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September 23, 2020

PUBLIC

Ms. Brinda Westbrook-Sedgwick
Commission Secretary
Public Service Commission of the District of Columbia
1325 G Street, N.W.
Suite 800
Washington, D.C. 20005

Re: Formal Case Nos. 1148 and FC 1119

Dear Ms. Westbrook-Sedgwick:

In accordance with Order No. 20236, issued by the Public Service Commission of the District of Columbia ("Commission") on October 11, 2019, Potomac Electric Power Company ("Pepco"), on behalf of itself and the Energy Efficiency and Energy Conservation ("EEEC") Task Force, hereby files the its proposed recommendation to select iCAST to be the Implementer for the Whole-Building, Deep Energy Retrofit Program ("Program"), in addition to the other information provided in its "Recommendations and Update" to the Commission.

In addition, Pepco and the Task Force present the proposed Scope of Work for the Program by separate attachment. Please note that the Scope of Work Contains Confidential Information, and the confidential portions are being filed under separate cover.

Finally, this filing also provides the Program Charter, as prepared and agreed to by EEEEC Task Force members.

Please contact me if you have any further questions.

Sincerely,

/s/ Dennis P. Jamouneau

Dennis P. Jamouneau

Enclosures

cc: All Parties of Record

I. Vendor Selection Process and Recommendations

Pepco developed a request for proposals (RFP) in close coordination and collaboration with the Energy Efficiency and Conservation Task Force (EEEC Task Force or Task Force) to identify an Implementer for the Low- and Limited-Income Multi-family Whole Building Deep Energy Retrofit Program (the Program) as directed by the DC Public Service Commission through Order No. 20236. The RFP was issued on February 14, 2020 and closed on March 27, 2020, including a one-week extension due to the timing of the COVID-19 stay at home order. The Company received proposals from 5 entities: AECOM, iCAST, ICF, TRC, and VEIC. After task force members independently reviewed the proposals, the Task Force convened virtually on April 10, 2020 to discuss the proposals. Following the discussion, Pepco aggregated the scores of participating Task Force entities that provided scores, and working with Exelon Sourcing, the top 2 scoring vendors were selected to present to the Task Force on June 11, 2020. The Task Force reconvened to discuss the presentations and ultimately identified iCAST as the preferred implementer. On July 20, 2020, Exelon Sourcing notified iCAST of its provisional award of the program.

The Task Force selected iCAST based on several key areas of strength, including:

- Organization exclusively addresses multi-family EE, with a focus on affordable multi-family, which is a uniquely difficult sector to reach. Their deep knowledge and focus on the sector gave the task force confidence in its abilities as well as knowledge that underperforming on this program would seriously jeopardize the organization's reputation in the long run
- Entirely based proposal on deep retrofits rather than including a multi-track program with a substantial direct install component
- Non-profit status
- Demonstrated technical proficiency
- Diversification of implementers operating in the District
- Cost-sharing approach
- Openness to collaborating closely with the Task Force

The other four vendors were notified of their unsuccessful bids on May 26, 2020 and July 20, 2020. Two of the vendors requested feedback sessions with Pepco, with one occurring on September 3 and the other session failing to materialize. Pepco provisionally selected ICAST in consultation with the Task Force. This decision was made on the unique and specific objectives of this program, the merits of the supplied proposals and presentations, and feedback from the Task Force. Pepco offers this recommendation without prejudice to any future proposals and encourages the participating vendors to submit proposals in response to other similar RFPs in the future.

II. Next Steps Towards Program Implementation

Following the provisional award of the contract to ICAST, Pepco immediately began developing a statement of work, which was presented to the Task Force on September 9, 2020 for their review and feedback. The statement of work, as attached here, aligns the contractual obligations of the selected vendor with the core program design and program delivery considerations outlined by the FC 1148 working group and directed by the Commission. In addition to completing the statement of work, Pepco continues to work with ICAST to complete the contracting process including reviews required by Exelon of all new vendors such as IT security and other compliance requirements. The Public Service Commission will be provided the full contract in a separate confidential document for its review and signature.

Following the execution of the Commission-approved contract between Pepco and ICAST, ICAST will begin hiring staff, developing its trade ally network, and finalizing the details of the program design, including defining incentive levels and other specific qualification criteria and program parameters. ICAST has begun this work in good faith that the contract will ultimately be approved. ICAST will provide a final program design to the Task Force by December 31, 2020 (or once the contract is executed if that has not occurred by December 31, 2020). ICAST anticipates being able to claim savings on the first projects in nine to 12 months from that point.

III. Reporting Requirements

The Task Force expects the Program Implementer to deliver quarterly updates to the Task Force, including Commission Staff, providing the Task Force the opportunity to monitor program delivery and provide feedback on a regular basis directly to ICAST and Pepco. Pepco will file a report with the Commission on an annual basis, with the first report being filed 14 months after contract execution (or 2 months after the first calendar year of operation). Projected and actual metrics reported will include:

- Annual budget and actual spend
 - Percent of annual budget in direct project incentives
 - Total project cost, including participant-paid costs
 - Amount of program funding spent on health and safety measures
 - Outside funding leveraged
- Number of projects

- Number of housing units impacted
- Measures installed, including counts by measure category
- Total annual electric consumption savings (in kWh)
- Total annual gas consumption savings (Therms)
- Total annual water savings (in gallons)

The narrative report may also include outreach and education efforts, the pipeline of projects identified (including status of pipeline projects and estimated dates of completion), the geographic distribution of the projects, whether or not the project is required to comply with D.C.'s Building Energy Performance Standard (BEPS) requirements, and the level of rent affordability of the project.

IV. Funding Requirements

A. Release of Escrow funds and Payment Plan with Vendor –

Pepco requests that upon execution of the Contract with iCAST that the Commission authorized the release to Pepco the funds currently held in escrow. Pepco will compensate iCAST for administration, marketing, and other overhead costs that are fixed as agreed in the Contract on a monthly basis for the duration of the Contract. Funds for customer incentives and other direct project spend will be released to iCAST by Pepco upon verified installation of approved measures pursuant to the agreed upon Contract terms.

Releasing the funds to Pepco in a single transaction removes the administrative burden of repeated Commission requests. Pepco's commitment to engaging the Task Force, providing thorough and transparent reporting of program performance, and the Commission's legal privity to the contract together provide enough structure to ensure funds are allocated appropriately and in furtherance of the program's stated objectives.

B. PHI incremental costs

In directing Pepco to lead the vendor selection and contracting process as well as oversight and management of the contract and program, Pepco will incur certain costs incremental to the normal course of business for the Company. Costs will include

- A program manager to oversee implementation of the program, support customer outreach and engagement, and provide quality assurance and verification of project implementation prior to the disbursement of incentive funds
- IT integration support, including data flows between Pepco and the vendor, tracking system updates, and other back-end systems
- Other utility support such as marketing report, incremental oversight, and reporting

Pepco recommends that these incremental costs be covered using interest earned on the \$11.25 million since it was initially reserved following the authorization of the Pepco Exelon merger. As of July 31, 2020, interest on the principal investment totals \$320,792.29. Pepco anticipates the total incremental costs associated with implementing the program to be approximately \$320,000.

Pepco will provide the Task Force with documentation of costs billed to this project on a regular basis to ensure oversight and proper use of these funds. Should Pepco's incremental costs incurred in support of this program be less than the interest earned at the time of the release of funds, Pepco will make those funds available for additional customer incentive spend.

V. Task Force Charter

A Task Force Charter was drafted by Commission Staff and reviewed at the August 6, 2020 Task Force meeting. The attached charter was approved by the Task Force on September 9, 2020. The Task Force selected a chair, vice-chair, and secretary. Those positions were filled as follows:

- Chair – NAME, ORGANIZATION
- Vice-chair – NAME, ORGANIZATION
- Secretary – NAME, ORGANIZATION

Whole-Building, Deep Energy Retrofit Program Charter of the District of Columbia

1.1. Overview of the Project

The Whole-Building, Deep Energy Retrofit Program (“Deep Retrofit Program”) was created to assist affordable multifamily building owners with energy efficiency retrofit financing and help them identify other energy programs that would help minimize their buildings’ energy usage. In accordance with the Public Service Commission of the District of Columbia (“Commission”) Order No. 20236, the Commission established and directed the Energy Efficiency and Energy Conservation Task Force (“Task Force”) along with the selected Implementer to develop: (1) a Deep Energy Retrofit Program targeted primarily towards both affordable multifamily units and master-metered multifamily buildings in the District, which include low- and limited-income residents; and (2) consumer education and outreach measures related to the implementation of the Deep Retrofit Program. The program was established based on the funding of \$11.25 million (“EEEC Fund”) from *Formal Case No. 1119*, Merger Commitment No. 7.

2.1. Purpose of the Project Charter

This Charter, upon adoption by a majority vote of the Task Force members, will govern the functions, purposes and operation of the Implementer and the Task Force in developing and implementing the Whole-Building, Deep Energy Retrofit Program in the District of Columbia.

3.1. Project Objective/Scope:

The Task Force and the selected Implementer shall meet to develop a program plan to implement the Deep Energy Retrofit Program to meet the following goals and objectives:

a. Primary Goals:

- i. Increase the energy efficiency of low-income District of Columbia (“DC” or “District”) multifamily buildings as well as address underlying health and safety concerns required to deliver energy efficiency savings;
- ii. Provide financial and technical assistance to owners of multifamily buildings that serve primarily low- and limited-income households to help meet the building energy performance standards (“BEPS”) set by the District of Columbia

Department of Energy and the Environment (“DOEE”) as required by the 2018 CleanEnergy D.C. Omnibus Amendment Act; and

- iii. Engage with and inform low-income District households about the benefits of energy efficiency.

b. Secondary Goals:

- i. Maximize greenhouse gas reductions through deep energy retrofits;
- ii. Improve housing affordability and provide other economic and health benefits to disadvantaged communities; and
- iii. Leverage other existing District incentive and financing programs.

4.1. Members and Duties:

a. Task Force:

- i. **Deliverables:** Pursuant to Commission Order No. 20236, the Task Force was established and directed to issue a request for proposals and recommend the selection of a Deep Retrofit Program Implementer to help plan and develop a Deep Retrofit Program in the District for the Commission’s approval. Upon approval of the selected Implementer by the Commission, the Task Force will work with the Implementer to propose a Deep Retrofit program and implementation plan. The Task Force will work with the Implementer to launch the program and serve as a sounding board for the Implementer and provide guidance on any day-to-day issues and oversight to ensure that goals of the program are being met. The Task Force will exist for the duration of the Deep Retrofit Program Implementer’s contract and program completion.
- ii. **Members:** Pursuant to Commission Order Nos. 20251 and 20280, the Commission designated the following entities as members of the Task Force: (1) Commission Staff, (2) the Office of the People’s Counsel (“OPC”), (3) DOEE; (4) the National Consumer Law Center (“NCLC”); (5) the National Housing Trust (“NHT”); (6) the Potomac Electric Power Company (“Pepco”); and (7) the Apartment and Office Building Association of Metropolitan Washington.

1. **Chairperson:** NCLC and NHT shall be the Chairperson of the Task Force for the Task Force meetings. Selection of the Chairperson was by a majority vote of the Task Force members. The Chairperson shall be responsible for scheduling meetings, drafting and circulating meeting agenda, and running Task Force meetings. The Chairperson shall facilitate the Task Force's performance of its duties in the interest of administrative efficiency. The Chairperson shall make all formal statements (*i.e.* filings to the Commission) on behalf of the Task Force on matters pertaining to the function, purposes, and operation of the Task Force. The Chairperson shall also assume other responsibilities as agreed upon by a majority of the Task Force.
2. **Vice Chair.** DOEE shall be the Vice Chair to preside over the Task Force meetings in the absence of the Chair. Selection of the Vice Chair was by a majority vote of the Task Force members. The Vice Chair shall assume all responsibilities agreed upon by the majority of the Task Force, except that the Vice Chair shall not assume responsibilities reserved for the Chair.
3. **Secretary:** OPC shall be the Secretary to preside over the Task Force meetings. Selection of the Secretary was by a majority vote of the Task Force members. The Secretary shall be responsible for taking meeting minutes for the Task Force meeting.
4. **Voting:** At any meeting of the Task Force, every member organization is entitled to vote and must be present to vote. A Task Force member shall be considered to be present if he or she attends the Task Force meeting via a telephone, video conference call, or in person. Each member organization shall have one vote. Voting by proxy is not permitted. If any individual other than the established representative or alternate is to vote on behalf of a member organization, a formal email notification must be provided to the Task Force Chair. All matters before the Task Force shall be determined by a majority of the members present. All votes shall be recorded.

5. **Quorum.** A majority of the Task Force members (four (4)) must be present to constitute a quorum for the purpose of conducting Task Force meetings. Should a quorum fail to be present, the Chair, or in the event of a vacancy in the Chair, the Vice Chair or the Secretary, shall adjourn proceedings on Task Force matters to another date and time.
- iii. **Meetings:** Meetings of the Task Force shall be held at least monthly or more frequently as approved by a majority of the members of the Task Force.
1. **Place of Meetings:** The Task Force shall hold its meetings virtually via video conference or alternately, in person at a place within the District of Columbia that is publicly accessible.
 2. **Time of Meetings:** Task Force meetings shall be held at a time to be determined by a majority of the Task Force members, and notice of time, date, and location thereof shall be given to all members and the public no later than 48 hours in advance of the meetings.
 3. **Agenda:** At each Task Force meeting, the agenda for the next meeting shall be discussed. An agenda for a meeting shall be presented to Task Force members at least 48 hours days prior to the scheduled Task Force meeting. Task Force members may suggest additions, deletions or suggest other changes to the agenda. The agenda as proposed must be adopted by a majority vote of the Task Force.
 4. **Record of Meetings:** A written copy of minutes shall be kept for all meetings. Copies of such minutes will be available on the Commission's E-docket system in *Formal Case No. 1148*. Confidential Information, as defined immediately below, contained in the minutes will be redacted by the Secretary prior to being made public.
 5. **Confidential Information:** For purposes of this Charter, "Confidential Information" means any information, including, but not limited to, documents, audio recordings, and communications exchanged among Task

Force members, their staff, management, consultants, experts, clients, and/or counsel, that would qualify for an exemption to disclosure under the District of Columbia's Freedom of Information Act (D.C. Code § 2-534(a)), including the deliberative process privilege where applicable.

6. **Public Notice:** The Task Force shall give public notice of its meetings via the Commission's E-docket system in *Formal Case No. 1148*, or in any other manner directed by the Task Force at least 48 hours days in advance of the meetings. The notice shall include the agenda, if such has been determined at the time, and the dates, times and places of such meetings; however, the agenda shall be subject to change to exclude existing items or include additional items.

iv. **Recommendations/Reports:**

1. **Recommendations:** The Commission shall review and make a determination on the recommendations submitted by the Task Force. A Task Force member who wishes to submit his or her dissent from a recommendation of the Task Force shall prepare a written dissent, prior to the Task Force's final adoption of its recommendations, which shall outline the reasons for the opposition or disagreement to the Task Force's recommendations. When a Task Force member has prepared a dissent, the Chair, or in the event of a vacancy in the Chair, the Vice Chair or the Secretary, shall include a copy of the dissent as well as the Task Force's recommendations in the submission to the Commission.
2. **Reports:** The Task Force shall present a report on the progress of implementing the Deep Retrofit Program biannually, with the first report being due 8 months after the execution of the Implementer contract. The Task Force will make this document available to the public in the Commission's E-docket system in *Formal Case No. 1148*.

b. **Implementer:**

- i. **Scope of Work/Deliverables:** The Implementer is to design and implement a Deep Retrofit Program serving primarily low- and limited- income multifamily buildings to help building owners comply with building energy performance standards as part of the CleanEnergy D.C. Omnibus Amendment Act of 2018. The Implementer shall ensure that all goals and tasks as listed below are accomplished:
 1. Coordinate among the following critical energy efficiency agencies and other program implementers and stakeholders in developing the District's Deep Retrofit Program: This includes participation in the city-wide energy efficiency goals as well as collaboration with, as appropriate, Pepco, the District of Columbia Sustainable Energy Utility (DC SEU), DOEE, the District of Columbia Housing Finance Agency (HFA), the District of Columbia Housing Authority (DCHA), the District of Columbia Green Bank (DCGB), the District's Department of Housing and Community Development (DHCD), Community Development Financial Institutions, OPC, NHT, NCLC, and other relevant agencies and organizations.
 2. Engage community residents, property owners and community-based non-profit organizations: These activities may include community outreach, education, and program advisory activities.
 3. Develop a full program design proposal: The program design proposal should indicate allocation of the allotted \$11.25 million against program administration costs, participant incentives, and all other non-incentive program costs. The program design proposal should also indicate the scope of measures allowed under the program portfolio, guidelines for the amount of non-energy savings spending per project, and estimated energy and demand savings. Program design may include technical assistance, outreach and marketing, and other key implementation activities.
 4. Develop and execute a marketing strategy: Marketing and outreach will include as necessary messaging and creative content creation, media

selection and buys, a website that meets all Pepco brand standard requirements, and other marketing and outreach requirements as determined by the Task Force.

5. Develop and execute customer outreach and resident impact strategy: Customer outreach and resident impact management should include an assigned point of contact with the Implementer for each participating facility with a dedicated phone line to answer facilities management questions as well as questions from directly impacted residents and sufficient resources to meet program needs. The Implementer must meet customer satisfaction needs.
6. Build a Trade Ally Network: The Implementer will establish key requirements for participating trade allies in consultation with the Task Force. The Implementer should competitively select trade allies. The Implementer should consider equity and quality Trade ally network when creating events and possibly consider including information sharing opportunities on program best practices, any changes to implementation requirements, and opportunities to share project leads.
7. Develop and execute program implementation plan: The Implementer shall provide a clear plan with established milestones for executing program goals (including plans for identifying and screening building projects to identify opportunities for greatest energy savings; managing a portfolio of whole-building, deep energy retrofit projects; and using a cost-benefit analysis to determine the feasibility of measures) ensuring adequate resources, meeting deadlines, and efficiently using allocated funds.
8. Provide technical assistance to building owners and facilities managers: The Implementer shall provide substantial technical assistance and engineering support throughout project execution. Technical assistance and services will include the following:

- A. Develop a whole building energy audit and model to develop a comprehensive scope of measures to be installed to achieve the highest energy savings reductions;
 - B. Negotiate project scopes of work with building owners, including the identification of energy efficiency equipment;
 - C. Provide technical support as needed for building owners' procurement of subcontractor(s); and
 - D. During construction, provide project management and support services, including ensuring that all required permits are obtained for the project, facilitating scheduling of contractors to ease the administrative burden on the owner, and provide other services as needed to ensure projects stay on target with the building owner's work plan and budget.
9. Establish quality assurance/quality controls: This includes developing a quality control plan, ensuring that equipment is installed according to all relevant regulations, codes, and standards, including BEPs requirements established by the 2018 CleanEnergy D.C. Omnibus Amendment Act and regulations promulgated by DOEE, providing and executing a plan to ensure project implementation is of a high quality and funds are being spent consistent with program design standards, and meeting other reporting requirements.
10. Data collection and storage oversight: The Implementer will ensure acceptable data collection, storage, and management capabilities, including the proper use and storage of customer-protected materials and/or personal information. The Implementer will ensure that the property owner adheres to the District's benchmarking requirement and BEPs, where applicable. The Implementer will ensure that the property owner provides the requisite building energy data to track pertinent outcomes of the deep energy retrofits. The Implementer will also ensure that Pepco customers provide written consent that will allow Pepco to provide Pepco account information

to the Implementer, program contractors, and the Task Force for use in Deep Retrofit Program implementation and evaluation.

11. **Program Evaluation:** In consultation with the Task Force, the Implementer will evaluate program success.
12. **Reporting:** The Implementer shall provide a quarterly report to the Task Force on the program's progress and performance. The Implementer will provide, as needed, information for purposes of reporting to regulators or other governmental agencies. The quarterly report shall be provided to the Task Force at dates certain agreed upon by the Implementer and Task Force.

ii. Receipt of funds:

1. **Implementer Contract:** The Implementer Contract shall be funded by the EEEF Fund. The Task Force shall make a recommendation to the Commission for approval of the Implementer Contract. The Task Force's recommendation shall include the frequency of disbursements from the EEEF Fund to Pepco, to pay the Implementer for work completed. The Implementer Contract will not be paid absent Commission approval of the transfer of funds to Pepco from the EEEF Fund. Pepco will discuss invoices with the Task Force as disbursements to the Implementer are made at the Task Force meetings.
2. **Project funding:** The Deep Retrofit Program shall be funded by the EEEF Fund. The Task Force shall make a recommendation to the Commission for approval to release funds from the EEEF Fund for the Implementer to commence the Deep Retrofit Program implementation. The Task Force's recommendation shall include the frequency of disbursements from the EEEF Fund to Pepco, to pay the Implementer to fund the Deep Retrofit Program. The Task Force shall submit a biannual report to the Commission on the progress of implementing the Deep Retrofit Program, including the status of funds paid to the Implementer.

- iii. **Enforcement of Implement Contract:** Pepco and the Commission shall have the authority to enforce the Implementer's Contract and any subcontractor agreements signed by the Implementer to execute the Deep Retrofit Program in accordance with the District of Columbia laws.

5.1. Constraints

- i. **Cost/Length of Program:** The Implementer shall manage the Deep Retrofit Program until exhaustion of the funding of \$11.25 million and any accrued interest.
- ii. **Implementer Contract Administrative Costs:** Pepco's administrative costs as contract administrator shall be funded by any accrued interest of the EEEF Fund.
- iii. **Disbursement of Funds:** All disbursements to Pepco to compensate the Implementer from the EEEF Fund shall be approved by the Commission, taking into account the recommendations of the Task Force.

6.1. Confidentially Agreement:

For the purpose of implementing the Deep Retrofit Program, if a member of the Task Force shares Confidential Information with the Task Force, the disclosing member shall first provide a confidentiality agreement for all members of the Task Force to sign to enter into a confidential relationship with respect to the disclosure of Confidential Information, as defined above.

7.1. Conflict of Interest

- i. **Public Disclosure Obligation of the Task Force Members**

Members of the Task Force, officers and agents of the Task Force shall conduct their business, investment, and personal affairs in such a manner as to avoid any conflict with their duties and responsibilities to the Task Force and shall act with the highest ethical standards in carrying out their duties with respect to the Task Force (the "Policy"). This Policy regarding conflicts of interest shall apply to any transaction or arrangement with a member the Task Force, or any other consultant or person in a position to exercise substantial influence over the Task Force's affairs.

This Policy shall also apply to any transaction or arrangement with any entity in which an interested person has (i) an ownership or investment interest, or (ii) a potential ownership or investment interest or compensation arrangement. This Policy shall not apply to any transaction between the Task Force and the District of Columbia.

The purpose of this Policy is to promote transparency and full disclosure, to avoid the appearance of any conflict of interest and to establish a process by which potential conflict of interest issues are resolved. Therefore, this Policy obligates every member of the Task Force, as well as any consultants to the Task Force, to provide to the Commission within thirty days of the adoption of this public disclosure obligation or upon the creation of such an obligation thereafter, a written disclosure statement which includes the information requested in the Disclosure section below. Furthermore, it is the duty of the Task Force member or consultant to revise their disclosure statement if they become conflicted in the future.

i. Specific Procedures to Implement the Conflict of Interest Policy of the Task Force

a. Disclosure:

1. Whether the individual member holds any financial or ownership interest in a company or entity, other than the company or entity it represents on the Task Force, that may submit a bid to provide services to the Commission and Pepco for the implementation of the *Formal Case No. 1148* Deep Retrofit Program. This requirement applies regardless of whether the member represents a public agency or entity or private entity on the Task Force.
2. If an individual member holds such an interest, the member must: (1) identify the name of the company or entity in which s/he holds such an interest; (2) provide a general description of the type of services that company or entity is licensed to offer; (3) describe the interest in the entity; and (4) indicate whether s/he is a principal or officer of the entity.

3. The obligation to disclose the financial or ownership interest in such an entity is a continuing obligation requiring that at any time a member acquires such an interest, disclosure to the Commission is required within thirty days of the creation of the interest.
4. The disclosure statements submitted to Commission shall be made public and available for review by members of the public.

8.1. Amendments to Charter

- a. This Charter may be amended or repealed by the Task Force upon the affirmative vote of a majority of the members.

Pepco will provide the Task Force with documentation of costs billed to this project on a regular basis to ensure oversight and proper use of these funds. Should Pepco's incremental costs incurred in support of this program be less than the interest earned at the time of the release of funds, Pepco will make those funds available for additional customer incentive spend.

V. Task Force Charter

A Task Force Charter was drafted by Commission Staff and reviewed at the August 6, 2020 Task Force meeting. The attached charter was approved by the Task Force on September 9, 2020. The Task Force selected a chair, vice-chair, and secretary. Those positions were filled as follows:

- Chair – NAME, ORGANIZATION
- Vice-chair – NAME, ORGANIZATION
- Secretary – NAME, ORGANIZATION

Scope of Work

Whole Building Deep Retrofit Multifamily Energy Efficiency Implementation Program

This Scope of Work (“SOW”) for the Potomac Electric Power Company (Pepco) ‘Whole Building Deep Retrofit Multifamily Energy Efficiency Implementation Program’ is issued pursuant to the Contract by and between Pepco and International Center for Appropriate and Sustainable Technology (ICAST), a national 501(c)(3) nonprofit, executed on -----, 2020 (the “Contract”).

The parties agree that the term of this SOW and the Contract are effective as of Jan. 1, 2021 and shall terminate on December 31, 2023. The parties agree to evaluate the SOW and Contract at the end of each year, so as to incorporate potential changes to existing SOW and Contract, based on lessons learned that may enhance and improve the program, for the benefit of all parties including Pepco and their MF customers. The parties may agree to extend this SOW and the Contract, past the Dec. 31, 2023 date, in writing and signed by both parties. The parties expressly agree that the foregoing term supersedes anything to the contrary in the Contract.

Program Name: Pepco Whole Building Deep Retrofit Multifamily Energy Efficiency Implementation Program

Program Implementer: ICAST

Period: Jan. 1, 2021 to December 31, 2023

TASK 1 – PROGRAM DESIGN

1.1. PROGRAM DESCRIPTION

ICAST will perform services per the scope of work (SOW), schedule, and budget provided herein for the Whole Building Deep Retrofit Multifamily Energy Efficiency Implementation Program (Program) for Pepco.

ICAST will focus on implementing energy efficiency (EE) solutions in multifamily affordable housing (MFAH) properties in Pepco's Washington DC territory (District).

ICAST will utilize its comprehensive one-stop-shop (OSS) approach to offer a simple, hassle-free and cost-effective service for the MFAH customers to engage and complete deep energy retrofits on their properties. To deliver its OSS services, ICAST will employ a whole building deep energy retrofit approach, based on early retirement of inefficient systems, covering the entire MFAH property (in-unit residential and common area/exterior commercial meters).

1.2. PROGRAM GOALS

The primary goals of this Program are to help reduce energy consumption that will lower utility costs and preserve housing affordability, address climate change, and generate local jobs and economic opportunities. ICAST will achieve the following impact over the Program period:

1. 10,000 LI households served with EE upgrades on their MFAH properties
2. Average energy savings exceeding 20% per building, across the portfolio of MFAH properties served by the program
3. 200 Million kWh of energy savings achieved, over the life of installed upgrades
4. 270,000 Tons of Carbon emission reductions achieved, over the life of installed upgrades

1.3. TARGET MARKET

The District is one of the most expensive cities in the U.S. in terms of housing costs and is rapidly losing affordable housing stock. Approximately 80% of the District's Low-Income (LI) households are renters, and 75% of the District's LI residents live in multifamily (MF) properties. Nearly 80% of the MF properties in D.C. are at least 40 years old and more than 60% were built prior to 1960. These older properties are typically less efficient than the new ones built to today's codes. Typically, small (under 50 units) MF property owners of naturally occurring affordable housing (NOAH), as opposed to MF properties subsidized through government programs such as HUD or LIHTC, are either unaware of the available programs that can help them or lack the capacity and capability needed to plan and design a deep energy efficiency retrofit, finance it, submit grant proposals or oversee the retrofit construction. ICAST will ensure its outreach efforts include these NOAH properties, in addition to the government subsidized affordable housing stock in the District.

ICAST will serve income-qualified MF properties across Pepco's territory in the District. Income-qualification is based on a majority of the households earning less than 80% of area median income (AMI), as evidenced by the incomes of the tenants and certified by the property owner/manager, OR, the avg. rents at the MF property being less than 80% of avg. market rent, as evidenced by the rent roll provided by the property owner/manager. A MF property is defined as consisting of one or more buildings, with a total of three (3) or more apartment units in each building, clustered together on a single piece of land and under the ownership or management of one entity.

1.4. APPROACH AND STRATEGY FOR PROGRAM DESIGN

ICAST will work with Pepco and the EEEEC Task Force to design a Program that addresses the needs of all stakeholders in a cost-effective manner, while achieving Program goals and expectations. ICAST will design a custom Program with the Program incentives based on the electric energy savings projected. Details of the Program will be developed in the Program Design document. The Mid-Atlantic Technical Resource Manual (TRM) will be utilized to calculate the expected energy savings for all projects. While the TRM will govern the deemed savings calculation formulas, the site specifics will determine the custom savings for each property. Energy savings calculations for each energy efficiency measure (EEM) will be determined by the specifications of the equipment currently in use versus the equipment being installed as part of the retrofit. ICAST will provide EEM recommendations for electric, gas and water savings to all MFAH customers. Energy savings will include both electric and gas EEM savings. The program will play a crucial role in helping MFAH property owners in the District comply with the new Building Energy Performance Standards (BEPS) and to that end, ICAST will incorporate the BEPS requirements into its Program design.

ICAST will draft an initial design for the Program to include details on Income Eligibility (IE) requirements and verification procedures, the energy efficiency measures (EEMs) eligible for the Program along with their incentive levels, and the roles and responsibilities of Pepco, ICAST, Trade Allies, Consultants and Contractors. ICAST will submit the Program design to Pepco for review, after the SOW and Contract are approved by Pepco. After revisions to the Program design are approved by Pepco, the Program design will be submitted to the Energy Efficiency and Energy Conservation (EEEC) Task Force for review, comment, and approval. The final Program Design document will form the basis for ICAST's execution of the Program.

TASK 2 – PROGRAM START-UP

2.1. START-UP TEAM

The Program Director, Ravi Malhotra, will be responsible for delivering a successful Program launch. He will oversee the Program Design, development of the Program Manual and other documentation such as Marketing collateral and Outreach plans, and oversee local partnership building, etc. Ed McIlvain is ICAST's DSM Program Manager and will help Mr. Malhotra with the start-up activities for the Program. Monica Paici is ICAST's Marketing Director and will direct marketing and outreach activities with her marketing, outreach and inside sales staff. Noreen Beatley will be the local liaison and help Mr. Malhotra create local partnerships. The Engineering team at ICAST will help develop the Technical Resource Manual for the Program. Until local business development staff (Customer Solutions Manager) is hired, current ICAST staff, led by Nate Murray, will engage with customers to get them interested in the Program. John Wilkerson will act as the local technical lead and conduct any site visits and energy assessments during the start-up phase. Support services to these key Program staff will be provided by ICAST through its HR, IT, Operations, Accounting and Finance and other personnel located in various states.

2.2. START-UP TIMELINE AND MILESTONES

The key start-up activities with their milestones are:

- Program Design – First Draft Completed by ICAST – 9/30/2020
- Final Program Design – Approved by Pepco and EEEEC Taskforce – 11/30/2020
- Program Operations Manual – First Draft Completed by ICAST – 10/15/2020
- Final Program Operations Manual – Approved by Pepco – 11/30/2020

- Program Implementation Plan – First Draft Completed by ICAST – 9/30/2020
- Final Program Implementation Plan – Approved by Pepco – 11/30/2020
- Outreach Plan and Collateral Materials – First Draft Completed by ICAST – 9/15/2020
- Final Outreach Plan – Approved by Pepco – 11/30/2020
- Build Trade Ally Network – ongoing starting 11/1/2020
- Program Reports – Formats and Structure Developed by ICAST – 9/15/2020
- Finalize Program Reports – Approved by Pepco – 11/30/2020
- Marketing Collateral Materials – First Draft Completed by ICAST – 10/15/2020
- Program Marketing Collateral – Approved by Pepco – 12/15/2020
- Launch Program – 1/1/2021

TASK 3 – PROGRAM IMPLEMENTATION AND DELIVERY STRATEGY

3.1. PROGRAM SERVICES AND DELIVERY STRATEGY

Through its OSS approach, ICAST will provide qualified MFAH properties with the following services as part of the Program:

- **Education:** ICAST educates property owners and managers about the benefits of EE upgrades beyond utility cost savings. ICAST also educates and trains maintenance staff on the EE upgrades installed so they are able to operate and maintain them as needed. Lastly, ICAST offers a tenant education program that helps residents realize the benefits of EE by using their EE equipment as prescribed plus changing their behaviors to not waste energy.
- **Property/Portfolio Assessments:** ICAST performs a comprehensive property needs assessment using a green building lens. ICAST assesses the entire property’s structure and surroundings, evaluating all systems that impact its energy consumption from lighting, plumbing, shell/envelope, appliances, and mechanicals. ICAST’s engineers use this information to draw an inclusive, nuanced picture of where the property’s energy performance can be improved and create a list of energy efficiency measures (EEMs) for the property, subjecting each EEM to a cost-effectiveness test. ICAST will coordinate with other programs such as Washington Gas’s DSM program to make MF customers aware of those incentives for the recommended scope of work for their property. ICAST delivers this customized list of EEM recommendations to the property owner/manager. If the building is required to comply with BEPS, ICAST will work with the owner to align recommended measures with BEPS compliance requirements. If requested, ICAST works with owners/managers to evaluate their entire portfolio of properties to identify their worst-performing properties using EPA’s Energy Star® Portfolio Manager Tool
- **Project Scope of Work Development:** ICAST provides value engineering and technical assistance with developing the comprehensive Scope of Work (SoW) that the MFAH property desires to undertake as part of their EE retrofit. Value engineering offers the owner choices to reduce project costs while achieving the desired energy savings. If requested, ICAST will provide detailed design specifications for the property and help identify local contractors who can do the scope of work and send the bid documents to local contractors to obtain bids for the scope or work the MF customer wishes to undertake.
- **Access to Incentives:** ICAST has detailed knowledge and expertise with the various local and national financial incentives and grant programs to help MF owners find the resources needed to implement whole building retrofits. ICAST can provide assistance and guidance with accessing resources such as tax credits (e.g., LIHTC, solar ITC), green lending incentives (Fannie Mae and Freddie Mac Green Loan

Programs, FHA MIP Reduction), local Foundation grants and the District's grant programs including the Housing Production Trust, Small Building Program, and Housing Preservation Fund. ICAST will also help MFAH clients access incentives available via DC SEU, Washington Gas, and DC Water.

- **Access to Financing:** ICAST helps MFAH properties secure financing for their green retrofits they otherwise may find difficult to access. This includes energy financing such as Property Assessed Clean Energy (PACE) (available from local providers such as Urban Ingenuity and City First Bank), Green loans (available from local providers such as DC Green Bank or CDFIs), EPC funding (available from providers such as Sawhill and other ESCOs), PPA funding (available from local providers such as Sol Systems and other local financiers). In addition to these local resources, ICAST manages TBL Fund, a CDFI that can provide financing to install EEMs.
- **Construction Inspection:** ICAST helps its MFAH clients with quality control by inspecting the work of each contractor they hired to complete the scope of work, to ensure the installation of EEMs meet or exceed the quality requirements of the Program. ICAST will strive to work closely with its MFAH clients to ensure its inspections are conducted in a timely manner, so that identified issues can be corrected immediately, while the contractor is still on-site. During the retrofit project, the ICAST site inspector will work closely with subcontractors to inspect on-site progress and collect required project data and post it to ICAST's online QA/QC database. The project inspection data set will provide details of every EEM installed by apartment, with quantities installed along with serial numbers for the HVAC, smart thermostats and other larger equipment. This inspection report is available to third-party evaluators as needed.
- **Benchmarking:** ICAST will help its MFAH customers to use the Energy Star® Portfolio Manager tool to evaluate, rate, and prioritize properties within their portfolio to undertake EE retrofits. ICAST will work with MFAH properties to help them request and acquire aggregated utility consumption data from Pepco, Washington Gas, and DC Water. For MFAH clients with properties with master meters or buildings with less than five units, ICAST will provide guidance to property owners/managers, to acquire the utility data they need to acquire their benchmarking score through EPA's Portfolio Manager tool. Without access to aggregated utility consumption data for the entire property, ICAST expects there will be severe hurdles to complete benchmarking for their property.

ICAST will launch and deliver its OSS program with the help of local Trade Allies. ICAST will utilize its customer relationship management (CRM) and its project management software to process applications, track customers through the entire process, contractor management, audit reporting (including rebates), invoicing and payment processing, and final reporting. Program delivery will include:

1. Receipt of energy audit requests from MF property owner/manager as a result of ICAST education and outreach efforts.
2. Communication with MF property owner/manager regarding energy audit request and scheduling.
3. Client set-up in Salesforce CRM (client is tracked through the entire process hereafter).
4. Complete energy audit on MF property.
5. Presentation of audit findings to MF property owner/manager to ensure selection of appropriate EEM options.
6. Finalize scope of work for installation of EEMs per the MF property owner's request including rebates.
7. Help owner/manager access other incentives or financing as requested.

8. EEM Inspection – perform quality inspections of the installation of EEMs by local contractors per the inspection requirements of the program.
9. Education and Training – provide the MFAH tenants with education on how to operate the EEMs installed (e.g. smart thermostats) while also training the MFAH maintenance staff on the operations of the EEMs installed (e.g. high efficiency heat pump HVAC).
10. Invoicing – MFAH customer incentives will be paid by ICAST upon customer and Pepco approval. ICAST will request reimbursement from Pepco on a monthly basis for the customer incentives paid by ICAST and for the ICAST admin. fees per approved budget.

3.2. PROGRAM MARKETING STRATEGIES

ICAST will create compelling and consistent messaging that highlights the many benefits of whole building energy efficiency upgrades for MFAH properties. The marketing materials will be tailored to speak to specific audiences to ensure effectiveness.

All marketing materials that are customer facing i.e. address the MFAH customer, will require approval from Pepco's marketing team before being utilized by ICAST. All marketing materials that are not customer facing e.g. address trade allies, will require approval from the Pepco Program Manager before being utilized by ICAST.

As part of its OSS approach, ICAST will deploy a suite of marketing tactics as outlined below:

- Direct Marketing: Provide information and literature about Program directly to MFAH property owners and managers, via traditional mail, email, phone calls, and in-person visits.
- Digital Marketing: Online postings of key program elements and updates on the Program website and other public websites; in blogs, LinkedIn posts, and other social media sites; utilize Google AdWords on relevant and related websites where ICAST expects MFAH customers to visit for news about their industry; place articles in e-newsletters and other online publications.
 - A dedicated Program website that meets Pepco's requirements, will be developed to provide all necessary information on the Program and answer potential questions MFAH customers may have such as: Contact Information for ICAST staff; Details about the Program eligibility requirements and incentives available; What upgrades qualify and their benefits; Details of how to participate in the Program; MFAH client testimonials; BEPS requirements, and any additional information deemed necessary and appropriate to bring interested parties to the website. The website will be hosted by Pepco on their corporate website and the exact same website will be mirrored by ICAST on its website.
- Indirect Marketing: Publish articles about Program in relevant housing and EE industry publications; present information about Program at industry conferences, workshops, and webinars; Conduct outreach to Program stakeholders who engage with the MFAH customers.
- Events: ICAST will identify relevant events in the District, such as HAND and CNHED workshops and meetings, Mayoral housing forums, etc., where potential MFAH customers and program stakeholders will be in attendance. ICAST will attend and present the Program at such events; ICAST will also partner with these stakeholders to sponsor webinars and seminars for MFAH stakeholders specifically to discuss the Program and share success stories and case studies from MFAH customers. In addition, ICAST will host local trainings with stakeholders, to encourage their participation in the Program.

- Referral Campaigns: ICAST will build an MFAH referral network. Key targets will include AOBA, LISC, Enterprise, NHT, CNHED, HAND, lawyers, CPA firms, realtors, vendors, lenders, architects, appraisers, property management firms, trade allies such as energy raters and contractors, and other organizations interacting with MFAH properties in the District. Referrals will be targeted using direct, indirect and digital marketing tactics.

3.3. KEY OUTREACH AND COMMUNITY ENGAGEMENT STRATEGIES

ICAST's OSS approach is based on a "customer-centric" model. ICAST considers meeting the needs of its MFAH customer as its primary goal and providing them the services and solutions necessary to make their retrofit project convenient. ICAST strives to make it easy for the MFAH client to enroll into the program and complete the retrofit project, with the least amount of effort on their part. ICAST focuses on building long-term relationships with the MFAH clients. This close trusting relationship with its MFAH clients allows ICAST to convince them to undertake whole building retrofits. Trade allies specialize in one EEM upgrade such as lighting or HVAC or insulation and have no desire, ability or incentive to 'sell' a whole building retrofit. So ICAST builds relationships with the MFAH clients trusted trade allies and convince them to bring ICAST to their client for other EE upgrades that they are not capable of undertaking. This relationship building is part of the ICAST OSS process.

ICAST will also conduct community engagement, especially with MBE organizations. ICAST will create marketing collateral to disseminate in the District, using a variety of outreach strategies. ICAST will work with community-based organizations to outreach to MBE organizations and ensure they are aware of the Program opportunities.

The LI residents will be educated and engaged using various outreach strategies including in-person one-on-one engagement, group meetings at MFAH sites, workshops, marketing campaigns, website and other online content. The resident engagement will focus on how they can learn to save energy costs through better management of the energy consuming equipment in their homes and the activities they undertake.

ICAST will create a local Advisory Board for the Program, with members of the local community as its members, so that it can solidify existing partnerships and build new collaborations to successfully execute on this Program.

3.4. APPROACH TO QUALITY AND CONTINUOUS IMPROVEMENT

ICAST will ensure high-quality work by performing the necessary QA/QC both in the field (at MFAH sites) and on the data/information collected for the Program. Key quality metrics for the Program include:

- 100% of applications submitted to the program are reviewed for eligibility, following the QA/QC process outlined in the Operations Manual.
- 100% of qualified MFAH properties will receive a site visit and an energy audit report.
- Over 50% of all projects that receive Program incentives will be inspected per the QA/QC processes outlined in the Operations Manual
- Field inspections will be conducted at a minimum of 10% of all units at MFAH properties receiving inspections.

The ICAST QA/QC system includes strong oversight and management, regular communication, effective use of data tracking and analysis, and delivering quality results in a timely manner. ICAST will qualify the customer and MFAH property by examining eligibility requirements for the program. Next, ICAST will qualify the planned EEMs for incentive eligibility. ICAST verifies that the eligible customers have qualified EEMs that yield energy savings per the approved Program Design and reserves the corresponding incentives in line with those savings. Some savings estimates may require energy modeling or other forms of documentation and proof of savings before they are deemed eligible for incentives. All of this information is entered into the ICAST database so that it can provide Pepco reports by each MFAH project or aggregate projects for monthly reports.

ICAST will perform QA/QC per the sampling plan to ensure incentives are paid for the installation of qualified EEMs and products. ICAST will ensure that all equipment is new and certified to meet the appropriate energy codes. Field Inspectors conduct this quality inspection on a MFAH customer’s property to ensure program requirements are met. Any deficiencies discovered related to installation shall be corrected prior to submitting project to Pepco for incentive payment.

ICAST maintains quality and consistency of its work by implementing checklists for all critical processes that program staff must follow. ICAST provides its staff with regular training on its standard operating procedures (SOPs) via its online training academy. ICAST regularly updates SOPs as part of its quality improvement program. This ensures continuous improvement in operations and service to customers and Pepco. ICAST employs a continuous improvement process that includes continually evaluating its existing processes and procedures for opportunities to improve them and using IT systems and software solutions including AI to enhance process efficiencies.

3.5. PROGRAM TIMELINE

ICAST will follow the timeline per the table below:

	Quarters												
	1	2	3	4	5	6	7	8	9	10	11	12	13
Launch Program													
Implement Customer Outreach Campaign													
Implement MF client Education													
Provide ICAST one-stop-shop services													
Submit Monthly Program Reports													
Program Shutdown Plan Finalized w/ Pepco													
Submit Final Program Report													
Assist Pepco with Program Evaluation													

3.6. IMPLEMENTATION TEAM STRUCTURE

ICAST is a 501(c)(3) nonprofit with a Board of Directors who provide governance and oversight for its operations. The Board is comprised of academics and professionals from energy, affordable housing, financial, and investment industries. Key Board Members include Dr. John Trefny, President Emeritus of the Colorado School of Mine and Advisory Board member of the National Renewable Energy Laboratory (NREL); Bruce Dines, Partner at Liberty Global Ventures; Thomas Amdur, Executive Director of the National Housing &

Rehabilitation Association (NH&RA); Kamal Ali, President, BBVA Compass Bank, New Mexico, and Brendt Rusten, a Partner at Dominion Inc., the fourth largest private affordable housing developer in the nation.

The Program Director will be ICAST President, Ravi Malhotra. He will be responsible to Pepco for delivering a successful Program. Ed McIlvain will be the Program Manager, helping Mr. Malhotra with the day-to-day activities of managing the Program. Noreen Beatley will be the local liaison and help create and maintain partnerships locally. Local business development staff (Customer Solution Manager) will be hired as will be local Field Inspection staff. John Wilkerson will be the local technical/engineering staff available for the program. Support services to these key Program staff will be provided by ICAST through its personnel based in various locations. The org. chart is presented in Appendix I.

3.7. OPERATIONS MANUAL

ICAST will develop a Program Operations Manual that will detail the processes and procedures required to execute on the program. It will include Program Design details as well as processes on serving the MFAH customers and their tenants. The Operations Manual will include the roles and responsibilities of ICAST, Pepco, Trade Allies and consultants plus other stakeholders. It will outline the outreach and stakeholder engagement details and program metrics and reporting processes.

TASK 4 – PROGRAM RESULTS AND REPORTING

4.1. PROVIDING REPORTS ON KEY PROGRAM METRICS AND MILESTONES

ICAST will present Program progress and performance reports to Pepco on a real-time basis through Microsoft PowerBI dashboards. Monthly reports will also be presented to share with EEEF Task Force and other stakeholders. ICAST will also prepare quarterly reports for Pepco to track ongoing process, as well as supporting an annual submittal to the Commission. These status reports will provide updates on energy savings achieved by project completed with additional details as needed. Formats for all reporting will be developed as part of the Operations Manual.

ICAST will conduct bi-weekly or monthly Program meetings with Pepco's implementation team during the project's kickoff phase. Additional meetings will be requested by either party on an as-needed basis. ICAST will also conduct bi-weekly or monthly meetings after the Program's launch with additional meetings requested by either party on an as-needed basis. Strategy meetings that include the Task Force will be conducted every six months to formally discuss program strategy and any changes needed to meet and exceed program goals. All meetings will be conducted via Microsoft Teams, unless planned otherwise.

ICAST will respond to ongoing data/information requests from Pepco within two business days. Depending upon the complexity of the request, the execution of the request may take up to a week. Should the data collection or execution of the request require a longer period, ICAST will communicate an estimated delivery time and/or discuss an appropriate delivery period with the individual making the request.

ICAST will evaluate the following metrics for the Program. Some of these metrics will be assessed, even though they are not part of the Program goals, and will be shared with Pepco on an annual basis:

1. Energy savings in kWh, kW, and therms
2. Water savings in gallons

3. Number of LI households served
4. Number and geographic distribution of multifamily affordable housing buildings and units upgraded
5. Utility cost saving over lifetime of solutions installed (based on EUL – estimated useful life of installed solutions)
6. Carbon emission reductions over lifetime of solutions installed
7. Investments made into the community, in dollars
8. Number of Direct and Indirect jobs created/retained due to investments made through the Program

4.2. APPROACH TO INCENTIVE PROCESSING, TRACKING, AND REPORTING

ICAST will process incentives per MFAH project, as they are completed and inspected. ICAST will pay incentives to customer upon Pepco approval. ICAST will track incentives when they are first requested until they are paid out to the customer and reimbursed by Pepco to ICAST. Pepco will process ICAST invoices for incentives paid by ICAST and the ICAST admin. fees per the approved budget, on a monthly basis. ICAST will report projects completed along with energy savings and incentives processed on a monthly basis, by project (the real-time dashboard will provide the same information to Pepco staff to review when they desire).

TASK 5 – GENERAL ADMINISTRATION AND MANAGEMENT

5.1. COMPENSATION AND INVOICE PROCEDURES

The SOW will be implemented per the budget below. Since this is not a T&M contract, ICAST is not expected to track and present individual expense items including its staff timesheets for reimbursement to Pepco but ICAST is expected to track program expenses per the budget line items and maintain back-up documentation of invoices paid by ICAST to sub-contractors and the incentive payments made to customers. ICAST will track Program costs and invoice Pepco on a monthly basis. ICAST will maintain expense documentation for 3 years and will make them available for review/audit on request.

Cost Category	Definition	Budget Allocation
Program Administration	Program management and oversight, IT equipment and software, QA/QC, reporting, finance, call center or other customer support, etc.	\$400,000
Marketing, Outreach, and Education	Development of marketing and outreach collateral, deployment of marketing and outreach strategy, printing, media buys, etc.	\$275,000
Technical Assistance	Engineering analysis and direct project technical assistance	\$600,000
Direct Program Implementation	Any labor costs associated with direct project work (does not include project management or oversight) including audits, labor for measure installation, etc.	\$975,000
Customer Incentives	Funding covering part or all of the cost of efficient measures installed	\$9,000,000
	Total Cost	\$11,250,000

5.2. CUSTOMER SATISFACTION

ICAST prides itself for its customer-centric approach to all of its work. ICAST aims to provide an exceptional customer experience for its Program through its documented processes that emphasis customer service.

ICAST will provide the Program with a dedicated phone number and email address for MFAH customers inquiries and concerns.

In case there are customer issues, ICAST will log each customer interaction into the ICAST CRM Salesforce. Any customer inquiries and complaints received via phone or email or website or in-person will be logged into Salesforce and assigned to the Program Manager (PM). Pepco will be notified of all customer complaints and will be help informed on the actions being taken by ICAST to resolve the issue. If the ICAST PM is unable to resolve an issue, it is escalated up to ICAST management to address.

Pepco will recruit a 3rd party firm to survey program participants. Results of those surveys will be shared with ICAST. On its part, ICAST will also survey its customers during and at the end of their EE upgrade project. Results of the ICAST customer surveys will be provided to Pepco.

5.3. Program KPIs

Performance will be evaluated on an annual calendar year basis utilizing the agreed upon performance standards. The performance standards include provisions for a financial penalty based on performance toward the program goals and KPIs. No financial penalty will be assessed for non-compliance to the performance standards during the baseline period of Jan. 1, 2021 through December 31, 2021. The baseline period will be utilized for validating and refining performance expectations. After the baseline period ends, any non-compliance to the performance standards outlined below will be subject to the described penalties. Penalties are assessed annually unless otherwise specified.

○ **Energy Savings**

ICAST will use reasonable means to achieve the program savings goals which are defined in Section 1.2 'Program Goals' above, in this SOW. ICAST's satisfaction of this requirement shall be measured as follows:

< 100% of the kWh goal = \$5,000 Penalty

Percent of goal is defined as the sum total achieved "Total kWh Savings Over Lifetime" divided by the "Program Year Gross Savings Goal." The proposed pricing structure subjects ICAST to risk for changes in the portfolio that may impact the energy savings programs. As a result of this risk, ICAST reserves the right to renegotiate pricing with PHI if any design changes to PHI's energy efficiency portfolio take place during the delivery of program implementation services specified in this Statement of Work.

ICAST will provide monthly reports showing the total kWh savings achieved. There will be an annual true-up based upon the total kWh achieved data that will be available on January 15th following each Program Year. The performance evaluation will be based on total energy savings achieved over lifetime of energy efficiency measures installed. Since this a not a typical DSM program, and it focuses solely on the low-income market, Pepco expects the Realization Rate (RR) or the Net to Gross Ratio (NTG) to be One (1). This means net savings equal gross savings as specified by the approved Mid-Atlantic TRM.

The maximum annual penalty for non-compliance is \$5,000/Program Year.

- **Percent Energy Savings**

ICAST will use reasonable means to achieve the program savings goals which are defined in Section 1.2 'Program Goals' above, in this SOW. ICAST's satisfaction of this requirement shall be measured as follows:

< 20% energy savings = \$5,000 Penalty

Percent of goal is defined as the sum total achieved for the program year for "Total kWh Savings for one year (First year energy savings)" divided by the "Total Current annual kWh Consumption for all the units served". The proposed pricing structure subjects ICAST to risk for changes in the portfolio that may impact the energy savings programs. As a result of this risk, ICAST reserves the right to renegotiate pricing with PHI if any design changes to PHI's energy efficiency portfolio take place during the delivery of program implementation services specified in this Statement of Work.

ICAST will provide quarterly reports showing the percent energy savings achieved. There will be an annual true-up based upon the total kWh savings achieved data and the average annual consumption data that will be available on January 15th following each Program Year.

The maximum annual penalty for non-compliance is \$5,000/Program Year.

- **LMI Households Served**

ICAST will use reasonable means to achieve the program goals for number of households served, which are defined in Section 1.2 'Program Goals' above, in this SOW. ICAST's satisfaction of this requirement shall be measured as follows:

< 100% of the # of households served goal = \$5,000 Penalty

Percent of goal is defined as the sum total achieved "Total Households Served" divided by the "Households Served Program Goal." ICAST will provide monthly reports showing the total households served. There will be an annual true-up based upon the total households served data that will be available on January 15th following each Program Year.

The maximum annual penalty for non-compliance is \$5,000/Program Year.

- **Customer Satisfaction**

Pepco will perform an on-going assessment of customer satisfaction for the program using a 3rd party firm. An annual true-up shall be performed based on customer satisfaction data available to PHI as of January 15th following each Program Year.

ICAST's ability to achieve the desired customer satisfaction rating shall be measured as follows:

≤ 80% satisfaction rating = \$5,000 Penalty

The maximum annual penalty is \$5,000.

- **Safety / Data Security**

A violation is defined as failure to meet any of the four (4) goals outlined below:

1. Notify Pepco of any of the following in accordance with the Exelon Master Terms and Conditions, Consulting and Professional Service Agreement as amended:
 - a. Motor Vehicle Accident and/or Vehicular Moving Violations**
 - b. OSHA Recordable Incident**
 - c. Loss or theft of Personal Electronic Device (PED) containing PHI Confidential Information*
 - d. Breach of PHI Confidential Information*
2. Zero (0) RVAs**
3. Zero (0) OSHA Recordables**
4. Zero (0) breaches of PHI Confidential Information* due to ICAST's negligence and/or failure to follow agreed upon data security protocol.

**Contractor is responsible for no material breach of Exelon's data security requirements, as outlined in Exhibit G (as amended) to the Master Terms and Conditions for Consulting and Professional Services agreement, that is the direct result of gross negligence or willful misconduct by ICAST. "Material breach" in this clause shall mean unauthorized release of confidential data concerning 1,000 or more customers*

*** Contractor will report promptly to Exelon any accident or unusual occurrence during performance of the Work, including personal injury or death to any Contractor Personnel or any member of the public, or any damage to any of Buyer's property, the Site, or adjacent property. Reports of personal injury or death will be made verbally within three (3) hours of Contractor's awareness of such an issue to Buyer's Designated Representative. Contractor will submit a written accident report to Buyer's Designated Representative within twenty-four (24) hours after an accident.*

"OSHA recordable incidents" as used in the document is to be construed consistent with the requirements outlined in 29 CFR 1904.4, et seq., and means fatalities, injuries, and illnesses that: (1) are work-related, as defined in 29 CFR 1904.5; and (2) are a new case, as defined in 29 CFR 1904.6; and (3) meets one or more of the general recording criteria of 29 CFR 1904.7 or the application to specific cases of 29 CFR 1904.8 through 29 CFR 1904.12

Note that safety and motor vehicle related incidents are only recorded if they occur while ICAST was in performance of services related to their contracted SOW and ICAST or one of its contractors are adjudicated at fault.

Monthly reports are provided by ICAST. Penalty payment will be due in the monthly invoice following occurrence of violation/incident.

The penalty is \$1,500 per Safety or Data Security violation, up to a maximum of \$6,000 per program year.

CERTIFICATE OF SERVICE

I hereby certify that a copy of Potomac Electric Power Company's proposed recommendation to select iCAST, Charter and Statement of Work was sent to the recipients listed below on September 23, 2020 by electronic mail.

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