18.00	18.00
Consulting Advisor - Implementation	N/A		2.50	2.50
Consulting Advisor-Renewables	N/A		1.25	1.25
Consulting Advisor-LIMF	N/A		14.25	14.25
Consulting Advisor-LIMF	N/A		1.00	1.00
Consulting Advisor-LIMF	N/A		3.25	3.25
Consulting Advisor-LIMF	N/A		2.00	2.00
Consulting Advisor-C&I	N/A		0.75	0.75
Consulting Advisor-C&I	N/A		7.50	7.50
Consulting Advisor-C&I	N/A		6.50	6.50
Consulting Advisor-Strategic Planning	N/A		1.00	1.00
Consulting Advisor-Technical Services	N/A		0.50	0.50
Consulting Advisor-Technical Services	N/A		4.00	4.00
Consulting Advisor-Technical Services	N/A		10.00	10.00

Job Title	Ward (if District Resident)	District Resident FTE Green Jobs, in Hours	Non- District Resident FTE Green Jobs, in Hours	Total FTE Green Jobs, in Hours
Consulting Advisor-Technical Services	N/A		56.50	56.50
Consulting Advisor-Technical Services	N/A		1.50	1.50
Installer(s)	4	178.50		178.50
Installer(s)	5	71.00		71.00
Installer(s)	7	352.00		352.00
Installer(s)	8	40.00		40.00
Installer(s)	N/A		191.00	191.00
Market Manager	N/A		88.00	88.00
Program Designer	N/A		2.50	2.50
Program Manager	N/A		365.50	365.50
Program Manager	7	64.00		64.00
Program Manager	4	40.00		40.00
Program Manager	N/A		458.50	458.50
Program Manager	N/A		375.00	375.00
Project Assistant	8	202.50		202.50
Project Assistant	5	405.25		405.25
Project Coordinator	5	195.25		195.25
Project Manager	5	492.75		492.75
Project Manager	N/A		494.75	494.75
Project Specialist	1	414.50		414.50
Project Specialist	2	498.50		498.50
Requirements Analyst	N/A		18.75	18.75
Support Staff	1	10.00		10.00
Support Staff	2	443.25		443.25
Support Staff	7	214.00		214.00
Support Staff	N/A		214.75	214.75
Support Staff	N/A		50.25	50.25
Data Analyst	N/A		2.00	2.00
Technical Analyst	N/A		72.50	72.50
Technical Manager	N/A		41.00	41.00
Technical Manager	N/A		24.50	24.50
Technical Resource Specialist	N/A		10.50	10.50
Subtotal Core Programs		3,621.50	2,765.00	6,386.50
Workforce Development				
Workforce Development Manager	1	88.25		88.25
Operations	1	4.00		4.00

Job Title	Ward (if District Resident)	District Resident FTE Green Jobs, in Hours	Non- District Resident FTE Green Jobs, in Hours	Total FTE Green Jobs, in Hours
Subtotal Workforce Development		92.25	0.00	92.25
Support Services				
<i>Administration (including HR, Accounting, IT)</i>				
Accounting Manager	N/A		55.00	55.00
Administration Manager	N/A		91.50	91.50
Administrative Assistant	2			0.00
Administrative Assistant	3	138.95		138.95
Administrative Assistant	7	423.50		423.50
Administrative Assistant	8	17.75		17.75
Administrative Assistant	N/A		8.00	8.00
Consulting Advisor-IT Applications	N/A		12.00	12.00
Consulting Advisor-IT Applications	N/A		53.50	53.50
Consulting Advisor-IT Applications	N/A		74.50	74.50
Consulting Advisor-IT Infrastructure	N/A		5.00	5.00
Consulting Advisor-IT Infrastructure	N/A		8.50	8.50
Consulting Advisor-Office Administration	N/A		0.50	0.50
Consulting Advisor-Customer Svc.	N/A		1.50	1.50
Data Analyst	N/A		2.25	2.25
Data Reporting Specialist	N/A		0.50	0.50
HR Representative	N/A		457.25	457.25
IT Manager	N/A		51.50	51.50
IT Project Manager	N/A		3.50	3.50
IT Support Specialist	N/A		384.00	384.00
IT Support Staff	N/A		1.00	1.00
Subtotal Administration		580.20	1,210.00	1,790.20
<i>Consumer Education and Marketing</i>				
Marketing Manager	6	21.50		21.50
Marketing Manager	N/A		365.75	365.75
Consulting-Marketing Manager	N/A		2.00	2.00
Consulting-Marketing Manager	N/A		32.00	32.00
Marketing Program Manager	1	213.25		213.25
Subtotal Consumer Education		234.75	399.75	634.50
<i>Compliance</i>				
Compliance Assistant	5	61.75		61.75
Compliance Assistant	7	2.75		2.75

Job Title	Ward (if District Resident)	District Resident FTE Green Jobs, in Hours	Non- District Resident FTE Green Jobs, in Hours	Total FTE Green Jobs, in Hours
Compliance Assistant	N/A		258.00	258.00
Compliance Executive	5	100.75		100.75
Compliance Executive	N/A		44.50	44.50
Compliance Manager	N/A		177.00	177.00
Legal	N/A		8.00	8.00
Subtotal Compliance		165.25	487.50	652.75
Planning, Policy, & Public Affairs				
<i>Public Affairs</i>				
Public Affairs Manager	6	154.00		154.00
Subtotal Public Affairs		154.00		154.00
<i>Community Outreach</i>				
Program Manager	6	26.00		26.00
Field Support	2	30.25		30.25
Operations	N/A		32.25	32.25
Subtotal Community Outreach		56.25	32.25	88.50
<i>Market Transformation</i>				
Market Transformation Advisor	1	27.50		27.50
Market Transformation Advisor	3	67.3		67.3
Market Transformation Advisor	N/A		355.75	355.75
Market Transformation Associate	1	72.50		72.50
Market Transformation Associate	4	250.00		250.00
Market Transformation Associate	N/A		0.50	0.50
Analyst	N/A		24.50	24.50
Support Staff	1	349.50		349.50
Subtotal Market Transformation		766.80	380.75	1,147.55
<i>Market Analysis and Finance</i>				
Market Analysis Researcher	4	57.00		57.00
Market Analysis Researcher	N/A		327.00	327.00
Project Manager	N/A		75.00	75.00
Subtotal Market Analysis & Finance		57.00	402.00	459.00
Total FTE Green Hours		6,040.50	6,558.25	12,598.75
Total FTE Green Jobs		2.90	3.15	6.06

7 Certified Business Enterprise Contract Requirement

7.1 Requirement

By the end of the first option year (FY 2012) of the SEU contract and for subsequent years, a minimum of 50% of the dollar volume of Implementation Contracts must be attributable to contracts with Certified Business Enterprises (DC SEU Contract, Attachment J.1, Section 1.2, p. 52).

7.1 Performance to date

Table 10. Total dollar amount of DC SEU contracts and proportion of CBEs

Number of Contractors	CBE Status	\$ Paid to CBE Contractors	\$ Paid to Non-CBE Contractors	Total \$ Paid
3	N / A		\$233,796.38	\$233,796.38
4	Yes	\$70,952.43		\$70,952.43
Total \$ Paid				\$304,748.81
Proportion		23.28%	76.72%	100%

8 Recruitment: Total Number of DOES Referrals Hired

In terms of recruitment, a total of 9 positions were open during the current reporting period. Eight positions were filled. All positions were filled with the Department of Employment Services (DOES), which referred 4 candidates. Responses to the solicitations for these positions, coming from sources other than DOES, totaled 290.

Table 11 provides basic information about the total number of referrals from the Department of Employment Services (DOES). The DC SEU does not receive Ward information from DOES referrals. Therefore, only the Total column for the DOES referral line is completed.

Table 11. Number of DOES referrals hired

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total	%
Total hires	1	1	0	2	2	1	0	1	8	100%
Total referrals									4	
Hires of DOES referrals	0	0	0	0	0	0	0	0	0	0%

9 Highlights for the Quarter

Specific highlights for this quarter are:

- Hiring of a permanent Managing Director, a District resident;
- Hiring of four key leadership personnel—C&I Manager, Account Manager, Marketing Project Manager, and IT Analyst--to direct and support program planning and implementation, all District residents;
- Hiring of three key support personnel—Project Coordinator, Project Assistant, and Account Specialist—all District residents;
- Successful transitioning of an initial Vermont-based crew back to Vermont, with a mentoring plan in place to help in the professional development of a District-based program management workforce;
- Preparation of program plans and launch documents for eight programs and initiatives, with a special emphasis on low-income residents, including for renewable energy measures; and
- Successful development of District-based data collection and analysis tools, to inform evaluation, measurement, and verification activity.

10 List of Attachments

- Attachment 1 – All Financial Activity
- Attachment 2 – Marketing Materials
- Attachment 3 – Statement of Compliance

Vermont Energy Investment Corporation
 DC SEU Program Spending - Actual
 October 2011
 Preliminary

ATTACHMENT 1 - ALL FINANCIAL ACTIVITY

	DC SEU TOTAL		Low Income		Renewables low Income		Renewables Market Rate		Market Rate Residential		C & I		Supporting Services	
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget
Labor	\$106,256		\$24,205		\$1,437		\$0		\$18,103		\$11,514		\$50,997	
Non Labor Direct Cost	\$359,226		(\$6,880)		\$112,739		\$0		\$14,307		\$61,490		\$177,570	
Allocated Fringe/Indirect	\$137,233		\$14,850		\$21,814		\$0		\$14,704		\$19,046		\$66,819	
Total Spending	\$602,715		\$32,175		\$135,990		\$0		\$47,114		\$92,050		\$295,386	

Vermont Energy Investment Corporation
 DC SEU Program Spending Actual vs Budget
 November 2011
 Preliminary

	DC SEU TOTAL		Low Income		Renewables low Income		Renewables Market Rate		Market Rate Residential		C & I		Supporting Services		Actual	Budget	Actual	Budget
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget				
Labor	\$58,147	\$0	\$15,821		\$0		\$0		\$16,271		\$11,654		\$14,401					
Non Labor Direct Cost	\$282,779	\$0	\$13,866		\$1,007		\$0		\$5,995		\$177,437		\$84,474					
Allocated Fringe/Indirect	\$91,101	\$0	\$13,104		\$186		\$0		\$11,947		\$40,643		\$25,221					
Total Spending	\$432,027	\$0	\$42,791		\$1,193		\$0		\$34,213		\$229,734		\$124,096					

Vermont Energy Investment Corporation
DC SEU Program Spending Actual vs Budget
December 2011
Estimates

	DC SEU TOTAL		Low Income		Renewables		Residential		C & I		Supporting Services		
	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	
Labor	\$117,558	\$140,506	\$31,651	\$39,220	\$0	\$2,798	\$19,751	\$17,187	\$26,651	\$34,124		\$39,505	\$47,177
Non Labor Direct Cost	\$468,753	\$492,093	\$121,890	\$128,424	\$8,500	\$11,400	\$58,425	\$62,402	\$162,473	\$167,379		\$117,465	\$122,488
Allocated Fringe/Indirect	\$123,346	\$136,918	\$31,146	\$36,140	\$1,202	\$2,812	\$19,539	\$14,458	\$28,612	\$31,433		\$42,847	\$52,075
Total Spending	\$709,657	\$769,517	\$184,687	\$203,784	\$9,702	\$17,010	\$97,715	\$94,047	\$217,736	\$232,936		\$199,817	\$221,740

VERMONT ENERGY INVESTMENT CORPORATION
DC SEU Program Budget - 2012
TOTAL PROGRAM SPENDING

	PROGRAM DELIVERY					SUPPORTING SERVICES										Total DC SEU
	Low Income	Renewables	Residential	C & I	Sub Total	Management & Administration	IT	Marketing	Call Center/ Customer Svc	Public Affairs / Mkt Transform	Program Planning	Workforce Development	Compliance	3rd Party Financing	Sub Total	
Labor Spending																
Internal Labor	\$449,101	\$46,629	\$429,678	\$568,732	\$1,494,140	\$184,929	\$215,000	\$182,816	\$87,133	\$0	\$132,228	\$0	\$0	\$0	\$802,106	\$2,296,246
Fringes	<u>\$178,293</u>	<u>\$18,512</u>	<u>\$170,582</u>	<u>\$225,787</u>	<u>\$593,174</u>	<u>\$73,417</u>	<u>\$85,355</u>	<u>\$72,578</u>	<u>\$34,592</u>	<u>\$0</u>	<u>\$52,495</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$318,436</u>	<u>\$911,610</u>
Total Labor	<u>\$627,394</u>	<u>\$65,141</u>	<u>\$600,260</u>	<u>\$794,519</u>	<u>\$2,087,314</u>	<u>\$258,346</u>	<u>\$300,355</u>	<u>\$255,394</u>	<u>\$121,725</u>	<u>\$0</u>	<u>\$184,723</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$1,120,542</u>	<u>\$3,207,856</u>
Non - Labor Spending																
Subcontractor	\$310,000	\$95,000	\$314,207	\$660,723	\$1,379,930	\$0	\$50,000	\$75,000	\$0	\$0	\$0	\$0	\$0	\$0	\$125,000	\$1,504,930
Teaming Partners	\$0	\$0	\$75,000	\$125,000	\$200,000	\$0	\$0	\$50,000	\$0	\$225,000	\$0	\$100,000	\$300,000	\$80,000	\$755,000	\$955,000
Incentives	\$725,000	\$95,000	\$1,082,000	\$1,900,000	\$3,802,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,802,000
Materials	\$567,500	\$0	\$38,050	\$94,839	\$700,389	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$700,389
Phone / Internet	\$900	\$0	\$3,064	\$0	\$3,964	\$2,637	\$0	\$0	\$0	\$3,750	\$0	\$1,500	\$0	\$0	\$7,887	\$11,851
Travel	\$27,000	\$0	\$35,480	\$5,200	\$67,680	\$25,000	\$0	\$9,200	\$0	\$6,000	\$0	\$2,000	\$2,000	\$2,000	\$46,200	\$113,880
Copy / Printing	\$6,000	\$0	\$1,839	\$582	\$8,421	\$1,758	\$0	\$138,000	\$0	\$750	\$0	\$1,500	\$0	\$0	\$142,008	\$150,429
Postage / Shipping	\$1,500	\$0	\$4,597	\$194	\$6,291	\$1,758	\$0	\$23,000	\$0	\$750	\$0	\$750	\$0	\$0	\$26,258	\$32,548
Conf/Memberships/Training	\$3,600	\$0	\$1,532	\$388	\$5,520	\$1,406	\$0	\$9,200	\$0	\$0	\$0	\$11,250	\$0	\$0	\$21,856	\$27,377
Office Expense	\$0	\$0	\$0	\$0	\$0	\$3,515	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$3,515	\$3,515
Equipment	\$3,000	\$0	\$1,992	\$0	\$4,992	\$0	\$60,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$60,000	\$64,992
IT Maint. Repairs	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$20,000	\$20,000
Software Expense	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$80,000	\$80,000
Occupancy	\$0	\$0	\$0	\$0	\$0	\$375,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$375,000	\$375,000
Other Expenses	<u>\$15,000</u>	<u>\$0</u>	<u>\$2,298</u>	<u>\$2,717</u>	<u>\$20,016</u>	<u>\$1,230</u>	<u>\$0</u>	<u>\$280,600</u>	<u>\$0</u>	<u>\$3,750</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$285,580</u>	<u>\$305,596</u>
Total Non - Labor Spending	<u>\$1,659,500</u>	<u>\$190,000</u>	<u>\$1,560,060</u>	<u>\$2,789,643</u>	<u>\$6,199,203</u>	<u>\$412,304</u>	<u>\$210,000</u>	<u>\$585,000</u>	<u>\$0</u>	<u>\$240,000</u>	<u>\$0</u>	<u>\$117,000</u>	<u>\$302,000</u>	<u>\$82,000</u>	<u>\$1,948,304</u>	<u>\$8,147,507</u>
Total Direct Spending	<u>\$2,286,894</u>	<u>\$255,141</u>	<u>\$2,160,320</u>	<u>\$3,584,162</u>	<u>\$8,286,517</u>	<u>\$670,650</u>	<u>\$510,355</u>	<u>\$840,394</u>	<u>\$121,725</u>	<u>\$240,000</u>	<u>\$184,723</u>	<u>\$117,000</u>	<u>\$302,000</u>	<u>\$82,000</u>	<u>\$3,068,846</u>	<u>\$11,355,363</u>
VEIC Allocations																
Indirect Allocations	<u>\$276,455</u>	<u>\$28,345</u>	<u>\$190,863</u>	<u>\$298,097</u>	<u>\$793,759</u>	<u>\$118,705</u>	<u>\$90,333</u>	<u>\$148,750</u>	<u>\$21,545</u>	<u>\$42,480</u>	<u>\$32,696</u>	<u>\$20,709</u>	<u>\$53,454</u>	<u>\$14,514</u>	<u>\$543,186</u>	<u>\$1,336,945</u>
Subtotal/Allocation Basis	<u>\$2,563,350</u>	<u>\$283,486</u>	<u>\$2,351,183</u>	<u>\$3,882,258</u>	<u>\$9,080,276</u>	<u>\$789,355</u>	<u>\$600,688</u>	<u>\$989,144</u>	<u>\$143,270</u>	<u>\$282,480</u>	<u>\$217,418</u>	<u>\$137,709</u>	<u>\$355,454</u>	<u>\$96,514</u>	<u>\$3,612,032</u>	<u>\$12,692,308</u>
Supporting Services Allocations																
Mgmt./Administration	\$222,834	\$24,644	\$204,390	\$337,487	\$789,355	(\$789,355)									(\$789,355)	\$0
Information Technology	\$169,573	\$18,753	\$155,538	\$256,823	\$600,688		(\$600,688)								(\$600,688)	\$0
Marketing	\$279,234	\$30,881	\$256,122	\$422,907	\$989,144			(\$989,144)							(\$989,144)	\$0
Call Center/ Customer Support	\$40,445	\$4,473	\$37,097	\$61,255	\$143,270				(\$143,270)						(\$143,270)	\$0
Public Affairs	\$79,744	\$8,819	\$73,143	\$120,774	\$282,480					(\$282,480)					(\$282,480)	\$0
Program Planning	\$61,377	\$6,788	\$56,297	\$92,957	\$217,418						(\$217,418)				(\$217,418)	\$0
Workforce Development	\$38,875	\$4,299	\$35,657	\$58,877	\$137,709							(\$137,709)			(\$137,709)	\$0
Compliance	\$100,344	\$11,097	\$92,039	\$151,974	\$355,454								(\$355,454)		(\$355,454)	\$0
Development of 3rd Party Financing	<u>\$27,246</u>	<u>\$3,013</u>	<u>\$24,991</u>	<u>\$41,264</u>	<u>\$96,514</u>									(\$96,514)	(\$96,514)	\$0
Total DC Support	<u>\$1,019,672</u>	<u>\$112,767</u>	<u>\$935,274</u>	<u>\$1,544,319</u>	<u>\$3,612,032</u>	<u>(\$789,355)</u>	<u>(\$600,688)</u>	<u>(\$989,144)</u>	<u>(\$143,270)</u>	<u>(\$282,480)</u>	<u>(\$217,418)</u>	<u>(\$137,709)</u>	<u>(\$355,454)</u>	<u>(\$96,514)</u>	<u>(\$3,612,032)</u>	<u>\$0</u>
Total Spending	<u>\$3,583,021</u>	<u>\$396,253</u>	<u>\$3,286,457</u>	<u>\$5,426,577</u>	<u>\$12,692,308</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$12,692,308</u>
Operations Fee at 4% Performance Fee EM&V Set Aside	\$143,321	\$15,850	\$131,458	\$217,063	\$507,692	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$507,692
Total Spending Including Fee	<u>\$3,726,342</u>	<u>\$412,103</u>	<u>\$3,417,915</u>	<u>\$5,643,640</u>	<u>\$13,200,000</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$15,000,000</u>

						% of Total
Allocated to Electric	\$3,034,973	\$73,740	\$2,681,398	\$4,232,730	\$10,022,841	76%
Allocated to Gas	\$691,369	\$338,363	\$736,517	\$1,410,910	\$3,177,159	24%

Indirect Cost Rates	
Fringe Rate =	39.70%
Indirect Allocations =	17.70%

DDOE
2012 DC SEU Program
TOTAL ACTUAL SPENDING SUMMARY

	Oct Invoice	Nov Invoice	2012 YTD Spending
Labor Spending			
Internal Labor	\$105,789	\$120,414	\$226,203
Fringes	\$42,951	\$48,888	\$91,839
Total Labor	\$148,740	\$169,302	\$318,042
Non - Labor Spending			
Subcontractor	\$174,060	\$168,196	\$342,256
Teaming Partners			\$0
Incentives	\$107,678		\$107,678
Materials	\$16,136	\$135,211	\$151,347
Phone / Internet	\$2,449	\$12,374	\$14,823
Travel	\$11,553	\$36,807	\$48,360
Copy / Printing	\$850	\$1,077	\$1,927
Postage / Shipping	\$633	\$453	\$1,086
Conf/ Mem/ Training	\$6,225	\$5,742	\$11,967
Office Expense	\$45,609	\$49,468	\$95,077
Equipment			\$0
Software Expense			\$0
Occupancy			\$0
Depreciation			\$0
Other Expenses	\$6,353	\$3,103	\$9,456
Total Non - Labor Spending	\$371,546	\$412,431	\$783,977
Total Direct Spending	\$520,286	\$581,733	\$1,102,019
Allocation Basis	\$412,608	\$581,733	\$994,341
VEIC Allocations			
Indirect Allocations	\$75,438	\$106,425	\$181,863
Total Spending	\$595,725	\$688,158	\$1,283,882
Operations Fee 4%	\$23,829	\$27,526	\$51,355
Performance Fee			\$0
Mar - Aug Indirect Rate Adj			\$0
Total Spending Including Fee	\$619,554	\$715,684	\$1,335,237



DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY

FOR IMMEDIATE RELEASE

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DC Sustainable Energy Utility Celebrates First-Year Successes in Energy Reduction, Economic Development

The DC SEU completed more than 5,600 projects with DC businesses and residents in only 6 months of operation

December 15, 2011 (Washington, D.C.) – The DC Sustainable Energy Utility (DC SEU) celebrates the completion today of a successful inaugural fiscal year as the region’s first comprehensive sustainable energy utility. Despite being in operation for only six months, the DC SEU met Fiscal Year 2011 (FY 2011) goals for reaching residents and businesses throughout the District with energy efficiency programs while creating opportunities for green jobs, making significant progress toward the District’s goals of a brighter, more sustainable energy future.

Since the approval and signing of the contract in March 2011, the DC SEU has completed more than 5,600 energy efficiency projects in the District, ranging from direct installations of efficient products and renewable energy measures in multifamily buildings and small commercial buildings to “mini-retrofits”—small energy efficiency measures—in single-family homes. Throughout the summer and fall, the DC SEU designed and implemented five “Quick-Start” programs using local contractors to perform energy-saving upgrades to low-income multifamily buildings, small businesses, and single-family residences in all eight Wards of the District. From installing energy-efficient light bulbs to insulating electric water heaters, these measures were simple and non-disruptive, and can save families and businesses noticeable amounts of money on their energy bills each month.

- The DC SEU’s **Low-Income Multifamily Quick-Start Program** provided more than 4,700 residences with energy-efficient upgrades and met its FY 2011 goal of dedicating 30% of the DC SEU’s contract budget to improving energy efficiency in low-income housing.
- The **Single-Family Residential Quick-Start Program**, which served 169 homes, provided residents with lighting upgrades, low-flow water devices, hot water tank and pipe insulation, and air sealing and insulation measures.
- Through its **Small Commercial Direct Install Quick-Start Program**, the DC SEU served 754 facilities with upgrades of lighting, pre-rinse spray valves, hot water tank and pipe insulation, and ENERGY STAR® air conditioners.
- The DC SEU also created the **Commercial and Institutional Lost Opportunities Program**, which was designed to capture energy efficiency opportunities with large commercial customers when they were making energy choices to replace old equipment, renovate a building, or begin new construction. As part of this program, the DC SEU partnered with the University of the District of Columbia (UDC) to pilot demonstration programs, including lighting retrofits, the installation of new energy-efficient light fixtures, and a lighting management program to reduce energy consumption at the UDC campus.
- In addition to these commercial and residential direct installation programs, the DC SEU implemented a **Renewable Energy Quick-Start Program** a full year ahead of schedule, enabling the installation of 15 rooftop photovoltaic systems and 3 commercial solar hot water systems.



DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY

In addition to its program goals, the DC SEU also:

- Designed and implemented a comprehensive consumer education and marketing plan;
- Recruited, hired, trained, and is now mentoring a committed and talented DC SEU staff;
- Developed strong relationships throughout the District.

The DC SEU's goals are designed to strengthen the District's economy by using DC-based contractors and vendors to implement its programs and by providing green jobs to DC residents. For FY 2011, 75% of all DC SEU spending on program implementation, employment, and supplies went to DC-based businesses, with 357 District residents employed in support of DC SEU programs and marketing. The employment base included temporary field staff, permanent office staff, and construction workers. The DC SEU also hired and trained 16 local contractors in energy efficiency work, building local DC contractors' ability to gain access to new markets and new customers, and increasing the skill base for their employees.

"Our company has enjoyed a very good working relationship with the DC SEU," said Ralph McMillan, CEO of R.O. McMillan and Associates, LLC, an energy conservation contractor. "Since working with them, we have hired and put to work fourteen District residents and helped many residents save money by making their homes more energy efficient."

With its 2011 Quick-Start programs coming to a close, the DC SEU is now scheduled to launch new, comprehensive efficiency programs in mid-January.

"Today, we celebrate the success of our first year in Washington, DC. We are extremely proud of the work the DC SEU and all of our partners have completed over 6 months, and will continue our commitment to providing DC residents green jobs, saving Washingtonians money, and creating a more sustainable, energy-efficient District," said Ted Trabue, Managing Director of the DC SEU. "We look forward to continuing to build a cleaner, brighter energy future for this city."

Created by the City Council as part of the Clean and Affordable Energy Act of 2008 (CAEA), the DC SEU is managed by the Sustainable Energy Partnership under contract to the District Department of the Environment (DDOE).

For more information on the DC SEU, visit www.dcseu.com, or contact Maria V. Brown at 202-479-2222 or mvbrown@dcseu.com.

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DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY

December 15, 2011

The Honorable Kwame Brown
Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 504
Washington, DC 20004

Dear Chairman Brown:

Today the DC Sustainable Energy Utility (DC SEU) celebrates the completion of its successful inaugural fiscal year as the region's first comprehensive sustainable energy utility. We are thrilled to announce that, despite being in operation for only six months, we met our Fiscal Year 2011 (FY 2011) goals for serving residents and businesses throughout the District with energy efficiency programs, and for creating opportunities for green jobs. Together, these efforts have resulted in significant progress toward giving DC a brighter, more sustainable future.

Since our launch in March 2011, the DC SEU has completed more than 5,600 energy efficiency projects in the District. Throughout the summer and fall, we designed and implemented five "Quick-Start" programs using local contractors to perform energy-saving upgrades to low-income multifamily buildings, small businesses, and single-family residences in all eight Wards of the District. From installing energy-efficient light bulbs to insulating electric water heaters, these retrofits are simple, non-disruptive to the homeowner or business, and can save families and businesses real money on their energy bills each month.

We are pleased to share the following accomplishments from 2011:

- The DC SEU's **Low-Income Multifamily Quick-Start Program** provided more than 4,700 residences with energy-efficiency upgrades, and met its FY 2011 goal of dedicating 30% of the DC SEU's contract budget to improving energy efficiency in low-income housing.
- The **Single-Family Residential Quick-Start Program**, which served 169 homes, provided residents with lighting upgrades, low-flow water devices, hot water tank and pipe insulation, and air sealing and insulation measures.
- Through its **Small Commercial Direct Install Quick-Start Program**, the DC SEU served 754 facilities with lighting upgrades, pre-rinse spray valves, hot water tank and pipe insulation, and ENERGY STAR® air conditioners.
- The DC SEU also created the **Commercial and Institutional Lost Opportunities Program**, which was designed to capture energy efficiency opportunities with large commercial customers when they were making energy choices to replace old equipment, renovate a building, or begin new construction. As part of this program, the DC SEU partnered with the University of the District of Columbia (UDC) to pilot demonstration programs, including lighting retrofits, the installation of new energy-efficient light fixtures, and a lighting management program to reduce energy consumption at the UDC campus.

- In addition to these commercial and residential direct installation programs, the DC SEU implemented a **Renewable Energy Quick-Start Program** a full year ahead of schedule, enabling the installation of 15 rooftop photovoltaic systems and three commercial solar hot water systems.

In addition to our program goals, the DC SEU also:

- Designed and implemented a comprehensive consumer education and marketing plan;
- Recruited, hired, trained, and is now mentoring a committed and talented DC SEU staff;
- Developed strong relationships with key civic, business, and nonprofit organization leaders throughout the District;
- Established permanent office space;
- Completed a solid, strategic market analysis, laying the foundation for program planning in FY 2012 and beyond.

The DC SEU's goals are designed to strengthen DC's economy by using DC-based contractors and vendors. In FY 2011, the economy grew through the implementation of the Quick-Start programs, which provided green jobs to DC residents. For FY 2011, 75% of all DC SEU spending went to DC-based businesses, and 357 District residents were employed in support of DC SEU programs and marketing, including temporary field staff, permanent office staff, and construction workers. The DC SEU also hired and trained 16 local contractors in energy efficiency work, creating a lasting effect for local DC contractors to gain access to new markets and new customers, and build new skills for their employees.

From our interactions with both contractors and customers, we have seen overwhelming support for these programs and for the DC SEU's goals. One contractor remarked that our programs allowed him to interact with a completely new stream of clients, and that it was his hope that our programs will encourage residents to think about how energy efficiency measures can have a positive impact on their homes, and ultimately save them money as well. A customer in the Single-Family Residential Quick-Start Program was so pleased with the upgrades and the work of the contractors that she said it put a smile on her face all day, and that she would be telling all her friends about the program's benefits.

With our 2011 programs coming to a close, we look forward to 2012 as a time to build on our successes in the District through new comprehensive energy efficiency programs scheduled to launch in mid-January. We are extremely proud of the work the DC SEU and all of our partners have completed over the last 6 months. We will continue our commitment to providing DC residents with green jobs, saving Washingtonians money, and making DC more energy efficient.

Sincerely,



Ted Trabue
Managing Director

The District of Columbia Sustainable Energy Utility (DC SEU) is building a greener energy future by helping District households, businesses, and institutions save energy and money through energy efficiency and renewable energy programs. Led by the Sustainable Energy Partnership under contract to the District Department of the Environment (DDOE), the DC SEU is committed to community engagement, economic development, job creation, and environmental preservation. In Fiscal Year 2011 (FY 2011), with only six months to deliver twelve months of work, the DC SEU designed, launched, and completed five Quick-Start programs and consumer education campaigns in each of the District's eight Wards.

These programs included the direct installation of energy efficiency measures for single-family and multifamily homes and small commercial establishments, as well as financial incentives and technical assistance in support of the installation of renewable energy measures such as photovoltaic cells and solar hot water systems.

The DC SEU has completed over **5,600 energy efficiency projects in District businesses and residences** since March 2011. *See reverse for complete program details.*

2011 RESULTS

All contract deliverables met on time and on budget

- 30% of total budget spent in low-income areas
- 75% of budget spent with DC-based businesses

5 Quick-Start programs designed and launched

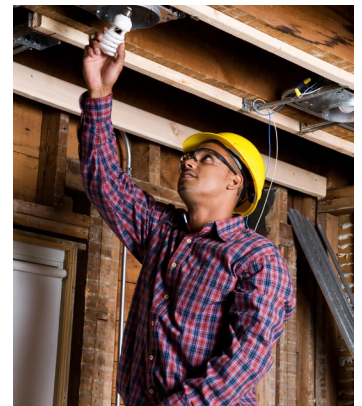
- Projects completed in each of the District's 8 Wards

357 District residents employed

- 28 full-time jobs created
- 70 contractors hired from DC training organizations

16 local contractors hired and trained in energy efficiency work

Supply chain established for energy efficient products





RESIDENTIAL

Low-Income Multifamily Quick-Start Program

The DC SEU's Low-Income Multifamily Quick-Start Program provided over 4,700 residences with energy-efficient upgrades and met its FY11 goal of dedicating 30% of the DC SEU's contract budget to improving energy efficiency in low-income housing. These measures included the installation of:

- More than 43,000 CFLs
- 10,000 low-flow water devices
- 240 ENERGY STAR® refrigerators
- Hundreds of hot water tank wraps and pipe insulation

Single-Family Residential Quick-Start Program

Serving 169 homes, the Single-Family Quick-Start Program provided residents with lighting upgrades, low-flow water devices, hot water tank and pipe insulation, and air sealing and insulation measures. This included:

- 4,400 CFLs
- 298 low-flow faucet aerators
- 134 low-flow showerheads
- 32 insulated electric hot water tanks
- 612 linear feet of hot water pipe insulation
- 249 air sealing / insulation measures



Installing CFLs at Vicksburg Senior Village

COMMERCIAL AND INSTITUTIONAL

Small Commercial Direct Install Quick-Start Program

Through its Small Commercial Direct Install Quick-Start Program, the DC SEU served 754 facilities with upgrades of lighting, pre-rinse spray valves, hot water tank and pipe insulation, and ENERGY STAR air conditioners. This included the installation of:

- More than 16,000 CFLs and 1,300 LEDs
- 42 pre-rinse spray valves in food prep kitchens
- Insulated 300 hot water tanks and associated pipes
- 157 ENERGY STAR air conditioners

Lost Opportunities Program

The DC SEU also created the Commercial and Institutional Lost Opportunities Program, designed to capture energy efficiency opportunities with large commercial customers when they were making energy choices to replace old equipment, renovate a building, or begin new construction. As part of this program, the DC SEU partnered with the University of the District of Columbia (UDC) to pilot demonstration programs, including lighting retrofits, the installation of new energy-efficient light fixtures, and the utilization of a lighting management program to reduce energy consumption at the UDC campus.



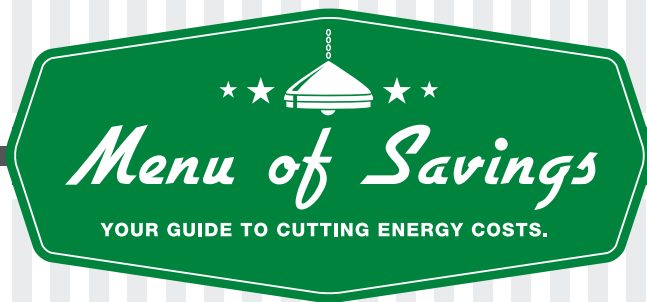
Solar hot water collectors at American University

RENEWABLE ENERGY

Renewable Energy Quick-Start Program

In addition to the commercial and residential direct installation programs, the DC SEU was able to plan and implement a Renewable Energy Quick-Start Program a full year ahead of schedule, enabling the installation of:

- **15 rooftop photovoltaic (PV) systems** with 74 kW of capacity and 89 MWh of expected annual generation
- **3 commercial solar hot water systems** serving 1,837 units



**Cash in on
energy efficiency
today.**

If something breaks unexpectedly and you need to make an immediate replacement, make sure to ask your vendor for an energy-efficient option.

A little extra investment up front will go a long way to growing your bottom line for years to come.

**If you have questions or don't know
where to start, we're here to help.**

Call us at **855-MY-DCSEU** or visit **www.DCSEU.com** to learn how you can reduce operating costs and improve your customer experience with energy upgrades.

DCSEU

SEU18a-1111



Government of the District of Columbia
Vincent C. Gray, Mayor



DC Sustainable Energy Utility is a project of the Sustainable Energy Partnership under contract to the District Department of the Environment (DDOE).

DCSEU

DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY
WWW.DCSEU.COM • TOLL-FREE 855-MY-DCSEU

Today's Special

★ SMART ENERGY SAVINGS ★

You know the value of trimming your business expenses. Simple efficiency upgrades can save you hundreds of dollars every year and the DC SEU is here to help.

Here are a few choice tips to get you started.

Refrigeration & Ice Machines

- ★ Adding strip curtains and automatic door closers can cut outside air infiltration by 75%.
- ★ Installing electronically commutated motors (ECM) on the evaporator and condenser fans reduces energy consumption by approximately 66%.
- ★ ENERGY STAR® qualified commercial refrigerators and freezers can save you up to 35% in energy savings.



Money Saved \$50-\$300/YEAR

Lamps & Lighting Fixtures

- ★ Changing old light bulbs to low-temperature ENERGY STAR® CFLs in walk-in refrigerators can reduce heat output by 75% per lamp.
- ★ Replacing your old bulbs with new, high-efficiency CFLs and LEDs can save 50-75% on energy use.
- ★ LED lighting is perfect for any downlight fixtures you may have, saving up to 80% per fixture.



Money Saved \$40-\$200/YEAR

Heating, Cooling & Ventilation

- ★ Cut down on heat and smoke overflow in your kitchen by adding inexpensive side panels to ventilation hoods.
- ★ Installing demand controlled ventilation systems can cut down on energy use and costs by 30-50%.



Money Saved \$50-\$1000/YEAR

*Savings are approximate. Actual savings may vary based on the type of equipment installed, runtime, usage, etc.

Cooking Appliances

- ★ ENERGY STAR® qualified steamers have a sealed cooking cavity and consume a fraction of the energy and water required by traditional open systems.
- ★ The most efficient combination ovens will use about 50% less energy and water than the inefficient models.
- ★ Induction ranges offer high efficiency, rapid heat up, precise controls and low maintenance versus traditional range tops.



Money Saved \$400-\$1,000/YEAR

Water Management

- ★ Install a high-efficiency pre-rinse spray valve in your dish room.
- ★ Save money on your electricity bill by switching your electric heat and water heating equipment to less expensive gas or propane.
- ★ Today's ENERGY STAR® dishwashers use about 35% less energy than standard dishwashers.

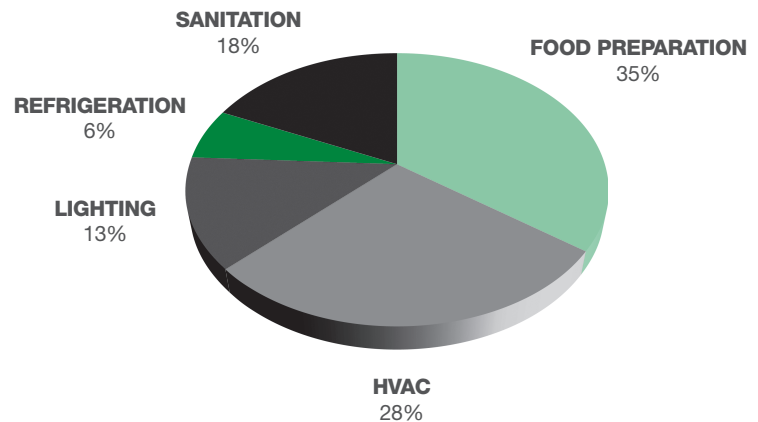


Money Saved \$300-\$700/YEAR

Energy Breakdown

Restaurants use about 2.5 times more energy per square foot than other commercial buildings.

Below is an example of the average energy consumption in a full-service restaurant.



Call us at **855-MY-DCSEU** or visit www.DCSEU.com to learn how you can reduce operating costs with energy upgrades.

The DC Home Performance with ENERGY STAR® Program

Presented by the **District of Columbia Sustainable Energy Utility (DC SEU)**, the DC Home Performance with ENERGY STAR® Program (DCHP) offers comprehensive, whole-house solutions for improving energy efficiency and home comfort. The DCHP is a local sponsor of the national Home Performance with ENERGY STAR program led by the U.S. Environmental Protection Agency (EPA) and U.S. Department of Energy (DOE).

DCHP Benefits for Contractors

Home Performance with ENERGY STAR is an excellent opportunity for insulation and air sealing companies, heating, ventilation and air conditioning (HVAC) contractors, handymen, and home remodeling firms to expand their businesses. **Becoming a District of Columbia Home Performance contractor allows you to:**

- Provide additional value-added services to your existing customers
- Obtain new customers by offering a wider spectrum of services
- Reduce seasonal business swings
- Expand your business by obtaining additional training and certification in areas of home improvement that are new to your firm
- Associate your company with the highly-recognized ENERGY STAR label

DCHP recruits home improvement contractors throughout the District of Columbia, as well as existing Home Performance with ENERGY STAR contractors in Northern Virginia and in Prince George's, Charles, and Montgomery counties in Maryland who are qualified to perform comprehensive home energy assessments.

Home Assessments and Solutions

As part of DCHP, participating contractors will work with homeowners to provide an assessment of a home's systems to identify potential problems or areas for improvement and offering solutions to help improve the comfort and efficiency of their homes, and lower their energy bills.

The assessment includes the inspection of:

- Heating and cooling systems
- Home insulation
- Flow of air into and out of the home
- Safety checks of gas appliances

Solutions may include:

- Sealing air leaks in the walls, attic, and ducts
- Adding insulation
- Upgrading heating and cooling equipment, lighting and appliances
- Direct install measures such as energy efficient lighting, low-flow showerheads and faucets, and hot water heater tank wrap and pipe insulation

Customers who complete qualified work with a participating contractor based on a DCHP assessment will receive a **\$500 energy efficiency rebate** from the DC SEU.

For participating contractors, the DC SEU provides exposure to new markets, client leads, the ENERGY STAR brand, training, audit and reporting software, and financial marketing and reporting incentives.

Becoming a DCHP Participating Contractor

Contractors are required to attend a training session where you will receive all the information you need to get started as a DCHP participating contractor.

In order to become a DCHP contractor, you must provide the following:

1. **Signed Contractor Participation Agreement form**
2. **Proof of Building Performance Institute (BPI) Building Analyst and BPI Envelope certification**
3. **Proof of General Liability Insurance**
4. **Proof of Workers Compensation Insurance for at least \$500,000 (not required if self-employed)**
5. **Copy of a valid business license for work within the District of Columbia**
6. **Documentation of company's experience performing either home energy assessments (audits) or home energy upgrades (retrofits)**
7. **Three verifiable references**
8. **Three satisfactory customer contacts (name, phone number, email, and address) to serve as references for work performed in the last year**

Required Home Energy Diagnostics Equipment

1. **Blower Door such as those from The Energy Conservatory (Minneapolis Blower Door) or Retrotec**
2. **Manometer**
3. **Ambient CO Meter such as the Testo CO Stick**
4. **Combustion Analyzer with capabilities to read flue temperature, combustng efficiency, and CO such as the Testo 327 or the Bacharach Fyrite Pro**
5. **Combustible Gas Leak Detector such as the Bacharach Leakator Jr.**
6. **Smoke Instrument for spillage test such as the Regin Smoke Pen**

For more information on becoming a participating contractor with the District of Columbia Home Performance with ENERGY STAR Program, please contact **Brian Levy** at the DC SEU at **202-479-2222** or blevy@dcseu.com.

ATTACHMENT 3 – STATEMENT OF COMPLIANCE

Statement of Compliance

L.S. Caldwell and Associates, Inc. a DC SEU Teaming Partner, worked with other Teaming Partners and local government agencies to develop policies and procedures for background checks and drug testing. The DC SEU Teaming Partners continue to rigorously monitor all District of Columbia compliance reporting requirements, including:

- DC Department of Small and Local Business Development (DSLBD) Quarterly reports to the Office of the DC Auditor on utilization of Certified Business Enterprises (CBEs)
- DC Department of Employment Services (DOES) First Source Employment Agreements, Monthly Contract Compliance Reports, and the Apprenticeship Program
- Green Job Tracking and Certified Payroll

As a DC SEU Contract requirement, the fifth monthly workforce compliance report was submitted to DOES for the September 10, 2011 deadline.

On behalf of the DC SEU, LSC continues to work with the DOES to encourage contractor participation in Mayor Vincent Gray's One City, One Hire Program; educate and sign up DSLBD CBE and non CBE contractors for the District of Columbia's On-the-Job Training Program; encourage DC residents to entry-level positions in the field of energy conservation and begin the process of developing various career path opportunities.