FC1142 - 2021 - G - 740

RECEIVED 2021 APR 26 2:57 PM

Washington Gas
A WGL Company

1000 Maine Avenue, SW
Suite 700
Washington, DC 20024
www.washingtongas.com

Direct Dial: (202) 624-6105
cthurston-seignious@washgas.com

April 26, 2021

VIA ELECTRONIC FILING

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 "G" Street, N.W., 8th Floor
Washington, D.C. 20005

Re: FC 1142 - Washington Gas Light Company - Commitment No. 3 – Final Quarterly Report

Dear Ms. Westbrook-Sedgwick:

Pursuant to Merger Commitment No. 3 and Public Service Commission of the District of Columbia Order No. 20249, Washington Gas Light Company ("Company") hereby submits its final Quarterly Report on the Company's Energy Efficiency Program for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing. This program has concluded; therefore, the Company believes its reporting requirements for this commitment have ended.

If you have any questions regarding this matter or require any additional information, please feel free to contact me.

Sincerely,

Cathy Thurston-Seignious
Supervisor, Administrative and
Associate General Counsel

cc: Per Certificate of Service

Energy Efficiency Programs for Low- and Limited-Income District of Columbia Residents in **Affordable Multifamily Housing**

Final Report: April 2021

funded by Washington Gas, A WGL Company

Table of Contents

Executive Summary

In July 2018, Washington Gas made a commitment to invest in energy efficiency in low- and limited-income households in the District as part of the AltaGas and WGL merger. Through a competitive bidding process, VEIC was selected to design and implement a natural gas efficiency program for affordable multifamily housing in support of this commitment by Washington Gas. Informed by input from property owners and managers, contractors, and other stakeholders, as well as research on program best practices from around the country, VEIC designed a comprehensive program to help reduce natural gas consumption in affordable multifamily housing in DC.

The program was offered as an expansion of the Income Qualified Efficiency Fund (IQEF) program from the District of Columbia Sustainable Energy Utility (DCSEU), which VEIC has operated since 2011 under contract to the District Department of Energy & Environment (DOEE). Through its partnership with Washington Gas, and working with a diverse network of contractors and suppliers, VEIC was able to serve 26 affordable multifamily housing facilities with more than 1,400 units. VEIC is pleased to present the enclosed report detailing the positive social, economic, and environmental impacts of the Washington Gas Income Qualified Gas Efficiency Fund program.

Key Results

26

low- and limited-income properties served

$3.3 million

invested in gas efficiency projects

1.8 million

therms in lifetime natural gas savings

equivalent to the annual gas usage of about 2,600 DC homes

3,300

low- and limited-income residents served

9,569 metric tons

lifetime CO_2 prevented

equivalent to removing 2,000 cars from the road for one year

85.8%

of incentive dollars awarded to MBE contractors

Background

As part of Washington Gas's commitment to the community in the AltaGas and WGL merger in July 2018, the utility was required to deliver an energy efficiency program for low- and limited-income residents of affordable multifamily housing in the District of Columbia. Washington Gas selected VEIC to design and implement this energy saving program. With support from Washington Gas, VEIC engaged with stakeholders and designed a cost-effective low- and limited-income energy efficiency program. VEIC then implemented this program to benefit residents by reducing their energy usage and lowering their energy bills.

For this program, affordable multifamily housing was defined to include buildings that are wholly master-metered, buildings that are individually metered, and buildings with a mix of master-meters and resident meters.

Stakeholder Engagement

As a first step in this process, VEIC gathered stakeholder input on how the funds should be administered to maximize energy savings for low- and limited-income District of Columbia residents in affordable multifamily housing. The findings from this engagement process, as well as a summary of all overlapping or complementary energy efficiency and weatherization limited-income-specific programs in the District, were documented in *Energy Efficiency Programs for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing: Stakeholder Input* ("Stakeholder Input Report"). The Stakeholder Input Report was delivered to Washington Gas on April 26, 2019, and is included here as **Attachment A**.

To gather input from key stakeholders, a mix of individual, in-person interviews and group meetings were conducted between March 29 and April 3, 2019. All were led and facilitated by PRM Consulting Group, Inc. Representatives from VEIC participated in interviews and group meetings when possible. The complete list of stakeholders interviewed is included as an appendix in the Stakeholder Input Report.

Key findings included:

- Identification of broad support for Washington Gas's additional funding contributing to a low-income energy efficiency program in the District, maintaining similar income eligibility requirements to existing DC Sustainable Energy Utility (DCSEU) low-income programs.
- Recommendation that the new funding be used for deeper and more comprehensive projects, leveraging various funding sources for a more comprehensive program.
- Recommendation that the new program be coordinated with existing programs to avoid market confusion, with an interest in covering additional measures not currently included in DCSEU low-income programs such as gas stoves, envelope insulation, and water measures.

- Identification of the need for clearly defined measurements and energy efficiency metrics and data related to savings.
- Recommendation that the new Washington Gas program not have a greenhouse gas (GHG) reduction target, as increasing the number of requirements would make the program less effective. However, because the District tracks GHG emission reductions, it should be tracked and be included as part of the final report.
- Mixed reactions to the importance of resident engagement. Many participants stated that resident engagement is very important, helps in building trust, and provides a platform to demonstrate that the energy efficiency products have direct benefits. Other participants held a different view, indicating that resident engagement is costly and time consuming while yielding no additional savings for the program.
- Recommendation for a longer timeframe for implementation than originally envisioned.
- Identification of the need for a streamlined application process that doesn't overburden applicants.
- Recommendation for property owner contribution of funds.

Additional findings are included in the full Stakeholder Input Report.

Program Design

VEIC incorporated the findings from the stakeholder engagement sessions, as well as its experience in implementing energy efficiency programs, to inform and design Washington Gas's low- and limited-income energy efficiency program for residents in multifamily affordable housing. VEIC submitted the final Program Design to Washington Gas on May 24, 2019, filed electronically with the Public Service Commission of the District of Columbia as part of FC 1142 on June 18, 2019 (see: **Attachment B**), and approved by Order No. 20249 on November 7, 2019 (see: **Attachment C**).

Given the importance placed by stakeholders on coordination with existing programs to avoid market confusion, the Stakeholder Input Report detailed the five primary programs currently operating in the District that serve low- and limited-income residents:

- The DCSEU Income Qualified Efficiency Fund (IQEF);
- The DCSEU Low-Income Multifamily Comprehensive Program (LIMC);
- The DCSEU Low-Income Prescriptive Program;
- The DCSEU Emergency Heating, Cooling, and Air Conditioning Repair/Replacement Program (Emergency HVAC Program); and
- The Department of Energy and Environment Weatherization Assistance Program (DOEE WAP).

Additionally, to ensure the design of the Washington Gas low- and limited-income program was informed by best practices for multifamily energy efficiency programs, VEIC reviewed leading multifamily programs delivered by CenterPoint Energy (Arkansas and Minnesota), Consumers Energy (Michigan), Michigan Saves, the New York State Energy Research and Development Authority (NYSERDA), and National Grid (Massachusetts and Rhode Island) to identify successful approaches and lessons learned. These programs generally align with the best practices for multifamily programs identified by the American Council for an Energy-Efficient Economy (ACEEE)[1] and Energy Efficiency for All (EEFA):[2]

- Income-eligibility requirements that align with other programs in the local market;
- A comprehensive, whole-building approach that includes both gas and electric measures;
- A mix of free or low-cost direct installation measures and deeper-saving major measures;
- A streamlined, one-stop-shop approach for property owners;
- Predictable incentives and low-cost financing to overcome cost barriers; and
- Robust quality assurance and attention to health and safety issues.

Informed by these best practices and in direct response to stakeholders' desire for a well-coordinated, comprehensive, deep retrofit program that leverages various funding sources, VEIC determined that the core of the Washington Gas program would be an expansion of the DCSEU IQEF program to reach more customers and capture deeper gas savings. The IQEF program leverages funding from property owners and uses a competitive solicitation process to select energy efficiency projects, which are installed by a pool of participating contractors. Washington Gas funding would enable the program to reach more units and buildings and offer more gas-saving measures than the current DCSEU program. Additionally, by running the DCSEU and Washington Gas IQEF programs simultaneously, with Washington Gas funds covering gas measures and DCSEU funds covering electric measures, property owners would be able to seamlessly and comprehensively upgrade their properties.

Full details of the Washington Gas Income Qualified Gas Efficiency Fund program design are documented in Washington Gas's June 18, 2019 filing for the proposed Energy Efficiency Program Plan for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing.

[1] Johnson, K (2013) 'Apartment Hunters: Programs Searching for Energy Savings in Multifamily Buildings' *ACEEE*. Available at: **https://www.aceee.org/research-report/e13n**

[2] Henderson, P. "'Program Design Guide: Energy Efficiency Programs in Multifamily Affordable Housing.' *Energy Efficiency for All.* Available at: **https://www.energyefficiencyforall.org/resources/program-design-guide-energy-efficiency-programs-multifamily-affordable-housing/**

Program Implementation

Implementation of the Washington Gas Income Qualified Gas Efficiency Fund program began in December 2019 with the teams from VEIC and Washington Gas working together to outline and execute the necessary steps for the program's initial setup. The teams revised the implementation schedule, established a contracting process, drafted contracting documents, and created marketing materials, the program application, and a program web page. Additionally, details of integrating the Washington Gas program with the existing DCSEU IQEF program were considered and dialogue began on how to best market the new partnership to the public and interested parties.

All materials necessary for the program launch (program application, proposed web content, marketing materials, contractor request for qualifications (RFQ), and a subcontractor agreement template) were submitted to Washington Gas for review and approval on January 23, 2020. On February 20, 2020, Washington Gas confirmed its approval of all program materials and to officially launch the program.

The first step of the program application process was for contractors to respond to the RFQ to be an approved contractor for the program. Simultaneously, property managers and owners could submit applications for energy efficiency projects at their properties. If a property had a contractor with whom they wished to work, that information would be included in their application. If they did not, the VEIC program implementation team would provide contractors to bid on the project. In either case, contractors needed to be part of the approved list of contractors. To support Washington Gas's established Minority Business Enterprise (MBE) engagement goals, VEIC made efforts to recruit as many MBE contractors as possible.

To facilitate this portion of the program implementation, marketing and outreach efforts in late February and throughout March centered around signing up contractors and generating interest with property managers and owners. VEIC held a contractor orientation on February 20, 2020 and released an e-blast on February 28 notifying the DCSEU's contractor and property pool of the program's launch. Direct outreach was conducted, and support provided throughout March.

The application period for both contractors to respond to the RFQ and for project applications to be submitted was originally April 3, 2020. However, due to COVID-19, the city-wide shutdown of non-essential businesses presented barriers for contractors. Access to buildings, a sudden need to train staff/residents, and staff availability (for contractors and property managers) all caused delays, and contractors expressed concerns with meeting the deadline. The Washington Gas and VEIC teams agreed to extend the deadline to April 30, 2020, and much of April was spent assisting properties with their applications.

Additionally, to address the Commission's concerns stated within the Order approving the Program Design, regarding the project selection criteria, VEIC conducted the requisite stakeholder engagement and met directly with the National Consumer Law Center (NCLC). In

the Program Design, VEIC laid out the Scoring Criteria and Selection Process for awarding projects for funding under the Washington Gas program. Selection criteria used for the DCSEU IQEF program would serve as a starting point and VEIC and Washington Gas would work together to update the criteria to prioritize projects that best met the program goals. The following criteria were considered: diverse suppliers/MBEs; energy savings and cost-effectiveness; comprehensiveness or depth of savings; number of residents impacted; matching funds from properties and property owner commitment; and resident benefits.

NCLC expressed concern that by prioritizing projects that "impact the greatest number of low-income District residents" and "that have more matching funds secured towards the total cost of the energy efficiency upgrades," the Washington Gas program might disadvantage smaller buildings with limited financial resources. Balancing these concerns with the program goals and a focus on consistency among energy efficiency program offerings in the District, VEIC recommended eliminating the "Residents Impacted" criterion but keeping the "Matching Funds" criterion. The "Matching Funds" criterion was considered essential to the program as it ensured stakeholder involvement from the building owner's perspective. In addition, other existing programs within the District require matching funds and if this criterion was removed from this program, it could create unintended competition between the programs.

This revised approach to ensure smaller buildings were not unfairly disadvantaged in the project selection process was discussed and agreed upon. VEIC confirmed this in a subsequent letter to NCLC and NCLC filed a letter with the Commission on April 2, 2020, stating that the modifications to the program satisfied their concerns.

At the close of the application period, VEIC received 37 project applications, representing $6,346,304 in requested funds for an available $3,312,519 incentive budget, indicating the need for a highly competitive selection process. The VEIC engineering team conducted high-level savings analyses for each application, in which the expected energy and CO_2 savings were quantified by reviewing the existing equipment and comparing its energy intensity with the proposed efficient equipment. Simultaneously, the program management team reviewed the applications and provided scores for the non-savings related metrics that were part of the agreed-upon project selection criteria.

VEIC presented and reviewed the scores for all applications with the Washington Gas team on June 10, 2020, and proposed selections were discussed. Twenty-seven projects were selected for award for a total of $3,313,113 in estimated incentive spending. The complete list of approved projects is provided in **Attachment D**. Applications that were not selected for funding under this program were forwarded to the DCSEU team where they were evaluated for funding under other available programs. Additionally, 12 contractors successfully submitted complete responses to the RFQ, 8 of whom were approved to proceed with the program. Of the 8 selected contractors, 6 represented MBEs.

After subcontracts were executed with all contractors, VEIC finalized incentive agreements with the property owners and contractors, issued work orders, and project installation work began in July 2020. Throughout the summer and fall, VEIC tracked the progress of all project work, supporting contractors in completing and submitting all necessary documentation. As projects were completed, the VEIC team also conducted a final review of the installed measures, savings verification, and financial review of all documentation before issuing incentives.

Traditionally, this final review includes an in-person inspection to verify all approved measures have been installed. However, in light of COVID-19, the VEIC team developed an alternative approach to virtually inspecting projects to ensure completion. This approach is used across VEIC's suite of implementation work. Detailed photographs clearly showing the installed equipment's name plate, location, and quantity were required and included in the package of materials reviewed by VEIC's engineering team to ensure approved measures had been installed. In certain cases, often for complex systems, a virtual walk-through was conducted via video call. Invoices and Department of Consumer and Regulatory Affairs (DCRA) inspection documents were also reviewed prior to deeming the installation as completed. In addition to reviewing these documents, the energy savings analysis was revisited to ensure savings were being claimed per efficiencies/conditions of installed equipment and were similar to what was expected. After VEIC completed its review, an inspection form was issued that was signed by VEIC and the property manager, owner, or representative indicating receipt of all required documentation and successful completion of the project.

All projects were completed with passed DCRA inspections, fully reviewed and verified, with all incentives issued by the end of February 2021. **Attachment D** presents the full list of completed projects with summary metrics included for each project.

Energy Savings and Benefits

Work conducted through the Washington Gas program replaced outdated systems with high efficiency units, which will improve residents' health and comfort, reduce operating costs, and reduce the building's overall carbon footprint. Most projects consisted of replacing outdated natural gas furnaces and boilers, and some residents who had HVAC systems installed in their homes also received programmable thermostats. **Table 1** below highlights the estimated gas and CO_2 equivalent (CO_2e) savings the participating properties and communities will experience as a result of the upgrades funded by this program. Savings are broken down by annual and lifetime savings, where annual savings represent gas and CO_2e reductions expected within the first year of operation, and lifetime savings are the reductions the equipment will generate throughout the operational life of the new equipment. Gas efficiency projects funded under this program are estimated to save 115,698 therms annually, or nearly 1.8M therms over the lifetime of equipment. This lifetime savings is equivalent to the annual gas usage of about 2,600 DC homes.

Note that these figures are estimates and savings can vary depending on future operational patterns.

Table 1: Total Energy Savings and Benefits

Metric	Total
Annual Gas Therms Saved	115,698
Lifetime Gas Therms Saved	1,798,569
Annual Metric Tons[3] of CO_2e Reduced	616
Lifetime Metric Tons of CO_2e Reduced	9,569

Improving Outdoor Air Quality

The efficiency upgrades made through this program will remove 9,569 metric tons of CO_2e from the atmosphere over the operational life of the equipment. This is equivalent to removing 2,000 cars from the road for one year. The point is well established that removing GHG from the atmosphere is the most critical action to take to slow climate change and prevent the planet from warming more than 1.5°C above pre-industrial levels. In addition, because air pollution and GHG are often released from the same sources, reducing GHG emissions also reduces air pollutants, such as fine particulate matter, which has direct benefits for humans and nature.

Improving Safety

By replacing old equipment with new, highly efficient models, this program also significantly improved the safety of the targeted low- and limited-income multifamily buildings, both for residents and for those who work directly with the equipment. The U.S. Department of Energy (DOE) recommends that any furnace or boiler over 15 years old should be considered for replacement, and that past that threshold, products become highly prone to costly, dangerous breakdowns.[4, 5] Much of the HVAC equipment replaced in this program was more than 25 years old. Older systems increase risks of fire, carbon monoxide poisoning, and thermal stress

[3] Monthly reports submitted to Washington Gas reported preliminary CO_2 savings in US tons, or short tons, and therefore differ from the final savings figures presented here, shown in metric tons.
[4] Matulka, R. (2013) *Energy Saver 101 Infographic: Home Heating*. U.S. Department of Energy. Available at: **https://www.energy.gov/articles/energy-saver-101-infographic-home-heating**
[5] Smart Touch Energy (2018) "Should I Repair or Replace My Furnace?" Smart Touch Energy Blog. [online] Available at: **https://blog.smarttouchenergy.com/should-i-repair-or-replace-my-furnace**

resulting from very hot or very cold temperatures in the home.[6, 7] When heating systems break down or malfunction, residents often resort to non-conventional heating sources such as ovens and space heaters, which further degrade indoor air quality, increase the risk of fires and burns, and can cause prolonged harm to mental and physical health.[8] These dangers have been significantly reduced by installing safe, reliable, and efficient equipment in the multifamily buildings served through this program.

Resident Impact

As shown in **Table 2**, the work funded by the Washington Gas program resulted in 26 low- and limited-income multifamily buildings[9] receiving major upgrades to their gas equipment. These 26 buildings represent 1,463 units and an estimated 3,384 residents.[10] While a majority of the equipment installed in these buildings was located in the mechanical rooms, contractors performed in-unit installations in178 homes. In-unit installations ranged from furnace replacements to programmable thermostats.

Table 2: Number of Units and Residents Impacted

Metric	Total
Number of low-income multifamily properties served	26
Number of units served	1,463
Estimated total number of residents served	3,384
Number of units that received in-unit work	178

[6] Smart Touch Energy (2018) "Should I Repair or Replace My Furnace?" Smart Touch Energy Blog. [online] Available at **https://blog.smarttouchenergy.com/should-i-repair-or-replace-my-furnace**

[7] RAND Europe (2020) *Heat, energy efficiency, smart technology and health: Results Report*. BEIS Research Paper Number 2020/022. Department for Business, Energy and Industrial Strategy. Available at: **https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/905837/heat-energy-efficiency-smart-technology-health-evidence-review.pdf**

[8] Hernandez, D and Bird, S. (2010) 'Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy' *Poverty Public Policy* 2(4), p5-25. Doi: **https://dx.doi.org/10.2202%2F1944-2858.1095**

[9] Two of the 27 projects were completed at the same property, meaning 26 properties were served by this program.

[10] Total residents estimated using: Wilson, E., Engebrecht Metzger, C., Horowitz, S., Hendron, R. (2014) '2014 Building America House Simulation Protocols' *National Renewable Energy Laboratory (NREL),* page 62, 'Table 4.6 Occupancy'. Available at: **https://www.energy.gov/sites/prod/files/2014/03/f13/house_simulation_protocols_2014.pdf**

Reducing Energy Burdens

Low-income households in the United States suffer from high energy burdens, which is a measure of energy cost as a percentage of household income.[11, 12] In Washington, DC, the median energy burden is 2% overall, but 7.5% for low-income households – and a burden above 6% is considered high. Furthermore, the average energy burden of low-income multifamily households is 3.7 times higher than single-family households in Washington, DC.[13] Residents in low-income multifamily households often have to make difficult trade-offs between paying for energy or food, medication, medical care, or other urgent needs.[14] A study by the AARP Public Policy Institute found that 32% of LIHEAP households that include an elderly person are forced to forgo medical care in order to pay their energy bills.[15] The efficiency upgrades resulting from the Washington Gas program immediately benefited low- and limited-income households (as well as property owners) with lower energy bills, freeing up funds during a year with disproportionately high unemployment and health risks for low-income families.

Improving Indoor Air Quality

Not only did these projects reduce energy burdens, but by installing new, energy-efficient equipment, the program also reduced indoor air pollution levels that create or exacerbate health issues. Inefficient furnaces, particularly those below 80% annual fuel utilization efficiency (AFUE), produce indoor air pollution that can be associated with pneumonia, cardiovascular disease, asthma, bronchitis and other respiratory illnesses.[16, 17] Efficient furnaces emit less pollution and also contain filtration systems that remove irritants such as dust and mold particles from the air.[18] In this program, 78 in-unit furnaces that were 25 years old and an average of 74% AFUE were replaced with 78 new furnaces that were either 94% or 95% AFUE. Another 36 furnaces that were 17 years old and 73% AFUE were replaced with new, 96% AFUE models. These upgrades reduce the health risks and safety risks associated with old systems, potentially providing

---

[11] Hernandez, D and Bird, S. (2010) 'Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy' *Poverty Public Policy* 2(4), p5-25. Doi: **https://dx.doi.org/10.2202%2F1944-2858.1095**

[12] Hayes, S., Kubes, C., Gerbode, C. (2020) 'Making Health Count: Monetizing the Health Benefits of In-Home Services Delivered by Energy Efficiency Programs' *ACEEE*. Available at: **https://www.aceee.org/research-report/h2001**

[13] Drehobl, A. (2020) 'Energy Burdens in Washington, DC' *ACEEE*. Available at: **aceee-01_energy_burden_-_washington_dc.pdf**

[14] Hernandez, D and Bird, S. (2010) 'Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy' *Poverty Public Policy* 2(4), p5-25. Doi: **https://dx.doi.org/10.2202%2F1944-2858.1095**

[15] Snyder, L.P. and Baker, C. (2010) 'Affordable Home Energy and Health: Making the Connections' *AARP Public Policy Institute*. Available at: **https://assets.aarp.org/rgcenter/ppi/cons-prot/2010-05-energy.pdf**

[16] Hernandez, D and Bird, S. (2010) 'Energy Burden and the Need for Integrated Low-Income Housing and Energy Policy' *Poverty Public Policy* 2(4), p5-25. Doi: **https://dx.doi.org/10.2202%2F1944-2858.1095**

[17] Hayes, S., Kubes, C., Gerbode, C. (2020) 'Making Health Count: Monetizing the Health Benefits of In-Home Services Delivered by Energy Efficiency Programs' *ACEEE*. Available at: **https://www.aceee.org/research-report/h2001**

[18] BELRED Energy Solutions (2017) "The Benefits of a High-Efficiency Furnace" [online] Available at: **https://www.belred.com/blog/the-benefits-of-a-high-efficiency-furnace/#:~:text=High%2Defficiency%20furnaces%20have%20a,as%20they're%20properly%20maintained**

significant financial savings for program participants, since prevention is always cheaper than treatment.[19]

Resident Engagement

Finally, as an effort to increase community efficiency and awareness, in collaboration with the implementation contractors and respective property managers, VEIC created informational material to be mailed to all residents living within the participating buildings. Initially these efforts were intended to be in-person informational sessions that would occur at the buildings, but due to COVID-19, these efforts were modified to occur in a remote fashion. To reach as many residents as possible, VEIC concluded that the best method of delivering educational information would be via a mailer rather than email or a webinar. VEIC's team compiled letters outlining information pertaining to the work completed at the property, providing tips on how to save energy in their unit, and including information on how residents could request a DCSEU Energy Conservation Kit at no cost. These conservation kits include six energy-efficient LED light bulbs, a low-flow faucet aerator, and an advanced power strip. To execute this mailing campaign, the VEIC team collaborated with property managers and implementation contractors to obtain addresses for each of the residences in participating buildings.

In total, VEIC mailed information to 18 properties, representing 1,107 residences. For the remaining eight buildings that did not provide individual addresses, VEIC provided property managers with the information in PDF format so they could print and distribute the information at their leisure.

Summary of Costs

Table 3 below presents a summary of project spending, broken down by the tasks presented in VEIC and Washington Gas's contract. The Stakeholder Input Report, Final Program Design, and Final Report were established as fixed fee deliverable payments, and as such, the total spend exactly matches the budget. The percentage of the budget expended for Program Implementation and Incentives are 97.9% and 99.5% respectively, demonstrating both precise budget management and fulfillment of incentive spending targets.

Table 4 below presents a summary of incentive spending, showing the level of incentives issued for projects conducted by MBE contractors. As noted above, Washington Gas has established MBE engagement goals, so emphasis was placed on awarding projects that supported this goal. Of the total incentives issued through the Washington Gas Income Qualified Gas Efficiency Fund program, 85.8% was to MBE contractors, or more than $2.8 million.

[19] Hayes, S., Kubes, C., Gerbode, C. (2020) 'Making Health Count: Monetizing the Health Benefits of In-Home Services Delivered by Energy Efficiency Programs' *ACEEE*. Available at: **https://www.aceee.org/research-report/h2001**

Table 3: Total Project Spending

Contract Task Breakdown	Budget	Total Spend	Percentage of Budget Expended
Stakeholder Input Report	$32,791	$32,791	100.0%
Final Program Design	$36,947	$36,947	100.0%
Program Implementation and Progress Reports	$811,226	$794,361[20]	97.9%
Incentives	$3,312,519	$3,297,544	99.5%
Final Program Report	$6,517	$6,517[21]	100.0%
Total	**$4,200,000**	**$4,168,160**	**99.2%**

Table 4: Incentive Spending via MBE Contractors

Incentive Spending	
Total Incentive Spend	$3,297,544
Incentive Spending via MBE Contractors	$2,830,745
Percentage of Incentive Spend via MBE Contractors	85.8%

[20] A refund or credit in the amount of $20,673.90 has been issued to Washington Gas to reduce indirect and fringe expenses from amounts previously charged in 2020. VEIC's fringe pool expenses were lower than budgeted, which lowered the fringe rate from 40.1% to 38.83%. VEIC's direct cost base was significantly higher than budgeted in 2020, which lowered the indirect rate from 9.3% to 8.62%.

[21] Fixed fee for this Final Program Report not yet invoiced.

List of Attachments

Attachment A: Stakeholder Input Report

Energy Efficiency Programs for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing:

Stakeholder Input

April 26, 2019

Report prepared by:
VEIC

For:
Washington Gas

VEIC
veic.org

Table of Contents

Background

As part of Washington Gas's commitment to the community in the AltaGas and WGL merger in July 2018, the utility will deliver an energy efficiency program for low- and limited-income residents of affordable multifamily housing in the District of Columbia. Washington Gas selected VEIC to design and implement this energy saving program. With support from Washington Gas, VEIC has engaged with stakeholders, will design a cost-effective low- and limited-income energy efficiency program, and will execute that program to benefit residents by reducing their energy usage and lowering their energy bills.

For the sake of this program, affordable multifamily housing includes buildings that are wholly master-metered, buildings that are individually metered, or buildings with a mix of master-meters and tenant meters.

As a first step in this process, VEIC gathered stakeholder input on how the funds should be administered to maximize energy savings for low- and limited-income District of Columbia residents in affordable multifamily housing. The findings from this engagement process are summarized here. Additionally, to provide context, a summary of all overlapping or complementary energy efficiency and weatherization limited-income-specific programs already or soon-to-be implemented in the District is included here.

Stakeholder Input Findings

To gather input from key stakeholders, a mix of individual, in-person interviews and group meetings were conducted between March 29 and April 3, 2019. All were led and facilitated by PRM Consulting Group, Inc. Representatives from VEIC participated in interviews and group meetings when possible.

In total, **forty-six** individuals were invited to participate in the focus group interviews representing **four** sectors identified mutually by Washington Gas and VEIC. The distribution of the focus group invitations and participation are shown below in Table 1.

The Public Service Commission of the District of Columbia declined to be interviewed as part of this stakeholder engagement process. In response to the invitation, they indicated that the Commission generally speaks through their Orders, and because the new Washington Gas energy efficiency program may come before the Commission, they felt it was not appropriate to participate in the stakeholder discussions.

Table 1: Stakeholder Engagement Participation

Organization	Total Invitees	Number of Attendees
Nonprofit Organizations	13	8
Government/Municipalities	14	9
Property Owners	12	7
Implementation Contractors	7	1
Total	**46**	**20**

The complete list of stakeholders interviewed is included in Appendix A and the interview guide used is included in Appendix B. Key findings are summarized below and detailed findings are included in Appendix C.

Key Findings

Overall, the stakeholder engagement process identified broad support for Washington Gas's additional funding towards a low-income energy efficiency program in the District.

Income Eligibility

Table 2: Perceptions of income eligibility

Perceptions of Income Eligibility	60% State Median Income	80% Area Median Income	100% Area Median Income	Other	Total
Limited to Low Income	5	14	1	0	20

As seen in Table 2 above, 70% of the participants recommend 80% of the Area Median Income (AMI) be the qualifying threshold for the new Washington Gas program. This is consistent with the current DCSEU's low-income programs. Maintaining similar requirements helps in keeping the messaging consistent and avoids customer confusion.

Comprehensive vs Non-Comprehensive Projects

Table 3: Perception of comprehensiveness of projects

Perceptions of Focus	(a)	(b)	Total
(a) more comprehensive v. (b) less comprehensive but more buildings	16	4	20

When asked whether the program should focus on (a) a small number of comprehensive retrofit projects or (b) covering more buildings, but with less comprehensive measures, 80% of participants recommend that the new funding be used for deeper and more comprehensive projects. Ideally, a goal will be to have the ability to carry out all necessary efficiency upgrades within a building rather than a more piecemeal approach in which projects tend to take years. Additional comments included a desire to cover measures that are currently not included in DCSEU low-income programs such as gas stoves, envelope insulation, and water measures.

Energy Savings Target

Table 4: Importance of defined savings targets

Importance of Energy Savings Targets	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Defining savings targets	13	6	1	20

When asked about the importance of defining energy savings targets, most respondents described a need for clearly defined measurements and energy efficiency metrics and data related to savings as critical to the success of a new program. An energy saving target also gives indication on how to prioritize funding.

Those in the “somewhat important” category noted that having energy savings targets can add either an administrative or cost burden as they must be tracked.

Greenhouse Gas Targets

Table 5: Importance of tracking greenhouse gas reductions

Importance of GHG	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Tracking GHG	7	13	0	20

Participants noted that the new Washington Gas program should not have a greenhouse gas (GHG) reduction target as increasing the number of requirements put on the program will result in a less effective program. However, because the District tracks GHG emission reductions, it should be tracked and be included as part of the final report.

Residential Engagement

Table 6: Importance of tenant engagement

Importance of Tenant Engagement	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Tenant Education	15	5	0	20

75% of participants stated that tenant engagement is very important. Tenant engagement helps in building trust and affords the platform to demonstrate energy efficiency projects have direct benefits such as improving tenants' health and safety and the retention of low-income housing in the District.

One major opposition that was heard from the AOBA group was that tenant engagement is rather costly and time consuming while yielding no actual savings for the program. The group strongly felt that educating (tenants) on energy efficiency is problematic due to their focusing more on paying the rent and utilities than energy efficiency. As such, they would rather route all funding allocated to tenant engagement to more energy savings measures.

Risks

One important point of discussion in all stakeholder meetings was the consideration of potential risks.

- **Length of the Program.** A large number of respondents believe the amount of time for the program is too short. It's more practical to complete retrofitting and other matters in a 3-year program rather than in 18 months.

- **District Wide Coordination of Programs.** Coordination of energy efficiency programs and services can be an issue especially considering the short time frame given to implement the program. There are multiple players and coordination to avoid double dipping (between programs) will be an important consideration.
- **Income Verification Processes.** Finding qualified buildings and verifying tenant income can be challenging, difficult, and onerous to confirm the requirement that 2/3 of the building occupants be low-income to be eligible.
- **Timely Distribution of Funds.** Delays in receiving the funds (due to too much bureaucracy) from a new energy efficiency program is the biggest risk and potential pitfall to successful implementation of a low- and limited-income energy efficiency program.
- **Existing Conditions**. Conditions of mold, asbestos, and pest control issues are risks. In addition, some tenants at times refuse to provide access to their units causing major delays to projects.

Other Findings

In addition to the above listed key findings, the stakeholder engagement participants have provided the following suggestions to be included in the program.

- Energy savings should be passed on to the tenants.
- Requirements should be established around customer / owner contributions.
- The program should be administratively easy to coordinate, and the application process should also be easy for the customers.
- It will be important to manage expectations of the new program, providing clarity around what it will and won't cover, and how long the program will last.
- The program should contribute to small business growth and contract opportunities.

Limited-Income Energy Efficiency, Current Programs in D.C.

To provide context for the stakeholder engagement input detailed above, a summary of all limited-income energy efficiency and weatherization programs currently implemented in the District is included here.

Market Overview

In 2008, the District passed the Clean and Affordable Energy Act, requiring the Mayor, through the DC Department of Energy and Environment (DOEE), to contract with a private entity to conduct sustainable energy programs on behalf of the District of Columbia. This Act authorizes the creation of a District of Columbia Sustainable Energy Utility (DCSEU) and designates the SEU to be the one-stop resource for energy efficiency and renewable energy services for all Districts residents, businesses, and institutions.

The DCSEU was officially formed in 2011 to curb energy usage and reliance on fossil fuels in the District. Since 2013, the DCSEU has been part of the toolset towards achieving aggressive sustainability goals in the District under the Sustainable DC initiative. The overarching goal of the Sustainable DC plan is for the District, by 2032, to be the healthiest, greenest, most livable city in the nation by using sustainability solutions to address core challenges. The energy-efficiency focused goals of this plan are to:

- Reduce greenhouse gas emissions by 50%
- Ensure new construction and existing large buildings are net-zero
- Cut citywide energy use by 50%

Within the District, target markets include commercial properties, nonprofit organizations, government-operated buildings, health and education institutions, and the residential segment. The residential market is further divided into market-rate, low- to moderate-income (LMI), multifamily, single-family, and owned or rented. LMI households are defined as those having annual incomes equal to or below 80% of the Area Median Income (AMI) or 60% of the State Median Income (SMI).

Washington, DC is becoming increasingly gentrified. As historically affordable neighborhoods are transformed to make space for luxury multifamily properties and new, higher-earning residents move in, the housing options for low- to moderate-income District residents are dwindling. It is critical that affordable housing stock is preserved, and lifelong District residents are not pushed out of the city entirely. Energy efficiency can be part of the strategy to preserve affordable housing stock, while also contributing to sustainability goals. Much of the affordable housing stock is in older buildings that can benefit from efficiency upgrades.

In addition to energy usage reductions, providing technical and financial assistance to LMI multifamily properties for energy efficient upgrades can help to:

- Replace outdated and unsafe equipment
- Provide a healthier and more comfortable environment for residents
- In master-metered buildings, provide utility bill cost-savings to property owners and managers, which can be used for other maintenance or upgrades
- In individually-metered buildings, provide utility bill cost-savings to residents who can use these for other household essentials like healthcare, fresh foods, and childcare
- In both master-metered and individually metered buildings, resident engagement and education can lead to a new generation of DC residents who understand energy efficiency and its importance

The greatest market barriers in this segment are access to the financial, technical, and human resources necessary to make the upgrades. While the DCSEU does operate in this space and serve the LMI multifamily market segment, there is still opportunity for additional resources to be dedicated to achieving the aggressive goals of Sustainable DC.

VEIC operates the DCSEU under a performance-based contract with DOEE, with input and recommendations from the SEU Advisory Board and oversight from the Council of the District of Columbia. The DCSEU regularly engages affordable housing providers, nonprofits serving LMI residents, and government agencies and programs also serving that population to ensure programs focused on this segment are providing relevant services.

Implementation of DCSEU LMI Programs

Measures, Savings, and Cost-Effectiveness

Table 7 below exhibits a list of gas-saving measures utilized in DCSEU low- to moderate-income multifamily programs since the DCSEU's inception in 2011.

Table 7: DCSEU multifamily gas saving measures and savings since 2011

Measure	MMBTU
Replace boiler, natural gas	18,238
Industrial Process Efficient Boiler	8,575
Low flow showerhead	6,731
Replace hot water, stand-alone natural gas	6,128
Replace furnace, natural gas	3,078
Faucet aerator/flow restrictor	3,066
Custom space heat efficiency	2,446
Comprehensive hot water conservation	1,086
Low flow water fixtures, mixed types	1,013

Comprehensive building-wide savings	852
Window improvements	758
Attic/ceiling/wall insulation	666
Replace hot water, indirect fired natural gas	556
Comprehensive heating system and shell improvements	514
Energy Star dishwasher	420
Thermostatically Initiated Shower Restriction Valve (Electric)	208
Energy Star washer	203
Setback thermostat	179
HRV ventilator, makeup heat natural gas	167
Insulate hot water pipes	152
Custom air conditioning	128
AC, Cool Choice tier 2 0-65 KBTU/hr	123
Energy Star clothes washer CEE Tier 2	95
Improved space heating controls	89
Advanced Thermostat	50
Commercial efficient clothes washer	28
Insulate and air seal	14
Pipe insulation	14
Foundation insulation, exterior	13
Whole-building insulation	9
Unitary air conditioning system	6
Improve hot water controls	4
Grand Total	**49,838**

Cost Effectiveness

The DCSEU is annually evaluated by an independent third party; the most recent available evaluation was completed by NMR Group, Inc. for FY17. The NMR team modeled the cost-effectiveness of the DCSEU FY2017 program offerings at the portfolio level and for each of the energy-efficiency programs that were active in FY2017. All of the NMR team's modeling was done using a Societal Cost Test (SCT) perspective, as required by the DCSEU contract. The SCT is a variant of the Total Resource Cost (TRC) Test, which includes various externalities and a lower societal discount rate than the utility weighted average cost of capital discount rate used in the TRC. The discount rate determines the net present value of future resource savings. Table 8 below lists the cost and benefit elements included in the SCT Test.

Table 8: Societal Cost Test, costs and benefits

SCT Costs	SCT Benefits
Incremental Measure Cost Avoided Energy Costs (kWh, MMBtu)	Incremental Measure Cost Avoided Energy Costs (kWh, MMBtu)
Other Financial or Technical Support Costs Avoided Generating Capacity Costs	Other Financial or Technical Support Costs Avoided Generating Capacity Costs
Program Administration Costs Avoided T&D Capacity Costs	Program Administration Costs Avoided T&D Capacity Costs
Evaluation, Measurement, & Verification Avoided Water Cost	Evaluation, Measurement, & Verification Avoided Water Cost
	Reduced Risk\Increased Reliability
	Reduced Operation and Maintenance Cost
	Benefits from reducing environmental externalities, including air and water pollution, greenhouse gas emissions, and cooling water use.
	Non-Energy Benefits (NEBs) including comfort, noise reduction, aesthetics, health and safety, ease of selling/leasing home or building, improved occupant productivity, reduced work absences due to illness, ability to stay in home/avoided moves, and macroeconomic benefits.

The primary data sources that the NMR team used for the cost-effectiveness assessment were as follows:

- Measure-level energy savings, effective useful life (EUL) assumptions, incremental measure cost values, incentive amounts, and projections of operation and maintenance (O&M) savings from the DCSEU tracking database.
- Non-incentive expenditures for program administration and delivery, as provided by the DCSEU. This includes both costs that were allocated to specific tracks and common costs for support services that are assigned at the portfolio level.
- Avoided cost assumptions as documented in a Program Implementation Procedure document. The NMR team updated the forecast of several key energy elements to reflect market conditions in the Mid-Atlantic region.
- Realization rates and net-to-gross ratios as determined by the FY2017 impact evaluation. The net-to-gross estimation for FY2017 was based on a review of prior evaluation results from the DCSEU and the Mid-Atlantic region.

Cost of Saved Energy

Because low-income projects typically require greater levels of program investment, the costs of saved energy are higher than for other types of programs. The cost of saved energy for DCSEU's low-income programs is about six times greater than the cost of saved energy across the entire DCSEU portfolio (as shown in Table 9 below), which is in similar to other low-income efficiency programs nationally.[1]

Table 9: DCSEU FY2017 Cost of first-year low-income energy savings

Fuel Savings Type	Cost	Evaluated Energy Savings		Cost per Unit of Saved Energy	
		Gross	Modified Gross	Gross	Modified Gross
Electric	$3,376,742	5,571 MWh	6,085 MWh	$606/MWh	$555/MWh
Gas	$2,726,596	51,133 therms	80,939 therms	$53/therm	$34/therm
Total	**$6,103,338**	**24,123 MMBtu**	**28,858 MMBtu**	**$253/MMBtu**	**$211/MMBtu**

Program Eligibility

To be eligible for the DCSEU LMI programs, income eligibility criteria must be met. As noted above, low-income households are households that have annual incomes equal to or below 80% of the AMI or 60% of the SMI.

Eligible projects include multifamily buildings, clinics, or shelters that serve low-income households. Low-income housing is defined as the District's stock of affordable, low-income housing. It is defined as either (a) a building where the owner or occupant meets the definition of low-income households listed above, (b) a multifamily building where at least 66% of the households meet the definition of low-income households listed above, (c) buildings owned by non-profit organizations or government that meet the definition of low-income households listed above, or (d) buildings where there are contracts or other legal instruments in place that assure that at least 66% of the housing units in the building will be occupied by low-income households.

[1] *The Cost of Saving Electricity Through Energy Efficiency Programs Funded by Utility Customers: 2009–2015.* Lawrence Berkeley National Laboratory. June 2018.

Program Administration and Staffing

DCSEU staff administer the LMI programs. To ensure the programs run efficiently and contribute to overarching annual low-income spend and savings benchmarks, significant interdepartmental coordination is required. While DCSEU Program Management staff serve as the lead, Account Management is instrumental in securing customers, Marketing for public outreach and awareness, Engineering is key to determining the appropriate technical recommendations, Legal is essential to reviewing contracts, MOUs, and incentive agreements, and Finance cooperation is required to ensure quality control as well as issue invoices and payments.

Of the many positions that contribute to successful LMI programs, the following positions are the most closely involved with executing projects:

- **Low-income Program Manager.** Responsible for developing and implementing programs and initiatives for income-qualified residents of the District that achieve the annual low-income spend and savings benchmarks outlined for the DCSEU.
- **Project Intake Coordinator.** Often the first entry point for customers, responsible for determining where to direct inquiries, handling and reporting feedback and complaints, engaging customers and providing support for special projects.
- **Program Assistant.** Provides operational and administrative assistance, performs a variety of administrative, coordination and logistical services in support of the operations of the Program, and assists with information management the team.
- **Energy Consultant.** Conducts energy use and needs assessments for customers, providing technical assistance, and energy efficient recommendations.
- **Account Manager.** Acquires and manages customers, to contribute to achievement of DCSEU benchmarks.

Marketing and Outreach Efforts

The DCSEU regularly reaches out to both property developers and managers, as well as residents of affordable multifamily housing, to inform them about DCSEU programs and educate them about the benefits of energy efficiency. Samples of marketing and outreach materials that DCSEU has used to engage renters and property developers / managers are included in Appendix D.

Service Providers and Qualifications

Through the DCSEU LMI programs, either a DCSEU Energy Consultant or DCSEU Approved Contractor provides on-site audits or technical assistance. DCSEU Approved Contractors install energy efficiency measures. The DCSEU has an open Request for Qualifications (RFQ) designed to continuously add to their list of approved contractors. The criteria of this RFQ include the following:

- **Past Performance.** Demonstrate capability and capacity to deliver high-quality service and solutions. In conducting the past performance assessment, the DCSEU may use feedback obtained from other sources as well as that provided in the proposal. This review focuses on the size, scope and complexity of the efforts, the relevance of the past performance, and the actual results achieved.
- **CBE Status.** Preference given to CBE Service Providers who employ a higher percentage (greater than 75%) of District residents. Preference also given to non-CBE firms with a current workforce greater than 75% District residents.
- **Licenses.** Proof of Basic Business license(s) and / or all applicable license(s) required to perform the services. Licenses must be current.
- **Financial Solvency.** The DCSEU will evaluate financial statements to determine respondent's eligibility for consideration.
- **Certificate of Clean Hands (DC).** This certificate must be dated no more than six months before the date of final submission. This certifies that the business is in good standing with the District and does not owe the District more than $100.
- **Certificate of Insurance.** Current Certificate of Insurance showing, General Liability, Auto, and Workers Compensation, Employer's Liability, Sexual/Physical Abuse & Molestation, Umbrella or Excess Liability Insurance.
- **Evidence of Strength of the Service Provider's team.** Qualification statement on team's experience and ability to perform this work and participate in this program. This description must include: technical competencies & experience; management plan for accomplishing the work; proposed personnel and their training and experience relative to the skills required to perform the services; staffing capabilities—the Service Provider must be able to meet any electronic submission requirements of the DCSEU for incentive processing and compliance reporting; and two client references and their contact information. References must be able to comment on project work of similar scope and scale, business practices and stability.
- **Pricing.** Respondents include their standard rates or pricing, as applicable, to each Functional Category, or, if rates or standard pricing do not apply, describe how they would determine the pricing for a particular project prior to submitting it to the DCSEU for review.

Quality Assurance

Once measures have been installed through a DCSEU LMI program, DCSEU inspects the project, reviews invoices and photos, and requests confirmation from the customer that the project was completed satisfactorily. Generally speaking, projects participating in the DCSEU's LMI programs follow the process below.

1. Work order assigned to Intake Coordinator
2. Intake Coordinator submits project
3. Project Intake Coordinator creates project in Tracker
4. Energy Consultant reviews project and conducts site inspection
5. Evaluation, Measurement, & Verification reviews project (if selected for random Quality Assurance)

6. Program Assistant project close out – savings uploaded to Tracker

Income qualification documentation will be included in the project submittal by the Intake Coordinator in the second step of the process. It will be reviewed by the Project Intake Coordinator during project creation and the Program Assistant during project close out. A project incentive will not be issued without confirmation that the customer residing at the installation site meets the low-income criteria. The Evaluation, Measurement, and Verification EM&V team will also review eligibility if a project is selected as part of regular quality assurance activities.

There are three ways to income qualify a development. Proof of one of the following is necessary to process an application. New developments should provide Development Covenant information; rehabilitation developments with subsidies or Low-Income Housing Tax Credits (LIHTCs) are best served providing household income data for each unit; developments with no subsidies or LIHTCs should provide rent level information.

- New Developments. Development Covenant information will be provided to verify the income restrictions of the development and federal/local agencies with oversight authority will be identified. Documentation will indicate the number of units with income restrictions, the income restriction levels, and the period for which the covenants remain effective.
- Rehabilitation Developments. For rehabilitation developments with subsidies or LIHTC, income data will be verified for each unit, as certified for housing finance and subsidy contract(s).
- Developments Without Subsidies or LIHTC. For developments without subsidies or LIHTC, floor plan layout and pricing information will be provided.

The DCSEU also monitors contractor success through a survey sent by the Finance Team at completion of the project to customers to monitor satisfaction with the project and the contractor.

Risks and Mitigation

The primary risks associated with the performance of the DCSEU's LMI programs are poor communication from contractors, equipment failing after installation, and limited funding to achieve aggressive energy savings goals. To mitigate these risks, the DCSEU holds weekly check-ins with contractors to ensure projects are on-time and on-target, conducts resident engagement and education to ensure appropriate equipment usage and maintenance, and keeps a close eye on program yields.

DCSEU Income Qualified Efficiency Fund (IQEF)

Program Summary

In FY 2018, the DCSEU redesigned its approach to serving affordable multifamily buildings and other qualified facilities with the launch of the Income Qualified Efficiency Fund (IQEF) program. The IQEF program emphasizes and prioritizes projects with leveraged funding from property owners. Eligible properties are existing multifamily buildings with at least 66% of residents falling in the LMI definition defined above, and shelters and clinics that serves low- to moderate-income District residents. The IQEF program supports projects that improve buildings, neighborhoods, and whole communities through energy efficiency with competitively awarded funding. The IQEF awards funds to DCSEU Approved Contractors for projects that generate significant energy savings and pass the associated financial benefits on to low-income residents in the District of Columbia. To participate in the program, DCSEU Approved Contractors or property owners/mangers submit projects for consideration as part of a competitive process, applications are scored, approved projects are notified, and projects are executed.

Projects that maximize energy savings and reach substantial numbers of LMI residents—and projects submitted by Certified Business Enterprise (CBE) contractors—receive funding priority. CBE status indicates a contractor is located in the District and the business employees, owners, assets, or gross receipts are at least 50% District-based. The DCSEU's IQEF Approved Contractors currently number eight CBEs.

In FY18, the DCSEU IQEF program supported 24 efficiency projects at DC multifamily properties, shelters, or clinics serving income-qualified DC residents. In that same time period, DCSEU spent $4,128,200 on energy efficiency projects in low-income communities, leading to 43,969 MMBTUs in low-income energy savings. The total spent through IQEF was $2,445,929. Metrics tracked to determine program success are dollars spent and MMBTUs saved.

Program Eligibility

In addition to the overarching income eligibility criteria identified above, applicants of the IQEF program must be a DCSEU Approved Contractor or a property management organization or owner willing to work with DCSEU Approved Contractors. Preference is given to properties that utilize DC CBE contractors registered with the District Department of Small and Local Business Development (DSLBD). Contractors who are not currently under contract to the DCSEU must submit to the DCSEU's Request for Qualifications to become a DCSEU Approved Contractor.

Program Processes and Data Tracking

To participate in the IQEF program, potential customers will either come to DCSEU through its network of participating CBE contractors and affordable housing partners, website inquiries, or leads will be generated by DCSEU Account Managers. For the IQEF program, potential

customers are required to apply for funding through the DCSEU website. Steps for application are divided into three tracks on the DCSEU website, as shown below.

Selection Criteria

Funding is competitively awarded to DCSEU Approved Contractors for energy efficiency projects that generate significant energy savings. Projects that maximize energy savings and reach a large number of low-to-moderate income residents receive funding priority. Selection criteria are as follows:

- **CBE Contractors.** Projects submitted by contractors that are registered CBEs are given preference. All contractors must be under contract to the DCSEU to qualify for funding.
- **Residents Impacted.** Projects that impact the greatest number of low-income District residents receive preference.
- **Energy Savings Per Dollar.** Projects that achieve more energy savings with the fewer dollars spent receive preference. Savings will be calculated based on the price per MWh or MMBTU of energy saved.
- **Matching Funds.** Projects that have more matching funds secured towards the total cost of the energy efficiency upgrades receive preference.
- **Innovative Measures.** Projects that present innovative measures not currently eligible for standard rebates but that deliver energy savings receive preference.

Throughout the lifecycle of the project, all details associated with the customer, savings, and project milestones are recorded in VEIC's Vision™ Tracker, a program, customer and measure database tracking system and savings calculation engine.

Risks and Mitigation

The IQEF program is an enhanced version of a previous program known as Income Qualified Direct Install (IQDI) and was specifically designed to minimize risks and achieve higher yields through higher levels of contractor and customer engagement for low-income projects. Another risk is gas projects cannot take place from October to April as that is the heating season, indicating that seasonality is an issue. DCSEU mitigates this by running two IQEF phases per year to allow property owners enough time to participate for all their qualifying measures.

Additionally, there is sometimes overlap between the DOEE Weatherization Assistance Program (WAP) and DCSEU programs. The WAP has less stringent contract requirements than the DCSEU contract, allowing a greater portion of project costs to be covered by WAP funding as well as having faster processing times. Therefore customers, given the opportunity to work with either program, have sometimes opted go through WAP rather than the DCSEU. To mitigate this challenge, the DCSEU now has frequent meetings with DOEE to ensure both programs are unified in their approach to potential customers, either agreeing one program will approach the customer, or approaching the customer together to cover different aspects of the proposed project.

DCSEU Low-Income Multifamily Comprehensive Program

Program Summary

This initiative is designed to serve low-income multifamily housing—specifically, new construction, substantial renovation, and redevelopment housing. Eligible properties are those with at least 66% of residents falling in the LMI definition defined above. Each project is independently evaluated and specific energy conservation measures (ECM) are chosen depending on the project's needs. Some of these ECMs will include measures affecting the thermal envelope (air and thermal barriers, doors, and windows), domestic hot water systems, in-unit and common area lighting, appliances, and controls.

The initiative works with developers and owners of low-income multifamily projects who are constructing, redeveloping, or rehabilitating affordable housing projects. The initiatives provide custom technical services and incentives for energy efficiency improvements.

As noted above, in FY18, the DCSEU spent $4,128,200 on energy efficiency projects in low-income communities, leading to 43,969 MMBTUs in low-income energy savings. The total spent through the Low-Income Multifamily Comprehensive (LIMC) program was $1,159,137. Metrics tracked to determine program success are dollars spent and MMBTUs saved.

Program Eligibility

In addition to the eligibility criteria that are consistent across DCSEU LMI programs, the LIMC program is focused on gut rehab or new construction projects. In the LIMC program, customers

are also permitted to utilize any contractor they choose and can have longer timelines than IQEF projects. Often these projects will be analyzed in one fiscal year and close in another, whereas IQEF projects must be completed within 90 days and follow a DCSEU-set timeline.

Program Processes and Data Tracking

To participate in the LIMC program, potential customers either come to DCSEU through its network of contractors and affordable housing partners, website inquiries, or leads are generated by DCSEU Account Managers.

Selection Criteria
Projects that maximize energy savings and reach a large number of low-to-moderate income residents receive funding priority. Selection criteria are as follows:

- **CBE Contractors.** Projects submitted that use registered CBEs are preferred.
- **Residents Impacted.** Projects that impact the greatest number of low-income District residents receive preference.
- **Energy Savings Per Dollar.** Projects that achieve more energy savings with fewer dollars spent receive preference. Savings are calculated based on the price per MWh or MMBTU of energy saved.

As with the IQEF program, throughout the lifecycle of the project, all details associated with the customer, savings, and project milestones are recorded in VEIC's Vision™ Tracker.

DCSEU Low-Income Business Energy Rebates

Program Summary

The Low-Income Business Energy Rebates (LI BER) is a program that currently offers set, prescriptive rebates for energy-efficient lighting. This program is targeted towards affordable property owners and managers as well as eligible clinics and shelters. Customers participating in this program are already working with a contractor who will install the measures. The DCSEU also has a market-rate BER program that offers prescriptive rebates for heating, refrigeration, cooking, and other qualifying equipment. Currently the program includes lighting measures. However, starting in October 2019, the DCSEU plans to offer rebates beyond lighting, potentially including gas measures.

Customers submit a completed pre-approval application along with a completed W-9 form, Pepco bill, and specifications sheets. These documents are reviewed for eligibility. If they are approved, customers receive a pre-approval letter, which is valid for 90 days. Within these 90 days, customers must submit itemized invoices and allow access to the building so an inspection can occur. If the applied measures are installed and operating properly, the DCSEU processes the rebate.

This program caters to customers who have a strong sense of the measures they want to install, but need the incentive to sway them in an efficient direction. These customers want incentive transparency and use this information to sell projects to customers.

Program Eligibility

Program eligibility for the LI BER program is the same as the other LMI programs, with the addition of equipment eligibility. A list of eligible equipment and associated rebates is posted on the DCSEU website and is updated on an ongoing basis. Projects can be gut rehabs, in existing or new buildings, as long as they are income-qualified multifamily properties or eligible clinics and shelters.

Program Administration and Staffing

While program staffing for the LI BER program mirrors staffing for other LMI programs, LI BER is unique in that it relies more heavily on the Program Management and Finance teams. However, if a customer does require additional assistance, an Account Manager or Energy Consultant may provide additional guidance. Finance processes payments and ensures compliance.

Measures, Savings, and Cost-Effectiveness

As previously mentioned, currently, lighting upgrades are the only measures included in the LI BER program, and as such, there are no gas savings to report. Eligible equipment and associated rebates are updated on an ongoing basis and posted on the DCSEU website.

Program Processes and Data Tracking

To participate in the LI BER program, customers go to the LI BER page of the DCSEU website organically or be directed there by customer service. To apply for rebates, customers:

- Complete pre-approval application available online
- Provide technical specifications for reviewed technology ensuring that all model numbers are Design Light Consortium or Energy Star verified
- Include W9 form
- Provide Pepco bill for building where measures will be installed
- Include income qualification documentation for the facility where measures will be installed

Once these documents have been submitted, the DCSEU reviews the application and, if approved, notifies the applicant.

As with all DCSEU programs, throughout the lifecycle of the project, all details associated with the customer, savings, and project milestones are recorded in VEIC's Vision™ Tracker.

Quality Assurance

One aspect of quality assurance that varies for the LI BER program is that once the customer has installed the pre-approved measures, they must submit an itemized invoice clearly outlining the per unit cost of measures, along with the pre-approval letter, to the DCSEU for rebate processing. Additionally, 100% of LI BER projects are inspected by a DCSEU staff member for verification and quality assurance.

DCSEU Emergency Heating, Cooling, and Air Conditioning Repair/Replacement Program

Program Summary

The Emergency Heating, Cooling, and Air Conditioning (HVAC) Repair/Replacement Program ("Emergency HVAC Program") is implemented in close collaboration with the District of Columbia Office on Aging's (DCOA) Safe at Home Program and the DC Department of Energy and Environment's (DOEE) Weatherization Assistance Program and Emergency Heating Repair/Replacement Program. This pilot program focuses on repairing and/or replacing HVAC equipment in income-qualified households occupied by seniors (age 60 and over) and/or adults (18 to 59 years old) living with disabilities, who are homeowners or renters of a property used as a primary residence, with an annual household income at or below 80% of AMI. The desired outcome of this program is to repair or replace inoperative HVAC and water heating equipment in eligible low-income residences (particularly those residents participating in the Safe at Home Program) within 72 hours of request for emergency assistance from DOEE.

This program is only available to low-income households; households can be located within multifamily buildings, but the resident must be the program applicant.

The DCSEU provides reimbursement payments to qualified subcontractors to cover the entire cost associated with repairing and/or replacing approved HVAC equipment, hot water heaters, and carbon monoxide (CO) detectors in dwelling units/homes occupied by eligible low-income residents. The DCSEU provides subcontractors with a price list that provides a detailed breakdown of approved measures, minimum efficiency requirements, and associated costs of installing each measure. All furnaces or boilers must ENERGY STAR rated with an Annual Fuel Utilization Efficiency (AFUE) rating of 90 percent or greater.

Program Administration, Processes, and Quality Assurance

The Emergency HVAC Program is implemented in close coordination with DOEE, DCOA, and the DCSEU. DOEE is responsible for verifying each applicant's eligibility to receive services offered through the Emergency HVAC Program and forwarding a list of eligible applicants to the DCSEU daily. DOEE also coordinates with DCOA to identify eligible Safe at Home Program participants that are categorically approved for services offered through the Emergency HVAC Program.

All Safe at Home Program participants must complete and sign a DOEE-approved application form. In most cases, DOEE is the first point of contact for interested homeowners and/or renters. Awareness of this program is strategically promoted through close collaboration with DCOA and the DCSEU.

Documentation Required

- Proof of inoperative HVAC equipment or hot water heater (Red Tag/Notice of Hazardous Condition issued by utility company or Licensed Contractor's Estimate/verification of inoperative equipment).
- Proof of income for everyone in the home who receives income.
- A government issued photo ID.
- Social Security cards for everyone in the home.
- Proof of disability (Blind or disabled applicants must have a disability determination by the Social Security Administration (SSA), Retirement, Survivors, and Disability Insurance award letter, proof of Supplemental Security Income; or signed documentation provided by a doctor).

Income Guidelines

Table 10 below shows the income guidelines by household size for eligibility in the Emergency HVAC Program.

Table 10: Income guidelines for 2019 (October 1, 2018 - September 30, 2019)

Household Size	Maximum Annual Income
1	$61,750
2	$70,600
3	$79,450
4	$88,250
5	$97,050
6	$105,900
7	$114,700
8	$123,550

Non-DCSEU Low-Income Programs: DOEE Weatherization Assistance Program

Program Summary

The Weatherization Assistance Program (WAP) provides low-income residents technical and financial assistance to help reduce their energy bills by making their homes more energy efficient. WAP performs energy audits and installs audit-recommended energy efficiency measures to help families maintain energy-efficient, safe, and healthy homes. In the District, WAP is administered through selected Community Based Organizations and non-profits, with demonstrated experience in weatherization and serving low-income populations, that hire local contractors to install the energy efficiency measures recommended by the energy audit. Typical weatherization measures include insulation, duct sealing, heating and cooling systems repairs or replacement, air infiltration mitigation, and installing ENERGY STAR lighting and appliances.

The program's primary funding comes from the U.S. Department of Energy and is renewed annually. In addition, DOEE WAP leverages established partnerships with: the DCSEU to lower costs through rebates on mechanical systems; Lead-Safe and Healthy Housing Division and DC Department of Housing and Community Development to address measures that exceed incidental costs and allowable Health Safety Budget; the Renewable Energy Development Fund for funding to offset some of the costs associated with solar PV installation; and lastly the U.S. Department of Housing and Urban Development Community Development Block Grants to assist with installing measures in low-income multifamily dwellings. In addition, DCSEU and DOEE meet monthly to discuss projects, minimize competition, and look for opportunities to collaborate.

For the July 1, 2019 to June 30, 2020 performance period, work is evenly divided between three subcontractors – Yachad, Inc., Greater Washington Urban League, and Fry Plumbing, Inc. Each subcontractor will receive $173,177.66 to perform weatherization work in 59 units. This equates to a total of 177 units served by WAP in the 2019-2020 performance period with projected savings of 5,186 MMBtu. Average cost per dwelling is $2,021.96 while the maximum per unit spend is capped at $7,105. Eligibility for WAP is verified by DOEE's Low Income Home Energy Assistance Program (LIHEAP). Once a customer applies for LIHEAP and indicates interest in WAP, a DOEE representative contacts the customer and schedules an audit to be completed by a DOEE Auditor. Once the audit and scope of work have been determined, subgrantees execute the work.

In addition to installing weatherization measures, DOEE offers assistance to single family homeowners that have inoperable mechanical systems. Mechanical systems include central air conditioning units, heating systems, hot water tanks, and chimney liners.

Table 11 below shows the breakdown of income eligibility limits at the 60% District state median income level.

Table 11: WAP income guidelines for 2019 (October 1, 2018 - September 30, 2019)

Household Size	Maximum Annual Income
1	$30,918
2	$40,431
3	$49,944
4	$59,457
5	$68,970
6	$78,483
7	$80,267
8	$82,051
For families with more than 8 persons, add $1,508 for each additional person	

A draft pricelist for eligible measures is available on the DOEE website.

Next Steps

The findings presented here from the stakeholder engagement sessions as well as VEIC's experience in implementing energy efficiency programs, will now be used to inform and design Washington Gas's low- and limited-income energy efficiency program for residents in multifamily affordable housing.

This program design will document: how the program will be administered; how the program will coordinate with similar programs in the District to maximize benefits to the low- and limited-income residents; proposed energy-saving measures and costs; proposed health & safety measures and costs; installation, labor, and other administrative costs; detailed budget, participation, and energy savings forecasts; and a schedule for implementation. The program design will also define the eligibility requirements for program participation, ensuring they align with existing Low-Income Home Energy Assistance Program and the District of Columbia Weatherization Assistance Program requirements, along with best practices for multifamily energy efficiency program eligibility in jurisdictions other than the District of Columbia. Finally, methods will be discussed to ensure the energy savings and health and safety improvements made to master-metered multifamily buildings are realized by the tenant who ultimately bears the energy costs.

Appendix A: Stakeholder Engagement Outreach

The respondents in each focus group, type and organization follows:

NAME	TYPE	ORGANIZATION
	Non Profit – Housing	CPDC
	Non Profit – Housing	NHT
	Government	DC Human Services
	Non Profit – Housing	NCLC/NHT
	Non Profit – Housing	CPDC
	Non Profit – Housing	NCLC

NAME	TYPE	ORGANIZATION
	Property Owner/Developers	RSC Mechanical (Large Minority)
	Property Owner/Developers	Chase Fry
	Property Owner/Developers	Romcmillan & Ashok (Minority)
	Property Owner/Developers	Consultant
	Property Owner/Developers	Bozzuto Management Company

NAME	TYPE	ORGANIZATION
	Property Owner/Developers	WC Smith
	Non Profit – Housing	Capital Manor Cooperative
	Property Owner/Developers	DPMGT, LLC

NAME	TYPE	ORGANIZATION
	Property Owner/Developers	AOBA--Property Owner
	Association	AOBA
	Property Owner/Developers	AOBA--Property Owner
	Association	AOBA
	Property Owner/Developers	AOBA--Property Owner
	Property Owner/Developers	AOBA--Property Owner
	Association	AOBA

Individual interview invitations and representation:

NAME	TYPE	ORGANIZATION	COMMENTS
	Government	PSC	Invited/Declined
	Government	DC Council	Invited/Unable to contribute in allotted timeframe
	Government	DOEE	Invited/Participated in interview
	Government	DC OPC	Invited/Confirmed but not conducted. Rescheduled twice due to scheduling conflicts
	Government	DOEE	Invited/Participated in interview
	Government	DC Council	Invited/Unable to contribute in allotted timeframe
	Government	PSC	Invited/Declined
	Government	DOEE	Invited/Participated in interview

Appendix B: Interview Guide

WASHINGTON GAS STAKEHOLDER ENGAGEMENT INTERVIEW QUESTIONS

PRM Consulting Group, Inc.

Prepared for VEIC

March 19, 2019

Introduction Statement:

Thank you for taking the time to meet with me today. My name is Gregory Davis and I work for PRM/VEIC/DCSEU. PRM has been contracted by VEIC to independently and objectively gather information to inform the Washington Gas Low- and Limited-Income Multifamily Energy Efficiency Program design and implementation (Program). Washington Gas has selected VEIC to lead this stakeholder engagement and design and implement the Program and anticipates that the Program will launch in mid-2019 and continue for a year after commencement. The goal of the Program is to help low and limited-income DC residents living in affordable multifamily buildings save energy and money.

As part of this project, we are conducting data collection in the form of interviews with leaders like yourself. Following these data collection activities, we will produce a report with an executive summary of our findings.

In support of this effort, we would like to speak with you today about your vision for the Program design and implementation, as well as your ideas regarding the data we should consider, the people we should include in our data collection activities, specific communication needs surrounding this project, critical success factors for this effort, and the major impacts of Program design and implementation.

Voluntary Information Background Sheet

Assigned ID Number: _____ **Please provide the following information:**

1. Name: _____
2. Organization Name: _____
3. Organization Type:
   - ☐ Multifamily building owner
   - ☐ Nonprofit organization
   - ☐ Association
   - ☐ Government/Municipality
   - ☐ Developer

☐ Mechanical / Electrical Contractor

☐ Other, please specify _____

Interview Questions

I. Stakeholder Role and Constituency

1. What is your level of awareness in energy efficiency upgrade programs in the District?

   Please select a number that best represents your opinion.

Not at All						**To a Great Extent**
0	1	2	3	4	5	6

2. What is your organization's role in improving energy efficiency in multifamily buildings?

3. Who are your customers or constituency?

II. Existing Conditions

1. What is working well for your customers/constituents with respect to existing energy efficiency offerings?

2. What could be improved about existing energy efficiency programs and services in the District?

3. Are the current programs operating in the District reaching all demographics of low- and limited-income residents who could benefit? Why or why not?

4. In your opinion, what should be the income range for Limited to Low Income participants of energy efficiency programs in the District?

Disclaimer

*** Federal guidelines adapted by District Department of Energy and Environment (DOEE), is 60% State Median Income

*** DC Sustainable Energy Utility (DCSEU) currently uses 80% AMI (reaches a wider customer base)

Please pick one:

a. 60% State Median Income

b. 80% Area Median Income

c. 100% Area Median Income

d. Other, please explain

III. Vision

5. What top 3 components should a new energy efficiency program include that would benefit low- and limited-income District of Columbia residents?

6. What would success look like?

IV. Implementation

7. What data do you think are critical for us to gather and analyze to implement the program?

8. Should the program focus on:

   Please pick one.

a. A small number of very comprehensive retrofit projects?

b. Covering more buildings but with less comprehensive measures?

9. How important is it to include tenant engagement (education) in the program?

   a. Very important

   b. Somewhat important

   c. Not important

10. How important is it to have energy savings target for the program?

    a. Very important

    b. Somewhat important

    c. Not important

11. How important is tracking Greenhouse Gas (GHG) savings for the program?

    a. Very important

    b. Somewhat important

    c. Not important

12. Any other metrics the program should track?

13. How will your organization be impacted by the implementation of a Washington Gas low- and limited-income multifamily efficiency program?

14. What other advice do you have for rolling out a new efficiency program? Is there anything else that we haven't asked?

15. In implementing the new efficiency program, how can Washington Gas be most helpful?

Appendix C: Detailed Stakeholder Engagement Responses

Stakeholder Role and Constituency

1. **Respondents described their level of awareness of energy efficiency upgrade programs as follows in Table 12.**

Table 12: Level of awareness of energy efficiency upgrade programs

Perceptions of Efficiency Energy Upgrade Programs	**1** (Not at All)	**2**	**3**	**4**	**5**	**6** (To a Great Extent)	**Total**
Level of Awareness						20	20

- All focus group respondents ranked knowledge of energy efficiency upgrade awareness at the highest level.
- All focus group participants believe their awareness of energy efficiency upgrade programs and initiatives qualify them to participate in discussions designed to maximize energy savings for low- and limited-income District of Columbia residents in affordable multifamily housing.

2. **Respondents described their customers and constituents as follows.** ("++" Indicates comment echoed by multiple respondents)

- Several implementation contractors identified DCSEU as their customer.
- Multiple not-for-profit organizations cited Dominion Electric Supply as their customer.
- A few not-for-profit organizations identified the DC Infrastructure Academy as their constituent.
- Some of the property owners cited Metal Recyclers as their customers.
- Many not-for-profit organizations identified Community Asset Builders as constituents.
- Some government officials identified multifamily building tenants as constituents in addition to the Pace Financing Program.

3. **Respondents described the following related to their respective organization's role in improving energy efficiency in multifamily buildings.**

- Many not-for-profit organizations indicated that as associations, they do not provide direct energy efficiency services. Rather, they provide educational, advocacy and energy efficiency information services for their members obtained from DCSEU,

Washington Gas and PEPCO related to improving energy efficiency in multifamily buildings.

- Several not-for-profit leaders stated not-for-profit organizations can procure, but still do not offer any energy efficiency programs related to multifamily buildings.
- Industry association focus group participants feel their energy efficiency program provides assistance related to energy efficiency building projects. This service is available on a case by case basis for any kind of project or building.
- Many of the implementation contractors stated that their subcontractors (e.g., electricians) respond to problems, however they aren't pushing energy efficiency initiatives or information in multifamily buildings.
- Several government representatives described how they assist with processing applications for multifamily building owners seeking access to DCSEU programs and services.

4. **Respondents reported the following energy efficiency programs/services currently being offered or overseen by their respective organizations.** ("++" Indicates comment echoed by multiple respondents)

- Government officials stated that they oversee the work being done by DCSEU in addition to oversight of multifamily buildings and the PACE Financing Program.
  Some government focus group representatives noted the significant water preservation program that includes using outside contractors to perform energy efficiency work through DCSEU that includes energy efficiency retrofits.
- One government focus group respondent cited their organization's oversight of programs involving pest control (i.e., bed bugs, mice, etc.) for multifamily and believes a need exist for energy efficiency programs, education, awareness, and training of government service providers while on site performing preventative pest control services in limited income buildings.
- A government representative stated that tenant education on energy efficiency is problematic due to their focusing more on paying the rent and utilities than energy efficiency.
- Several government representatives stated WG wants to see the money spent in the next 18 months with a goal of ensuring that the money spent is well coordinated.
- Many of the nonprofit focus group representatives mentioned their organization offers owner assistance with water conservation program (offers 15% – 40% savings).
- One property owner stated that he received 103 energy efficient HV units, along with nest thermostats, which we've set on eco mode, which saves tenants energy.
- Other property owners described receiving support for building lighting both inside the building and externally for the property.
- Conversely, an association executive representing property owners went on to state that we have to think about whether or not are we trying to save money for the residents or the owners. When we talk about a RUBS or sub metering system, generally it is for the owner.

- Still further, another property owner focus group respondent discussed receiving requests for sub metering all the time. They have responded to inquiries from all over the country from people buying buildings or operating building and asking energy efficiency questions.
- Several nonprofit focus group members stated that, in Virginia and Maryland, sub-metering systems which are beneficial to the owners of the building are used frequently.[++]
- Nonprofit focus group representatives described member companies getting water heaters for their buildings through the same program.
- An influential nonprofit focus group participant cited the biggest request received from members in DC apartment houses is for RUBS (Residential Utility Building Services), which is the energy allocation system.
- Association focus group members believe they still on average use 35% less energy, so if your cost is less, then we have more room to fix up buildings, more room to decrease rents, etc.
- A few nonprofit association members stated, the Alliance offer a program called Energy Efficiency Made Easy on a case by case basis and clients must apply.
- However, other property owner focus group responders cited Alliance programs as programs that require a lot of red tape and raised questions about how to include providing assistance to those leaving homeless shelters into public housing.
- Many of the nonprofit members describe offering and overseeing programs for chillers, boilers, lighting replacement insulation and air ceilings.
- Another nonprofit organization focus group responder indicated they manage third party programs for owners while conversely a government official asked, “How is the $4 million going to fit in with other programs being offered?”
- Several industry focus group responders feel building staff are always turning off lights in the evening and weekends and getting funds out the door for energy efficiency programs is problematic.
- Property owners agreed that it’s more practical to complete retrofitting and other matters in a 3-year program vs the 18-month program that WG wants. They favor a longer time period to maximize energy savings for low- and limited-income District of Columbia residents in affordable multifamily housing.

Existing Conditions

5. Respondents stated the following when asked about what is working well for their customers/constituents with respect to existing energy efficiency offerings?

- A few implementation contractors focus group participants stated that building owners providing free assessments is working well for customers and constituents.
- Considerable coordination with tenants, customers and constituents will be necessary to ensure a successful program is carried out, stated implementation contractors.

- Some property owners believe that collaboration with tenant associations is working well and they try to meet, talk with them, and answer their questions.
- Other property owner focus group participants describe coordination with property management and project timelines, training and establishing consistent talking points on how to engage with tenants as not working as well as it should.[++]
- Sometimes tenants do not want staff to go into their unit and property owners and staff do not have keys to units, several nonprofit focus group participants stated.
- Several government officials agreed that this can cause problems and communication needs to be addressed as it can impact any new energy efficiency initiatives.
- Implementation contractors describe energy efficiency initiatives including supporting the CBE community and D.C. residents on projects is working well.
- Building owners provide free assessments and believe this service is effective and works well.
- Conversely, CBE's cite cash flow and payment issues providing services that are not budgeted or billable as issues preventing growth of their businesses, a few government representatives cited.
- As a practice, after application approval, the government representatives stated, our organization makes sure that information is accurate and includes energy savings goals are a component of the process.

6. **Respondents commented that the following could be improved relative to existing energy efficiency programs and services in the District of Columbia.** ("++" Indicates comment echoed by multiple respondents)

- Government officials cited coordination of energy efficiency programs and services as potential issues and barriers to success.
- Most of the government representatives expressed a desire for assurance that whenever DOEE touches a home or building they are given the ability to do what needs to be done so they don't have to go back for 10 yrs.
- The nonprofit representatives believe there are multiple energy efficiency program players and a potential for double dipping exists which can create confusion.
- Still further, many property owners cited a need to ensure better information available on gas savings.[++]
- Several nonprofits believe there is enough information available on electric savings programs, but gas not so much.
- Association representatives believe the regulatory environment is not helpful. They stated that the regulatory environment in DC pushes the envelope very aggressively to be more energy efficient and reduce greenhouse gas emissions. They feel there is not an understanding of the financial limitations and restraints particularly in rent control properties and master meter buildings where we can't control tenant behavior.
- Additionally, the industry association focus group representatives believe requests are mandated resulting in very capital-intensive measures into a building and owners cannot recover any of those costs by passing them on to their tenants.

- The industry association leaders perceive a lack of understanding of the regulatory environment of the building codes, legislative initiatives, and what's being asked of the building industry.
- The industry focus group members believes Washington Gas should establish a direct correlation between specifically what the program offers and what property owners are being asked to do.[++]
- The industry focus group members feel a need to have more input in the cost budget process.
- The industry focus group cited the electric company model in the program that diversify its fuel mixture and building performance standards.
- Property owners stated that gas is master metered, so it's another expense, and have found that the most cost effective process is to acquire the product through energy alliance, or some other broker.
- Another industry focus group member cited the new law requirement for getting rid of greenhouse gases is 100% by 2050 and 50% by 2032 and feels that's a pretty tough standard to achieve.[++]
- Worth noting, a few industry focus group members stated, the electric requirement is getting individual meters and RUBS for the most part.
- Often, it is very difficult for our members, stated an industry focus group representative, because property owners are being asked to contribute more money to the DCSEU, so they are seeing increased fees.
- Several industry focus group representatives stated a push is on the electric utility companies to diversify its fuel mixtures so you have more of a push for renewable energy, which unfortunately property owners are finding is more expensive than coal and natural gas.[++]
- Some industry focus group respondents believe building performance standards need revisiting given the current cost of natural gas.
- Implementation focus group participants cited responding to changes in energy efficiency programs is concerning and understanding how to respond or communicate changes when entering a property is challenging.[++]
- Several government representatives believe the new program should represent employment opportunities for DC residents and business growth and profits for CBEs.
- More data on existing energy efficiency programs and services in the District of Columbia would be helpful, many of the nonprofit focus group members believe.

7. **Respondents acknowledged the following related to whether the current programs operating in the District are reaching all demographics of low- and limited-income residents.**

- Nonprofit focus group respondents feel a need exists to help low- and limited-income residents of the DC community. They believe actual capacity to reach all demographic populations is growing, however nonprofits have limited capacity.

- Industry focus group representatives, implementation contractors, and government officials all agree that small property owners are the demographic that is not being reached.
- Industry focus group representatives and implementation contractors feel that government licensing and permit agencies (i.e., DCRA, HUD, etc.) could provide small property owners with data and communications to inform them of the criteria in the new energy efficiency program.

8. **Respondents perceptions of income eligibility for limited- and low-income participants in the energy efficiency programs in the District of Columbia is reflected in Table 13 below.**

Table 13: Perceptions on income eligibility

Perceptions of Income Eligibility	**60%** State Median Income	**80%** Area Median Income	**100%** Area Median Income	**Other**	**Total**
Limited to Low Income	5	14	1	0	20

- One nonprofit focus group respondent stated that they circled 60% for the income eligibility survey question, which for their buildings is about $70,000, and for a lot of their residents that includes two people.
- Other nonprofit focus group participants expressed that income eligibility verification could contribute to the energy efficiency programs success.
- Conversely, a few nonprofit respondents and government focus group participants feel that income verification for limited-and low-income residents would result in increases to tenants rent.

Vision

9. **Respondents cited the following as the priorities that should be included into a new energy efficiency program.** ("++" Indicates comment echoed by multiple respondents)

- Implementation contractor focus group participants state that gas stove and gas water heating (upgrading those), and new appliances should be a priority.
- Other implementation contractors focus group respondents stated a need for water measures to be included in the plans for buildings utilizing gas.
- Government representatives believe disseminating information at neighborhood schools, Advisory Neighborhood Commission meetings and other community meetings should be a priority.
- Another government focus group respondent feels the building onsite teams need more information about energy efficient programs and services as they are in a better position to communication this information to tenants.

- Nonprofit focus group respondents feel that guilt behavior gets in the way of tenants focusing on energy efficiency programs due to other priorities (i.e., rent, food, health care, child and elder care).++
- Some nonprofit focus group participants feel more risk should be considered in addition to creative and out of the box new energy efficiency program strategies be considered in developing the new program.

10. **Respondents commented that the following elements should be included in a successful program.** ("++" Indicates comment echoed by multiple respondents)

- Industry and some nonprofit focus group respondents want a bigger return on investment and expressed that any energy savings be passed on to the tenant.++
- Industry focus group members believe property owners will be motivated to invest more dollars into their properties with a successful program.
- A few industry focus group representatives stated, I've seen 1-2% return, and yes, we're grateful for the 1%, but I think it goes back to that larger question: are you trying to help those in the 1-2% or those in the smaller more targeted programs?
- Government representatives feel Washington Gas wants this program to be different from other energy efficient programs in D.C.++
- Several property managers believe they can make new energy program money go a long way. They feel energy efficiency savings should be used to assist tenants with paying for energy use.++
- Once you're responsible for energy costs, tenants will begin to turn down their furnace when they're not in, stated a government focus group participant.++
- Another government focus group representative noted that for tenants, the energy bill must be less than their rent.++
- Several industry focus group respondents feel a successful new energy efficiency program should include components that avoid redundancy or duplication.
- All of the government focus group respondents feel a successful program should be aligned, administratively easy to coordinate, and easy for the user to apply.
- A government respondent believes tenants feel better about having someone walk into their home to give them energy savings tips.
- Several government officials commented that when families are large, they lose people to homeless shelters and the landlord does not want to be responsible for the utilities.++
- Many of the nonprofit focus group participants agree that there needs to be more money available to gas energy assistance.++
- A few nonprofit focus group members feel affordable housing owners need to have technical assistance onsite to make improvements.
- Several nonprofit respondents feel some families are so large (i.e., 6 -9 members) it puts additional burden on landlords, property owners and small property owners who own single family homes.
- Nonprofit focus group participants feel energy efficiency programs have resulted in residents obtaining jobs for people in the community and energy has been saved.

- Nonprofit focus group participants believe building owners should feel like quality work has been made and want to continue to participate in these programs.
- Still further, nonprofit respondents believe building owners would be motivated to invest their own money if they see the value in a successful program.[++]
- I think that the building system teams and staff can be instrumental in communicating ways to maintain energy efficient buildings since they know the tenants and have relationships.[++]
- Some property owner focus group participants feel building managers have a positive attitude about energy efficient programs and communicate this to tenants.[++]
- Other property building managers, a focus group participant state, uses money from their own budget to address energy efficiency.[++]
- Some nonprofit focus group participants recommend the Public Service Commission hold public roundtables to solicit public comments on the new WG program design.
- A few nonprofit focus group respondents feel users may never be able to catch up on their utility bills due to other priorities.

11. **Stakeholders commented that the following challenges could get in the way of success of a new program.**

- Nonprofit and association representatives indicate a lack of risk taking and creativity could be a deterrent.
- Association focus group participants also believe that there is limited flexibility for out of the box thinking and creativity.
- Implementation contractors indicate that inaccurate or limited data would get it the way of measuring success.
- Government officials suggested that, small contractors need to get paid in a timely manner and delays would be a barrier to success.

Implementation

12. **Respondents suggested the following data are critical to gather and analyze to implement the program.** ("++" Indicates comment echoed by multiple respondents)

- Nonprofit focus group respondents indicate the importance of communicating data on geographical distribution of the dollars available to stakeholders. They believe accurate data should be disseminated as soon as possible, albeit a few nonprofit respondents don't believe tenants really care about energy efficiency data given other priorities.[++]
- Nonprofit and government officials believe educating residents on energy efficiency savings, helping the planet, etc. are important to program implementation.
- Conversely industry association and implementation contractors feel strongly that tenant education is not a top priority, however a few industry representatives expressed tenant education metrics and data are useful.

- Implementation contractors and government officials feel subcontractors are not interested in energy data except as the data is applicable to the work that is on the workorder since they try to be efficient.
- Implementation contractors and property owners feel inaccurate or limited data would get in the way of measuring success.

13. **Respondents commented when asked whether the program should focus on (a) a small number of comprehensive retrofit projects compared to, (b) covering more buildings, but with less comprehensive measures as follows in Table 14.**

Table 14: Perception of comprehensiveness of projects

Perceptions of Focus	(a)	(b)	Total
(a) more comprehensive v. (b) less comprehensive but more buildings	16	4	20

14. **When asked about tenant engagement and education, respondents indicated the importance as shown in Table 15.** ("++" Indicates comment echoed by multiple respondents)

Table 15: Importance of tenant engagement

Importance of Tenant Engagement	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Tenant Education	15	5	0	20

- A few nonprofit and implementation contractors feel that tenant education is important but could be costly.++
- Other nonprofit focus group respondents feel tenant education is important, however, from working with tenants, they believe a family is only interested in paying their rent and utilities and not energy efficiency initiatives.
- Some nonprofit and government officials believe education could translate into employment opportunities and expand upon programs addressing employment in low- and limited-income households. They feel additional educational resources might motivate limited income stakeholders to focus on energy efficiency programs since tenants are communicating with each other.

15. **When asked about the importance of defining energy savings targets, respondents rated the importance as shown in Table 16.** ("++" Indicates comment echoed by multiple respondents)

Table 16: Importance of defined savings targets

Importance of Energy Savings Targets	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Defining savings targets	13	6	1	20

- Government focus group respondents feel defining energy savings targets is beneficial to planning related to how to prioritize funding.
- Also, a few government focus group representatives expressed that an energy saving component is important, however tenant behavior is more important when compared to energy savings targets.
- Some government focus group participants believe employment opportunities resulting from a new energy efficiency savings target program might influence them to be more energy efficiency.++
- Additionally, some government officials believe energy savings targets communicated with the right message about job creation will result in more interest energy savings targets.++
- Nonprofit focus group participants and government officials indicate a savings target is important and represents the standard for comparing programs, especially in low income housing. They also believe it is an important requirement for cost effectiveness and enables matching funding with less restrictions.
- Nonprofit and government representative indicate requirements for property owner's participation is important when defining and establishing energy savings targets.
- Nonprofit and government focus group respondents feel energy saving is important because having multiple ways of measuring success is important to showing people what we've achieved.++
- Nonprofit and government focus group respondents believe energy savings targets are important, especially if there is going to be continued funding for energy efficiency programs.
- Industry association leaders believe energy savings targets contributes to the ability to perform deep energy comprehensive retrofits. They also stated, behavior change can't be mandated and therefore energy savings is not as important to this demographic.
- Implementation contractors feel energy savings targets are expensive and conversely believe putting more dollars into comprehensive retrofits is better.
- Industry and implementation contractors feel an energy savings target is important, however it adds an unbudgeted administrative cost burden because somebody has to track, monitor and report the savings targets.

- Industry association members and implementation contractors believe utility programs typical take low hanging fruit, but we need to focus on replacing HVAC systems, refrigerators, etc. They suggest energy savings targets should focus on buildings owned by nonprofits.
- Implementation contractors and many industry association members feel they should work closer with owners who are replacing gas efficient systems and providing them with assistance to replace/retro fit.
- Implementation contractors and many industry association members indicate the program needs to provide more assistance to the building owner.++
- Many industry and implementation contractors feel that constructing buildings that are energy efficient should be the priority and tracking the number of D.C. residents that work on these projects.++

16. **When asked about the importance of tracking greenhouse gas reductions, respondents rated the importance as shown in Table 17.** ("++" Indicates comment echoed by multiple respondents)

Table 17: Importance of tracking greenhouse gas reductions

Importance of GHG	Very Important (a)	Somewhat Important (b)	Not Important (c)	Total
Tracking GHG	7	13	0	20

- Government and nonprofit focus group participants believe tracking GHS is important to helping the environment. They feel tracking GHG is always good while understanding that measures / policies will likely change, and we need to be able to deal with that change.
- Government and nonprofit focus group participants indicated that GHG tracking is important and monitoring and tracking should be in place.
- Government and nonprofit focus group participants express concerns that with only 12 months in the program, that significantly limits what can be done to track GHG.
- Conversely industry association members and implementation contractors believe tracking GHG is somewhat important and information on how to track and monitor GHG is needed. They also commented that the more requirements put on the program, the less effective the savings would be.
- Several nonprofit respondents believe that greenhouse gas does not come into the conversation of regular lay people.++
- Industry and implementation contractors feel DCSEU should survey property owners asking questions about what they are doing relative to GHG tracking and monitoring.
- Implementation contractors feel gas boiler and hot water systems should be replaced in older buildings and this would contribute to GHG savings. But for a new boiler

system, considering a 50% replacement cost, what would you be looking at for that to be worthwhile. Recently, a boiler was replaced for about a million dollars, and that was for a 56-unit building. So, at minimum $700,000, maximum 1-2 million dollars.

- Industry and implementation contractors feel a GHG reduction tracking list be developed and presented to DCSEU with a matching fund request on costs that owners incur for GHG tracking.
- Many industry and implementation contractors feel they need to understand GHG performance savings standards and have input into affordable housing targets and measurements.
- Association representatives stated buildings built back in the 40s use steam boilers and GHG tracking is something they're looking at. They indicated replacement of a lot of steam boilers has occurred. And smaller buildings will require replacement requiring capital in addition to replacing older hot water heaters.
- Industry and implementation contractors feel rent controlled master meter buildings are issues that have to be dealt with related to GHG tracking.
- Still further, industry and implementation contractor focus group respondents feel as broad as possible income target is desired so more building would be included in the GHG tracking.

17. **Respondents cited the following metrics as important to a new program.**

- Most implementation contractors feel payment schedules are important to cash flow to CBEs especially since delayed payments and schedule slippage create capability issues and impact quality of the work.
- Several nonprofit focus group respondents feel tracking the energy savings impact from the new program is important.
- Most government focus group respondents feel the amount of savings realized from implementation of a new program are key metrics to monitor and communicate to all stakeholders.

18. **Respondents stated new Washington Gas offerings for low- and limited-income residents of affordable multifamily buildings would benefit from a "one-stop center" approach and model and recommended the following.**

- Several government and nonprofit focus group participants feel strongly that targeting heads of household represent the biggest opportunity for a successful low- and limited-income energy savings program.
- A few industry representatives feel that nonprofits should be targeted to assist with identifying and recruiting hard to reach stakeholders, especially homeless and elderly stakeholders.

19. **Respondents commented affirmatively that delays in receiving the funds from a new energy efficiency program is the biggest risk and potential pitfall to successful implementation of a low- and limited-income energy efficiency program in addition to the following risks.** ("++" Indicates comment echoed by multiple respondents)

- Industry leaders and implementation contractors commented that income verification processes can be challenging, difficult and onerous given 2/3 of the building occupants must be low-income to be eligible.[++]
- Industry leaders and implementation contractors indicated problems related to getting back into units after making assessments.
- Industry leaders and implementation contractors commented that existing conditions of some of the buildings is a risk to a successful program.
- Nonprofit and government officials feel landlords (i.e., property owners) aren't aware of conditions in homes.
- Most focus group participants agree that finding qualified implementation subcontractors with an understanding of the program and experience working with low-moderate income homes is a risk to a successful program.
- The government requires two thirds of the occupants in a building to be eligible for assistance noted government focus group representatives.
- Nonprofit, implementation and industry focus groups respondents feel that some well-connected organizations get the money and others do not. They feel too much bureaucracy related to obtaining the money is a risk.[++]
- Feedback that monies are not being utilized on owners' behalf and there is lack of education on where the monies are spent.[++]

20. **Respondents affirmed the following when asked how their respective organizations would be impacted by the implementation of a Washington Gas low- and limited-income multifamily efficiency program.** ("++" Indicates comment echoed by multiple respondents)

- Frontline staff for nonprofit and government entities will be significantly impacted and could put existing programs at a disadvantage from limited resources and managing increased inquiries about the new low- and limited-income multifamily efficiency program.
- The resource impact of the new program implementation could put additional strain upon existing program staff depending upon the pace of the program implementation.
- Still other nonprofit and government focus group respondents feel the roll out and alignment with existing programs must be considered to minimize confusion.
- Industry and implementation contractor focus group respondents indicated that clear tenant, property owner, and government engagement needs to be planned, detailed and understood by all stakeholders.
- Nonprofit, government, property owners and implementation contractors agree that Washington Gas needs to take ownership of the new program and desire more than 18 months to complete the program. They believe the period should be extended to 2020 since we are already well into the 18-month period.[++]
- Additionally, industry leaders and implementation contractors expressed that the 18-month period should start whenever an owner puts in and gets their application approved to replace boilers.[++]

- Industry focus group members state they would hate to see the money spent on education campaigns and not on helping owners/property managers save energy.
- Industry and implementation contractors indicated a desire to ensure pest control companies and the government representatives are doing their job since pest control impacts timelines, schedules and retrofit projects.
- Nonprofit focus group respondents mentioned that a well-designed case study of a successful new energy implementation as a best practice is a potential win for the all stakeholders that could be communicated around the country.[++]

21. **Respondents commented that Washington Gas consider the following suggestions when implementing the new program.** ("++" Indicates comment echoed by multiple respondents)

- Government focus group participants believe that energy efficiency program expectations will have to be managed and monitored closely, given the short period of time to complete the program.[++]
- Nonprofit focus group members concur that managing the new program expectations are important. And, they feel clear and concise messages and information about what the new program will and won't cover in addition to the program length should be included. They feel energy efficiency education and awareness about the operation of thermostats, solar panels, even for central systems is important.
- Conversely, implementation contractors, association focus group participants, and some nonprofits commented that the new program implementation is going to be somewhat challenging, especially for property owners.
- Nonprofit and government focus group respondents feel consumer/tenant energy efficiency education is very important to tenants and they must be responsive.
- Nonprofit and government focus group respondents recommend holding information summits for people to come out to hear about progress (e.g., schools, ANCs, community centers, homeless shelters). They feel holding public roundtables led by the Public Service Commission would be helping to implementation.

22. **Respondents stated that a new efficiency program could be more impactful if Washington Gas do the following.** ("++" Indicates comment echoed by multiple respondents)

- Nonprofit focus members believe significant benefits can be derived from sharing energy efficiency data and information/data across programs.
- Nonprofit responders believe collecting, analyzing and reporting lessons learned (positive and negative) from the new program implementation will be important.
- Both nonprofit and industry association respondents agree that capturing information when engaging with building owners and sharing the new efficiency program information, data, lessons learned across all programs is important and could be impactful.
- Nonprofit and government focus group participants agree that communicating energy savings targets in lay person's terms would be impactful to a new program.

- Several nonprofit and implementation contractors mentioned frequently that the new program consider a one-stop-model for energy efficiency program data, lessons learned, and information dissemination.
- Many government officials, property owners and implementation contractors commented that buildings owned by nonprofits be targeted as entities to assist with the new program.
- Industry representatives and nonprofit focus group respondents desired a strategy that makes accessing the gas energy incentives of the program easy.
- Government, nonprofits and implementation contractor believe tracking energy efficiency implementation and utilization metrics would be desirable.[++]
- Government and nonprofit focus group participants shared comments about decreasing utility costs for low income residents as very important to the roll out of a new gas efficiency program.[++]
- The nonprofit focus group respondents agree that caps on gas utility increases on affordable housing projects are important to a new program.
- The government representatives feel that an important and impactful component to a new energy efficiency program include strategies, requirements and commitments to the growth and development of small business growth and contract opportunities.[++]
- Nonprofit and government focus group respondents believe increased job opportunities for low income residents requirements would be very impactful to a new energy efficiency program.[++]
- Industry focus group participants feel strongly about the linkages of a new program administration efficiency and potential bureaucracy as a barrier and efforts should be made to eliminate as much as possible any administrative and logistical snarls.
- Implementation contractors believe using creative financing (e.g., factoring) to assist CBEs with cash flow, budgeting and capacity for growth is important.
- Finally, government, nonprofit, property owners and implementation contractors agree communication, building trust between owners and tenants would be important.

Appendix D: DCSEU Sample Marketing Materials

DCSEU

DISTRICT OF COLUMBIA SUSTAINABLE ENERGY UTILITY

Low-Income Multifamily (LIMF) Program

CUSTOMER SURVEY

Thank you for partnering with the DC Sustainable Energy Utility to reduce your energy costs. To ensure that our programs offer the highest level of service, we are interested in your feedback about the contractor and appliance supplier that worked with you. Please take a few minutes to answer the following questions about your experience. You can return this survey using the postage-paid business reply envelope provided. All responses will be kept confidential. We appreciate your time and input.

Date of Service: _____

Your Address: _____

Name of Contractor: _____

Name of Installer: _____

Name of Appliance Supplier: _____

1. Which of the following were completed by the contractor? Please check all that apply.

- ☐ LIGHTING - replaced light bulb(s)
- ☐ LIGHTING - replaced floor lamp(s)
- ☐ WATER - installed faucet aerator(s) or showerhead(s)
- ☐ WATER - insulated hot water tank (only possible for electric tanks)
- ☐ WATER - insulated hot water pipes

2. Which of the following were completed by the appliance supplier? Please check all that apply.

NOTE: Only possible where eligible equipment exists

- ☐ REFRIGERATION - replaced refrigerator
- ☐ AIR CONDITIONING - replaced AC unit(s)

3. For each of the above checked items, how satisfied are you with the new item(s)?

	Very Dissatisfied			Very Satisfied
LIGHTING				
Light Bulb(s)	1	2	3	4
Lamp(s)	1	2	3	4
WATER				
Faucet Aerator(s) or Showerhead(s)	1	2	3	4
Hot Water Tank Insulation	1	2	3	4
Hot Water Pipe Insulation	1	2	3	4
REFRIGERATION				
Refrigerator	1	2	3	4
AIR CONDITIONING				
AC Unit(s)	1	2	3	4

4. Please indicate your level of agreement with the following statements.

	Strongly Disagree			Strongly Agree
MY CONTRACTOR:				
Understood my needs	1	2	3	4
Explained the work performed	1	2	3	4
Did what they said they would do	1	2	3	4
Was courteous and professional	1	2	3	4
Maintained clean work site	1	2	3	4
MY APPLIANCE SUPPLIER:				
Understood my needs	1	2	3	4
Explained the work performed	1	2	3	4
Did what they said they would do	1	2	3	4
Was courteous and professional	1	2	3	4
Maintained clean work site	1	2	3	4

5. Would you recommend this contractor to others (friends, relatives, etc.)? ❒ Yes ❒ No

6. Would you recommend this appliance supplier to others (friends, relatives, etc.)? ❒ Yes ❒ No

7. Please tell us about your experience with this program.

_____

_____

_____

8. Is there anything that you would like to see improved?

_____

_____

_____

If you have feedback or concerns that you would like to discuss, please check this box: ❒

If you've checked the box above, please provide the following information so we can follow-up with you:

Contact Name: _____

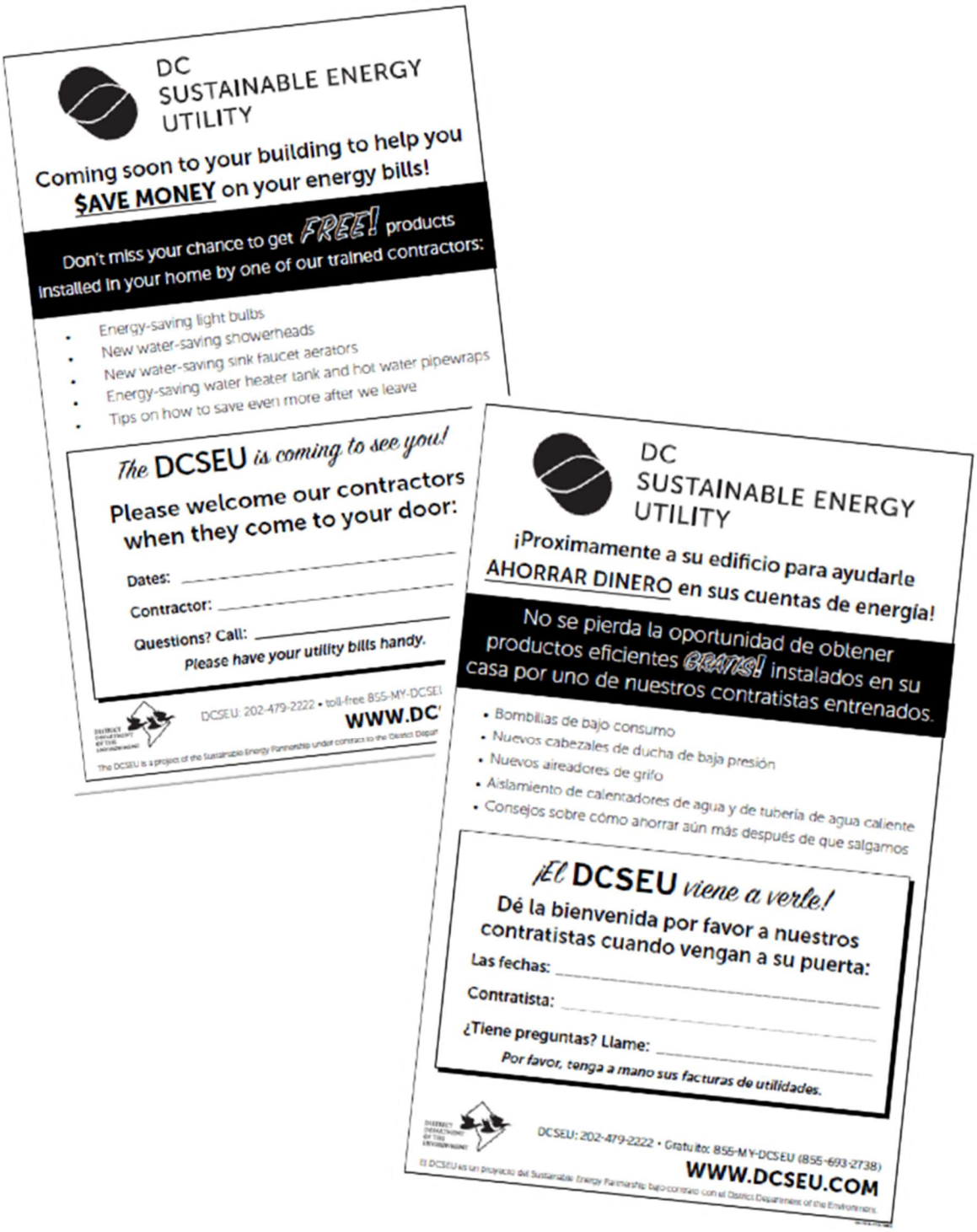
Telephone Number: _____

Best Time to Reach You: _____

Thank You for your participation!

202-479-2222 • TOLL-FREE 855-MY-DCSEU • WWW.DCSEU.COM

SEU09a-0711



DC
SUSTAINABLE ENERGY
UTILITY

Coming soon to your building to help you **SAVE MONEY** on your energy bills!

Don't miss your chance to get *FREE!* products installed in your home by one of our trained contractors:

- Energy-saving light bulbs
- New water-saving showerheads
- New water-saving sink faucet aerators
- Energy-saving water heater tank and hot water pipewraps
- Tips on how to save even more after we leave

The **DCSEU** *is coming to see you!*

Please welcome our contractors when they come to your door:

Dates: _____

Contractor: _____

Questions? Call: _____

Please have your utility bills handy.

DCSEU: 202-479-2222 • toll-free 855-MY-DCSEU

WWW.DC

The DCSEU is a project of the Sustainable Energy Partnership under contract to the District Depar

DC
SUSTAINABLE ENERGY
UTILITY

¡Proximamente a su edificio para ayudarle **AHORRAR DINERO** en sus cuentas de energía!

No se pierda la oportunidad de oblener productos eficientes *GRATIS!* instalados en su casa por uno de nuestros contratistas entrenados.

- Bombillas de bajo consumo
- Nuevos cabezales de ducha de baja presión
- Nuevos aireadores de grifo
- Aislamiento de calentadores de agua y de tubería de agua caliente
- Consejos sobre cómo ahorrar aún más después de que salgamos

¡El **DCSEU** *viene a verle!*

Dé la bienvenida por favor a nuestros contratistas cuando vengan a su puerta:

Las fechas: _____

Contratista: _____

¿Tiene preguntas? Llame: _____

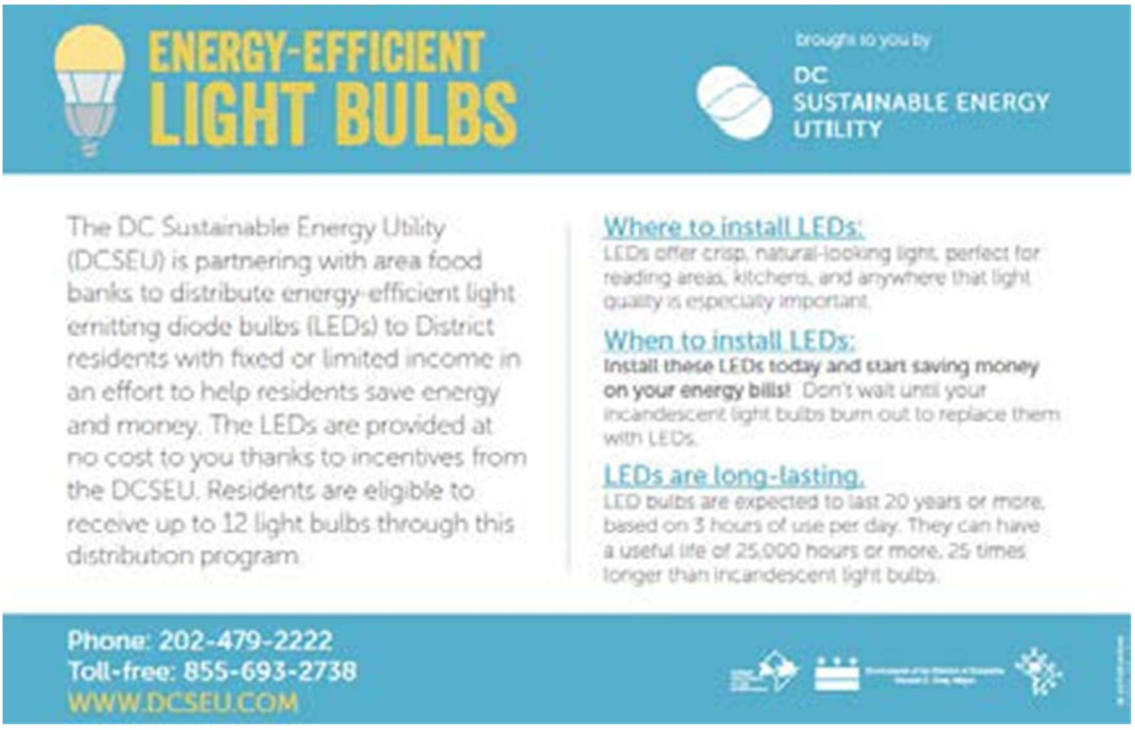
Por favor, tenga a mano sus facturas de utilidades.

DCSEU: 202-479-2222 • Gratuito: 855-MY-DCSEU (855-693-2738)

WWW.DCSEU.COM

El DCSEU es un Proyecto del Sustainable Energy Partnership bajo contrato con el District Department of the Environment


Energy Affordability for Those Who Need It Most
The Income-Qualified Efficiency Fund offers potential incentives for energy upgrades in affordable multifamily housing, shelters, & qualified DC clinics. Apply today.
DC SUSTAINABLE ENERGY UTILITY
Apply today for financial incentives toward energy upgrades in affordable multifamily housing, shelters, & qualified DC clinics.
ELIGIBLE APPLICANTS
DCSEU Approved Contractors
Property management organizations or owners working with a DCSEU Approved Contractor
TYPES OF PROJECTS:
Affordable multifamily housing, shelters, and qualified DC clinics
Efficiency retrofits including lighting, heating, cooling, ventilation, and controls
OPEN FOR APPLICATIONS JANUARY 2018
For more information, to apply, or to become a DCSEU Approved Contractor*, visit www.dcseu.com/IQEF.
*DC Certified Business Enterprise (CBE) contractors will receive preference.
DC SUSTAINABLE ENERGY UTILITY
202-479-2222 • info@dcseu.com
www.dcseu.com/IQEF
DEPARTMENT OF ENERGY & ENVIRONMENT
DSLBD
DC


ENERGY-EFFICIENT
LIGHT BULBS
brought to you by
DC
SUSTAINABLE ENERGY
UTILITY
The DC Sustainable Energy Utility (DCSEU) is partnering with area food banks to distribute energy-efficient light emitting diode bulbs (LEDs) to District residents with fixed or limited income in an effort to help residents save energy and money. The LEDs are provided at no cost to you thanks to incentives from the DCSEU. Residents are eligible to receive up to 12 light bulbs through this distribution program.
Where to install LEDs:
LEDs offer crisp, natural-looking light, perfect for reading areas, kitchens, and anywhere that light quality is especially important.
When to install LEDs:
Install these LEDs today and start saving money on your energy bills! Don't wait until your incandescent light bulbs burn out to replace them with LEDs.
LEDs are long-lasting.
LED bulbs are expected to last 20 years or more, based on 3 hours of use per day. They can have a useful life of 25,000 hours or more, 25 times longer than incandescent light bulbs.
Phone: 202-479-2222
Toll-free: 855-693-2738
WWW.DCSEU.COM


FOCOS DE
BAJO CONSUMO
traido a usted por
DC
SUSTAINABLE ENERGY
UTILITY
El DC Sustainable Energy Utility (DCSEU) en conjunto con los bancos de alimentos de la zona distribuyen focos de bajo consumo, conocidos también como focos de diodos emisores de luz (LED en inglés) a los residentes de Washington que tengan ingresos limitados para ayudarles a ahorrar dinero y energía.
Estos focos de bajo consumo se ofrecen gratuitamente gracias a incentivos del DCSEU. Residentes de Washington que califiquen, tienen derecho a recibir hasta 12 focos a través de este programa.
Dónde instalar LEDs:
LEDs ofrecen una luz nítida, de aspecto natural, ideal para la lectura de las áreas, las cocinas, y en cualquier lugar que la calidad de la luz es especialmente importante.
Al instalar LEDs:
Instalar estos LEDs hoy y comience a ahorrar dinero en sus facturas de energía. No espere hasta que sus focos incandescentes se quemen para reemplazarlos con LEDs.
LEDs son de larga duración.
Se espera que los focos LED para durar 20 años o más, basado en 3 horas de uso por día. Ellos pueden tener una vida útil de 25,000 horas o más, 25 veces más que los focos incandescentes.
Teléfono: 202-479-2222
Gratis: 855-693-2738
WWW.DCSEU.COM


Energy-Saving Measures
Installed in Your Home Today
Energy-Efficient Lighting
Kitchen
Bathroom
Bedroom
Living Area
Total CFLs Installed: _____
Total LEDs Installed: _____
Water Conservation & Insulation
Kitchen Faucet Aerator
Bathroom Faucet Aerator
Low Flow Showerhead
Pipe Insulation
Hot Water Heater Tank Wrap (electric only)
Contractor Services Provided By:
Brought To Your By
DC SUSTAINABLE ENERGY UTILITY
For information about the energy saving measures installed in your home visit www.dcseu.com or call 202-479-2222

Attachment B: Program Design Filing

Washington Gas
A WGL Company

1000 Maine Avenue, SW
Suite 700
Washington, DC 20024
www.washingtongas.com

Direct Dial (202) 624-6105
cthurston-seignious@washgas.com

June 18, 2019

VIA ELECTRONIC FILING

Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission
of the District of Columbia
1325 "G" Street, N.W., 8th Floor
Washington, D.C. 20005

Re: FC 1142 - Washington Gas Light Company - Commitment No. 3 – Compliance

Dear Ms. Westbrook-Sedgwick:

Under Merger Commitment No. 3, AltaGas Ltd. agreed to provide $4.2 million for energy efficiency and energy conservation initiatives, with a primary focus on assisting low and limited-income residents who are living in affordable multifamily units. As further provided under this commitment, a consultant was selected to administer the funds for this program and a proposal is to be filed with the Public Service Commission of the District of Columbia ("Commission") within 180 days after selection of the administrator, regarding the proposed program. On January 7, 2019, Washington Gas Light Company notified the Commission that it had selected VEIC to administer the program.

Transmitted for filing is the proposed Energy Efficiency Program Plan for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing, for Commission approval.

If you have any questions regarding this matter, please feel free to contact me.

Sincerely,

Cathy Thurston-Seignious
Supervisor, Administrative and
Associate General Counsel

cc: Per Certificate of Service

CERTIFIED RENEWABLE ENERGY
Green-e

DISTRICT OF COLUMBIA
MERGER COMMITMENT NO. 3
PROGRAM PLAN

ENERGY EFFICIENCY PROGRAMS
FOR LOW- AND LIMITED-INCOME DISTRICT OF COLUMBIA RESIDENTS IN AFFORDABLE MULTIFAMILY HOUSING

Background

As part of Washington Gas's commitment to the community in the AltaGas and WGL merger in July 2018, the utility will deliver an energy efficiency program for low- and limited-income residents of affordable multifamily housing in the District of Columbia. The merger commitment specifically states:

AltaGas will provide $4.2 million for energy efficiency and energy conservation initiatives with a primary focus on assisting low and limited-income residents who are living in affordable multifamily units, whether in buildings that are wholly master-metered, buildings where the tenants pay all of the utility bills, or buildings with mixed owner- and tenant-meters.

Within 180 days after selection of the administrator, and no less than 30 days prior to the initial disbursement of funds to the administering agency or agencies, AltaGas and Washington Gas will, after consultation with interested stakeholders, file a proposal with the Commission regarding the aforementioned programs. No portion of the contribution will be recovered in utility rates.

Washington Gas selected VEIC to design and implement this energy saving program. As indicated in the January 7, 2019, and February 5, 2019, Washington Gas selected VEIC as the funds administrator under Merger Commitment No. 3. VEIC has over seven years of designing and implementing

energy efficiency programs benefiting low- and limited-income District of Columbia residents living in multifamily dwellings. With nationally recognized program designers, engineers, energy consultants, account managers, data analysts, and financing experts, VEIC is well staffed with qualified professionals to perform the required work. VEIC designed and implements the existing low-income energy efficiency programs through the District of Columbia Sustainable Energy Utility (DCSEU). With support from Washington Gas, VEIC has engaged with stakeholders and designed a cost-effective low- and limited-income energy efficiency program. VEIC will execute this program to benefit residents by reducing their energy usage and lowering their energy bills.

As a first step in this process, VEIC gathered stakeholder input on how the funds should be administered to maximize energy savings for low- and limited-income District of Columbia residents in affordable multifamily housing. The findings from this engagement process as well as a summary of all overlapping or complementary energy efficiency and weatherization limited-income-specific programs in the District were documented in *Energy Efficiency Programs for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing: Stakeholder Input* ("Stakeholder Input Report") delivered to Washington Gas on April 26, 2019.

The findings from these stakeholder engagement sessions as well as VEIC's experience in implementing energy efficiency programs, were then used to

inform and design Washington Gas's low- and limited-income energy efficiency program for residents in multifamily affordable housing. This proposed program design is presented here.

Market Characterization

Washington, DC, is rapidly gentrifying as it experiences a boom in high-end real estate development. As historically affordable neighborhoods are transformed to make space for luxury multifamily properties and new, higher-earning residents move in, housing options for low- to moderate-income District residents are dwindling. Given these pressures, the City is working aggressively to preserve and expand affordable housing stock. Energy efficiency can be part of the strategy to preserve affordable housing stock, while also contributing to sustainability goals.

To be successful, the Washington Gas energy efficiency program must be grounded in an understanding of the affordable multifamily market in the District – the size of the market, the ownership structures, the building stock, and the key partners to engage.

Low-income households. According to an energy burden analysis of the Low-Income Home Energy Assistance Program (LIHEAP) completed for District Department of Energy and Environment (DOEE), there are 75,808 low-income households living in the District. Of these households, about 47,228 (62%) are renters who live in large multifamily buildings with five or more units.

About half of low-income households in the District rely on natural gas for heating. Of the households living in large multifamily buildings, about half pay directly for their heating costs while half have heating costs included in rent. Buildings where renters pay directly are likely to be individually metered, while buildings with heat included in rent are likely to be master-metered.[1]

According to the LIHEAP analysis, "clients using natural gas as their main heating fuel have an average annual gross home energy bill of $1,354 and receive an average annual total LIHEAP benefit of $625, resulting in an average annual net home energy bill of $729." This represents about 4.8% of income for clients with natural gas heat. Even after factoring in LIHEAP benefits, "35% of natural gas main heat clients have unaffordable net energy burden (>6% of income) compared to 12% of electric main heat clients." Further, more than 60% of low-income households include at least one vulnerable member who is elderly, disabled, or a young child. These households are especially vulnerable to the negative impacts of inefficient housing on health.[2]

---

[1] APPRISE, District of Columbia LIHEAP Energy Burden Analysis, completed for DOEE, September 2018.
https://doee.dc.gov/sites/default/files/dc/sites/ddoe/service_content/attachments/DC%202018%20LIHEAP%20Analysis%20-%20Energy%20Burden%20Report.pdf

[2] *Ibid.*

Multifamily buildings. Based on data in the CoStar real estate database and the US Department of Housing and Urban Development (HUD) Low-Income Housing Tax Credit (LIHTC) database, there are 328 affordable multifamily (five or more units) properties in the District. These properties may include a mix of market-rate and affordable units. Per the databases, there are 36,131 affordable multifamily units in the District, broken out by the number of units in a property as shown below in Table 1.

TABLE 1: COUNT OF AFFORDABLE UNITS PER MULTIFAMILY PROPERTY

Number of Units	Number of Properties
1 – 20 units	54
21 – 50 units	68
51 – 100 units	71
101 – 200 units	78
201 – 500 units	55
Over 500	2

Fifty of the affordable multifamily properties used the LIHTC program, a Federal program that offers tax credits to investors that provide equity for developers to create affordable housing. Developers solicit equity investors for

their new construction or rehabilitation projects, enabling the project to carry less debt. LIHTC developments that are planning major rehabilitation projects may be good candidates for energy efficiency upgrades, but these projects are highly complex and typically involve lengthy financing and construction processes.

Ownership structures. Of the 328 affordable multifamily properties, roughly 40% are owned by nonprofit housing organizations, 54% by private owners, and 6% by government agencies such as the DC Housing Authority, as determined using the CoStar and LIHTC databases.

- **Nonprofit housing organizations** are 501(c) (3) corporations with Boards of Directors determined by the Articles of Incorporation and By-Laws. Nonprofits have the flexibility to develop and rehabilitate multifamily housing using a mix of public, private and philanthropic funding resources. Some nonprofits develop "single purpose" buildings such as service-enriched housing for homeless families or people in recovery and may own only one or a few buildings. Other nonprofits produce affordable multifamily housing regularly for all markets – single people, families and seniors. Nonprofits typically rely on the development fees from project development for operating revenue but have a charitable mission with the intent to retain properties in their portfolios in perpetuity.

- **Private owners and for-profit developers** that create affordable housing often use the Low-Income Housing Tax Credit program. With the LIHTC program, the developer must syndicate a limited partnership for each project, which allows the tax-credit holder to invest as a limited partnership to limit liability and requires the developer to be the general or managing partner and assume the risk. Each building represents its own limited-liability corporation, so it is common to find a private developer owning a portfolio of properties that are each incorporated as LLCs. The tax-credit period expires after fifteen years, at which point the limited partner has the option to exit and the general partner has the choice to sell the property or resyndicate a new LLC with a new round of tax credits, which typically support the costs of rehabilitation and replacement of systems at the end of their fifteen-year useful life.

- **Public Housing Authorities (PHAs)** are chartered by their respective jurisdictions in compliance with HUD regulations. PHAs do not typically purchase and develop new land, but rather retain and rehabilitate properties already in their portfolios. Funding for repairs and replacements must be authorized by HUD and conform to HUD regulations governing use of funds. Recently, some housing authorities are using the LIHTC program when buildings require a large infusion of funding for rehab. PHAs also have authority to sell bonds for low-cost debt to fund rehab.

Regardless of the type of ownership of affordable multifamily properties, readiness to undertake an energy retrofit relies on owner capacity, timing, and capital plans. Most affordable multifamily property owners that have a portfolio of buildings undertake regular capital planning to identify a schedule of repairs and replacements based on the useful life of building systems.

Generally, owners that have only one or a few buildings in their portfolio are less likely to have a systematic capital planning process, or the capacity required to assess their capital needs and find funding to meet them, and these owners often have high needs for technical assistance to accomplish retrofit projects.

Building stock. While affordable multifamily properties typically undergo major renovations at the time of LIHTC resyndication, many property owners take the opportunity to replace one or two systems outside of the resyndication schedule. The building management and nonprofit housing associations will be the best source of accurate data to identify a set of buildings that are good candidates for retrofits. Buildings that have not yet undergone major renovations are likely good candidates for the Washington Gas energy efficiency program. While new multifamily buildings and buildings planning major renovations at the time of LIHTC resyndication present a significant opportunity for energy efficiency improvement, there are few such projects completed in any given year and the projects are usually lengthy and complex. Given the short timeline, the Washington Gas program will focus on existing

multifamily buildings rather than targeting new construction or major renovation projects.

Key partners. In addition to property owners, managers, and installation contractors, the Washington Gas program will need to engage key partners in the affordable housing sector who can help raise awareness of program offerings and supply market insights. One important partner is the Apartment and Office Building Association of Metropolitan Washington (AOBA), which represents the interests of the commercial and multifamily property management industry in the region. The Coalition for Non-Profit Housing and Economic Development (CNHED) is also a key partner, as a membership association that works with wide range of housing stakeholders, including both affordable housing developers and community organizations that work directly with residents, to advance just and equitable community development solutions for low- and moderate-income District residents. Other partners include the Housing Association of Nonprofit Developers (HAND), a membership association of more than 350 organizations that collaborate to produce and preserve affordable housing in the Capital Region, and the DC Housing Authority, a municipal government agency governed by an 11-member Board of Commissioner.

Summary. Informed by an understanding of the affordable multifamily housing market in the District, the Washington Gas program will target buildings with the following characteristics:

- Existing affordable multifamily properties;
- Buildings served by natural gas for heat and/or hot water;
- Both individually metered and master-metered buildings;
- Buildings of a range of sizes, with strategies to ensure robust outreach so that smaller buildings have the opportunity to participate;
- Buildings owned by nonprofit, private, or government organizations; and
- Property owners and managers who are committed to completing energy efficiency projects within the timeline set for the program.

Stakeholder Engagement

Findings from the stakeholder engagement process, used to identify objectives and priorities for the Washington Gas program design, are detailed in the Stakeholder Input Report. Key findings that are carried forward into this program design include:

- An income eligibility definition;
- Coordination with existing programs to avoid market confusion;
- An interest in seeing a comprehensive program that leverages various funding sources available in the District;
- Inclusion of tenant engagement;
- A longer timeframe for implementation than originally envisioned;

- A streamlined application process that doesn't unnecessarily overburden applicants; and
- Requirements around property owner contribution of funds.

Coordination with Existing Programs

As described in detail in the Stakeholder Input Report, there are five primary programs currently operating in the District that serve low- and limited-income residents:

- The Department of Energy and Environment Weatherization Assistance Program (DOEE WAP);
- The DCSEU Income Qualified Efficiency Fund (IQEF);
- The DCSEU Low-Income Multifamily Comprehensive Program (LIMC);
- The DCSEU Low-Income Prescriptive Program; and
- The DCSEU Emergency Heating, Cooling, and Air Conditioning Repair/Replacement Program (Emergency HVAC Program).

Stakeholders identified coordination with existing programs to avoid market confusion, comprehensive programs that leverage multiple funding sources, and streamlined processes as top priorities for the Washington Gas program. Of the programs currently operating in the District, the DCSEU IQEF program offers the best opportunity for coordination with Washington Gas to accomplish these goals. The IQEF program uses a competitive solicitation process to select energy efficiency projects, which are installed by a pool of participating

contractors. Washington Gas funding will enable the program to reach more units and buildings and offer more gas-saving measures than the current DCSEU program.

The IQEF program will serve as a strong foundation for a successful Washington Gas program. The program targets the types of properties identified above as being good candidates for the Washington Gas program and installs long-lived efficiency measures that deliver significant gas savings. Further, it uses a competitive solicitation process to prioritize projects with leveraged funding and commitment from property owners, which stretches dollars further and ensures that projects are completed in a timely manner. Finally, installation contractors participating in the Washington Gas IQEF program will have access to construction financing at the same favorable terms as in the DCSEU IQEF program.

Proposed Program Design

In addition to extensive input from local stakeholders, the design of the Washington Gas low- and limited-income program was informed by a review of best practices for multifamily energy efficiency programs. VEIC reviewed leading multifamily programs delivered by CenterPoint Energy (Arkansas and Minnesota), Consumers Energy (Michigan), Michigan Saves, the New York State Energy Research and Development Authority (NYSERDA), and National Grid (Massachusetts and Rhode Island) to identify successful approaches and

lessons learned. These programs generally align with the best practices for multifamily programs identified by the American Council for an Energy-Efficient Economy (ACEEE)[3] and Energy Efficiency for All (EEFA):[4]

- Income-eligibility requirements that align with other programs in the local market;
- A comprehensive, whole-building approach that includes both gas and electric measures;
- A mix of free or low-cost direct installation measures and deeper-saving major measures;
- A streamlined, one-stop-shop approach for property owners;
- Predictable incentives and low-cost financing to overcome cost barriers; and
- Robust quality assurance and attention to health and safety issues.

Informed by these best practices, and in direct response to stakeholders' desire for a well-coordinated, comprehensive, deep retrofit program that leverages various funding sources, the core of the Washington Gas program

---

[3] "Apartment Hunters: Programs Searching for Energy Savings in Multifamily Buildings." Kate Johnson. December 2013. Report Number E13N. © American Council for an Energy-Efficient Economy.

[4] Energy Efficiency For All, Program Design and Budgets, Best Practices for Multifamily (https://energyefficiencyforall.org/issues/program-design-and-budgets)

will be an expansion of the DCSEU IQEF program that leverages funding from property owners to reach more customers and capture deeper gas savings. This coordination, allowing for significant funding of comprehensive projects, will maximize benefits to low- and limited-income District residents. The Washington Gas IQEF program will primarily fund installation of major, whole-building measures such as boilers, furnaces, and hot water systems.

Most stakeholders supported inclusion of a tenant engagement offering in the program. To address this preference, the Washington Gas IQEF program will offer educational workshops for tenants in buildings completing efficiency upgrades. The program will also offer the option to include installation of gas-saving measures, such as smart thermostats and water conservation devices, in units. This installation will be accompanied by tenant engagement and education to help tenants learn how to correctly use their new smart thermostat and manage their energy use.

Ensuring that Tenants Benefit

The Washington Gas IQEF program is intended to serve buildings that are wholly master-metered, buildings that are individually metered, or buildings with a mix of master-meters and tenant meters. In all cases, it is a priority that project benefits are realized by tenants, not just property owners. Because the IQEF model compares all proposed projects against one another (as described below) to competitively award funding, projects that best accomplish this goal can be selected. For individually metered buildings where tenants

directly pay the utility bills, we can assume that tenants will benefit from efficiency projects' cost savings.

Master-metered buildings are more challenging. In most rent-restricted affordable housing, rent levels are constrained by regulations, so property owners are often unable to pass along utility rate and other cost increases such as property taxes, waste collection, and labor. Most multifamily buildings have operating pro forma that project rent increases of 3% or less per year, while expenses typically increase at an average rate of 5% per year. Over the 15-year LIHTC period, this creates an operating gap between revenue and expenses. If the owner undertakes energy efficiency upgrades, the savings therefore support the overall financial health of building operations.

In addition to improving the financial health of affordable housing, IQEF project selection criteria will favor projects in which property owners commit to take steps that enhance direct benefits to tenants, such as:

- Commitment to hold rent steady for at least one year following completion of efficiency upgrades;
- Commitment to support and facilitate education and engagement programs for tenants and staff, for example by making space available for tenant educational workshops and allowing facility staff to participate in energy trainings; and
- Commitment to publicly share project results.

Program Structure and Timeline

The Washington Gas IQEF program will use a solicitation process to collect applications for funding for efficiency projects. This model represents a redesigned approach to the DCSEU's former direct installation program implemented specifically to minimize risks, plan for the seasonality of gas projects, and achieve higher yields through higher levels of contractor and customer engagement. Because projects are competitively awarded funding, projects that best contribute to priorities identified—such as leveraged funds from property owners or projects that maximize energy savings for low- and limited-income residents—can be selected for funding.

To ensure adequate time for Phases 1 and 2 described below and to best plan around the heating season, we propose a program implementation start date of October 1, 2019, pending approval from the DC Public Service Commission (PSC). All the dates proposed below are subject to change if the program is not approved on the anticipated schedule.

Phase 1: Outreach and Marketing

Time: October through December 2019

A critical first step in the IQEF model, which will be even more important as the program expands to include the addition of Washington Gas funding, is outreach and marketing. The primary goals of this phase are to spread the word about the available funding, set expectations by clearly specifying what

the program will and won't cover, and work with stakeholders to identify potential projects and recruit applicants. In addition, the program will recruit additional installation contractors to participate in the Washington Gas IQEF program through a Request for Qualifications (RFQ), with preference to qualified Minority Business Enterprises (MBEs).

During this phase, all necessary program administration and tracking systems, as discussed below, will also be set up.

Phase 2: Application Process

Time: January through April 2020

During this phase of the program, we will launch the solicitation process, clearly explaining funding available, eligibility requirements, and proposal application requirements. Because projects will be competitively selected, the solicitation will also detail selection criteria and priorities. The selection criteria used previously for the IQEF program will serve as the basis for this, and we will work closely with Washington Gas during this phase to incorporate criteria important to Washington Gas. To ensure that a program timeline is adhered to, applicants will also be given a set amount of time in which their project work must be completed.

Once all applications are received, we will work to review and score applications, make selections, and notify applicants of awards.

Phase 3: Project Work and Installations

Time: May through September 2020

After all qualified applicants are notified of the awards, project work will begin, and installation contractors will begin installing energy efficiency measures in the buildings. All projects that apply for Washington Gas IQEF funding will be required to provide a safe environment for program staff and contractors to work throughout the life of the project. During this phase, there will be periodic on-site inspections and regular check ins with contractors to ensure projects are on time and budget.

To maximize benefits to tenants, projects that include in-unit installations of measures such as smart thermostats will also offer education to help tenants effectively use their thermostat and manage their energy use. This aspect of the program is described further below.

Phase 4: Project Close Out and Reporting of Results

Time: October through December 2020

Following installation, all energy efficiency projects will receive a post-completion inspection to ensure that measures are installed safely and correctly. In addition, program staff will review invoices and photos, and request confirmation from the customer that the project was completed satisfactorily. All project information is documented in the data tracking

system, Tracker (described below), such that all spending and savings can be reported and attributed to the appropriate funding source.

Program Eligibility

Project and Income Eligibility

The stakeholder engagement process identified a priority of using income eligibility criteria that aligns with existing DCSEU programs: 80% of the area median income (AMI). This will therefore be the definition of low- and limited-income households that will be used for resident eligibility.

As noted above, the Washington Gas program is intended to serve buildings that are wholly master-metered, buildings that are individually metered, or buildings with a mix of master-meters and tenant meters. In all these cases, income eligibility must be met. To apply the income eligibility criteria to affordable multifamily properties, the program will set a threshold of at least 66% of the households in the building must meet the low- and limited-income definition of 80% AMI.

In defining project eligibility for the program, it is important to note that the DCSEU IQEF program includes clinics and shelters in its definition of eligible projects; Washington Gas funding will not be available for these projects.

Income qualification documentation will be included in the project submittal by an Intake Coordinator. A project incentive will not be issued without confirmation that the installation site meets the low-income criteria. The

Evaluation, Measurement, and Verification (EM&V) team will also review eligibility if a project is selected as part of regular quality assurance activities.

To income qualify a development, one of following methods can be used:

- Evidence of enrollment or participation in a program serving low-income residents can be used, such as Medicaid or Habitat for Humanity, or evidence that the facility is recognized by a DC government agency, such as the DC Department of General Services or the DC Department of Human Services, as serving low-income residents.
- Development Covenant information will be provided to verify the income restrictions of a development, and federal/local agencies with oversight authority will be identified. Documentation will indicate the number of units with income restrictions, the income restriction levels, and the period for which the covenants remain effective.
- For rehabilitation developments with subsidies or LIHTCs, income data will be verified for each unit, as certified for housing finance and subsidy contract(s).
- For developments without subsidies or LIHTC, floor plan layout and pricing information (e.g. rent roll) will be provided.

Service Provider and Applicant Eligibility

As described in the Stakeholder Input Report, the DCSEU maintains a list of Approved Contractors who meet criteria pertaining to past performance,

Certified Business Enterprise (CBE) status, licenses, financial solvency, Certificate of Clean Hands (DC), certificate of insurance, evidence of strength of the service provider's team, and pricing. To apply for DCSEU IQEF funding, an applicant must either be a DCSEU Approved Contractor or a property management organization or owner willing to work with an Approved Contractor.

Because Washington Gas has different priorities in terms of service providers (e.g. MBEs rather than CBEs), different applicant eligibility will be established for Washington Gas funding and for DCSEU funding. During Phase 1 of the implementation schedule, as noted above, an RFQ will be used to qualify Washington Gas Approved Contractors. These Washington Gas Approved Contractors will be subject to a different set of requirements, such as different insurance requirements, than the DCSEU Approved Contractors (although one contractor could potentially be approved for both lists), and these eligibility criteria will be clearly detailed in the RFQ.

Washington Gas Approved Contractors will have access to a DCSEU-facilitated Construction Financing Facility (CFF). Financial institutions participating in the CFF will provide construction financing to IQEF contractors at reasonable rates and in a streamlined manner. Currently, DCSEU pays contractors the approved project incentive after measure installation and quality assurance are complete, and the payment process will be the same for the Washington Gas IQEF program. DCSEU is piloting the CFF in 2019 and

anticipates this option being fully available to Washington Gas Approved Contractors for IQEF projects starting in 2020. Access to construction financing will help IQEF contractors complete larger, more comprehensive projects by overcoming the cash flow challenges during the installation phase.

Measures and Savings

Energy-Saving Measures, Savings, and Costs

Table 2 below shows the types of natural gas saving measures we anticipate for the Washington Gas IQEF program, including both measures installed at the whole-building and measures installed in individual apartment units. Average energy savings and costs for measures should be considered illustrative and may vary widely depending on the specific buildings and projects that participate in the program. Additionally, program applicants may propose gas-saving measures beyond those shown here.

Energy savings for the Washington Gas IQEF program will be calculated primarily using custom savings approaches. We will also use prescriptive (deemed) savings assumptions for measures installed in individual apartment units, such as thermostats and water conservation devices. We will use custom methods to calculate savings for larger measures installed at the whole-building level, such as boiler and hot water equipment replacements, and weatherization, since the savings for these installations can vary widely based on building size, equipment model, and other factors.

The estimated measure costs shown in Table 2 reflect estimated average costs for installation, including both contractor labor and equipment costs. We will prioritize projects for which property owners contribute matching funds to the project, with higher contributions receiving preference. On average, we anticipate that Washington Gas incentives will cover 90% of the cost of completed projects (including both equipment and labor costs). This is consistent with the average incentive levels offered for electric measures in the DCSEU IQEF program in 2018. We will also institute a per-project cap of $400,000 to ensure that no single project uses a disproportionate amount of the available funding.

TABLE 2: WASHINGTON GAS IQEF PROGRAM MEASURES

IQEF Measure	Average MMBtu Savings Per Measure	Average Cost Per Measure
Replace large central boiler, natural gas	5,074	$350,000
Replace small central boiler, natural gas	138.4	$35,200
Replace central hot water system, stand-alone natural gas	23.2	$20,600
Comprehensive weatherization	180.9	$163,500
Replace in-unit hot water, stand-alone natural gas	2.7	$600

Replace in-unit furnace, natural gas	6.3	$3,700
Advanced thermostat	0.9	$100
Low-flow showerhead	0.6	$40
Faucet aerator/flow restrictor	0.2	$13

Health and Safety

We expect that most installed measures will be equipment upgrades, such as boiler and hot water replacements, and will not require installation of additional health and safety measures, although a few equipment upgrades could need to address health and safety, such as asbestos remediation. Comprehensive weatherization projects more commonly require other upgrades to address building safety and durability before or in combination with energy efficiency measures. IQEF projects will be able to use up to 20% of the funding provided by Washington Gas to complete essential health and safety upgrades, such as enhanced ventilation or roof repairs, for projects that deliver significant energy savings.

Participation and Savings Targets

The Washington Gas IQEF program will balance breadth (reaching many units) and depth (comprehensiveness of energy-saving projects), with a goal of prudently and cost-effectively deploying the available merger funds to

support affordable housing and benefit low- and limited-income renters. To ensure that the program design will achieve the desired level of impact, for planning purposes, we provide here one scenario for the number of projects that could be completed and measures installed under the Washington Gas IQEF program. This scenario assumes that $3.3 million is available for financial incentives and service delivery, with a cap of $400,000 per project.

Under this illustrative scenario, a participation level that achieves the target level of spending might involve about 30 projects overall, with most installing multiple measures:

- projects involving a small central boiler replacement;
- projects involving a central hot water replacement;
- large central boiler replacement projects with an average cost of $350,000;
- projects involving comprehensive weatherization;[5] and
- in-unit direct installation (DI) projects with smart thermostats and water conservation devices.

[5] Comprehensive weatherization measures are assumed to involve air sealing, attic/ceiling/wall insulation, door improvements, foundation insulation, window improvements, and custom thermal shell measures.

With the participation described above, the program would result in roughly 14,000 MMBtu of savings. Actual participation and savings achieved will likely vary from these estimates based on the IQEF projects submitted.

Implementation

Outreach and Marketing

As noted above, Phase 1 of implementation will include outreach and marketing efforts. The primary focus of these efforts will be to solicit a diverse contractor base, as well as recruit and secure eligible applicants and projects for the program. Washington Gas will be positioned as a contributing partner to the IQEF program to deepen the impact of gas energy savings in low- and limited-income multifamily housing in the District.

Recruiting Contractors and Projects

To recruit a diverse and deep pool of contractors, Marketing staff will hold a pre-RFQ release information session, with a webinar option for remote attendees, about the IQEF program, highlighting the funding available for gas projects from Washington Gas. Marketing will use the DCSEU's owned media channels (eblast, social media, website) to reach its existing contractor base, as well as outreach via communications channels with organizations such as the District Department of Small and Local Business Development (DSLBD), Maryland's Small Business Development Centers, and Virginia's Small Business Development Centers and its Department of Small Business and

Supplier Diversity, to broaden the contractor pool for gas efficiency work funded by Washington Gas. The team will also reach out to the Maryland, Metropolitan Washington, and Virginia chapters of the Plumbing-Heating-Cooling Contractors (PHCC) Association. The team will work closely with the Trade Ally Manager on contractor outreach and solicitation. IQEF contractors are encouraged to bring, and in the past have brought, potential project leads to Program Management for inclusion in the IQEF program.

Similar to efforts to recruit contractors, Program Management staff will work to drive potential project leads by holding an information session, again with a webinar option for remote attendees, for the IQEF program on how to apply, highlighting the available funding for gas projects from Washington Gas. The team will reach out to previous IQEF customers, including multifamily property developers, building owners, and property managers via eblast. Marketing will also promote the information session via social media, and will work directly with contacts, many of whom were part of the initial stakeholder groups, at the Housing Association of Nonprofit Developers (HAND), the Coalition for Nonprofit Housing and Economic Development (CNHED), the DC Housing Authority, and the Apartment and Office Building Association of Metropolitan Washington (AOBA) to promote the session to their members.

Website and Collateral

Marketing will utilize the existing IQEF web page on the DCSEU website and will highlight the availability of funding for gas efficiency projects from

Washington Gas. The page can be linked from the Washington Gas site, and Marketing will work directly with Washington Gas on appropriate logos and copy for the website. Marketing will also highlight the IQEF program and the funding available from Washington Gas on the home page of the DCSEU website during the application period for the program. Marketing will update the IQEF application form with information on gas efficiency projects funded by Washington Gas.

For collateral materials, Marketing will update the existing IQEF counter card to highlight the Washington Gas funding available for gas efficiency projects. Marketing will provide approved contractors with appropriate quantities of the counter card for customer recruitment. Marketing will also create packets for the contractor and customer information sessions to include the counter card as well print-on-demand materials that provide program eligibility requirements and program details. Additionally, when installation work begins, Marketing will support the development of customer education materials, such as leave-behinds for when in-unit efficiency work is completed or translated building signage announcing and explaining the work.

Customer Support

Customer Support will be available for the IQEF program via the DCSEU's phone and e-mail. Customer Support staff will be trained to answer questions about the available funding from Washington Gas for gas efficiency projects, program details, and eligibility requirements specific to gas efficiency projects.

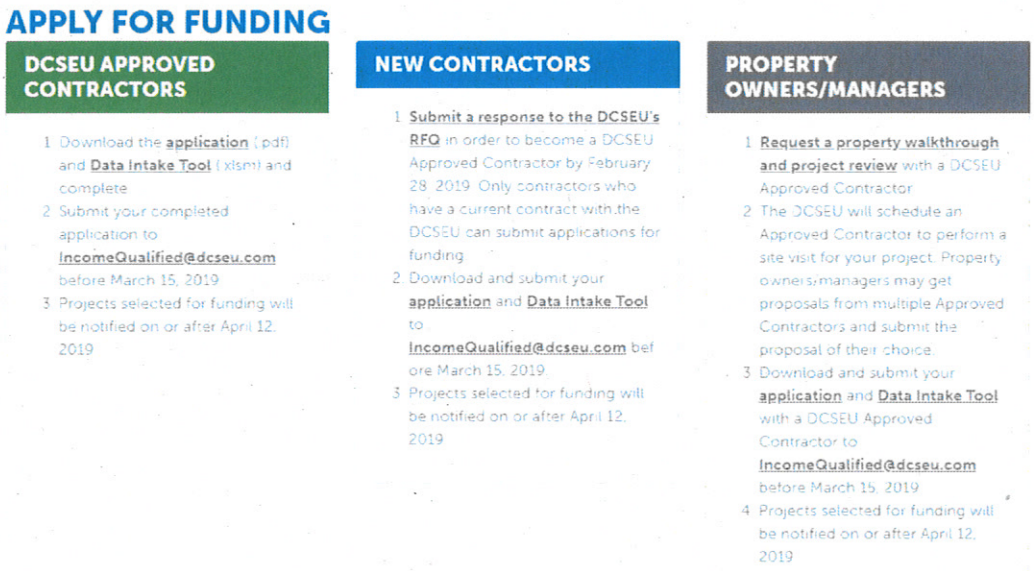
Application Process

Phase 2 of Washington Gas IQEF Program implementation will focus on issuing a solicitation for eligible gas-saving projects and selecting projects that best meet the program criteria. We will work closely with Washington Gas to design the solicitation and define appropriate scoring criteria for IQEF applications.

Project Solicitation

We will coordinate closely with Washington Gas to open an application period for the IQEF program that includes both gas-saving measures and electric-saving measures. Potential customers will apply for funding through the DCSEU website, and there will be options for currently approved contractors, new contractors, and property owners and managers to bring projects forward. DCSEU's current application process for these three types of applicants is depicted below in Figure 1. This process will be updated for the 2020 application round and will include options for additional contractors meeting Washington Gas eligibility requirements to participate.

FIGURE 1: CURRENT DCSEU IQEF APPLICATION PROCESS



Scoring Criteria and Selection Process

One benefit of the IQEF program structure is that it allows for comparison of all proposed projects at one time, allowing funding to be competitively awarded to projects that best contribute to the overall program goals. Projects may combine electric and natural gas savings to advance a comprehensive approach, leveraging available funding from Washington Gas and DCSEU. We will work with Washington Gas to update the selection criteria to prioritize projects that best meet program goals. Selection criteria for gas-saving projects may include:

- **Diverse Suppliers.** Projects submitted by contractors that are registered Minority Business Enterprises (MBEs) could be given preference.
- **Residents Impacted.** Projects that impact the greatest number of low-income District residents could receive preference. Total residents impacted may also be considered.
- **Energy Savings Per Dollar.** Projects that achieve more natural gas energy savings with fewer dollars spent could receive preference, with savings calculated based on the price per MMBTU of energy saved.
- **Comprehensiveness.** Projects that achieve a greater depth of energy savings or those that best combine both gas and electric savings could be given preference.
- **Matching Funds.** Projects that offer more matching funds or property owner contributions towards the total cost of the energy efficiency upgrades could receive preference. If needed, VEIC can help property owners identify financing options to fund their contribution to project cost.
- **Cost Effectiveness.** While no cost-effective threshold will be established at which projects must screen, the Washington Gas IQEF program will use the same cost-benefit test to screen projects as the DCSEU IQEF program: the Societal Cost Test (SCT). As detailed in the Stakeholder Input Report, this test incorporates the full costs and

benefits to program participants and society of energy efficiency projects, including quantifiable non-energy benefits such as health and greenhouse gas reductions. Projects with higher SCT scores will receive preference.

- **Commitment.** All projects must make a property owner or manager available for a pre-project phone call and commit to sharing project results.
- **Tenant Benefits.** Projects in which the property owner commits to deliver direct benefits to tenants through utility bill savings, rent stabilization, health and safety improvements, and/or partnering with Washington Gas on tenant engagement could receive preference.

Throughout the lifecycle of the project, all details associated with the customer, savings, and project milestones are recorded in VEIC's Vision™ Tracker, a program, customer and measure database tracking system and savings calculation engine.

Engagement and Education

Tenant Engagement

As previously noted, most stakeholders supported inclusion of a tenant engagement offering in the program. To address this preference, the Washington Gas program will offer the option for a subset of IQEF projects to include installation of gas-saving measures, such as smart thermostats and

water conservation devices, in units. This option will be targeted to projects that meet the following criteria:

- Building(s) are good candidates for in-unit installation of smart thermostats (e.g., in-unit thermostats that have not yet been upgraded, and are connected to either in-unit natural gas furnaces or central gas boilers); and
- Property owner or manager is committed to supporting tenant engagement and education efforts, for example by making units accessible to contractors to complete installations, offering support from building maintenance staff, and by providing space for tenant education events.

The IQEF application process will be designed to identify projects meeting these criteria. These projects will be able to access Washington Gas funding for measure installation in units. The following gas-saving measures will be targeted for in-unit installation as part of the tenant engagement program: smart thermostats and water conservation devices (low-flow showerheads and faucet aerators). Washington Gas Approved Contractors will install these measures.

Projects that include in-unit installations of efficiency measures will also offer tenant education, in collaboration with property owners and managers. Tenant engagement will be conducted by a trained staff person or subcontractor,

funded by Washington Gas, who will serve as an energy use champion in the building. This position, known as the Energy Educator, will:

- Visit residents in their apartments and teach them how to correctly use their smart thermostat;
- Serve as the initial point of contact for residents with questions about their smart thermostat;
- Deliver energy saving kits to interested tenants; and
- Host on-site energy education workshops to build community and help residents manage their energy use.

The goals of the tenant engagement program are to:

- Maximize benefits to tenants from installation of gas-saving measures;
- Maximize savings from in-unit measures by ensuring that they are installed and operated correctly;
- Reduce contractor callbacks related to smart thermostats; and
- Enhance community-building and sustainability efforts.

Program Administration and Staffing

To ensure the Washington Gas IQEF program runs efficiently, significant administrative coordination is required among program staff. While Program Management staff will serve as the lead, Account Management is instrumental in securing customers, Marketing for public outreach and awareness, Engineering is key to determining the appropriate technical recommendations,

Legal is essential to reviewing incentive agreements and insurance requirements, and Finance cooperation is required to ensure quality control as well as issue invoices and payments.

Of the many positions that contribute to successful program implementation, the following positions are the most closely involved with executing projects:

- **Low-income Program Manager.** Responsible for oversight and serving as the primary point of contact for program implementation.
- **Project Intake Coordinator.** Often the first entry point for customers, responsible for determining where to direct inquiries, handling and reporting feedback and complaints, and engaging customers.
- **Program Assistant.** Provides operational and administrative assistance, performs a variety of administrative, coordination and logistical services in support of the operations of the program, and assists with information management for the team.
- **Energy Consultant.** Conducts energy use and needs assessments for customers, providing technical assistance, and energy efficient recommendations.
- **Account Manager.** Acquires and manages customers, to contribute to achievement of program goals.

Performance Tracking and Reporting

Program Process

At a high level, the basic process will be as follows:

1. Once an IQEF project has been selected for funding, the Program Manager sends a pre-approval email to the customer and contractor outlining the next steps.
2. The Engineering team completes a project analysis to verify savings.
3. Incentive agreements are drafted between the customer, VEIC, and the Washington Gas Approved Contractor. The incentive agreement outlines the Washington Gas incentive, estimated savings, project costs, and investment value.
4. Once the incentive agreement is executed by all parties, VEIC issues a work order to a Washington Gas Approved Contractor specifying the scope of work and project deadline. The contractor then installs the gas-saving measures.
5. During the installation phase, VEIC staff monitor the project for completion and provide other support as needed. VEIC staff or subcontractors also offer tenant engagement and energy training to participating properties.
6. VEIC staff or subcontractor conducts a post-completion quality assurance inspection to ensure that installed measures are operable, functional, and safe.

7. An Energy Consultant closes out the project and uploads savings to the Tracker database (described below).
8. VEIC Finance staff process the project for payment.

Quality Assurance and Safety

To protect health and safety, ensure accurate documentation and attribution of spending and savings through the expanded IQEF program, and isolate the impacts of Washington Gas's additional funding, a critical step is to close all projects with the necessary inspection, verification, and documentation.

Once measures have been installed and a project is complete, program staff or subcontractors will inspect each project, review invoices and photos, and request confirmation from the customer that the project was completely satisfactorily.

Tracking

VEIC developed and uses an application called Tracker to document all elements of all projects. For the Washington Gas IQEF program, VEIC's Project Intake Coordinator will track each project in Tracker, the program data tracking tool.

The use of Tracker supports Customer Relationship Management by tracking customers, key interactions, and proactive outreach to ensure effective delivery of services. Project management functions are supported to drive results and increase operational efficiency. All project results are documented

in Tracker including energy savings by technology, project, program, and funding source. This allows for savings and incentive payments to be attributed appropriately, to specific projects, programs, or funding sources. Invoices are also managed through Tracker, again allowing for tracking to specific projects, programs, or funding sources. Finally, Tracker allows for integrated reporting which VEIC uses to monitor results, capture insights, and communicate results with key stakeholders and clients.

Metrics

Using Tracker, we can report any metrics of interest resulting from the Washington Gas program spending, tied to specific projects or the overall program.

In the stakeholder engagement sessions, all but one respondent indicated that defining and tracking energy savings targets as either very important (13 respondents) or somewhat important (6 respondents). Conversely, fewer respondents indicated that defining greenhouse gas targets was very important (7 respondents), with the majority (13 respondents) finding it somewhat important. The primary explanation for this lack of prioritization, however, was not wanting to put too many requirements on the program participants. We can calculate greenhouse gas savings in Tracker based on other data collected, so can include this metric without placing undue burden on participants.

We will report on the following metrics, all of which can be readily tracked in the Tracker database:

- Annual and lifetime gas MMBTU saved;
- Annual and lifetime tons of carbon dioxide equivalent (CO2e) reduced;
- Number of projects completed;
- Number of units impacted;
- Number of tenants receiving tenant engagement;
- Number of contractors engaged;
- Number of MBE contractors engaged and total spending via MBE contractors; and
- Total funds disbursed.

Monthly Reports

The metrics identified above, as well as a monthly invoice, will be submitted to Washington Gas in the format presented in Appendix A.

Tracking and Reporting Budget

VEIC's Data & Technical Services team provides the support to establish and set up new use cases of Tracker, as with the inclusion of Washington Gas funding, as well as maintain the tool, provide data exports, and generate reports. The cost for this support is paid by the energy efficiency utilities, each allocated a share of the total costs based on its share of VEIC's overall annual incentive spending. To allocate costs to Washington Gas, the program

spending will be treated as an additional energy efficiency utility, the incentive spending associated with the program will be included in VEIC's overall total, and Washington Gas's share will be calculated accordingly. For a 15-month implementation period, this cost is estimated at $20,000.

Final Report

To conclude the program work and document the outcomes, VEIC will compile a final report. The final report will include an executive summary, a summary of costs, a summary of benefits, energy savings estimates, cost-effectiveness results for the overall program, number of units impacted, number of residents impacted, and a summary of coordination with other District low- and limited-income energy efficiency programs.

Budget

Program Implementation Budget (Task 5)			
Labor	**Hours**	**Average Loaded Rate***	**Total**
Internal Project Manager	210	$86.93	$18,255
Program Director, Implementation Lead	286	$108.68	$31,083
Director	60	$141.39	$8,484
Director, Mid-Atlantic Region VEIC	60	$147.99	$8,879
Director, Finance	45	$125.40	$5,643
Financial Planning Manager	60	$84.40	$5,064
Director of Marketing and Communications	25	$87.85	$2,196
Marketing and Communications Support	130	$71.54	$9,300
Engineering Manager, Energy Consultant	225	$106.62	$23,989
Energy Consultant	540	$75.83	$40,948
Low-Income Program Manager	1125	$59.00	$66,374
Associate Program Manager	1125	$42.00	$47,248
Implementation Support	563	$64.52	$36,325
Labor Subtotal			**$303,788**
*Loaded rates include fringe, indirect, and allocated general and administration rates			
Other Direct Costs			
Marketing and Outreach			$13,500
Incentive Tracking and Processing Systems			$20,000
Travel			$3,800
Other Direct Costs Subtotal			**$37,300**
Incentives			
Itemized by Contractor Invoice			$3,312,519
Incentives Subtotal			**$3,312,519**
Indirect Costs			**$311,533**
Margin (4%)			**$158,606**
Task 5: TOTAL			**$4,123,745**
Budgeted Separately			
Tasks 1-2			$32,791
Tasks 3-4			$36,947
Task 6			$6,517
TOTAL			**$4,200,000**

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 18th day of June 2019, I caused copies of the foregoing to be hand-delivered, mailed, postage-prepaid, or electronically delivered to the following:

Christopher Lipscombe, Esq.
Lara Walt, Esq.
Office of General Counsel
Public Service Commission
1325 G St. NW, Suite 800
Washington, DC 20005
clipscombe@psc.dc.gov
lwalt@psc.dc.gov

Frann G. Francis, Esq.
Apartment and Office Building Association
1025 Connecticut Ave, N.W., Suite 1005
Washington, DC 20036
ffrancis@aoba-metro.org
Counsel for the Apartment and Office Building Association

Anjali G. Patel, Esq.
Office of People's Counsel
1133 15th St. NW, Suite 500
Washington, DC 20005
apatel@opc-dc.gov
Counsel for the Office of People's Counsel

Bruce R. Oliver
Revilo Hill Associates, Inc.
7103 Laketree Drive
Fairfax Station, VA 22039
revilohill@verizon.net

Mark J. Murphey, Esq.
Mooney, Green, Saindon, Murphy & Welch, PC
1920 L St. NW, Suite 400
Washington, DC 20036
mmurphy@mooneygreen.com
Counsel for the International Brotherhood of Teamsters Local 96

Brian Caldwell, Esq.
Office of the Attorney General for the District of Columbia
441 4th St., NW
Washington, DC 20001
brian.caldwell@dc.gov
Counsel for the District of Columbia Government

Andrew G. Pizor, Esq.
National Consumer Law Center
1001 Connecticut Ave, NW
Suite 510
Washington, DC 20036
apizor@nclc.org
Counsel for the National Consumer Law Center

Alan Barak, Esq.
Hussain Karim, Esq.
Department of Energy and Environment
1200 1st St., NE, 5th Floor
Washington, DC 20002
Alan.barak@dc.gov
Hussain.karim@dc.gov
Counsel for the District of Columbia Government

Emily W. Medlyn, Esq.
U.S. Army Legal Services
Agency Regulatory Law Office
9275 Gunston Rd.
Fort Belvoir, VA 22060
emily.w.medlyn.civ@mail.mil
Counsel for the Department of Defense and all other Federal Executive Agencies

Scott H. Strauss, Esq.
Spiegel & McDiarmid LLP
1875 I St., NW
Suite 700
Washington, DC 20006
scott.strauss@spiegelmcd.com
Counsel for the District of Columbia Government

James F. Wallington, Esq.
Baptiste & Wilder, P.C.
1150 Connecticut Ave., NW
Suite 315
Washington, DC 20036
jwallington@bapwild.com
Counsel for OPEIU Local 2, AFL-CIO

Kim Hassan, Esq.
Andrea H. Harper, Esq.
Dennis Jamouneau, Esq.
Potomac Electric Power Company
701 9th St. NW, Suite 1100
Washington, DC 20068
djamouneau@pepcoholdings.com
Counsel for Potomac Electric Power Company

Dan Dyer
President, OPEIU Local 2, AFL-CIO
8555 16th St., NW, Suite 550
Silver Spring, MD 20190
ddyer@opeiu-local2.org

Brian Petruska, Esq.
General Counsel, LiUNA Mid-Atlantic Region
11951 Freedom Dr., Suite 310
Reston, VA 20190
bpetruska@maliuna.org
Counsel for the Baltimore Washington Construction & Public Employees Laborers' District Council

May Va Lor
Corporate Affairs Department, LiUNA
905 16th St., NW
Washington, DC 20006
mlor@liuna.org

CATHY THURSTON-SEIGNIOUS

Attachment C: Order No. 20249, Program Design Approval

PUBLIC SERVICE COMMISSION OF THE DISTRICT OF COLUMBIA
1325 G STREET, N.W., SUITE 800
WASHINGTON, D.C. 20005

ORDER

November 7, 2019

FORMAL CASE NO. 1142, IN THE MATTER OF THE MERGER OF ALTAGAS, LTD. AND WGL HOLDINGS, INC., Order No. 20249

I. INTRODUCTION

1. By this Order, the Public Service Commission of the District of Columbia ("Commission") approves the Energy Efficiency Program Plan for Low and Limited-Income District of Columbia Residents in Affordable Multifamily Housing ("Term No. 3 Plan")[1] proposed by Washington Gas Light Company ("WGL"). WGL shall file quarterly reports detailing the implementation of the Term No. 3 Plan, on the last day of January, April, July, and October, providing the previous three Vermont Energy Investment Corporation **("**VEIC") monthly reports, with the first report due January 31, 2020. In the January 31, 2020 quarterly report, WGL shall explain its revisions to the selection criteria to make them consistent with the directives in paragraph 48. The Commission also grants the National Consumer Law Center/National Housing Trust/National Housing Trust-Enterprise Preservation Corporation's ("NCLC") Motion to Enlarge Time for Filing Comment on Plan to Implement Commitment No. 3 ("NCLC Motion").[2]

II. BACKGROUND

2. On April 25, 2017, the Commission opened this proceeding to review the merger Application filed by AltaGas, Ltd., WGL Holdings, Inc., and WGL (collectively, "Joint Applicants") pursuant to D.C. Code §§ 34-504 and 34-1001 on April 24, 2017.[3] After the filing of testimony and an evidentiary hearing held from December 5-13, 2017, the Joint Applicants filed a Consent Motion, including the Unanimous Agreement of Stipulation and Full Settlement ("Settlement Agreement"), with the consent of the Settling Parties: the Office of the People's Counsel for the District of Columbia ("OPC"); the Apartment and Office Building Association of Metropolitan Washington; the District of Columbia Government ("DCG"); the Department of Defense/Other Federal Executive Agencies; NCLC; the Baltimore Washington Construction & Public Employees Laborers' District Council; and the Office and Professional Employees International Union Local 2, AFL-CIO, on May 8, 2018. The Settling Parties indicated that the

---

[1] *Formal Case No. 1142, In the Matter of the Merger of AltaGas, Ltd. and WGL Holdings, Inc. "Formal Case No.1142 ("Formal Case No. 1142")*, Energy Efficiency Program Plan for Low- and Limited-Income District of Columbia Residents in Affordable Multifamily Housing, filed June 18, 2019.

[2] *Formal Case No. 1142*, Motion to Enlarge Time for Filing Comment on Plan to Implement Commitment No. 3 by National Consumer Law Center/National Housing Trust/National Housing Trust-Enterprise Preservation Corporation's ("NCLC Motion"), filed July 17, 2019.

[3] *Formal Case No. 1142*, Public Notice, rel. April 25, 2017.

other two parties in this proceeding, International Brotherhood of Teamster's Local No. 96 and Potomac Electric Power Company ("Pepco"), did not sign the Settlement Agreement but stated that they did not oppose it.[4]

3. In Order No. 19396,[5] the Commission approved the Settlement Agreement with conditions, which the Joint Applicants accepted. In what is Term No. 3 of the conditions, AltaGas agreed to provide $4.2 million for energy efficiency and energy conservation initiatives with a primary focus on assisting low and limited-income residents who are living in affordable multifamily units, whether in buildings that are wholly master-metered, buildings where the tenants pay all of the utility bills, or buildings with mixed owner- and tenant-meters at no cost to ratepayers.[6] The Merger closed on July 6, 2018.[7]

4. In filings on January 7, 2019 and February 5, 2019, WGL informed the Commission that it selected VEIC, a sustainable energy company that operates energy efficiency utilities that include the D.C. Sustainable Energy Utility ("DCSEU"), as the funds administrator for the energy efficiency program for low- and limited-income residents of multifamily housing of the District of Columbia under Term No. 3 of the Settlement Agreement.[8] On June 18, 2019, WGL filed its Term No. 3 Plan for approval by the Commission. On July 17, 2019, NCLC filed its Motion and Comments on the Term No. 3 Plan. On August 7, 2019, WGL filed its Reply Comments.[9]

III. DISCUSSION

A. NCLC Motion

5. In its Motion, NCLC notes that the parties in this proceeding previously agreed that the deadline for filing comments on any of the compliance filings in this proceeding is 15 business days after the filing of the compliance filing, with reply comments due 15 business days after the filing of comments. NCLC represents that on the day that comments were due in response to the Term No. 3 filing, NCLC and NHT staff were out of the country and out of town.[10] NCLC argues

---

4 Consent Motion at 2 n. 1.

5 *Formal Case No. 1142*, Order No. 19396, rel. June 29, 2018 ("Order No. 19396").

6 Formal Case No. 1142, Order No. 19396, Appendix A, at 2.

7 *Formal Case No. 1142*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Moxila A. Upadhyaya, Counsel for AltaGas, Ltd., filed July 9, 2018.

8 *Formal Case No. 1142*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Cathy Thurston-Seignious, Supervisor, Administrative and Associate General Counsel, WGL, filed January 7, 2019 (notifying Commission of selection of funds administrator for Term No. 5); *Formal Case No. 1142*, Letter to Brinda Westbrook-Sedgwick, Commission Secretary, from Cathy Thurston-Seignious, Supervisor, Administrative and Associate General Counsel, WGL, filed February 5, 2019 (identifying VEIC as funds administrator for Term No. 5).

9 *Formal Case No. 1142*, Reply Comments of Washington Gas Light Company ("WGL Reply Comments"), filed August 7, 2019.

10 NCLC Motion at 1-2.

that by accepting its Comments, the Commission will have access to a more complete record upon which to base its decision, particularly since no other party filed Comments on the Term No. 3 Plan.[11] NCLC argues that no party will be prejudiced by the granting of the Motion. NCLC contends that no inordinate delay will be caused by the granting of the Motion.[12] No opposition to the Motion was filed.

6. In reviewing NCLC's Motion, the Commission finds that NCLC has presented good cause for its delay in filing its Comments. Granting the NCLC Motion will provide the Commission with a more complete record to evaluate the Term No. 3 Plan. No party objects to the Motion. Granting the Motion does not cause inordinate delay. For these reasons, the Commission grants NCLC's Motion.

B. Term No. 3 Plan

7. WGL begins the description of its Term No. 3 Plan by representing that its vendor, VEIC, designed and implemented the existing low-income energy efficiency programs of the DCSEU. WGL asserts that VEIC has worked with stakeholders and designed a cost-effective low- and limited-income energy efficiency program for Term No. 3.[13]

8. As a preliminary matter, WGL represents that the District of Columbia is rapidly gentrifying, reducing the amount of housing stock available for low- and limited-income residents. WGL asserts that energy efficiency programs can help preserve affordable housing stock. Relying on District Department of Energy ("DOEE") information, WGL contends that there are 75,808 low-income households living in the District of Columbia. WGL indicates that about 62% of these households are renters who live in large multifamily buildings with five or more units.[14] WGL asserts that about half of low-income households rely on natural gas for heating. Of the households living in multifamily housing, about half pay for their heating costs directly, while the other half pay these costs in rent. WGL contends that the DOEE data show that about 35% of low-income residents who use natural gas have an unaffordable net energy burden (as defined by costs >6% of income).[15]

9. WGL represents that there are 328 affordable multifamily housing buildings in the District of Columbia, which may include a mix of market rate and affordable units. WGL asserts that there are 36,131 affordable multifamily housing units. Fifty of these buildings used the Low-Income Housing Tax Credit ("LIHTC") program, a federal program offering tax credits to lenders

---

11 NCLC Motion at 2.

12 NCLC Motion at 3.

13 Term No. 3 Plan at 3.

14 Term No. 3 Plan at 4.

15 Term No. 3 Plan at 5.

that provide equity for developers of affordable housing.[16] Of the 328 buildings, about 40% are owned by non-profit housing organizations, 54% by private owners, and six percent by government agencies.[17]

10. WGL represents that the ability of owners of affordable multifamily housing to perform energy retrofits depends on owner capacity, timing, and capital plans. While owners with many buildings generally have capital plans for renovations, WGL contends that owners of fewer or smaller buildings may not have the capability to undertake such capital planning. WGL also asserts that many renovations occur at the time of LIHTC resyndication, but these renovations can also occur at other times.[18]

11. WGL asserts that multifamily buildings that have not undergone major renovations are good candidates for its Term No. 3 program. While attempting to work on buildings that are undergoing renovation as part of LIHTC resyndication would be beneficial, WGL believes that these projects are few in number in a given year and are very complex, which may be an impediment to WGL, since it has a short deadline to complete Term No. 3.[19] WGL intends to focus on existing multifamily buildings, instead of new construction or major renovations.[20]

12. WGL believes that it needs to create and leverage partnerships with others in the affordable housing sector in addition to property owners, managers, and installation contractors. WGL identifies AOBA, the Coalition for Non-Profit Housing and Economic Development, the Housing Association of Non-Profit Developers, and the D.C. Housing Authority as potential partners.[21]

13. WGL intends to target buildings with the following characteristics to participate in its program.

(a) WGL intends to focus on existing affordable multifamily properties. These buildings would be currently served by gas heat and/or hot water but could be either individually-metered or master-metered;

(b) WGL seeks to target buildings of any size, with strategies to ensure that smaller buildings are able to participate; and

---

[16] Term No. 3 Plan at 6. As part of the LIHTC program, a developer syndicates a limited partnership, which allows the tax credit holder to invest as a limited partner to limit liability while the developer is the general partner and assumes the risk. The tax credit period expires after 15 years. At that time, the limited partner can exit, and the developer can either sell the property or resyndicate a new limited partnership with new tax credits.

[17] Term No. 3 Plan at 7.

[18] Term No. 3 Plan at 9.

[19] Term No. 3 Plan at 9.

[20] Term No. 3 Plan at 9-10.

[21] Term No. 3 Plan at 10.

(c) Building ownership can be private, non-profit, or governmental. WGL seeks to find property owners and managers who are committed to completing energy efficient projects within the timeline of WGL's program.[22]

14. For its program, WGL seeks to expand upon the DCSEU's Income Qualified Efficiency Fund ("IQEF") program to primarily fund installation of major whole building measures such as boilers, furnaces, and hot water systems. WGL's IQEF program would also offer workshops for tenants in buildings where efficiency upgrades occur. WGL's program would offer the installation of gas-saving devices, such as smart thermostats and water conservation devices, in individual units. Tenants would be educated in the use of these devices.[23]

15. WGL contends that a goal of its program is to ensure that tenants benefit from the program. For individually-metered units, WGL assumes that tenants would directly benefit from the updates. WGL notes that for master-metered buildings, the benefits of WGL's program would not be as direct. WGL argues that the benefits for tenants in master-metered buildings would come through reductions in operating expenses for property owners, increasing the financial health of the property owner. WGL asserts that IQEF project selection criteria would favor projects that commit to taking steps to benefit tenants. Such actions include: a commitment to hold rent steady for one (1) year after the efficiency upgrades; a commitment to facilitate tenant education about energy efficiency; and a commitment to publicly share project results.[24]

16. WGL's IQEF program plans to use a competitive solicitation process to collect applications for funding. Due to its competitive nature, WGL contends that projects that best achieve the goals of the program will be selected. WGL proposes a program start date of October 1, 2019.[25] For Phase One of WGL's IQEF program, set to occur between October and December 2019, WGL's vendor, VEIC, plans an extensive marketing and outreach campaign designed to promote the program, set expectations about the funding parameters of the WGL IQEF program, and to work with stakeholders to find projects and applicants. VEIC would also recruit additional installation contractors to participate in the program through a Request for Qualifications ("RFQ"), with specific emphasis on identifying qualified Minority Business Enterprises ("MBE"). Phase One would also include establishment of program administration and tracking.[26] Phase Two, occurring January through April 2020, would be for the solicitation of projects, using the selection criteria used previously by the DCSEU IQEF program.[27] Phase Three would run from May through

---

22 Term No. 3 Plan at 10-11.

23 Term No. 3 Plan at 15.

24 Term No. 3 Plan at 15-16.

25 Term No. 3 Plan at 17.

26 Term No. 3 Plan at 17-18.

27 Term No. 3 Plan at 18.

September 2020, and would be the actual project work.[28] From October through December 2020, Phase Four would take place, in which the completed projects would be inspected.[29]

17. For a building to be eligible for the WGL IQEF program, WGL proposes that 66% of the households in the building have an income of 80% of the average median income ("AMI"). WGL notes that the 80% of AMI standard is used by the DCSEU. Unlike DCSEU's IQEF program, WGL's IQEF program does not include clinics and shelters.[30]

18. Like the DCSEU IQEF program, WGL seeks to require the use of contractors that it has approved. However, WGL intends to use different criteria than the DCSEU to approve its contractors and will use the RFQ process to approve contractors. WGL contends that its approved Contractors will have access to DCSEU-facilitated Construction Financing Facilities ("CFF").[31] Lenders participating in the CFF would provide construction financing at reasonable rates in a streamlined manner. WGL asserts that its approved Contractors would be paid the approved project incentive after measure, installation and quality inspection, as is currently done for DCSEU IQEF projects.[32] WGL argues that having access to construction financing would enable approved Contractors to be able to finance larger, more comprehensive projects.[33]

19. WGL presents several anticipated types of natural gas saving measures for the WGL IQEF program, such as replacement of large and small central boilers, replacement of central hot water systems that are stand-alone natural gas, comprehensive weatherization, replacement of in-unit hot water heaters that are stand-alone natural gas, replacement of in-unit natural gas furnaces, advanced thermostats, low-flow showerheads, and installation of faucet aerators/flow restrictors.[34] WGL calculates energy savings based on customer savings approaches for large projects and prescriptive (deemed) savings assumptions for in-unit installations.[35] WGL provides estimates of cost savings and estimates of cost per measure. WGL also indicates that it would prioritize projects in which property owners provide matching funds to the projects. WGL anticipates that it would cover about 90% of the cost of completed projects, which is consistent with the average incentive levels offered by the DCSEU IQEF program in 2018. WGL would also cap individual projects at $400,000.[36]

---

28 Term No. 3 Plan at 19.

29 Term No. 3 Plan at 19-20.

30 Term No. 3 Plan at 20.

31 These CFF are being piloted in 2019, but WGL expects that CFF will be available for WGL Approved Contractors in 2020. Term No. 3 Plan at 22-23.

32 Term No. 3 Plan at 22.

33 Term No. 3 Plan at 23.

34 Term No. 3 Plan at 24-25.

35 Term No. 3 Plan at 23.

36 Term No. 3 Plan at 24.

20. WGL expects that most of the WGL IQEF projects would involve equipment upgrades, which usually would not involve the installation of health and safety measures. However, some comprehensive weatherization projects may require building safety and durability upgrades. WGL's program permits the use of up to 20% of project funding on health and safety upgrades that produce significant energy savings.[37]

21. WGL seeks to balance the projects selected for funding by breadth (how many units are reached), and depth (how comprehensive energy savings increase). WGL's overall goal is to prudently and cost-effectively deploy the funds. WGL provides one scenario as an example of how the funds could be deployed, assuming $3.3 million in available funds, with a cap of $400,000 per project. Under these assumptions WGL believes that about 30 projects are feasible, with some projects involving multiple installations. Some of these projects could involve a small boiler replacement, central hot water replacement, large boiler replacements (with an average cost of $350,000), comprehensive weatherization, and in-unit direct installation projects with smart thermostats and water conservation devices.[38] Under this scenario, WGL estimates about 14,000 MMBtu of savings.[39]

22. WGL envisions a robust outreach and marketing effort during Phase One of its IQEF program. WGL represents that VEIC marketing staff would hold a pre-RFQ release information session, including a webcast option, about the WGL IQEF program. VEIC marketing staff would use the DCSEU's existing media channels to reach the DCSEU's contractors. Additionally, VEIC would reach out to the District Department of Small and Local Business Development ("DSLBD") and similar agencies in Virginia and Maryland. VEIC would also reach out to local chapters of the Plumbing-Heating-Cooling Contractors Association. VEIC marketing would work closely with the Trade Ally Manager on outreach and solicitation.[40]

23. To identify project leads, VEIC would hold an information session, including a webinar, on how to apply for IQEF funding. VEIC would reach out to previous DCSEU IQEF customers, multifamily developers, owners, and managers as well as AOBA and other multifamily trade associations and government agencies. VEIC would also encourage existing IQEF contractors to identify project leads for WGL.[41]

24. VEIC intends to use the existing DCSEU IQEF web page to highlight the WGL IQEF projects.[42] The current IQEF application will be updated to include WGL information.

---

37 Term No. 3 Plan at 25.

38 Term No. 3 Plan at 25-26.

39 Term No. 3 Plan at 27.

40 Term No. 3 Plan at 27-28.

41 Term No. 3 Plan at 28.

42 Term No. 3 Plan at 28.

VEIC would also update the IQEF counter card to highlight information on WGL gas efficiency projects. VEIC would produce materials for customer recruitment and consumer information materials for residents of multifamily buildings when projects begin.[43]

25. VEIC represents that customer support for WGL's IQEF program would be available through the DCSEU's phone and email. VEIC customer support staff would be trained to provide information about gas efficiency projects.[44]

26. During Phase Two of the WGL IQEF program, VEIC would develop the application and the scoring criteria for applications in conjunction with WGL. WGL's IQEF program would allow applications for both gas-saving projects and electric-saving projects. Applications would be submitted to the DCSEU website. The application process would be amended for 2020 to permit WGL Approved Contractors to participate.[45]

27. A feature of the WGL IQEF program structure is to allow for review of all proposed projects at one time, allowing for competitive award of projects. Projects could contain both gas and electric gas savings, leveraging funding from WGL and the DCSEU.[46] Selection criteria could include: diversity of suppliers; impact on residents; energy savings per dollar; comprehensiveness; availability of matching funds; cost effectiveness; commitment of the property owner or manager; and tenant benefits.[47]

28. To ensure that tenants are engaged in the WGL IQEF program, the program would offer a subset of projects to include the installation of smart thermostats and water conservation devices in units. To qualify for this option, the project would be for buildings in which in-unit devices have not been updated and in which property owners and managers would be committed to tenant education and engagement.[48] This education and engagement would be performed by an Energy Educator, who would visit residents in their apartments to provide training; serve as the initial point of contact for residents; deliver energy-saving kits to residents, and hold education sessions for residents. WGL would fund the Energy Education position.[49]

29. WGL identifies the VEIC staff and outlines the process for completing and evaluating projects.[50] WGL indicates that VEIC would track all stages of a project through its

---

43 Term No. 3 Plan at 29.

44 Term No. 3 Plan at 29.

45 Term No. 3 Plan at 30.

46 Term No. 3 Plan at 31.

47 Term No. 3 Plan at 32-33.

48 Term No. 3 Plan at 34.

49 Term No. 3 Plan at 35.

50 Term No. 3 Plan at 36-38.

Tracker application.[51] Tracker could also be used to develop metrics for the WGL IQEF program, such as: annual and lifetime MMBtu saved; annual and lifeline tons of carbon dioxide equivalent reduced; number of projects completed; number of units affected; number of tenants receiving tenant engagement; number of contractors engaged; number of MBE contractors engaged and total spending through MBE contractors; and total funds dispersed. VEIC would present these metrics monthly to WGL.[52]

C. NCLC Comments

30. NCLC supports setting eligibility at 80% of AMI, ensuring that residents benefit from the savings from the upgrades, and allowing 20% of funds to be spent on health and safety improvements.[53] However, NCLC has several concerns with the Term No. 3 Plan.

31. First, NCLC expresses concern that the projects envisioned by WGL are not comprehensive in scope, despite a recommendation from 80% of stakeholders interviewed that the Term No. 3 should encompass large, comprehensive projects. NCLC argues that the short timeframe for completion of the Term No. 3 Plan prevents the inclusion of comprehensive projects.[54] In order to complete a comprehensive energy efficiency retrofit, NCLC contends, an energy audit and assessment are needed to determine the full scope of energy conservation measures that are needed. NCLC claims that the proposed four-month time window for submitting applications is an unreasonably short timeframe for building owners to collect energy usage data and perform assessments.[55]

32. NCLC also argues that the construction timeline in the Term No. 3 Plan is unreasonably short for the completion of a comprehensive multifamily retrofit. NCLC argues that the proposed six-month construction timeframe does not take into account factors beyond the control of the building owner or manager. [56]

33. NCLC favors performing truly comprehensive retrofits that address all energy-saving opportunities in a building, instead of just gas retrofits. Coordinating electric and gas savings opportunities could extend the construction deadline.[57] NCLC notes that the DCSEU has other funding that can be used in conjunction with the Term No. 3 Plan to perform comprehensive retrofits. While expanding projects to include both electric and gas retrofits may increase the time

---

51 Term No. 3 Plan at 38.

52 Term No. 3 Plan at 39-40.

53 NCLC Comments at 1.

54 NCLC Comments at 2.

55 NCLC Comments at 3.

56 NCLC Comments at 3.

57 NCLC Comments at 3.

to complete a particular project, NCLC argues that such projects would yield more energy savings in the long run.[58]

34. Second, NCLC argues that the proposed Term No. 3 Plan would disadvantage smaller buildings with fewer tenants. NCLC notes that 37% of affordable multifamily housing buildings in the District of Columbia are buildings with 50 units or less. NCLC argues that these building owners and managers may not have the resources to perform energy efficiency projects, and so would benefit from the Term No. 3 Plan's funding.[59]

35. NCLC notes that the proposal to model the Term No. 3 Plan after the DCSEU IQEF would make it difficult for smaller buildings to compete, since the DCSEU IQEF favors projects that benefit a large number of tenants and have a larger pool of matching funds. NCLC argues that small properties and property owners and those buildings that serve very low-income tenants.[60]

36. NCLC DCSEU seeks the same criteria for eligibility for the Term No. 3 program as the DCSEU's IQEF. Instead of being disqualified due to size or the lack of resources, NCLC argues that smaller buildings should be considered precisely because they have limited resources and are most in need of energy efficiency upgrades.[61] While the Term No. 3 Plan notes that the DCSEU would work with WGL to update the selection criteria, NCLC recommends that the DCSEU and WGL work with interested stakeholders to determine appropriate selection criteria.[62]

37. While the Term No. 3 Plan emphasizes leveraging of funds to complement the Term No. 3 funding, NCLC argues that the Term No. 3 Plan does not discuss other sources of funding besides that of the building owners. Because smaller properties would have difficulty providing additional funds, NCLC contends that more detail should be provided regarding other sources of funding to complement the Term No. 3 funding.[63]

38. NCLC contends that projects undergoing LIHTC resyndication should not be summarily excluded from the Term No. 3 program. NCLC asserts that while these projects are more complex, there are more opportunities to include energy-saving measures in LIHTC resyndications than other projects. NCLC notes that while weatherization is listed as the second highest gas-saving measure, weatherization is feasible in a more comprehensive renovation that includes opening the walls and ceilings.[64]

---

58 NCLC Comments at 4.

59 NCLC Comments at 4.

60 NCLC Comments at 5.

61 NCLC Comments at 5.

62 NCLC Comments at 5-6.

63 NCLC Comments at 6.

64 NCLC Comments at 7.

39. NCLC also seeks the reporting on a more frequent basis than the final report at the conclusion of a project. NCLC recommends that the Commission require quarterly reports, with opportunity for stakeholder comment, to document progress on the Term No. 3 Plan.[65]

D. WGL Reply Comments

40. In its Reply Comments, WGL seeks to clarify some details concerning the Term No. 3 Plan. WGL explains that its proposed implementation schedule was designed so that actual construction would start at the end of the heating season, providing the longest possible time for completion before the next heating season. WGL indicates that projects could extend into the next heating season, as long as residents are not negatively impacted. WGL also suggests that its program could run for a second year if there are not enough approved projects in the first year.[66]

41. Regarding NCLC's concern that WGL's project selection criteria would favor larger buildings with more resources, WGL contends that this concern is related to the DCSEU's IQEF project criteria, upon which WGL's project criteria is based. WGL claims that it would work with VEIC to update the project selection criteria to prioritize projects that would meet the goals of the Term No. 3 Plan upon consultation with stakeholders.[67]

42. WGL argues that it selected VEIC to administer its program in part to leverage funds available from the DCSEU. WGL argues that selected applicants will work with DCSEU staff that have knowledge of all programs offered by the DCSEU, so they can guide applicants in finding incentives and rebates.[68]

43. Contrary to NCLC's concerns, WGL argues that buildings undergoing a comprehensive renovation would not be excluded from the WGL program. WGL seeks to focus marketing for its program on properties most likely to quality for the WGL program, but projects for comprehensive renovations will be funded should they meet WGL program requirements.[69]

44. WGL argues that its program includes monthly reporting by VEIC to WGL on the progress of the program. WGL offers to compile these monthly reports into quarterly reports to be filed with the Commission.[70]

---

65 NCLC Comments at 8.

66 WGL Reply Comments at 2.

67 WGL Reply Comments at 3.

68 WGL Reply Comments at 3.

69 WGL Reply Comments at 4.

70 WGL Reply Comments at 4.

E. Decision

45. Term No. 3 reads:

> AltaGas will provide $4.2 million for energy efficiency and energy conservation initiatives with a primary focus on assisting low and limited-income residents who are living in affordable multifamily units, whether in buildings that are wholly master-metered, buildings where the tenants pay all of the utility bills, or buildings with mixed owner- and tenant-meters. Within 180 days of a Merger Close AltaGas will utilize a widely-publicized Request for Proposal (RFP) process to select an entity to administer the funds. The RFP will be open to all qualified bidders, and selection of a successful bidder will be based on a combination of relevant factors including price terms, relevant experience in delivering energy efficiency measures (particularly in affordable multifamily housing), and ability to carry out the scope of work in a timely manner. Within 180 days after selection of the administrator, and no less than 30 days prior to the initial disbursement of funds to the administering agency or agencies, AltaGas and Washington Gas will, after consultation with interested stakeholders, file a proposal with the Commission regarding the aforementioned programs. No portion of the contribution will be recovered in utility rates.

46. The Commission finds that WGL's Term No. 3 Plan is a comprehensive plan designed to promote energy efficiency and energy conservation for low and limited-income residents who are living in affordable multifamily units, which is the goal of Term No. 3. WGL has selected a vendor that has substantial experience in working with the DCSEU to develop and promote multifamily energy efficiency and conservation programs. WGL's Term No. 3 Plan builds on the existing DCSEU IQEF program, focusing on the installation of major whole building measures, although devices for use in individual tenant units would also be funded. The Term No. 3 Plan sets an ambitious one-year schedule for advertising for proposals for individual projects, selecting winning project proposals, working on the projects, and inspecting the completed work, although this schedule can be extended. The Term No. 3 Plan seeks to balance the number of units reached with the depth of the energy conservation measures in its individual projects. WGL envisions that it could fund about 30 projects with the funding from Term No. 3. The Commission approves the Term No. 3 Plan.

47. NCLC's concerns focus on the ambitious timeline for completing the Term No. 3 Plan, the emphasis on gas efficiency and conservation projects as opposed to combined gas and electric efficiency and conservation projects, a perceived emphasis on projects in larger buildings that can leverage additional funding, and reporting requirements. In response, WGL indicates that its timeline was designed so that construction can occur during the non-heating season to minimize tenant disruption. WGL also indicates that the Plan can be extended for another year. WGL asserts that buildings undergoing comprehensive retrofits could be included under the Plan; they would not be categorically excluded. WGL indicates that it chose VEIC in part because of VEIC's relationship with the DCSEU, which allows VEIC to have a better understanding of funding to leverage for individual projects. WGL also indicates that the Plan includes monthly reporting from VEIC to WGL, which WGL can compile into quarterly reports for the Commission. The

Commission finds that WGL has responded to most of NCLC's concerns regarding the Term No. 3 Plan.

48. The Commission shares NCLC's concerns that smaller buildings could be excluded from the Term No. 3 Plan. WGL notes that the Term No. 3 Plan is modeled on the DCSEU IQEF program, but also indicates that VEIC will work with WGL to update selection criteria to prioritize projects that meet Term No. 3 goals in consultation with stakeholders. To increase the potential for smaller buildings to quality under the Term No. 3 Plan, the Commission directs WGL and VEIC to work with stakeholders to revise the selection criteria to provide greater opportunities for smaller buildings to qualify under the Term No. 3 Plan. WGL shall report on the progress of its efforts to revise the Term No. 3 Plan selection criteria in its first quarterly report.

49. As noted above, WGL offers to provide quarterly reports to the Commission regarding the progress of the Plan. The Commission agrees that having these reports would assist the Commission in its review of efforts undertaken and the progress of the Plan's implementation. Thus, the Commission directs WGL to file quarterly reports detailing the implementation of the Term No. 3 Plan, on the last day of January, April, July, and October, providing the previous three VEIC monthly reports. The first quarterly report is due January 31, 2020.

THEREFORE, IT IS ORDERED THAT:

50. The National Consumer Law Center/National Housing Trust/National Housing Trust-Enterprise Preservation Corporation's Motion to Enlarge Time for Filing Comment on Plan to Implement Commitment No. 3 is **GRANTED**;

51. Washington Gas Light Company's Term No. 3 Plan is **APPROVED**; and

52. Washington Gas Light Company is **DIRECTED** to file quarterly reports detailing the implementation of the Term No. 3 Plan, on the last day of January, April, July, and October, providing the previous three VEIC monthly reports, with the first report due January 31, 2020; and

53. In the January 31, 2020 quarterly report, Washington Gas Light Company **IS DIRECTED TO** explain its revisions to the selection criteria to make them consistent with the directives in paragraph 48.

A TRUE COPY: **BY DIRECTION OF THE COMMISSION:**

CHIEF CLERK: **BRINDA WESTBROOK-SEDGWICK**
COMMISSION SECRETARY

Attachment D: Complete List of Funded Projects

Complete List of Funded Projects

Title	Ward	Annual Gas Therms Saved	Lifetime Gas Therms Saved	Annual CO2 Reduced (metric tons)	Lifetime CO2 Reduced (metric tons)	Incentive	Contractor MBE Status	Number of Units Served	Estimated Number of Residents
Low-Income Multi-Family Building 7	1	7,220	128,410	38.3	681.5	$125,000.00	Minority Owned	124	192.2
Low-Income Multi-Family Building 8	2	26,260	415,327	139.4	2,204.2	$500,000.00	Minority Owned	343	531.65
Low-Income Multi-Family Building 9	6	13,378	267,568	71.0	1,420.0	$500,000.00	Minority Owned	174	838.26
Low-Income Multi-Family Building 10	8	415	5,392	2.2	28.6	$65,246.00	Minority Owned	17	44.75
Low-Income Multi-Family Building 22, Project 2*	8	850	6,144	4.5	32.6	$153,749.88	Minority Owned	36	88.92
Low-Income Multi-Family Building 22, Project 1	8	134	1,739	0.7	9.2	$31,500.00	Minority Owned	36	88.92
Low-Income Multi-Family Building 11	8	7,829	88,516	41.5	471.3	$67,500.00	Minority Owned	118	302.5
Low-Income Multi-Family Building 12	7	6,700	113,364	35.6	601.6	$60,300.00	No	56	118.08
Low-Income Multi-Family Building 13	7	7,200	132,336	38.2	702.3	$30,913.00	No	80	214.16
Low-Income Multi-Family Building 1	8	929	9,212	4.9	48.9	$23,000.00	Veteran Owned	15	37.05
Low-Income Multi-Family Building 2	8	1,883	16,271	10.0	86.3	$56,000.00	Veteran Owned	28	46.16
Low-Income Multi-Family Building 3	6	2,216	36,303	11.9	194.2	$119,745.00	Veteran Owned	16	24.8
Low-Income Multi-Family Building 4	7	3,246	64,920	17.2	344.5	$139,500.00	Veteran Owned	44	69.12
Low-Income Multi-Family Building 5	8	9,163	106,648	48.6	566.0	$470,400.00	Veteran Owned	61	224.27
Low-Income Multi-Family Building 14	8	2,250	39,042	11.9	207.2	$102,572.11	Minority Owned	25	51.63
Low-Income Multi-Family Building 24	8	1,350	20,966	7.2	111.3	$74,153.06	Minority Owned	21	39.91
Low-Income Multi-Family Building 15	7	6,780	111,231	36.0	590.3	$161,391.61	Minority Owned	50	89.46
Low-Income Multi-Family Building 25	1	1,510	10,525	8.0	55.9	$31,299.00	Minority Owned	39	60.45
Low-Income Multi-Family Building 16	7	575	3,693	3.1	19.6	$9,030.00	No	10	15.5
Low-Income Multi-Family Building 17	7	1,000	13,088	5.3	69.5	$32,031.00	No	10	21.94
Low-Income Multi-Family Building 26	6	3,910	72,757	20.8	386.1	$91,800.00	No	29	47.71
Low-Income Multi-Family Building 18	7	1,710	22,230	9.1	118.0	$44,730.00	No	75	124.53
Low-Income Multi-Family Building 19	8	1,378	16,214	7.3	86.0	$63,963.00	No	8	12.4
Low-Income Multi-Family Building 20	4	970	11,480	5.1	60.9	$39,555.00	No	8	14.24
Low-Income Multi-Family Building 6	8	2,642	32,840	14.0	174.3	$94,477.68	No	36	76.96
Low-Income Multi-Family Building 23	8	2,572	37,407	15.2	219.8	$188,784.00	Minority Owned	12	32.4
Low-Income Multi-Family Building 21	1	1,627	14,947	8.6	79.3	$20,904.00	Minority Owned	28	64.56

*Unit and resident counts are not included for both projects at the same property in totals

CERTIFICATE OF SERVICE

I, the undersigned counsel, hereby certify that on this 26th day of April 2021, I caused copies of the foregoing to be hand-delivered, mailed, postage-prepaid, or electronically delivered to the following:

Christopher Lipscombe, Esq.
Lara Walt, Esq.
Office of General Counsel
Public Service Commission
1325 G St. NW, Suite 800
Washington, DC 20005
clipscombe@psc.dc.gov
lwalt@psc.dc.gov

Frann G. Francis, Esq.
Apartment and Office Building Association
1025 Connecticut Ave, N.W., Suite 1005
Washington, DC 20036
ffrancis@aoba-metro.org
Counsel for the Apartment and Office Building Association

Anjali G. Patel, Esq.
Office of People's Counsel
1133 15th St. NW, Suite 500
Washington, DC 20005
apatel@opc-dc.gov
Counsel for the Office of People's Counsel

Bruce R. Oliver
Revilo Hill Associates, Inc.
7103 Laketree Drive
Fairfax Station, VA 22039
revilohill@verizon.net

Mark J. Murphey, Esq.
Mooney, Green, Saindon, Murphy & Welch, PC
1920 L St. NW, Suite 400
Washington, DC 20036
mmurphy@mooneygreen.com
Counsel for the International Brotherhood of Teamsters Local 96

Brian Caldwell, Esq.
Office of the Attorney General for the District of Columbia
441 4th St., NW
Washington, DC 20001
brian.caldwell@dc.gov
Counsel for the District of Columbia Government

Andrew G. Pizor, Esq.
National Consumer Law Center
1001 Connecticut Ave, NW
Suite 510
Washington, DC 20036
apizor@nclc.org
Counsel for the National Consumer Law Center

Alan Barak, Esq.
Hussain Karim, Esq.
Department of Energy and Environment
1200 1st St., NE, 5th Floor
Washington, DC 20002
Alan.barak@dc.gov
Hussain.karim@dc.gov
Counsel for the District of Columbia Government

Emily W. Medlyn, Esq.
U.S. Army Legal Services
Agency Regulatory Law Office
9275 Gunston Rd.
Fort Belvoir, VA 22060
emily.w.medlyn.civ@mail.mil
Counsel for the Department of Defense and all other Federal Executive Agencies

Scott H. Strauss, Esq.
Spiegel & McDiarmid LLP
1875 I St., NW
Suite 700
Washington, DC 20006
scott.strauss@spiegelmcd.com
Counsel for the District of Columbia Government

James F. Wallington, Esq.
Baptiste & Wilder, P.C.
1150 Connecticut Ave., NW
Suite 315
Washington, DC 20036
jwallington@bapwild.com
Counsel for OPEIU Local 2, AFL-CIO

Kim Hassan, Esq.
Andrea H. Harper, Esq.
Dennis Jamouneau, Esq.
Potomac Electric Power Company
701 9th St. NW, Suite 1100
Washington, DC 20068
djamouneau@pepcoholdings.com
Counsel for Potomac Electric Power Company

Dan Dyer
President, OPEIU Local 2, AFL-CIO
8555 16th St., NW, Suite 550
Silver Spring, MD 20190
ddyer@opeiu-local2.org

Brian Petruska, Esq.
General Counsel, LiUNA Mid-Atlantic Region
11951 Freedom Dr., Suite 310
Reston, VA 20190
bpetruska@maliuna.org
Counsel for the Baltimore Washington Construction & Public Employees Laborers' District Council

May Va Lor
Corporate Affairs Department
LiUNA
905 16th St., NW
Washington, DC 20006
mlor@liuna.org

CATHY THURSTON-SEIGNIOUS