

GOVERNMENT OF THE DISTRICT OF COLUMBIA
District Department of the Environment



November 15, 2012

The Honorable Phil Mendelson
Chairman
Council of the District of Columbia
1350 Pennsylvania Avenue NW, Suite 402
Washington, DC 20004

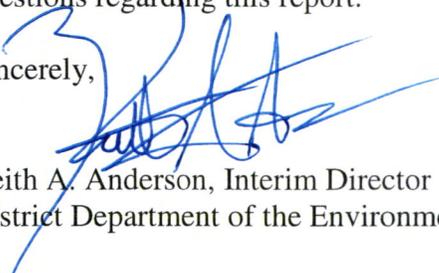
RE: Clean and Affordable Energy Act of 2008, D.C. Law 17-250

Dear Chairman Mendelson:

Pursuant to sections 210(e) and 211(e) of the Clean and Affordable Energy Act of 2008, D.C. Law 17-250, effective October 22, 2008, I am pleased to submit the District Department of the Environment's (DDOE) fourth Quarterly Report for the quarter July 1, 2012 – September 30, 2012. This report describes the performance of Energy Assistance Trust Fund and Sustainable Energy Trust Fund programs and expenditures during the quarter ending September 30, 2012. This document reflects DDOE's continuing commitment to making the District more energy efficient and improving the quality of the environment.

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

Sincerely,



Keith A. Anderson, Interim Director
District Department of the Environment

Attachments

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



District Department of the Environment
Clean and Affordable Energy Act Quarterly Report
July 1, 2012 – September 30, 2012

Table of Contents

INTRODUCTION..... 1

BACKGROUND 1

SUSTAINABLE ENERGY TRUST FUND..... 4

 Renewable Energy Incentive Program..... 4

ENERGY ASSISTANCE TRUST FUND..... 8

 LIHEAP Extension and Energy Education..... 8

 Residential Essential Service Expansion and Awareness Program 10

Attachments

Attachment 1 - Revenue Collection

Attachment 2 - All Financial Activity

Attachment 3 - Administrative Budget and Expenditures

Attachment 4 - Monthly Actual Expenditures by Program

INTRODUCTION

The District Department of the Environment's ("DDOE") Clean and Affordable Energy Act of 2008 ("CAEA") Quarterly Report to the Council of the District of Columbia ("Council") covers the period from July 1, 2012 – September 30, 2012. This report: 1) describes significant program status; 2) provides timelines and milestones to track the progress and success of each program; 3) offers highlights of ward specific data; and 4) presents the status of administrative and programmatic expenditures.

BACKGROUND

The Retail Electric Competition and Consumer Protection Act of 1999 created the Reliable Energy Trust Fund ("RETF"), the purpose of which was to fund programs promoting energy efficiency and the use of electricity from renewable sources. In Commission Order No. 13475, Formal Case No. 945, the Public Service Commission of the District of Columbia ("Commission") designated DDOE (previously the DC Energy Office), as the authority to administer all the programs approved for funding from the RETF. Subsequently, the Commission authorized DDOE to implement 16 programs.

Additionally, in 2005 the Council passed the Omnibus Utility Emergency Amendment Act of 2005, which established the Natural Gas Trust Fund ("NGTF") to promote energy efficient gas programs and to provide assistance to low-income gas customers in the District. DDOE was designated as the administrator of all the programs.

This quarterly report is required by the “Clean and Affordable Energy Act of 2008,” D.C. Law 17-250, effective October 22, 2008, which replaced the RETF and NGTF programs with the Sustainable Energy Trust Fund (“SETF”) and the Energy Assistance Trust Fund (“EATF”) programs, funded by two new utility assessments. The following three programs are currently being administered by DDOE:

Sustainable Energy Trust Fund

1. R1, Renewable Energy Incentive Program

Provides financial incentives for and increases the awareness and the use of renewable energy generation technologies by District of Columbia residents, businesses, and institutions.

Energy Assistance Trust Fund

2. D1, LIHEAP Expansion and Energy Education

Provides additional funding for electric customers to be used in concert with the Federal Low Income Home Energy Assistance Program.

3. G1, Residential Essential Service Expansion and Awareness Program

Provides low-income gas customers greater affordability toward their total gas bills and aims to increase the participation rate by at least 30%.

DDOE has contracted with Vermont Energy Investment Corporation, the prime contractor of the Sustainable Energy Partnership (a team of local partners), to provide programs and initiatives as the District of Columbia Sustainable Energy Utility (“DC SEU”). The DC SEU conducts programs in the District to reduce per-capita energy consumption, increase the number of green collar jobs in the District, stimulate the local economy through contract spending with District businesses, increase renewable energy generating capacity, reduce the growth of peak electricity demand, improve the energy efficiency of low-income housing, and reduce the growth of energy demand of the District’s largest energy users. The DC SEU is funded by the SETF.

DDOE is appropriated an amount equivalent to ten percent of the DC SEU contract value for administering the contract, and the financial attachments at the end of this report reflect this activity. The DC SEU submits quarterly reports to DDOE, and DDOE files these reports with the Council on behalf of the DC SEU. Both reports can be found on DDOE's web site.

Sustainable Energy Assistance Trust Fund

Program Name:	Renewable Energy Incentive Program
Program Number:	R1
Reporting Period:	July – September 2012

Project Description

The District of Columbia Renewable Energy Incentive Program (REIP) was developed to increase the use and awareness of renewable energy generation technologies by District of Columbia residents, businesses, and institutions.

Program Status

- Program is falling short of expectations
- Program is on Target
- Program is exceeding expectations

Current renewable energy technologies eligible for rebate are solar photovoltaic and solar thermal systems. The REIP provided rebate incentive payments to expend the program's budget using a rebate/incentive tier structure. During the fourth quarter, the program supported 179 solar photovoltaic projects, adding 964 kilowatts of solar power capacity to the District. During the period, the program received 167 new photovoltaic prequalification requests, conducted 30 site visits and invited 165 applicants from the waitlist.

Solar Photovoltaic Breakdown by property type (of 179 projects funded)

Residential: 169 Non-Profit:3 Commercial: 7 Educational: 0

Table 1: Solar Photovoltaic Projects Funded by Ward

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Current Quarter	69	7	13	37	8	40	2	3	179
Cumulative Total	98	11	29	50	9	71	4	3	275

Table 2: Solar Photovoltaic project Deliverables

Program Deliverables	Quarter Achievement	Cumulative Achievement
Number of Rebates	179	275
Rebate Amounts Awarded	\$1,146,387.00	\$1,726,508.50
Residential Installations	169	263
Non-profit, business and institutional Installations, commercial, educational	10	12
Capacity of Projects Rebated (kW)	964,363	1,428.4
Kilowatt hours/year capacity awarded (kWh)	1,186,180	1,756,945
Energy Value (\$/year @ 13¢* a kWh)	\$154,203.40	\$228,402.85
Projected Lifetime Energy (\$/yr @ 13 ¢ a kWh for 25years)	\$3,855,085.00	\$5,710,071.25
Emissions Offset (Avoided)**		
Carbon dioxide (pounds)	1,989,223.86	2,946,396
Nitrogen oxides (pounds)	2779.22	4116.52
Sulfur dioxide (pounds)	7704.24	11,411.36

*13¢/kwh represents an approximate rate per kWh based on Pepco's [Residential – Schedule R service schedule](#).

**Emissions coefficients are based on the US Average as stated in table 2.4 of Leonardo Academy Inc. white paper:

“Emission Factors and Energy Prices for Leonardo Academy’s Cleaner and Greener® Program” April 2009.

During the fourth quarter, the program supported 16 solar thermal projects, adding an additional 154.15 kilowatt-equivalent of solar power capacity to the District. The program received 80 new thermal prequalification requests and invited 23 applicants from the waitlist.

Solar Thermal Breakdown by property type (16 projects funded)

Residential: 8 Non-Profit: 0 Commercial: 8 Educational: 0

Table 3: Solar Thermal Projects Funded by Ward

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Current Quarter	4	2	4	1	3	2	0	0	16
Cumulative Total	4	2	4	1	3	2	0	0	16

Table 4: Solar Thermal Project Deliverables

Program Deliverables	Quarter Achievement	Cumulative Achievement
Number of Rebates	16	16
Rebate Amounts Awarded	\$73,214.00	\$73,214.00
Residential Installations	8	8
Non-profit, business and institutional Installations, commercial, educational	8	8
Capacity of Projects Rebated (kW)	154.15	154.15
Kilowatt hours/year capacity awarded (kWh)	79,396	79,396
MBTU/sq.ft/year	280	280
Energy Value (\$/year @ 13¢ a kWh)	\$10,321.48	\$10,321.48
Projected Lifetime Energy (\$/yr @ 13 ¢ a kWh for 25years)	\$258,036.90	\$258,036.90
Emissions Offset (Avoided)*		
Carbon dioxide (pounds)	204,047	204,047
Nitrogen oxides (pounds)	682.81	682.81
Sulfur dioxide (pounds)	306.47	306.47

***Emissions coefficients are based on the US Average as stated in table 2.4 of Leonardo Academy Inc. white paper: "Emission Factors and Energy Prices for Leonardo Academy's Cleaner and Greener® Program" April 2009.

Table 5: Renewable Energy Incentive Program Quarter 4 FY12 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 4 July – September 2012		
Distribute Approved Rebates	September 2012	September 2012
Complete Site Visits	September 2012	September 2012

Next Quarter's Projected Goals

In the upcoming quarter, REIP will continue to accept prequalification requests for fiscal year 2013. Program staff will continue to visit rebate recipients to close out the program's site visit requirement.

Table 6: Renewable Energy Incentive Program Quarter 1 FY13 Timeline and Milestones

Milestone	Goal Date	Actual Date Accomplished
Quarter 1 October - December 2012		
Reopen REIP Program	October 2012	
Distribute Approved Rebates	December 2012	
Complete Site Visits	December 2012	

Issues and Remedial Plan

Incentives awarded by the REIP could be subject to interception by the District's Office of Tax and Revenue to remedy levies and/or deficiencies owed by participants in the program. This would attenuate the intended purposes of the funds and could distort the efficacy of the program. Thus, to ensure funds are disbursed for the expressed purpose of incentivizing renewable energy technologies, applicants will be required to demonstrate that no liability is owed to the District before further processing of their incentive request. With minimal impact to application processing time, DDOE and OTR will confirm that applicants are free and clear of debt to the District before awarding funds for the respective project.

Energy Assistance Trust Fund

Program Name:	LIHEAP Expansion and Energy Education
Program Number:	D1
Reporting Period:	July-September 2012

Program Description

The Low-Income Home Energy Assistance Program (“LIHEAP”) Expansion and Energy Education Program provides additional funding for electric customers to be used in concert with federal LIHEAP funding. Households that would otherwise not be served as a result of limited LIHEAP funding are granted benefits through this program.

Program Status

- Program is falling short of expectations
- Program is on Target
- Program is exceeding expectations

Program Accomplishments

The LIHEAP Expansion and Energy Education Program enrolled 4,173 eligible District residents. DDOE continues to hold educational workshops for customers that enroll in the LIHEAP Program. The customers learn how to make their homes more energy efficient. The workshops also educate customers on how to weatherize their homes and provide tips on decreasing their heating and cooling costs.

Table 7: LIHEAP Expansion Deliverables

Program Deliverable	Quarterly Achievement	Cumulative Achievement	Program Goal
Additional Participants	4,173	22,665	N/A

Table 8: LIHEAP Expansion Quarter 4 FY12 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 4 July - September		
Serve Additional eligible District Households (electric)	September 2012	September 2012
Continue educational workshops	September 2012	September 2012

Next Quarter's Projected Goals

Table 9: LIHEAP Expansion Quarter 1 FY13 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 1 October - December		
Serve additional eligible District households (electric)	December 2012	
Continue educational workshops	December 2012	

Issues and Remedial Plan

None

Program Name:	Residential Essential Service Expansion and Awareness Program
Program Number:	G1
Reporting Period:	July-September 2012

Project Description

The Residential Essential Service (“RES”) Expansion and Awareness Program aims to provide eligible gas customers greater affordability toward their total gas bills and to increase the participation rate by at least 30%. The RES Expansion program follows the same enrollment schedule as the RES program which extends its services until April 30, 2012.

Program Status

- Program is falling short of expectations
- Program is on Target
- Program is exceeding expectations

Program Accomplishments

During the fourth quarter, 1,460 participants applied for the program and 386 were new participants.

Table 10: RES Expansion Deliverables

Program Deliverable	Monthly Achievement	Cumulative Achievement	Program Goal
Additional Participants	386	4,762	N/A

Table 11: RES Expansion Participants by Ward

	Ward 1	Ward 2	Ward 3	Ward 4	Ward 5	Ward 6	Ward 7	Ward 8	Total
Current Quarter	19	6	0	44	59	39	94	125	386
Cumulative Total	233	90	15	579	1,025	428	1,080	1,312	4,762

Table 12: RES Expansion Quarter 4 FY12 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 4 July - September		
Increase program participation rate by 30% among eligible customers	September 2012	September 2012

Next Quarter's Projected Goals

Table 13: RES Expansion Quarter 1 FY13 Timeline and Milestones

Milestone	Goal Date	Actual Date
Quarter 1 October - December		
Increase program participation rate by 30% among eligible customers	December 2012	

Issues and Remedial Plan

None