



DEPARTMENT
OF **ENERGY &**
ENVIRONMENT

Request for Proposals for District of Columbia Sustainable Energy Utility Contractor

Pre-Proposal Conference

Taresa Lawrence

Deputy Director
Energy Administration

Monday, March 7, 2016

Agenda

- Welcome & Introductions
- DCSEU RFP Presentation
- Q&A

History of the DCSEU

- Clean and Affordable Energy Act of 2008
- Objectives of the DCSEU
- Role of the Sustainable Energy Utility Advisory Board
- Initial Contract Award
- CAEA Amendments

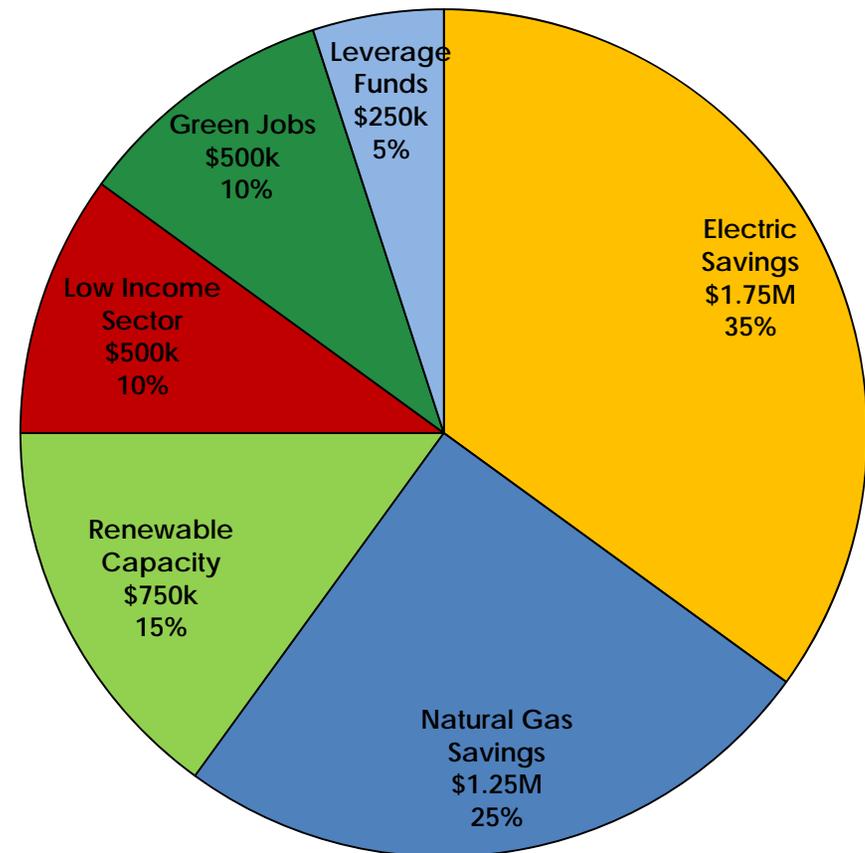
Proposed Contract Structure

- **Contract Term**
 - Base Period - 5 Years (FY17-FY21)
 - Option Period - 5 Years (FY22-FY26)
- **Contract Value:**
 - **\$20 M** per year (**\$200 million** over 10 years)
- **Annual Appropriation of Funds**
- **Multiyear Contract**

Performance Benchmarks

1. Reduce *electricity consumption*
 2. Reduce *natural gas consumption*
 3. Increase *renewable energy capacity*
 4. Improve efficiency & renewable capacity in *low-income community*
 5. Increase number of *green-collar jobs*
 6. *Leverage Funds*
- Each Benchmark has a **GOAL** and required **MINIMUM** performance
 - **Incentives**
 - #1, 2, & 3: Paid out each year (after EM&V), based on cumulative achievement
 - #4, 5: Annual evaluation & payment
 - #6: Evaluation & payment after Year 5
 - **Penalties**
 - #1, 2, 3, & 6: Assessed for failure to achieve the minimum performance by Year 5
 - #4 & 5: Annual Penalties

Percent of Total Incentive Pot
for Each Benchmark



Electricity Reduction



Reduce Electricity and Natural Gas Consumption in the District of Columbia

	YEAR 1: Benchmark & Incentive	YEAR 2: Cumulative Benchmark & Incentive	YEAR 3: Cumulative Benchmark & Incentive	YEAR 4: Cumulative Benchmark & Incentive	YEAR 5: Cumulative Benchmark & Incentive
<i>Minimum Goal as percentage of 2014 weather-normalized consumption</i>	0.53%	1.06%	2%	3%	4%
Minimum Goal (MWh)	60,878	121,756	230,594	345,891	461,188
Minimum Goal Incentive	\$185,000	\$371,000	\$700,000	\$1,050,000	\$1,400,000
<i>Maximum Goal as percentage of 2014 weather-normalized consumption</i>	0.75%	1.5%	2.5%	3.5%	5%
Max Goal (MWh)	86,473	172,945	288,242	403,539	576,485
Maximum Goal Incentive	\$262,500	\$525,000	\$875,000	\$1,225,000	\$1,750,000

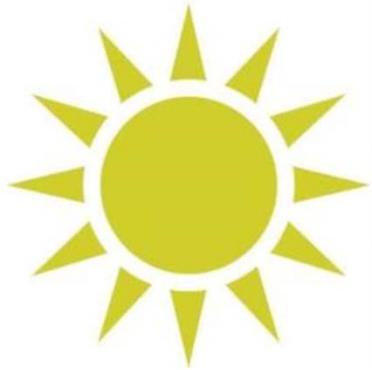
Natural Gas Reduction



Reduce Electricity and Natural Gas Consumption in the District of Columbia

	YEAR 1: Benchmark & Incentive	YEAR 2: Cumulative Benchmark & Incentive	YEAR 3: Cumulative Benchmark & Incentive	YEAR 4: Cumulative Benchmark & Incentive	YEAR 5: Cumulative Benchmark & Incentive
<i>Minimum Goal as percentage of 2014 weather-normalized consumption</i>	0.25%	0.66%	1.2%	1.7%	2.5%
Minimum Goal (therms)	852,565	2,250,770	4,092,310	5,797,438	8,525,645
Minimum Goal Incentive	\$104,167	\$275,000	\$500,000	\$708,333	\$1,041,667
<i>Maximum Goal as percentage of 2014 weather-normalized consumption i</i>	0.5%	1%	1.5%	2%	3%
Maximum Goal (therms)	1,705,129	3,410,258	5,115,387	6,820,516	10,230,774
Maximum Goal Incentive	\$208,333	\$416,667	\$625,000	\$833,333	\$1,250,000

Renewable Energy Capacity



Increase Renewable Energy Generating Capacity in the District

	Year 1: Benchmark & Incentive	Year 2: Cumulative Benchmark & Incentive	Year 3: Cumulative Benchmark & Incentive	Year 4: Cumulative Benchmark & Incentive	Year 5: Cumulative Benchmark & Incentive *
Minimum Goal (kW/kWe)	650	1,380	2,300	3,400	4,350
Minimum Goal Incentive (\$) **	\$97,500	\$207,000	\$345,000	\$510,000	\$652,500
Maximum Goal (kW/kWe)	1,000	2,000	3,000	4,000	5,000
Maximum Goal Incentive (\$) **	\$150,000	\$300,000	\$450,000	\$600,000	\$750,000

Low-Income Benchmark



Improving the energy efficiency and renewable energy generating capacity of low-income housing, shelters, clinics, or other buildings serving low-income residents in the District

- **Maximum Goal:** Must spend **20% of budget** on energy efficiency and renewable energy projects in low-income sector
- **AND 10% of savings** from low-income projects
- **Minimum Goal: 5% of energy savings** from low-income projects
- Annual Goal, Incentive, & Penalty, Not Cumulative
- Maximum Incentive: **\$100,000 per year**

Green Jobs

Benchmark #4: Increasing the Number of Green-Collar Jobs in the District

- Maximum Goal: **88 full-time equivalent (FTE) green jobs** created each year
- Annual Goal, Incentive, & Penalty, Not Cumulative
- Maximum Incentive: **\$100,000 per year**
- One FTE=
 - a. 1,950 work hours
 - a. Held by District resident
 - b. Paid at least a living wage
 - c. Only Direct Jobs
 - b. Or, \$200,000 of cash incentives



Leverage Funds

Leveraging Funds to Support Energy Efficiency and Renewable Energy Projects

- **Maximum Goal:** DCSEU must obtain ***\$5 million during the 5-year base period*** from federal grants, private grants, PJM Capacity Market, or other funding opportunities.
- District funds from sources other than the SETF shall *not* be counted towards this benchmark.
- Achievement, & Incentive or Penalty determined at end of Year 5
- **Maximum Incentive:** \$250,000 at end of year 5



Multiyear Contract

**Example, Best Case: Full Achievement of All Benchmarks Each Year:
Maximum Cost-Reimbursement Ceiling and Minimum Withheld Funds**

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
EM&V Set-Aside	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$820,834	\$908,333	\$908,333	\$1,541,667
Cost-Reimbursement Ceiling*	\$17,579,167	\$17,579,166	\$17,491,667	\$17,491,667	\$16,858,333

Multiyear Contract

**Example, Worst Case: No Achievement of Any Benchmarks Until Year 5:
Minimum Cost-Reimbursement Ceiling and Maximum Withheld Funds**

	Year 1	Year 2	Year 3	Year 4	Year 5
Total Contract Value	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000	\$20,000,000
EM&V Set-Aside	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000	\$1,600,000
Performance Incentives Withheld for Potential Payment	\$820,833	\$1,441,667	\$2,150,000	\$2,858,333	\$4,200,000
Cost-Reimbursement Ceiling*	\$17,579,167	\$16,958,333	\$16,250,000	\$15,541,667	\$14,200,000

RFP Evaluation Criteria

Evaluation Criteria	Maximum Points
1. Organizational and Management Capability	25
2. Proposed DCSEU Program Portfolio and Program Delivery	30
3. Marketing and Consumer Information Strategy	10
4. Innovation	10
5. Local Resources	10
6. Cost Proposal	15
Total Points Available	100

Preference Points:

Prospective bidders will receive a maximum of twelve (12) preference points for specific certifications of prime contractor by DSLBD.

Timeline

Milestone	Projected Date
RFP Issued	February 19, 2016
Pre-Proposal Conference	March 7, 2016, 1-3 PM EST
Questions Submitted by	March 11, 2016
Questions Answered	March 18, 2016
RFP Response Due Date	April 18, 2016, 5 PM EST
Bidder Interviews, as needed*	April 25 - April 29, 2016
Contract Negotiations*	May 9, 2016 - May 13, 2016
Contract Submitted to Council by*	June 15, 2016

*All dates after the RFP Response Due Date are subject to change.

Questions & Answers

Didn't get your question answered today?

- Send it via email to DCSEURFP.DOEE@dc.gov
- Send in questions by March 11, 2016
- Questions answered by March 18, 2016
- Answers to all questions will be posted online:
doee.dc.gov