



**DISTRICT OF
COLUMBIA
SUSTAINABLE
ENERGY UTILITY**

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January 20, 2026

RE: Final Report on Use of FC 1148 Remaining Funds – Veteran House Heat Pump Retrofit Project

Public Service Commission of the District of Columbia
Attn: Brinda Westbrook-Sedgwick, Commission Secretary
1325 G Street, NW Suite 800
Washington, DC 20005

Dear Ms. Westbrook-Sedgwick,

This report details the use of remaining FC 1148 funds allocated to the District of Columbia Sustainable Energy Utility (DCSEU) for energy efficiency programs and projects in affordable multifamily housing, including high-impact energy efficiency retrofit project at the Veteran House, an independent living facility serving disabled and homeless veterans in Washington, DC.

Background

In January 2025, the Public Service Commission (PSC) directed Pepco to transfer \$243,171.79 in remaining FC 1148 funds to the District of Columbia Sustainable Energy Utility (DCSEU). These funds originated from accrued interest on the Pepco/Exelon merger deposit and were designated for energy efficiency and conservation programs benefiting low- and limited-income residents. The DCSEU allocated these funds to support its Income Qualified Efficiency Fund (IQEF) program, including a critical retrofit project at the Veteran House, aligning with PSC priorities for equity, energy savings, and emissions reduction.

The DCSEU's IQEF program provides funding and contracting support to help affordable multifamily properties, shelters, and clinics serving low- to moderate-income District residents complete energy-saving upgrades. To qualify, applicants must be property owners or management organizations willing to work with a DCSEU-approved contractor. Eligible buildings typically include multifamily properties with four or more units, as well as shelters and clinics that primarily serve income-qualified residents. The DCSEU evaluates applications using selection criteria that consider project readiness, expected energy savings, the number of income-qualified residents served, and the overall impact on building performance and community benefit. Eligible upgrades include HVAC improvements (such as heat pumps, heat-pump water heaters, and chillers), lighting, appliances, controls and thermostats, ventilation fans, domestic hot water systems, and low-flow water fixtures. Together, these investments aim to reduce energy use, lower utility costs, and improve comfort and safety in buildings that support vulnerable communities.

Project Description

- Facility: <REDACTED> 20,682 sq. ft., three-story building, constructed in 1964
- Units: 41 single-occupancy apartments (7 terrace-level, 17 first-level, 17 second-level)
- Goal: Replace aging heat pumps with high-efficiency models to improve comfort and reduce energy use
- Scope: Replace 15 two-ton split heat pumps serving all 41 units and install programmable thermostats supporting two-stage heating/cooling for optimal efficiency. The work was completed by a Certified Business Enterprise (CBE) contractor in line with the DCSEU's goals for local economic development and contract requirements.

Background on Access Housing, Inc.

Access Housing, Inc. (DC) (AHI) is a nonprofit 501(c)3, community-based organization committed and dedicated to the principle that everyone, regardless of income or socioeconomic status, has a right to decent, safe, and affordable housing. The program's focus is to support homeless veterans. The organization operates facilities which provide safe housing to nearly 100 homeless veterans, both men and women at a given time. These homes provide homeless veterans their own rooms, full meal service, a variety of counseling services (housing, job, mental health, PTSD, and substance abuse, as needed), barber and beauty services, a VA run medical clinic, and more. The ultimate goal of the program is to help place veterans in permanent housing.

Energy Efficiency Impact

- Baseline Equipment: Trane XB13 heat pumps (SEER ~13, HSPF ~7.7) manufactured in 2007
- Proposed Equipment: High-efficiency heat pumps (SEER 20, HSPF ~12)

Estimated Savings:

- Annual Electric Savings: ~ 23,497 kWh
- Lifetime Savings: ~ 422,946 kWh
- Carbon Reduction: ~ 252 metric tons CO₂ over equipment life.

Budget Summary

Cost Component	Amount
Total FC 1148 Budget	\$243,171.79
Project Incentives	\$189,673.00
Non-Incentive (Project Management costs*)	\$53,498.79

*While the DCSEU utilized the incentive funding for the AHI Veterans House project, the non-incentive funding was used for project management and program support by DCSEU staff across DCSEU programs that serve income-qualified residents and properties, including IQEF, the Low-Income Comprehensive Program, the Affordable Housing Retrofit Accelerator (AHRA), and the Affordable Home Electrification Program (AHEP) During FY 2025, the DCSEU supported lighting and electrical HVAC projects within affordable housing and qualified shelters and clinics, providing technical assistance, direct contractor services, and approximately \$3 million in incentives for 22 projects at qualified properties under the IQEF program Overall, the DCSEU invested \$9 million in programs and projects serving low-income communities in FY 2025.

Benefits

- Improved comfort and reliability for 41 veteran households
- Significant energy savings and emissions reduction
- Supports PSC goals for low-income energy efficiency and climate action

Lessons Learned

- Thermostat compatibility is critical for achieving rated efficiency of advanced heat pumps
- Early coordination with contractors and customers ensures proper sizing and installation
- Leveraging remaining funds for targeted, high-impact projects maximizes public benefit

Appendices

- Appendix A: AHRI Certificate for installed equipment
- Appendix B: Project Photos
- Appendix C: Letter of Appreciation from Access Housing, Inc.

If you have any questions, please contact me at bburdick@dcseu.com or (202) 677-4807.

Sincerely,

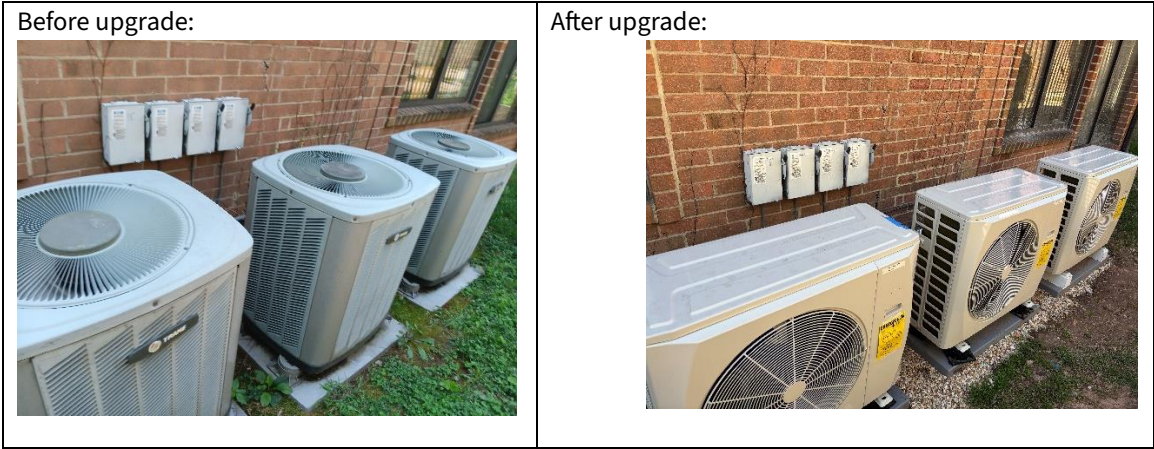
A handwritten signature in black ink, appearing to read 'BBurdick', with a long horizontal flourish extending to the right.

Ben Burdick
Managing Director
District of Columbia Sustainable Energy Utility

Appendix A: Appendix A: AHRI Certificate for installed equipment

Potential Eligibility for IRA Tax Credit*	
 AHRI CERTIFIED [®] www.ahridirectory.org	
<h1>Certificate of Product Ratings</h1>	
AHRI Certified Reference Number : 208447887 Date : 08-19-2024 Model Status : Active	
AHRI Type : HRCU-A-CB (Split System: Heat Pump with Remote Outdoor Unit-Air-Source)	
Series : 38Mseries	
Outdoor Unit Brand Name : CARRIER	
Outdoor Unit Model Number (Condenser or Single Package) : 38MURAQ24AB3	
Indoor Unit Model Number (Evaporator and/or Air Handler) : 40MUAAQ24XA3	
The manufacturer of this CARRIER product is responsible for the rating of this system combination.	
Rated as follows in accordance with the latest edition of AHRI 210/240 - 2017 with Addendum 1, Performance Rating of Unitary Air-Conditioning & Air-Source Heat Pump Equipment and subject to rating accuracy by AHRI-sponsored, independent, third party testing:	
Cooling Capacity (A2) - Single or High Stage (95F), btuh : 24000	
SEER : 20.00	
EER (A2) - Single or High Stage (95F) : 12.50	
Heating Capacity (H12) - Single or High Stage (47F) : 24000	
HSPF (Region IV) : 12.00	
Rated as follows in accordance with the latest edition of AHRI 210/240 - 2024, Performance Rating of Unitary Air-Conditioning & Air-Source Heat Pump Equipment and subject to rating accuracy by AHRI-sponsored, independent, third party testing:	
Cooling Capacity (A _{Full}) - Single or High Stage (95F), btuh : 24000	
SEER2 : 17.40	
EER2 (A _{Full}) - Single or High Stage (95F) : 11.70	
Heating Capacity (H _{Full}) - Single or High Stage (47F), btuh : 24000	
HSPF2 (Region IV) : 10.00	
 AHRI CERTIFIED [®] www.ahridirectory.org	
†“Active” Model Status are those that an AHRI Certification Program Participant is currently producing AND selling or offering for sale; OR new models that are being marketed but are not yet being produced. “Production Stopped” Model Status are those that an AHRI Certification Program Participant is no longer producing BUT is still selling or offering for sale.	
Ratings that are accompanied by WAS indicate an involuntary re-rate. The new published rating is shown along with the previous (i.e. WAS) rating.	
The Department of Energy has published updated energy efficiency metrics for central air conditioners and heat pumps. This publication reflects both the 1987 metric (SEER) and the 2023 metric (SEER2). Efficiency requirements are published at 10 C.F.R. 430.32(c). Please refer to www.AHRInet.org for more information about updated energy efficiency metrics.	
*This refers to the federal tax credit that may be known to consumers as “Inflation Reduction Act (IRA) of 2022 Tax Credit,” “25C Tax Credit,” or “Energy Efficient Home Improvement Credit.” This is not intended to constitute tax or legal advice. Instead, it is for general informational purposes only. AHRI makes no representation or warranty, express or implied or assumes any legal liability or responsibility for the accuracy, completeness, any third party’s use of, or the results of the use of potential eligibility for tax credit disclosed on the AHRI Directory of Certified Product Performance and AHRI Certificate of Product Ratings. Potential eligibility for tax credit may not constitute the most up to date information. AHRI is unable to advise or confirm tax credit eligibility. Individuals considering eligibility for the tax credit are advised to confirm eligibility with their equipment installers, tax attorneys or preparers.	
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CERTIFICATE VERIFICATION The information for the model cited on this certificate can be verified at www.ahridirectory.org , click on “Verify Certificate” link and enter the AHRI Certified Reference Number and the date on which the certificate was issued, which is listed above, and the certificate No., which is listed at bottom right.	
©2024 Air-Conditioning, Heating, and Refrigeration Institute	CERTIFICATE NO.: 133685455026854115

Appendix B: Project Photos



Appendix C: Letter of Appreciation from Access Housing, Inc.