

Delaware
Sustainable
Energy Utility



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Energize Delaware Affordable Multifamily Housing Program

Background and Year One Progress Report

September 12, 2018



ELEVATE ENERGY
Smarter energy use for all



Community-Based Sustainable Development

Timing is Everything...

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NEW ECOLOGY
Community-Based Sustainable Development



ELEVATE ENERGY
Smarter energy use for all

DESEU Pilot Program: Designed to Meet the Multifamily Need and Opportunity

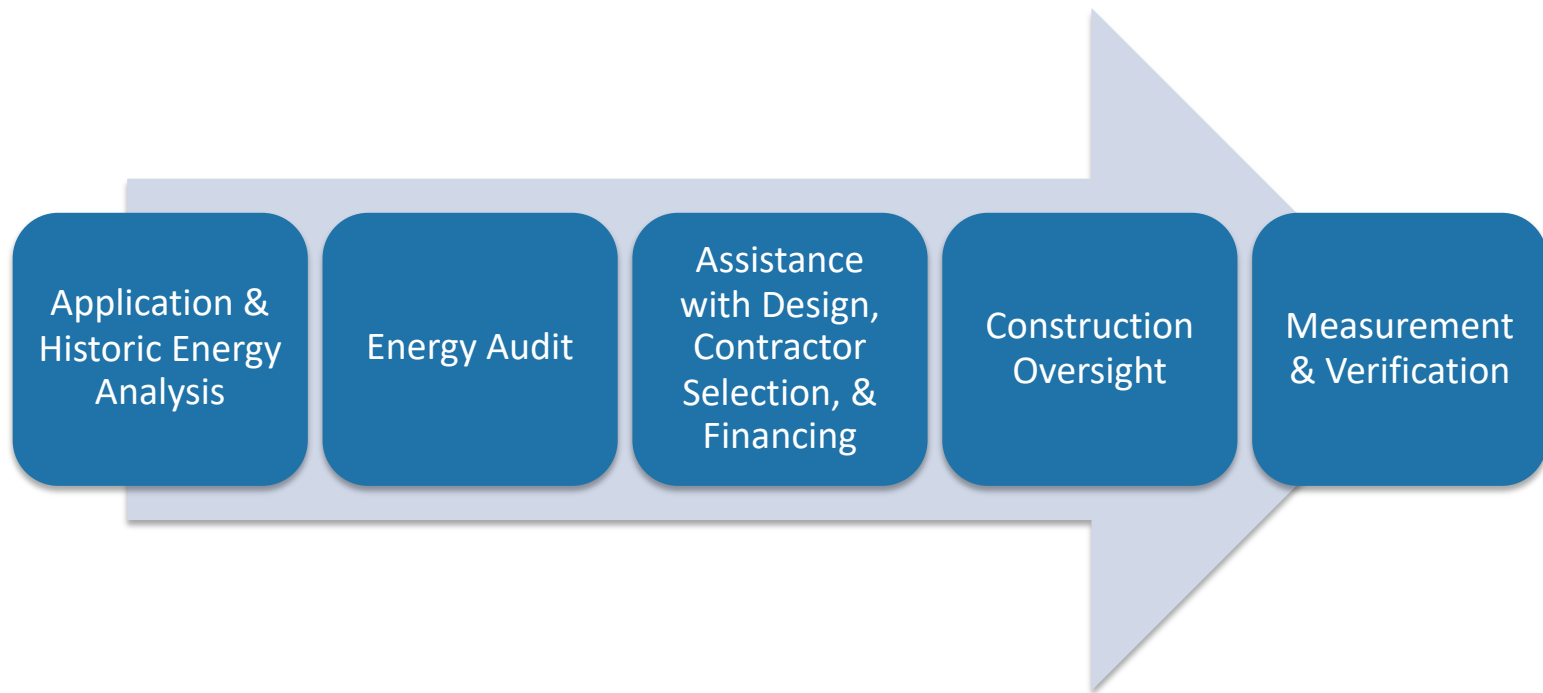
- **Align with financing cycles and regulatory complexities of affordable housing**
 - Whenever poor energy performance or equipment deficiencies spur equipment and building upgrades
 - At refinancing when rehabilitation is planned
 - At initial construction
- **Whole-building approach**
- **Leverage existing public and utility resources**

Key Program Elements

- **Technical Assistance** to identify cost-effective energy savings opportunities and ensure upgrades are performed as intended.
- **Financial Incentives** to cover incremental costs, spur innovation, and optimize savings to tenants.
- **Low-cost Financing** for energy measures, as separate projects or part of capital refinancing.

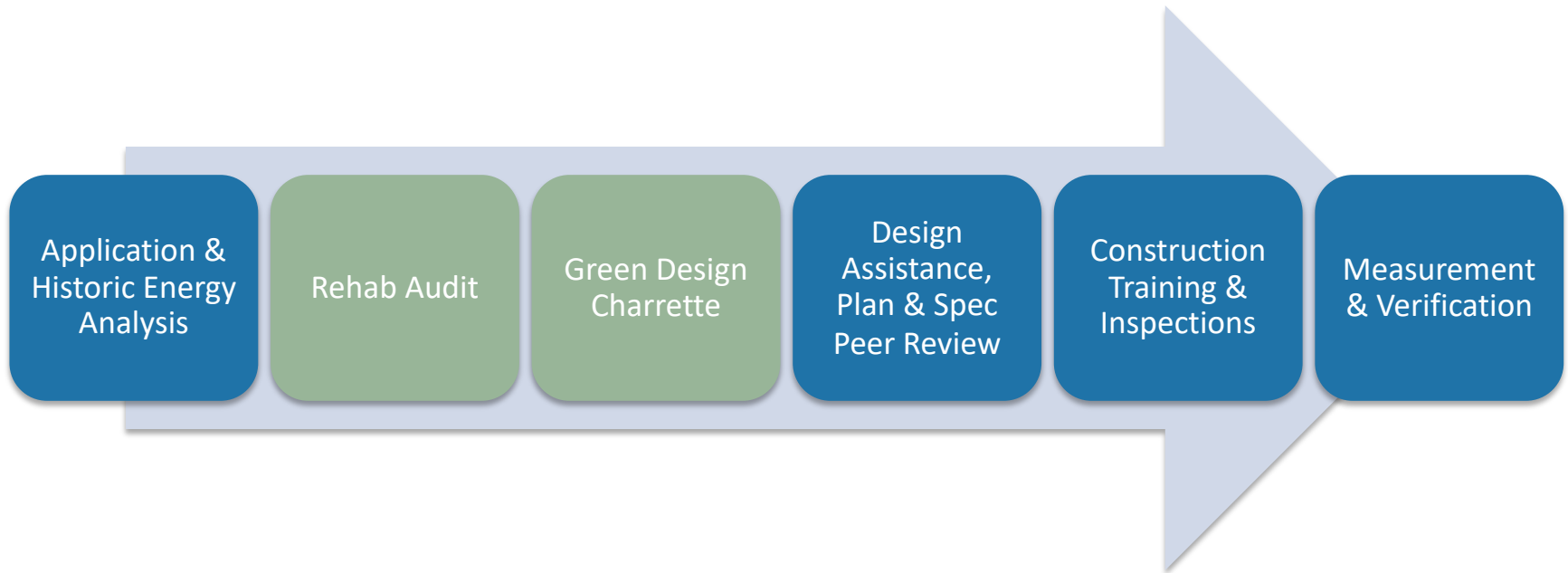
Pathway 1: Efficiency Upgrade

- Target Market: Affordable properties in the middle of a financing cycle or non-subsidized, naturally affordable



Pathway 2: Moderate & Substantial Rehabilitation

- Target Market: Affordable housing going through rehabilitation, likely coupled w/ refinancing



Accomplishments – Existing Buildings

- Served 9 properties (553 units) from Wilmington to Georgetown
- Completed 7 audits on properties housing 410 households
- Cost effective annual savings:

\$183,500

4,500 Million BTUs

3.6 million gallons
of water

- Upgrades underway at one property and two more starting soon



Existing Building - Case Studies

	Subsidized Housing	Assisted Living	Subsidized Housing
Description	100+ family apartments	40+ bed facility, plus day services	20+ family apartments
Measures	<ul style="list-style-type: none"> • Lighting • In-unit HVAC w/ Air-Sealing & Insulation • Solar PV • Water Conservation 	<ul style="list-style-type: none"> • Lighting • Air-Sealing & Insulation • Solar thermal 	<ul style="list-style-type: none"> • Lighting • Air-Sealing & Insulation • DHW Upgrade • Solar PV • Water Conservation
Est. Annual Savings (Selected Measures Only)	\$26,250 (17%)*	\$35,500 (18%)	\$15,100 (28%)
Program Services	<ul style="list-style-type: none"> • Audit • Bidding • Construction Activities 	<ul style="list-style-type: none"> • (Audit) • Bidding • Construction Activities 	<ul style="list-style-type: none"> • Audit • Bidding • Construction Activities

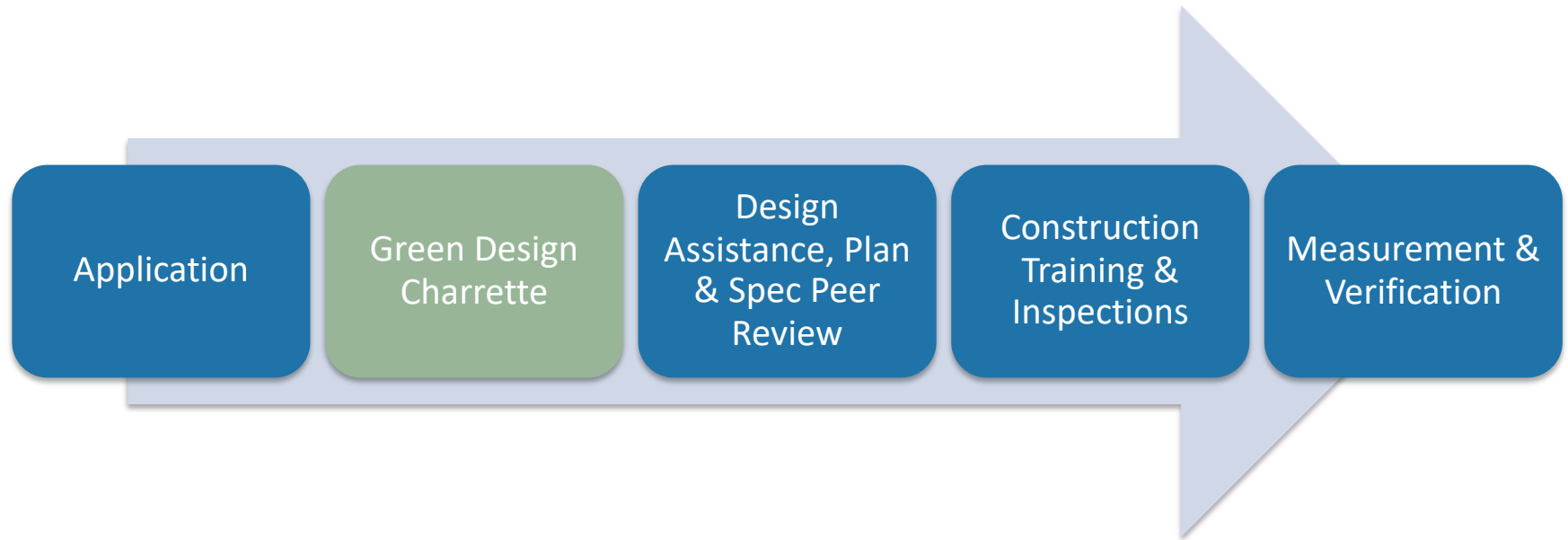
*Partial HVAC upgrade now with offer of future support.

Lessons Learned – Existing Buildings

- Takes time to implement upgrades:
 - One implementing now; several others under review
- Few Mod Rehabs (broader upgrades w/ financing) identified, but discussions suggest they occur
- Investment-grade audits are costly so exploring a phased approach

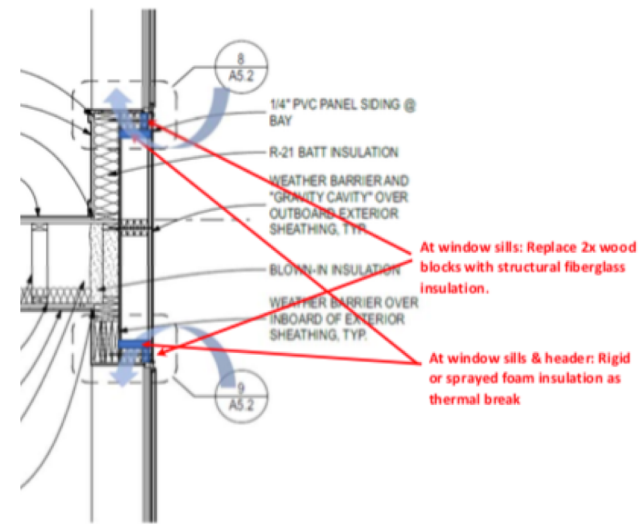
Pathway 3: New Construction & Gut Rehabilitation

- Target Market: Affordable housing receiving financing or LIHTC allocation from Delaware State Housing Authority



Accomplishments – New Construction

- Served 2 properties ahead of schedule: providing the right resources at the right time to the right teams
- One property starting construction now:
 - Projecting 27% better energy performance than code with property-wide savings of \$15,500 annually (\$260 per household)
- Second property in design and likely comparable



Lessons Learned – New Construction

- LIHTC projects often defined shortly before application and submitted to DSHA with limited design
- Designers interested in above-code projects, but need technical support
- Market calls for:
 - Clear performance targets / standards and available incentives
 - Close relationship with DSHA
 - Early-stage technical assistance
 - Building a “community of practice”

Accomplishments – Program Development

- Streamlined utility data access with DPL and some munis
- Strong relationships with owners, managers, developers, DSHA ... and an expanding pipeline



Market/Program Development – Discuss...

- Collaborate more with DSHA, state agencies, and utilities
- Build a community of practice with trainings, workshops, etc. through partnerships with relevant market actors
- Incentivize benchmarking and facilitate improved data access
- Support a LIHTC demonstration project (ZERH or Passive House) identified through an RFP



Thank you!

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