

SUSTAINABLE ENERGY FOR ALL EIGHT WARD



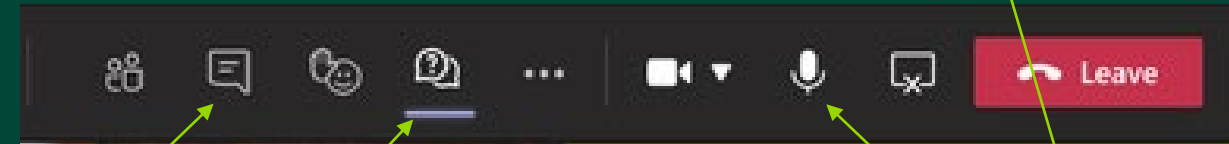
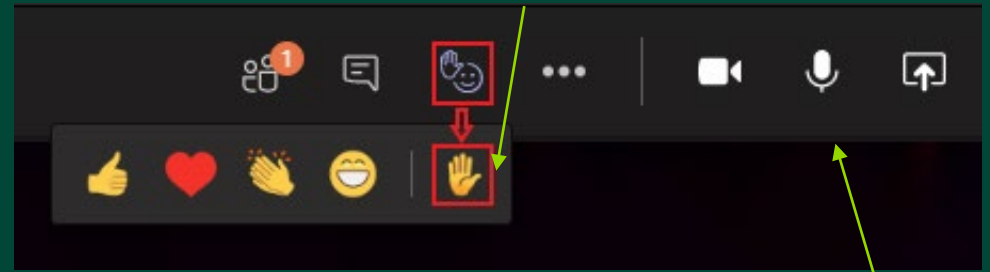
FY 2025 AHRA Kick-Off Info Session

November 6, 2024

Session Expectations

- Q&A will be at the end of the session.
- Please let us know in the chat section if you are having technical difficulties or difficulty hearing the presentation.
- To submit a question, please use the chat/Q&A to write out your question or use the 'raise hand' feature (see photo). Once your hand is raised the moderator will call on you to come off mute to give an auditory response
- The session will be posted on our website for anyone wanting to review the information discussed today.
- We will record during the Q&A sections but remove from the posted recording.
- If we are not able to get to all questions, please post them to the chat and we will work to get back to you.

Raising Your Hand

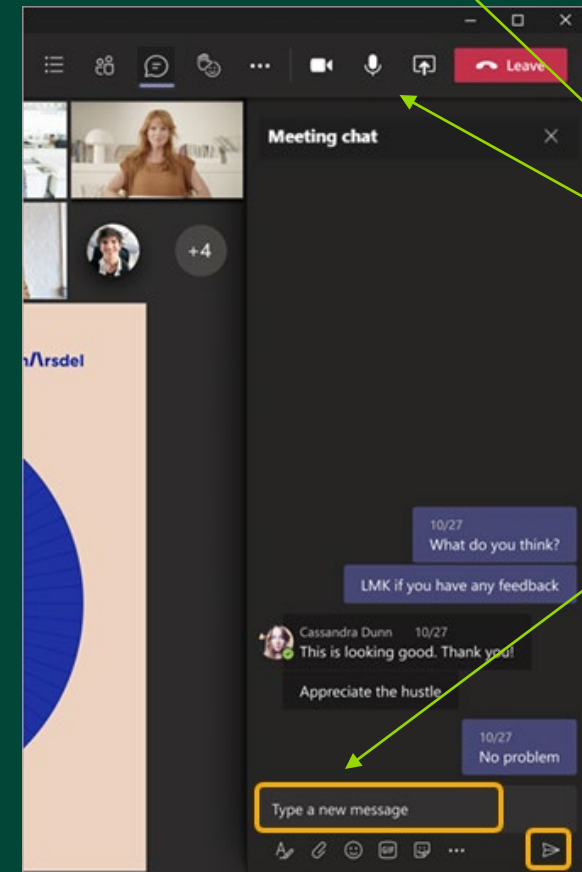
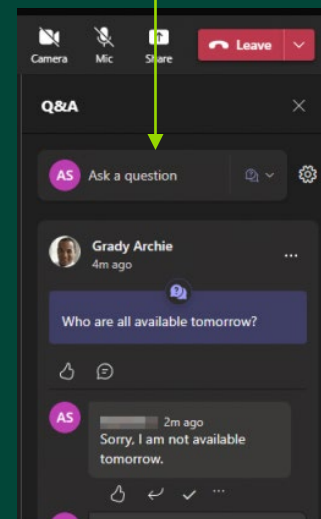


Using Chat

Using Q&A

Mute Button

Using Chat





Are You a Contractor with Residential Customers?

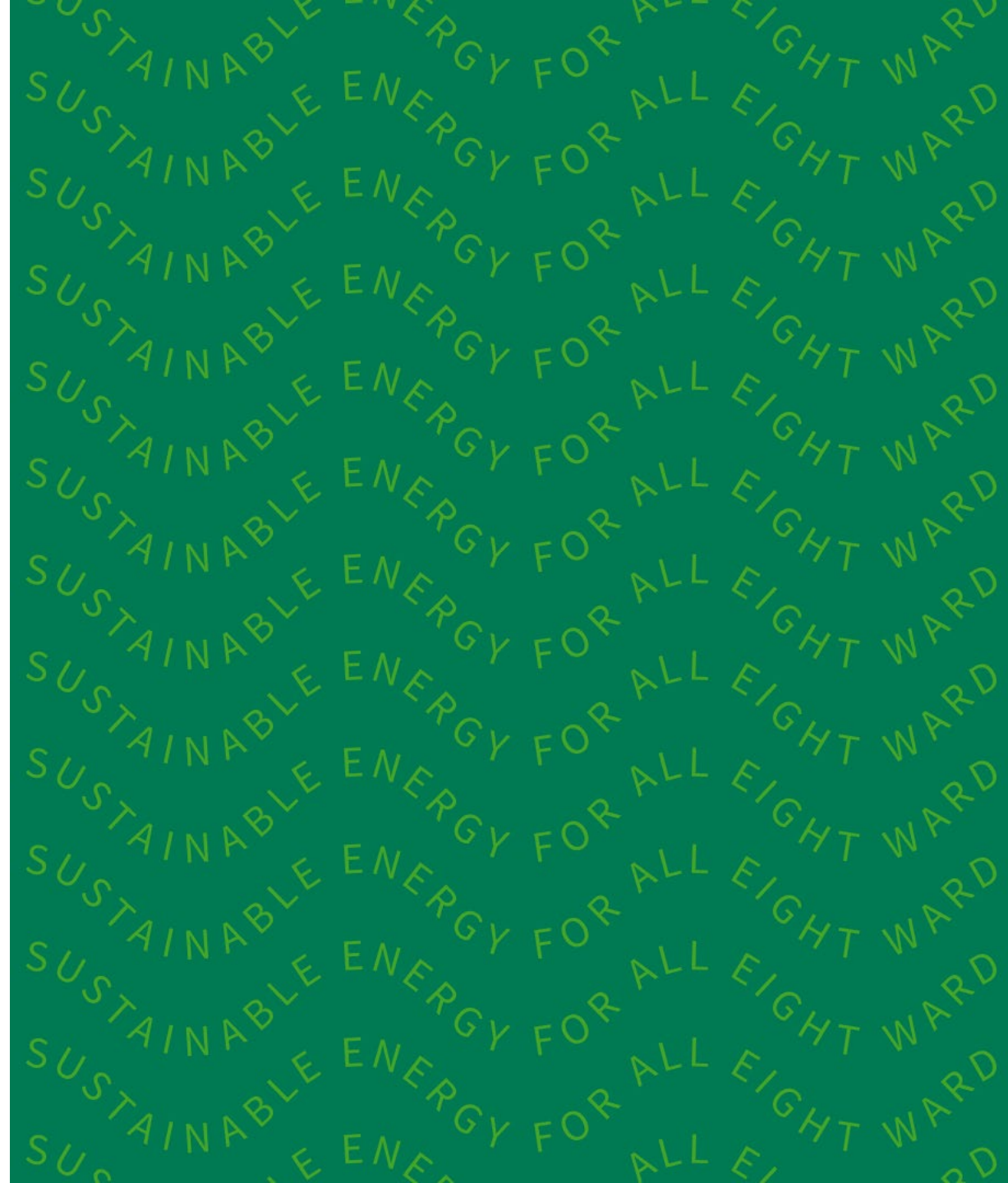
Join us next week for a hybrid info session about how you can help your residential customers electrify and apply for up to **\$15,000 in rebates** per household.

Session Date & Time:

Thursday, November 14 from 2:30pm-3:30pm

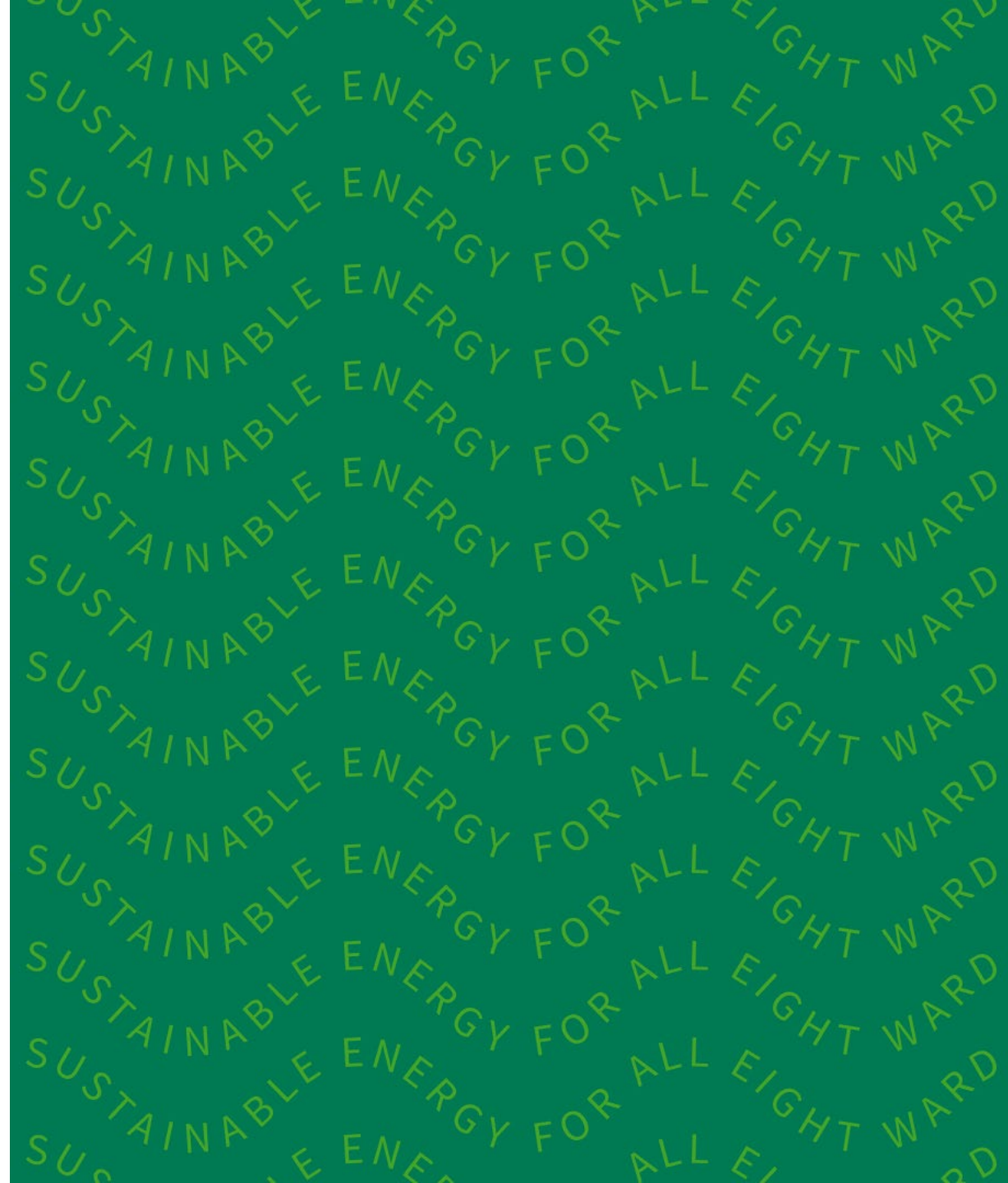
Visit dcseu.com/events to register today.

Much of the content of this presentation is based on requirements attached to federal Home Energy Rebate (HER) funding. Some details may change based on future guidance from the federal or local levels. This also means that the DOEE and DCSEU have limited or no ability to waive requirements.



Agenda

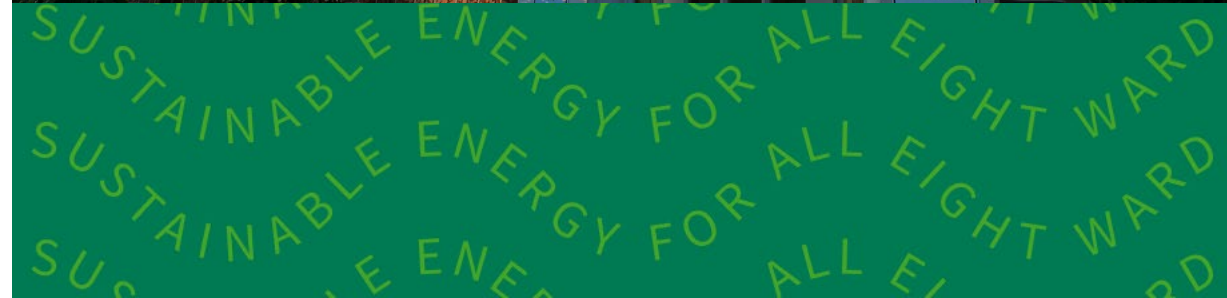
- Program Purpose and Eligibility
- Project Funding
- Program Milestones
 - Intake & Audit
 - Bidding & Proposal Review
 - Incentive Agreement & Implementation
- Questions



**Affordable Housing Retrofit
Accelerator**

Program Purpose & Eligibility

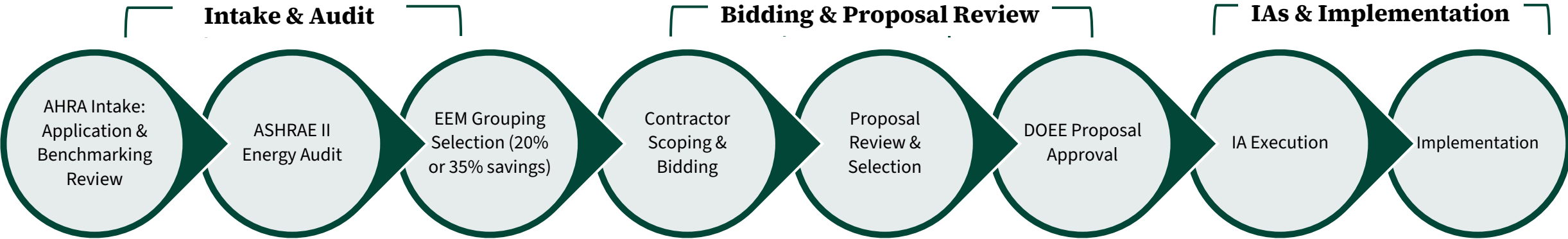
DCSEU AHRA Kick-Off | November 6, 2024



Program Purpose

- While the new Affordable Housing Retrofit Accelerator (AHRA) program will still provide a means for eligible properties to implement measures required for them to achieve Building Energy Performance Standard (BEPS) requirements, it will have a **broader focus on helping affordable multifamily residential and other qualified building owners decarbonize their buildings through electrification and other energy conservation retrofits while preserving affordability for households.**
- Projects achieving the greatest energy savings will be eligible for the most funding.

Program Milestones



Program Eligibility – Priority Focus

AHRA will maintain a **PRIORITY FOCUS** on the enrolled properties that meet the following requirements:

- Properties with a Gross Floor Area (GFA) of at least 50,000 square feet¹
- Meets the definition of affordable housing as defined in Title III, Sec. 301(k):
 - Primarily residential;
 - Contain five (5) or more dwelling units; and,
 - In which restrictions or other covenants require, or the building owner has otherwise been able to demonstrate, that at least 50% of dwelling units rent at levels that are affordable to households with incomes less than or equal to 80% of the Area Median Income (AMI).
- At least 50% of dwelling units are low-income households, as demonstrated through income verification and/or categorical eligibility (see following slides)
- Agrees to maintain affordability for 5 years after the most recent Incentive Agreement

¹ DOEE and DCSEU plan to expand eligibility to properties with GFA of at least 10,000 square feet or above. Timeline is TBD.

Program Eligibility – Priority Focus (cont.)

- Submit annual benchmarking data to DOEE
- Have a DOEE-approved ASHRAE Level 2 energy audit
- Receive a subsidy in exchange for providing housing dedicated to low-income households (such as through Low Income Housing Tax Credit (LIHTC) financing through the Department of Housing and Community Development (DHCD) or DC Housing Finance Agency (DCHFA))
- Minimal need for electrical service upgrade
- Commit to pursue retrofits that will achieve at least 20% energy savings, with further priority for targeting at least 35% energy savings
- Do not meet BEPS
- Have completed third-party verification and selected a BEPS compliance pathway
- Located in Low-Income or Disadvantaged Community (LIDAC) as defined in the Justice 40 or Climate and Economic Justice Screening Tool (CEJST).

Program Eligibility – Documenting Eligibility

Projects using ANY AMOUNT of federal Home Energy Rebate (HER) funding will be required to have income eligibility documented as follows:

- Property Level Categorical Eligibility – the preferred method of establishing eligibility
 - For properties receiving certain types of public assistance and provide the DCSEU with an existing covenant recorded with the DC Recorder of Deeds showing:
 1. The legal name of the entity owning the property;
 2. That the covenant will remain in effect for at least 5 years from the date an AHRA Incentive Agreement will be signed; and,
 3. That it contains an affordability requirement that promises to maintain at least 50% of the building's units rented to families with household incomes of 80% or less of the AMI, the property will be deemed categorically eligible to receive federal HER funding.

Program Eligibility – Documenting Eligibility

The full list of recognized housing programs for establishing **property level categorical eligibility** for HER funds includes:

- Public Housing (i.e., housing owned and operated by Public Housing Authorities)
- Privately-owned multifamily buildings receiving project-based assistance (i.e., Section 8, Section 202, Section 811)
- Properties receiving Low Income Housing Tax Credits (LIHTC)
- Properties eligible for the Weatherization Assistance Program (WAP)
- Privately-owned multifamily buildings with deed covenants

Program Eligibility – Documenting Eligibility

If property level categorical eligibility cannot be established, the next best option is Tenant Level Categorical Eligibility. For this documentation from the list below would be collected from each tenant until we have established that at least 50% of the dwelling units at the property are eligible.

- Supplemental Nutrition Assistance Program (SNAP)
- Supplemental Security Income (SSI)
- Temporary Assistance for Needy Families (TANF)
- Low Income Home Energy Assistance Program (LIHEAP)
- The District’s Clean Rivers Impervious Area Charge (CRIAC) Relief levels +, I and II
- The District’s Utility Discount Programs (UDP)
- Weatherization Assistance Program (WAP)
- The District’s Solar for All program
- The District’s Lead Reduction Program

Program Eligibility – Documenting Eligibility

If categorical eligibility cannot be established at the property or tenant level, verification will occur through a combination of the methods listed above and collecting evidence of income, such as pay stubs, tax documents, and other means.

When verifying eligibility at the tenant level, all proof of income must be accompanied by a form of identification for all residents of the household to confirm household size.

DCSEU will review all documentation to ensure it matches that typically provided by the relevant programs/agencies.

Self-attestation of income will not be accepted for income qualification purposes, except for cases in which affidavits are used as proof of no income.



Program Eligibility – Preserving Affordability

Properties receiving financial assistance for implementation projects through AHRA must commit to maintaining affordability at the property for at least 5 years.

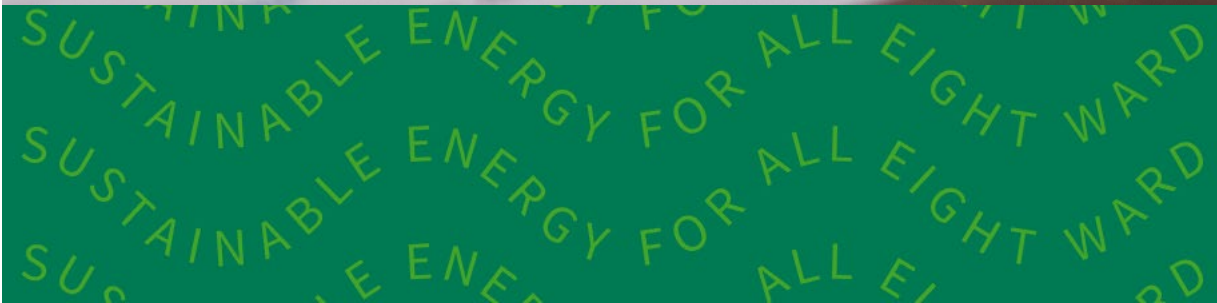
For projects receiving ANY AMOUNT of federal HER funding, this obligation will be established through either:

- An executed Affordable Housing Covenant (template provided by DOEE)
- An existing Affordable Housing Covenant that provides at least the same level of duration of affordability (i.e., five years), such as those executed and recorded under one of the Property Level Categorical Eligibility options listed earlier.

Projects receiving only local funds and are subject to rent control may meet this requirement with a signed Waiver of Right to File Rent Control Exemption.

Project Funding

DCSEU AHRA Kick-Off | November 6, 2024



Project Funding

Sources and Requirements

Local Government Funds: Provided by DC Government via DOEE

- Use or lose by end of fiscal year (September 30, 2025); can be paid as measures complete
- Aim for property to achieve Energy Star score of 80+
- Can only pay for installed and operational audit-approved measures

Federal HER Funds: Provided by Inflation Reduction Act (IRA) via DOEE

- **Must** achieve 20% or 35% site Energy Use Intensity (EUI) reduction
- Cannot be paid until property achieves the target modeled savings
- Can only pay for installed and operational audit-approved measures that achieve EUI reduction target



Project Funding

Requirement Impacts

- DCSEU is prioritizing meeting federal minimum EUI reduction percentage to facilitate spending of federal funds
 - Local funds will be used in support of achieving minimum EUI reduction
- Participating property owners must commit to EEM grouping achieving minimum EUI reduction percentage and completing these as a package

Project Funding

Funding Structure

35% Savings with Federal Funds

AHRA program can cover up to 100% of approved, allowable costs.

No federal funding can be disbursed until all measures totaling the 35% savings have been installed and inspected.

Any local funding can be paid as the individual associated measures are installed and inspected.

Federal funding cap: \$30,000 per tenant unit.

20% Savings with Federal Funds

AHRA program can cover up to 80% of approved, allowable costs. The remaining 20% would come in the form of a customer contribution.

No federal funding can be disbursed until all measures totaling the 20% savings have been installed and inspected.

Any local funding can be paid as the individual associated measures are installed and inspected.

Federal funding cap: \$15,000 per tenant unit.

Intake & Audit





Application

- [AHRA Web Interest Form](#)
- **Documents to Submit:**
 - AHRA Application Form
 - AHRA Customer Intake Form
 - Documentation of Program Eligibility (including income)
 - Utility Authorization Forms (Pepco and Washington Gas)
 - DOEE Approved Third Party Data Verification
 - BEPS Pathway Selection (if applicable)
 - Existing Mechanical, Electrical, and Plumbing (MEP) drawings & photos (If available)
 - Building layout plan (If available)
 - List of equipment (chiller, boiler, water heaters, A/C units, etc.) (If available)
 - Provide information/scopes of work and any renovations/upgrades/additions since 2019



Benchmarking

- Benchmarking data is reviewed for AHRA eligibility and prioritization
- DCSEU provides benchmarking support in partnership with DOEE
 - BEPS Pathway Selection
 - Third Party Data Verification (as available)
 - Monitoring progress toward BEPS goals

Energy Audit

- DCSEU assigns the property with a qualified auditing contractor
- **Task 1** – Property walkthrough
- **Task 2** – Benchmarking review
- **Task 3** – Draft Audit Report and DOEE Review
- **Task 4** – Draft owner-facing report and EEM Workbook
- **Task 5**
 - Auditor finalizes owner-facing report and EEM Packages
 - Building Owners select EEM Packages to achieve 20% or 35% site EUI reduction

Bidding & Proposal Review





Qualified DCSEU Contractors

- All AHRA projects using ANY AMOUNT of federal HER funding will be completed with a [qualified DCSEU contractor](#) under DCSEU bidding process
- Contractor list updates
 - Rolling reviews: (De)listing on a rolling basis. Will delist if no longer meet minimum requirements and standards (e.g., dishonesty, fraud, negligence, non-compliance with program requirements)
 - Notification prior to delisting. Contractors have 20 business days to appeal and demonstrate adherence to program requirements which will be reviewed by DCSEU & DOEE, if escalated

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Bidding Process

- DCSEU & Customer schedule walkthrough date & time
- DCSEU emails bid sheet to DCSEU contractors
 - First CBE/SBE, then non-CBE/SBE
- After two business days or three contractor confirmations, calendar invite
- Contractors attend walkthrough
- Contractors submit proposal within 15 business days of walkthrough

Bid Sheet Review

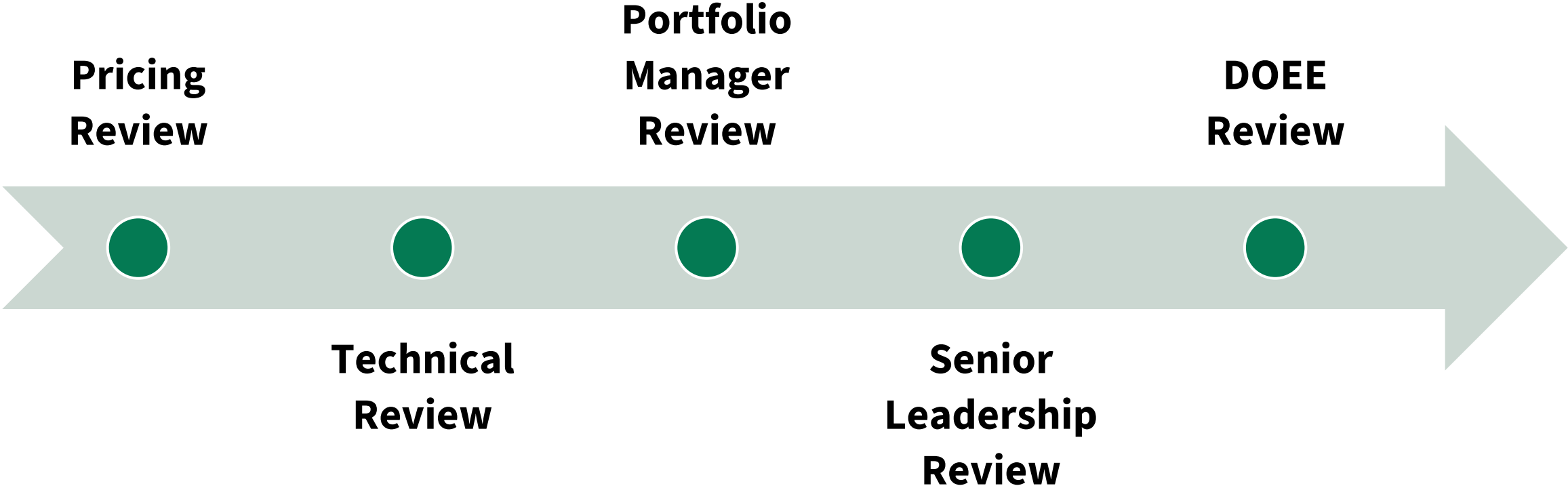
9	Measure Title	Full Measure Name	Timeline (Weeks)	Total Material Cost	Total Labor Cost	Total Misc Cost	Total Cost
10	Total		0	\$0.00	\$0.00	\$0.00	\$0.00
11	Apartment Lighting	EEM 1: Replace apartment lighting with high-efficiency LED lighting					
12	Common Area Lighting	EEM 2: Replace common area lighting with high-efficiency LED lighting					
13	Exterior Lighting	EEM 3: Replace exterior lighting with high-efficiency LED lighting					
14	Apartment Heat Pumps	EEM 4: Replace apartment HVAC units with heat pumps					
15	Apartment Smart Thermostats	EEM 5: Install smart thermostats in apartments					
16	Common Area Heat Pumps	EEM 6: Replace common area HVAC units with heat pumps					
17	Common Area Smart Thermostats	EEM 7: Install smart thermostats in common areas					
18							
19							
20							
21							



Bid Sheet Notes

- Notify DCSEU of discrepancies between existing conditions in bid sheet and the onsite observations
- Contractor must collect receipts for miscellaneous costs
 - E.g., crane, dumpster, and/or recycling fees
- Operations and overhead should be factored into labor costs
- All bids must be submitted using the bid sheet

Proposal Review Process



Incentive Agreement & Implementation



Incentive Agreement

Can Sign	CANNOT Sign
Limited Liability Companies (LLCs): Member or manager of Owner's legal entity	Third Parties Authorized by Contract: For example, property management company
Partnerships or Limited Partnerships (LPs): General partner or managing partner of Owner's legal entity	Random Third Parties: No connection/ownership interest between Owner's entity and their company
Affiliate or Associate Company: C-level executive or equivalent or another employee with documented evidence of signing authority	Others unless reviewed and approved by DCSEU Legal
Subsidiary: Depends on subsidiary entity type (see above)	

• [AHRA Customer Intake Form](#)

• [DC Corp Online](#)



Incentive Agreement

- Different types of IAs
 - 3-Party Standard IA
 - Contractor & DCSEU will execute WO
 - 3-Party Phased IA
 - Contractor & DCSEU will execute WO for each phase
 - 2-Party IA
 - Contractor & Customer will execute separate agreement
- Post-Execution Progress Checks

Tenant Outreach and Notification Requirements

AHRA customers will be responsible for tenant outreach and notification including but not limited to distributing the items below:

- **Pre- and post-retrofit surveys**
 - Owners will be responsible for distributing the survey, collecting responses from tenants, and providing responses to the DCSEU. Post-retrofit surveys occur 14 days and again 3 months after rebate payment has been made.
- **Rental affordability rights of tenant**
 - DOEE/DCSEU will provide a template of this document
- **Notice of utility bill impacts**
 - If electrification upgrades are involved and units in the building are individually metered or tenants will be paying utility bills post-upgrade
- **AHRA Program one-pager**
 - Providing basic program information and including contact information for tenants to register feedback or complaints

Tenant Outreach and Notification Requirements

After retrofit work is complete, building owners will provide the following to tenants:

- Notification of continued rental affordability via an addendum to the lease at the time of signing or renewal or when rent changes during the term of the affordability period, and via other acceptable notification methods (e.g., notice in a common area, building-wide email communications, etc.).
- DOE-required document certifying building's participation in AHRA, via an addendum to the lease at the time of signing/renewal or via other acceptable notification methods (e.g., notice in a common area, building-wide email communications, etc.).

QA/QC Inspections & Post-Install Certificate

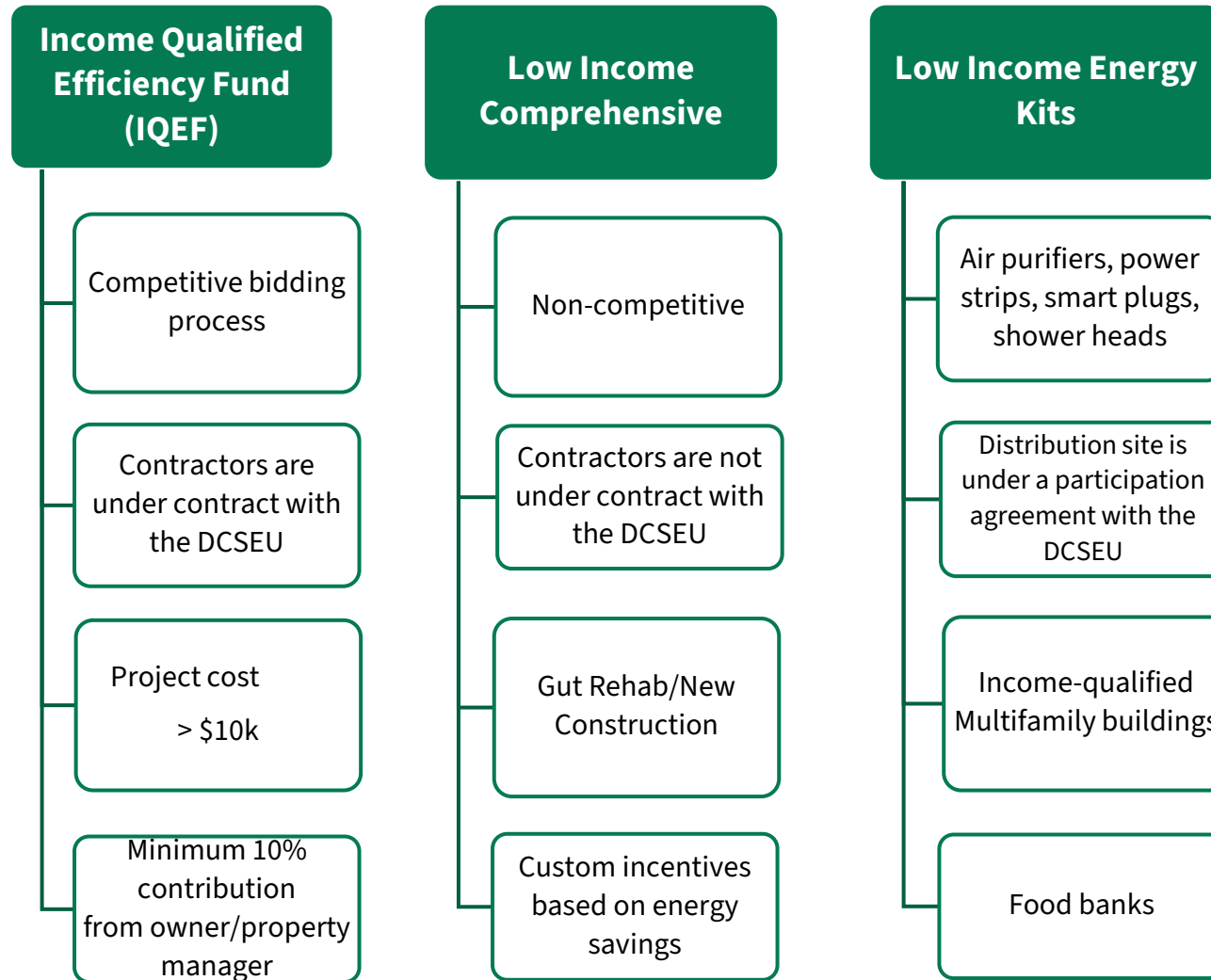
While all implementation projects will require a QA/QC inspection, those properties receiving ANY AMOUNT of federal HER funding will have additional requirements and need to use a separate inspection form that details the work performed, equipment and materials installed, and projected energy savings.

Some of these requirements (such as combustion testing) are still being finalized, but the biggest change for now is that **all bids, invoices, and inspection forms for heating, cooling, and water heating projects** will need to **reflect model numbers** and the inspection will need to include **geocoded photos** showing the equipment is installed and operational.

Close-Out Documentation

Document	Description
DOB Permit(s)	If this project required any permits, a copy of each permit.
DOB Inspection	If this project required a DOB permit, a copy of the completed inspection form.
Equipment Invoice from Vendor	Unredacted invoice from equipment vendor to contractor, as well as for any miscellaneous costs.
Evidence of Payment Contractor > Vendor	Proof of payment from contractor to equipment / misc cost vendor. Can be 1) an unredacted zero-balance invoice or 2) an order acknowledgement or other documentation in addition to a sales receipt, packing list, line of credit, etc.
Installation Invoice from Contractor to Customer	Unredacted invoice from contractor to customer for payment of any customer contribution required, if applicable.
Evidence of Payment Customer > Contractor	Proof of payment from customer to contractor, if applicable. This must be an invoice with the total project cost, the DCSEU incentive as a deduction, and the customer portion as the remaining balance showed as paid.
DCSEU QA/QC Inspection	A completed DCSEU inspection form. A Post-Install Certificate is required when ANY amount of federal HER funding is being used.
Contractor Invoice	Contractor's invoice to DCSEU for payment of incentive/rebate.

DCSEU Low Income Programs





**DISTRICT OF
COLUMBIA
SUSTAINABLE
ENERGY UTILITY**



Thank You – Your AHRA Team

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OF ENERGY &
ENVIRONMENT

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DISTRICT OF COLUMBIA
DC MURIEL BOWSER, MAYOR



Question?