

Todd L. Goodman
Assistant General Counsel
Delmarva Power & Light Company
PO Box 9239
Newark, DE 19714-9239

todd.goodman@pepcoholdings.com
(302) 42903786

December 11, 2017

The Honorable Chair Dallas J. Winslow
and Commissioners
Delaware Public Service Commission
861 Silver Lake Boulevard
Cannon Building, Suite 100
Dover, DE 19904

Re: Commission Docket No. 14-193 – Delmarva Power/Exelon Merger Docket

**Request to Approve the Delaware Energy Efficiency Advisory Council's
Recommendation to the Public Service Commission
Concerning the Distribution of \$4 Million in Merger Funding
For Low Income Energy Efficiency Programs for Delmarva Power
Customers**

**Filed in Compliance with Paragraph 17 of the Amended Settlement
Agreement and Paragraph 2 b of Commission Order No. 8970**

Dear Chair Winslow and Commissioners:

Commission Order No. 8746 (June 2, 2015) approved the Amended Settlement Agreement in this Docket, which concerned the Commission's review of the proposed Merger between Exelon Corporation and Pepco Holdings, Inc., the parent company of Delmarva Power & Light Company. Paragraph 17 of the Amended Settlement Agreement contained a commitment by Exelon and Delmarva Power to provide \$2.0 million for a low income energy efficiency program for Delmarva Power customers that is recommended by the Energy Efficiency Advisory Council and approved by the Commission. The Amended Settlement Agreement also contained a most favored nations ("MFN") provision, which provided, in pertinent part:

If, on a per-distribution customer basis, the benefits provided to other jurisdictions are materially more beneficial in the aggregate than the terms of this Settlement Agreement . . . , then Exelon will increase the financial benefits, credits or payments to Delmarva Power customers to an equivalent amount calculated on a per-distribution customer basis....¹

¹ Amended Settlement Agreement at ¶104 a.

Pursuant to the MFN provision, on November 1, 2016, the Commission allocated an additional \$2 million in Merger settlement funds (for a total of \$4 million) to the low income energy efficiency program addressed in paragraph 17 of the Amended Settlement Agreement.²

In compliance with the Commission's directive, Delmarva Power asked the Delaware Energy Efficiency Advisory Council ("EEAC") to develop and recommend a plan to distribute these funds for the benefit of low income customers consistent with the terms of the Amended Settlement Agreement, which could be provided to the Commission. The EEAC established the EEAC Low Income Advisory Committee ("LI Advisory Committee"). One of the main responsibilities of the LI Advisory Committee was to develop a distribution plan (the "LI Distribution Plan") for the \$4 million in low income energy efficiency Merger funding. The LI Advisory Committee engaged in a year-long process of developing the EEAC Distribution Plan. The EEAC reviewed the LI Distribution Plan and unanimously voted to recommend it to the Commission for its review.

Attached to this letter is the EEAC's LI Distribution Plan document, which describes the LI Distribution Plan in detail. In general terms, the EEAC is proposing that the Commission approve the detailed "process" by which the projects to spend the money on will be selected and managed. The EEAC believes that the best method for determining the projects on which the \$4 million should be spent is to conduct a competitive RFP. As the attached LI Distribution Plan document explains, the EEAC recommends issuing RFPs for candidate low income EE projects.

The EEAC further believes that the RFPs to select the best low income EE projects would be best conducted by a foundation or charitable money manager ("Manager") with the capacity and experience to both create a competitive grant making process and conduct fund raising for additional low-income energy efficiency funding. As further described in the attached LI Distribution Plan document, the EEAC is optimistic that a Manager experienced in administration of charitable funds may be able to build upon the \$4 million provided by Exelon. The Manager will be selected through an RFP. Once the Manager is selected, the RFPs to select the low income EE projects that will actually be awarded grants will be issued.

The EEAC believes that it would not be possible to hold the RFP for the Manager - and then the second RFP to select the low income EE projects themselves - until the Commission has approved the process and the release of the \$4 million. In other words, the EEAC believes that the RFPs cannot be held, first to select a Manager and then to select the grant-winning projects, until the money is available to grant to selected projects.

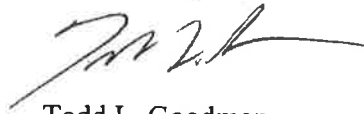
² Order No. 8970 in PSC Docket No. 14-193 at ¶ 2b.

The EEAC and the LI Advisory Committee are eager to begin the process of using the \$4 Million in low income energy efficiency Merger funding to help Delmarva's low income customers. Accordingly, on behalf of the EEAC, Delmarva Power respectfully requests that the Commission:

1. Review the EEAC's attached LI Distribution Plan,
2. Schedule timely consideration of the EEAC's LI Distribution Plan at a regularly-scheduled Commission meeting that is convenient for the Commission, and
3. Approve the EEAC LI Distribution Plan.

I am available at the convenience of the Commission and Commission Staff should there be any questions or if any additional information is required.

Respectfully,



Todd L. Goodman

cc: Parties to Docket No. 14-193 through DelaFile
Robert Underwood, DNREC, as the Chair of the EEAC
Robert J. Howatt
Donna Nickerson
James Geddes
Andrew Slater
Regina Iorii

THE DELAWARE ENERGY EFFICIENCY ADVISORY COUNCIL'S LOW-INCOME SETTLEMENT FUNDS DISTRIBUTION PLAN RECOMMENDATION TO THE DELAWARE PUBLIC SERVICE COMMISSION

I. INTRODUCTION

In Commission Docket No. 14-193, the Delaware Public Service Commission (the "Commission") adopted several orders approving the merger between Pepco Holdings (the parent company of Delmarva Power & Light Company ("Delmarva")) and Exelon Corporation.¹ As part of an Amended Settlement Agreement ("Settlement") reached by the parties and a "most favored nations" clause contained therein, a total of \$4 million was earmarked for low income energy efficiency programs for Delmarva Power customers.² The process/plan for distribution of the \$4 million must be recommended by the Energy Efficiency Advisory Council ("EEAC") and approved by the Commission before the \$4 million can be put to use.³ This document describes the process/plan for distribution of the \$4 million for low income energy efficiency programs (the "Distribution Plan") developed by the Low Income Subcommittee of the EEAC. The EEAC has unanimously recommended the Distribution Plan to the Commission.

II. STRUCTURE, TRANSPARANCY, AND ACCOUNTABILITY

Delmarva Power collaborated with the EEAC in the development of a Distribution Plan. The goal of the development process was to use a transparent structure and development process that involved and incorporated the experience of individuals and organizations that support and/or represent low-income Delaware residents.

In May of 2016, the EEAC established a low-income advisory committee (the "LI Advisory Committee"). The mission of the LI Advisory Committee is to support the work of the EEAC with respect to all Delaware low-income energy efficiency programs and initiatives by providing feedback and guidance on the development and implementation of cost-effective program offerings for low-income Delaware households. The work of the LI Advisory Committee is reported out during regularly scheduled monthly EEAC meetings. Since its

¹ Order No. 8746 dated June 2, 2015; Order No. 8952 dated October 18, 2016; Order No. 8970 dated November 1, 2016; Order No. 9032 dated February 23, 2017.

² Order No. 8746 dated June 2, 2015 (Amended Settlement Agreement at ¶17) and Order No. 8970 dated November 1, 2016 (at ¶ 2 b).

³ *Id.*

inception, a primary focus and agenda item of the LI Advisory Committee has been to support development of a Distribution Plan for the \$4 million in low income energy efficiency Merger funding.

The participants of the LI Advisory Committee consist of a diverse set of stakeholders including community-based non-profit organizations, faith-based organizations, social service agencies, municipalities, the Delaware Sustainable Energy Utility, Delaware utility companies, the Division of the Public Advocate, the Division of Energy and Climate of the Delaware Department of Natural Resources and Environmental Control, EEAC consultants and members of the EEAC. The LI Advisory Council's diverse participation has created a working environment that resulted in the incorporation of many perspectives and opinions into the Distribution Plan. See [Attachment A](#) for a full list of Advisory Committee participants.

All meetings of the LI Advisory Committee are conducted in an open and public manner. The LI Advisory Committee follows Delaware State open meetings rules and standards, which ensures that LI Advisory Committee meetings are open to the public for purposes of public participation and monitoring. Moreover, the public has access to all LI Advisory Committee meeting agendas and minutes. The diversity of participating stakeholders and open process have resulted in accountability and transparency. The diverse set of perspectives directly influenced and enhanced the Distribution Plan, as described below.

III. THE DISTRIBUTION PLAN DEVELOPMENT PROCESS

The Distribution Plan development process required twelve-months to complete (June 2016-June 2017). Primary development tasks undertaken by the LI Advisory Committee include:

- a. Sourcing and analyzing low-income housing demographic information and data.
- b. Cataloging and conducting an informal program gap analysis of all current Delaware low-income energy efficiency program offerings.
- c. Assessing methods and strategies for distributing low-income settlement funds.
- d. Development of the Distribution Plan.

Each task is described in greater detail below.

a. Low-Income Housing Demographics

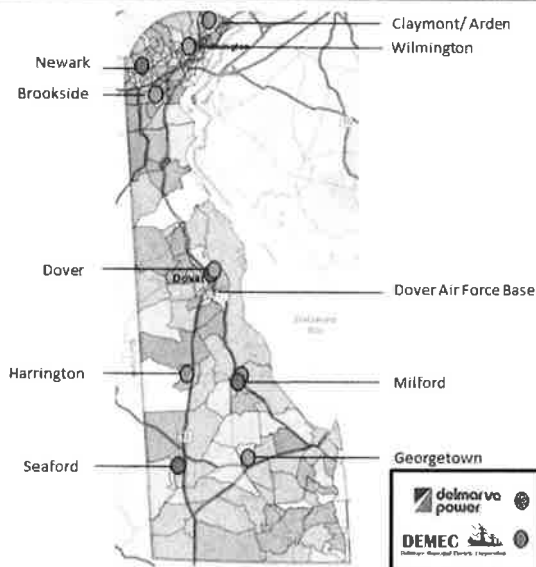
An initial task of the LI Advisory Committee was to conduct a low-income demographic analysis that identifies the geographic areas of Delaware with high concentrations of low-income residents. This information enabled the LI Advisory Committee to understand the areas of high need and helped provide insight into and answers to questions pertinent to the

Distribution Plan development process, such as: Is a large-scale or a concentrated place-based strategy best? Where does Delmarva Power serve high concentrations of low-income residents? Are there low-income energy efficiency programs already being offered in certain geographic areas? The following graphic displays the geographic areas in Delaware with the highest concentrations of low-income populations and identifies whether the areas are served by Delmarva Power. See [Attachment B](#) for a comprehensive PowerPoint presentation.

Graphic 1: Low-income need and DPL territories

Defining Low-Income Need in Delaware

- Primary Factors
- High # of Rentals
 - High # <80%AMI
 - Cost Burdened
 - Substandard Housing



b. Inventory and Gap Analysis of Current Programs

Another important action taken by the LI Advisory Committee was the development of an inventory of existing Delaware low-income program offerings. This information provided the LI Advisory Committee participants with an understanding of current program offerings as well as a way to identify low-income energy efficiency program offering gaps in Delaware. The LI Advisory Committee consistently expressed the importance of avoiding programs/initiatives that would replicate low-income energy efficiency program offerings already available in Delaware. See [Attachment B](#) for an outline of low-income energy efficiency and housing rehab program offerings currently being offered in Delaware.

c. Assessing Methods and Strategies

The LI Advisory Committee discussed best strategies for distributing low-income Merger settlement funds. Example questions the LI Advisory Committee discussed include: Should the funds be distributed in one lump sum? Should there be competitive processes such as RFPs? What type of recipients are intended to benefit from the low income energy efficiency Merger settlement funds? Ideas and opinions were collected and consensus was reached on the following general strategy:

- Funds should be distributed via a competitive grant making process.
- Strategies should be identified to attract and leverage additional funding resources (in addition to the \$4 million in Merger funding) that support low-income energy efficiency programs.
- Funds should be made available and distributed to entities that serve low-income households by delivering energy efficiency programs and services on both a large-scale level (i.e. statewide) and at a community-based level.
- The processing of funding applications and the distribution of funds should take place in an efficient and timely manner.

This general strategy guided the LI Advisory Committee throughout the development of the Distribution Plan.

d. Developing the Distribution Plan

The LI Advisory Committee developed the Distribution Plan over the course of many months. Several iterations were drafted before a final version was ready for submission to the EEAC. All LI Advisory Committee participant opinions were received and incorporated throughout the development process.

The initial product of the LI Advisory Committee development process was the establishment of a competitive grant making procedure. The LI Advisory Committee created two "guidance" documents for reference by potential applicants when developing program proposals. The guidance documents outline, in detail, the goals, objectives, and key questions that will require responses from applicants. The primary criteria goals include the following:

- Increase energy efficiency of low-income Delaware households in Delmarva territory
- Contribute to statewide electric and gas energy savings
- Engage with and inform low-income Delaware households about the benefits of energy efficiency

- Fill a low-income energy efficiency program gap that is not already being addressed by existing programs
- Support programs that address energy efficiency issues in low-income communities by mobilizing public and private sector resources, including grassroots, community-based, non-profit, and faith-based organizations.
- Ensure to the greatest extent feasible that job training, employment, contracting, and other economic opportunities generated by the grants will be directed to low-income Delmarva Power customers.

The creation of the guidance documents required LI Advisory Committee stakeholders to think through and understand various details and nuances associated with a competitive grant making process for delivering low-income energy efficiency programs. The initial guidance documents are included as [Attachment C](#) (for large-scale programs) and [Attachment D \(for community-scale programs\)](#).

The LI Advisory Committee deliberations included some key considerations, including the following examples:

Delivering Both Large-Scale and Community-Based Sized Programs: Because the LI Advisory Committee recommended providing low-income energy efficiency services at both a large-scale and a community-based level, the guidance document created two separate sets of questions. One set focused on applicants seeking funds for large-scale programs and the other focused on applicants seeking funds for smaller community-based programs.

Leveraging Additional Funds, Approval Efficiency and Management Capacity: An objective of the LI Advisory Committee included developing a Distribution Plan that could potentially lead to an expansion of low income energy efficiency funding beyond the \$4 million provided by the Merger. The LI Advisory Committee sought to identify ways to potentially attract and leverage additional low-income energy efficiency funding as well as to create an efficient process for distributing funds. Accordingly, the set of community-based guidance questions was designed to target entities, such as a foundation or charitable money manager, with the capacity and experience to both create a competitive grant making process and conduct fund raising for additional low-income energy efficiency funding. This strategy was followed because the LI Advisory Committee, the EEAC, DNREC, and Delmarva Power do not have the capacity or the experience needed to manage a grant making process with the potential for receiving, awarding and managing potentially dozens of community-based proposals.

The LI Advisory Committee's also realized that it would be highly inefficient and impractical to ask the Commission to review dozens of individual grant proposals. For

those primary reasons, the LI Advisory Committee determined that it would be more efficient and effective to ask the Commission to approve the process for appointing an experienced charitable money manager to administer a grant making process.

As mentioned above, the LI Advisory Committee went through several iterations before arriving at a final recommendation. The following section describes the final recommendation.

IV. **THE SETTLEMENT FUND DISTRIBUTION PLAN RECOMMENDATION**

The LI Advisory Committee's recommendation to the EEAC included appointing an experienced charitable money manager (hereinafter, "Manager") through a competitive request for proposal (RFP) process. See [Attachment E](#) for the full RFP. Once a Manager is in place, the funds would be distributed through a competitive grant process to capable organizations for the purpose of delivering energy efficiency programs to low-income ratepayers located in Delmarva Power's Delaware service territory.

With direct guidance from the EEAC and the LI Advisory Committee, the Manager will distribute all low-income settlement funds through a grant making process that serves both large-scale and small-scale community-based low-income energy efficiency program(s). The Manager will also be responsible for tracking and reporting on the performance of all grantees.

The goal of the Distribution Plan is to make the Merger Settlement funds available to as diverse a set of effective low-income programs as reasonably possible. The large-scale energy efficiency grant program will be structured in a similar way to successful large-scale low-income energy efficiency programs established around the country (e.g. Weatherization Assistance Programs, low-income energy efficiency retrofit programs, non-redundant behavior programs, etc.). These programs have the capacity to serve a large number of households over a large geographic area. The community-based program will support small-scale energy efficiency programs/projects that serve specific geographic areas in Delaware. The Manager will oversee the grant making and implementation performance processes for both the large-scale and community-based grant programs. Each program will be provided with a separate pre-determined amount of funds.

The Manager's responsibilities will include the following:

- **Ensuring that all goals are met and that all tasks are accomplished.**
- **Coordinating among critical energy efficiency agencies:** This includes participation in the statewide or jurisdiction-wide energy efficiency goals and objectives established by the EEAC.

- **Engaging community residents and community-based non-profit organizations:** Ensuring that individuals and community-based non-profits directly serving low-income communities are involved in grant program activities. For example, these activities may include community outreach, education, marketing, program assessment, and program advisory activities.
- **Establishing a Special Purpose Fund:** The selected Manager must have proven experience with setting up and managing a special purpose fund. A Delmarva Power Merger Settlement special purpose fund will be established and restricted to projects that deliver energy efficiency programs and services to low-income Delmarva Power Delaware customers.
- **Establishing a Low-Income Grant Application Review Committee(s):** The Manager will work with the EEAC to establish clear guidelines for the recruitment and support of Grant Application Review Committee membership. Membership of the Grant Application Review Committee must include EEAC representation and may be structured into two separate review committees for the large-scale and community-based programs.
- **Developing and implementing a grant application proposal process for large-scale and community-based grant programs:** This task includes grant program application development, program marketing, establishing grant application review criteria and processes, and selection of grantees. The LI Advisory Committee has created example applications for both the large-scale and the community-based applications that represent the level of detail expected by grant applicants.
- **Developing and implementing a grant application outreach strategy to potential grant applicants:** The Manager must ensure that outreach efforts are culturally sensitive, diverse, targeted, and linguistically appropriate.
- **Grant Administration:** The Manager will assume all grantee administrative responsibilities, including contracting, reporting, and accounting.

- **Establishing grantee quality assurance/quality controls:** This task will include monitoring grantees to ensure work performed meets specifications, applicable industry standards, and acceptable federal/state/local regulations. The Manager will also be responsible for management oversight of grantee budgets.
- **Data collection and storage oversight:** The Manager will ensure that all grantees have acceptable data collection and storage systems that can be applied to the Delaware statewide database.
- **Programs Evaluation, monitoring, and verification (EM&V):** Establish an energy efficiency EM&V process that tracks and monitors the energy efficiency performance of all grantee projects. Large-scale grantees will be required to hire an EEAC recommended third-party energy efficiency evaluator. The EM&V process is required to apply all EM&V rules adopted by the Energy Efficiency Advisory Council. .
- **Performance Goals:** The Manager will propose all program goals and associated activities. Performance goals must be objectively quantifiable and measure actual achievements against anticipated achievements. Performance goal reporting will be completed on a quarterly basis.
- **Reporting:** The Manager will provide an annual report to the EEAC on the Fund and program progress and performance.
- **Leveraging Resources:** The Manager will identify and seek additional community and private sector funds that can be combined with the Low-Income Merger Settlement Fund to increase the effectiveness of the proposed program activities including policy, prioritization and fiscal support.

The selected Manager's qualifications must include a team of professionals with demonstrated technical expertise, including a demonstrated knowledge and understanding of energy efficiency, fund management, grant making, and program implementation oversight.

V. CONCLUSION

On June 14, 2017 the EEAC unanimously voted to recommend this low-income Merger settlement fund Distribution Plan to the Delaware Public Service Commission.⁴ The Energy Efficiency Advisory Council, the Low-Income Advisory Committee and Delmarva Power & Light Company respectfully request that the Delaware Public Service Commission approve the EEAC recommendation to issue a Request for Proposals for a Manager as described above and in the attached documents. If approved, the Request for Proposals will be issued, a Manager will be selected and the \$4 million in Merger settlement funding for low-income energy efficiency programs will be released to the selected Manager. No further approvals from the Commission would be required.

ATTACHMENTS

Attachment A: Low-income advisory committee sign in sheets

Attachment B: Presentation: Delaware Low-Income Demographics and Energy Efficiency Current Program Offerings

Attachment C: Initial Guidance Document - Large-Scale Projects

Attachment D: Initial Guidance Document - Community-Scale Projects

Attachment E: RFP: Low-Income Settlement Fund Manager

Attachment F: June 14, 2017 EEAC minutes recommending the Distribution Plan to the Commission.

⁴ See Attachment E for a copy of the June 14, 2017 EEAC minutes recommending the Distribution Plan to the Commission.

Attachment A

Low-Income Advisory Committee Sign in Sheets

Attachment B

Presentation: Delaware Low-Income Demographics and
Energy Efficiency Current Program Offerings



Integrated Energy Resources

Introduction to Delaware Low-Income Demographics and Available Housing Services

Low-Income Working Group
August 10, 2016



Mission and Goals of this Working Group

- *Mission:* To support all Delaware low-income energy efficiency programs and initiatives by providing feedback and guidance on the development and implementation of cost-effective program offerings for all low-income Delaware households.
 - *Specific tasks:*
 - *Energy Efficiency Plans for the EEAC*
 - *General Feedback and guidance*
 - *Settlement Program Development*
 - Source and analyze the housing demographics to have clearer understanding of population
 - Cataloguing of current, or planned, initiatives that support enhancement to affordable housing and low income energy efficiency
 - Research and evaluate program options and considerations
 - Prepare and present recommendations to DE EEAC and other low income program stakeholders
 - *Weatherization Assistance Program*
 - *General feedback and guidance*

Delaware Housing at a Glance

Total Housing Units in Delaware

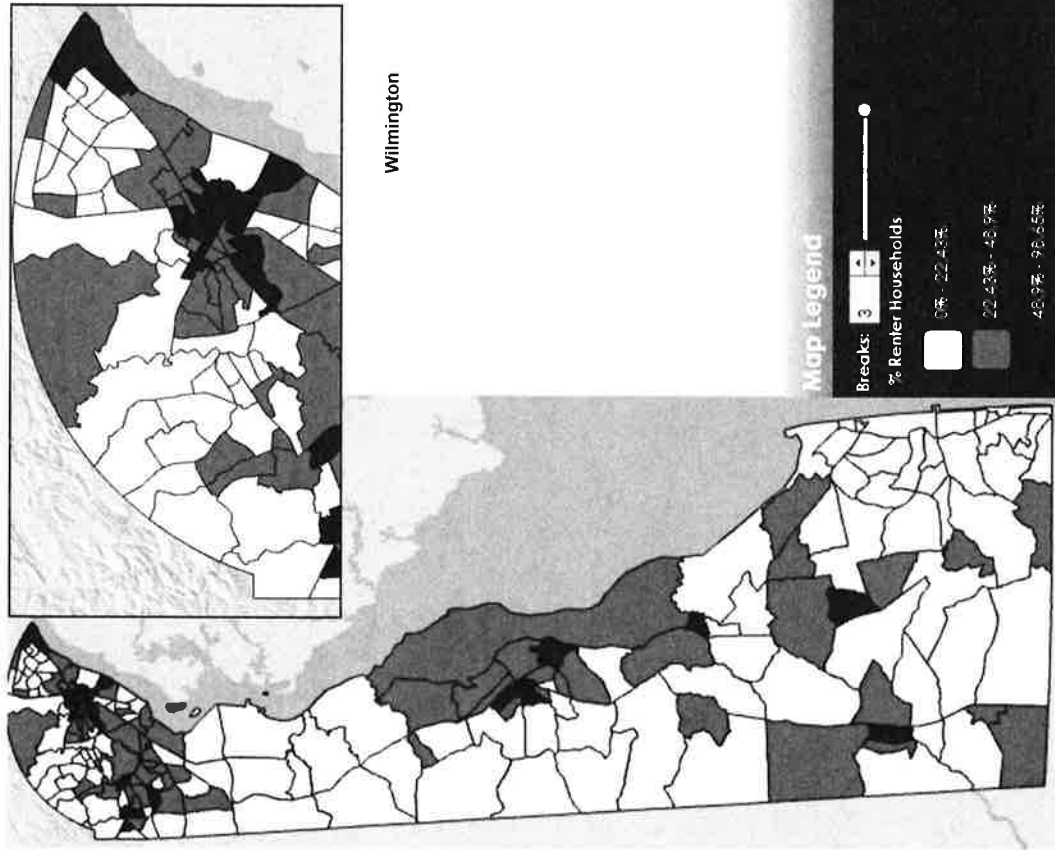
Delaware	RENTAL	OWNED	VACANT	TOTAL
Total Housing Units	87,612	243,868	70,258	401,738

Definition of Low Income Housing Unit

County	Median Income
New Castle	\$81,100
Kent	\$66,100
Sussex	\$66,300
County	Low (80% AMI)
New Castle	\$64,900
Kent	\$52,900
Sussex	\$50,650
County	Very Low (50% AMI)
New Castle	\$40,550
Kent	\$33,050
Sussex	\$31,650
County	Extremely Low (30% AMI)
New Castle	\$24,350
Kent	\$24,250
Sussex	\$24,250

Renter vs Owner

Renters (%)



Owner Occupied (%)



Low Income Housing in Delaware

Delaware Housing Needs Assessment, 2015

Rental Units Less Than 80% AMI



Owner Occupied Units Less Than 80% AMI



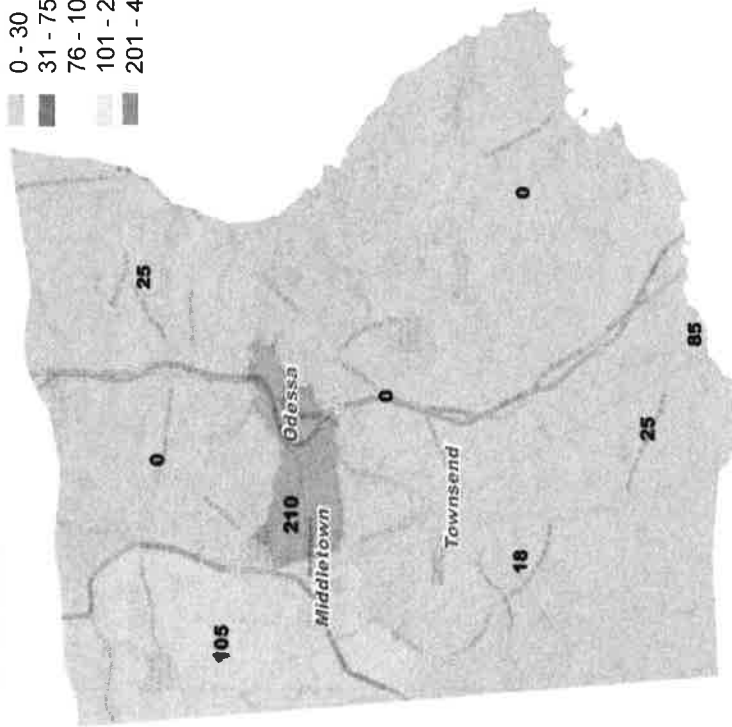
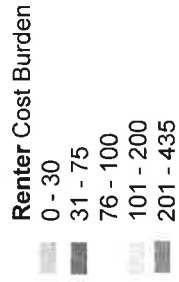
Need: South New Castle

Cost Burdened Renter Households by Census Tract (Under 80% Area Median Income)

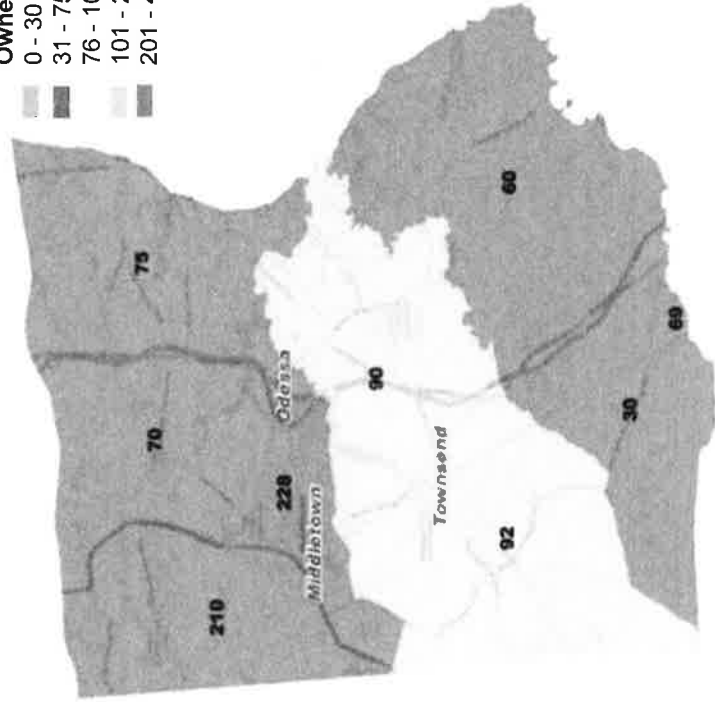
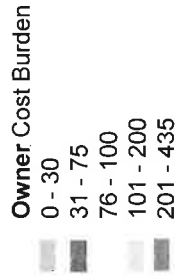
Housing Challenges			
South New Castle			
	TOTAL	% of All units	Compared to State
Cost Burdened Renters	647	43.9%	-1.6%
Severely Cost Burdened Renters	234	15.9%	-6.6%
Cost Burdened Owners	4,033	29.1%	1.8%
Severely Cost Burdened Owners	1,240	9.0%	-1.4%

HUD provides estimates of households who pay a burdensome amount for housing costs and are likely to be in need of more affordable housing options. According to HUD definitions, a "cost burdened" household pays more than 30% of their income on housing; a "severely cost burdened" household pays more than 50% of their income on housing. The information is categorized by income, and by owners and renters. HUD provides the following income categories in relation to Area Median Income (AMI): Extremely Low Income (<30% AMI), Very Low Income (30% - 50% AMI), Low Income (50% - 80% AMI), Moderate Income (80% - 100% AMI), and Middle Income and higher (>100% AMI).

In numbers:



In numbers:



Need: North Kent

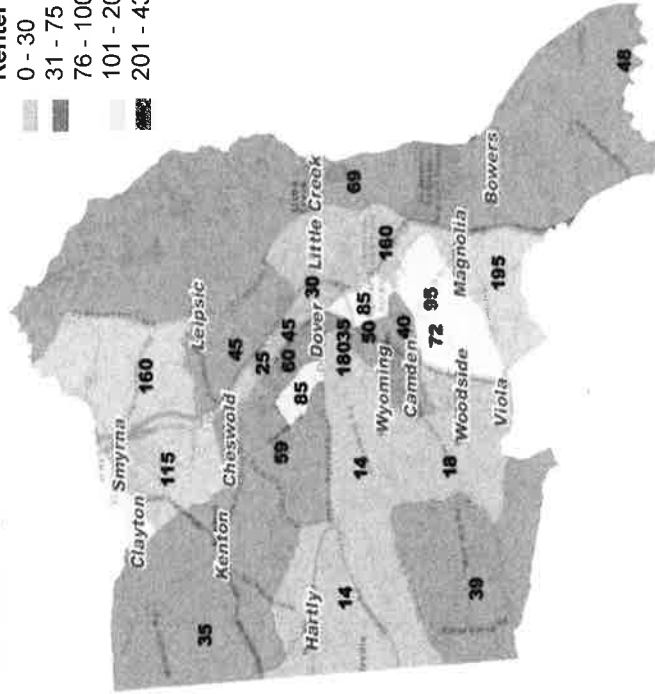
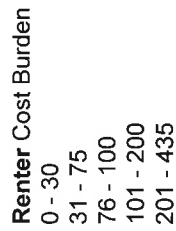
Source: Delaware Housing Needs Assessment, 2015

Cost Burdened Renter Households by Census Tract (Under 80% Area Median Income)

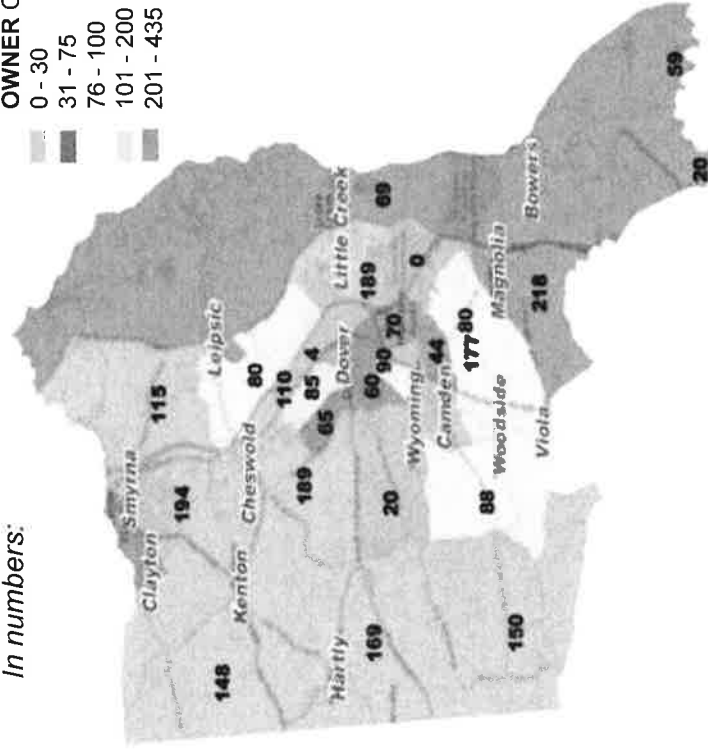
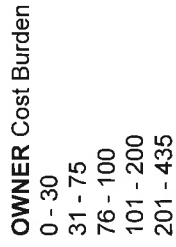
Housing Challenges			
North Kent			
	TOTAL	% of All units	Compared to State
Cost Burdened Renters	5,463	42.7%	-2.8%
Severely Cost Burdened Renters	2,907	22.7%	0.3%
Cost Burdened Owners	10,040	29.3%	2.0%
Severely Cost Burdened Owners	3,634	10.6%	0.3%

HUD provides estimates of households who pay a burdensome amount for housing costs and are likely to be in need of more affordable housing options. According to HUD definitions, a "cost burdened" household pays more than 30% of their income on housing; a "severely cost burdened" household pays more than 50% of their income on housing. The information is categorized by income, and by owners and renters. HUD provides the following income categories in relation to Area Median Income (AMI): Extremely Low Income (<30% AMI), Very Low Income (30% - 50% AMI), Low Income (50% - 80% AMI), Moderate Income (80% - 100% AMI), and Middle Income and higher (>100% AMI).

In numbers:



In numbers:



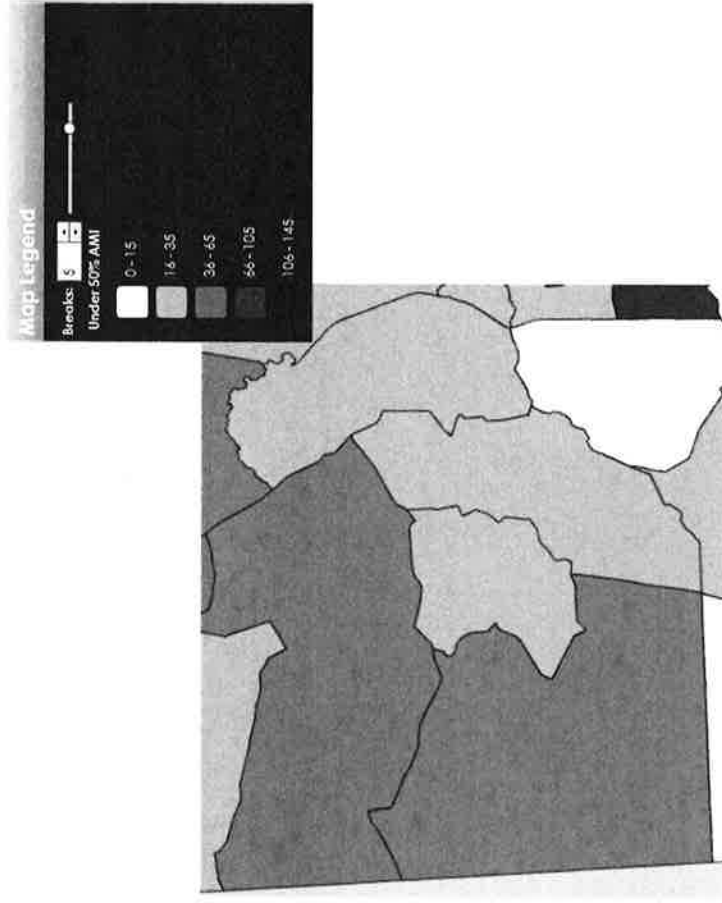
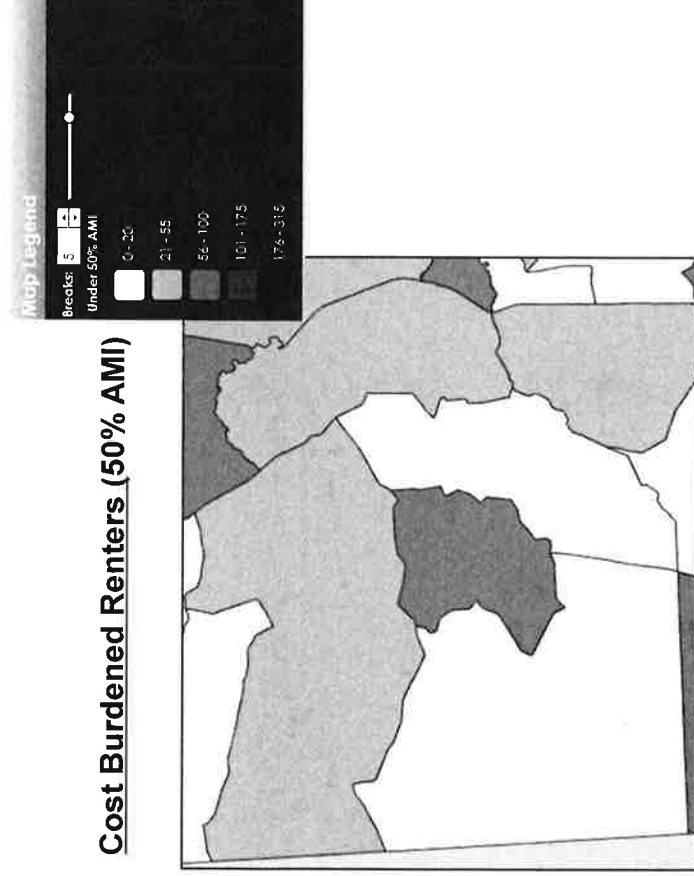
Need: South Kent

Cost Burdened Renter Households by Census Tract (Under 50% Area Median Income)

Housing Challenges			
South Kent			
	TOTAL	% of All units	Compared to State
Cost Burdened Renters	1,194	42.8%	-2.7%
Severely Cost Burdened Renters	593	21.3%	-1.2%
Cost Burdened Owners	2,093	27.7%	0.4%
Severely Cost Burdened Owners	906	12.0%	1.7%

HUD provides estimates of households who pay a burdensome amount for housing costs and are likely are in need of more affordable housing options. According to HUD definitions, a "cost burdened" household pays more than 30% of their income on housing; a "severely cost burdened" household pays more than 50% of their income on housing. The information is categorized by income, and by owners and renters. HUD provides the following income categories in relation to Area Median Income (AMI): Extremely Low Income (<30% AMI), Very Low Income (30% - 50% AMI), Low Income (50% - 80% AMI), Moderate Income (80% - 100% AMI), and Middle Income and higher (>100% AMI).

Cost Burdened Renters (50% AMI)



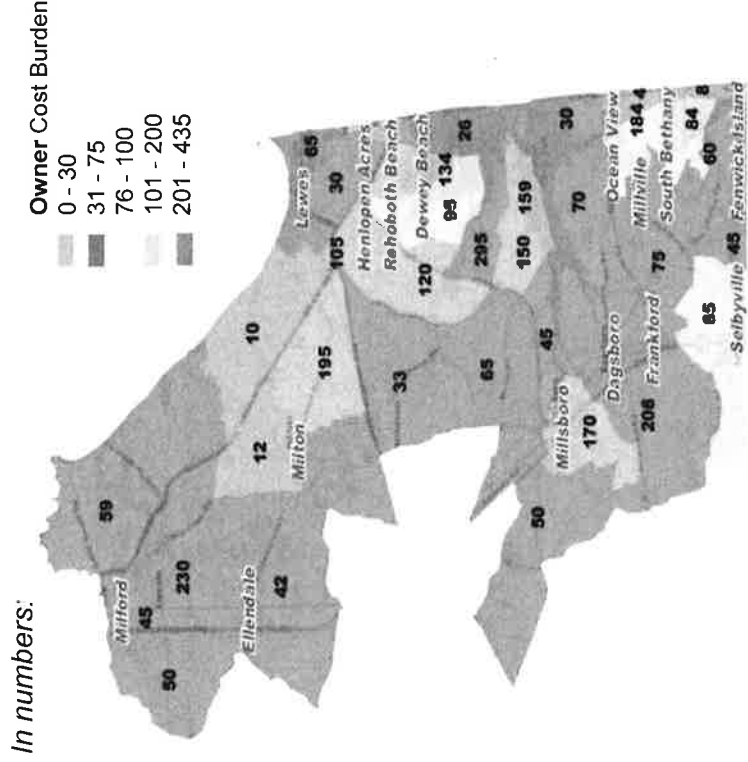
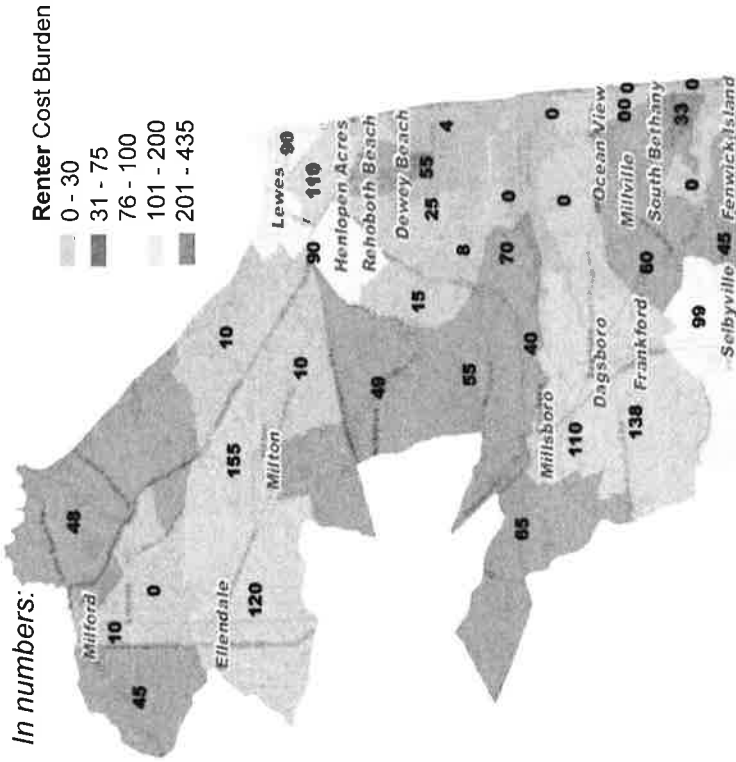
Need: East Sussex

Source: Delaware Housing Needs Assessment, 2015

Cost Burdened Renter Households by Census Tract (Under 80% Area Median Income)

Housing Challenges			
East Sussex			
	TOTAL	% of All units	Compared to State
Cost Burdened Renters	3,743	43.7%	-1.8%
Severely Cost Burdened Renters	1,631	19.1%	-3.4%
Cost Burdened Owners	12,337	29.2%	1.9%
Severely Cost Burdened Owners	5,030	11.9%	1.6%

HUD provides estimates of households who pay a burdensome amount for housing costs and are likely to be in need of more affordable housing options. According to HUD definitions, a "cost burdened" household pays more than 30% of their income on housing; a "severely cost burdened" household pays more than 50% of their income on housing. The information is categorized by income, and by owners and renters. HUD provides the following income categories in relation to Area Median Income (AMI): Extremely Low Income (<30% AMI), Very Low Income (30% - 50% AMI), Low Income (50% - 80% AMI), Moderate Income (80% - 100% AMI), and Middle Income and higher (>100% AMI).



Need: West Sussex

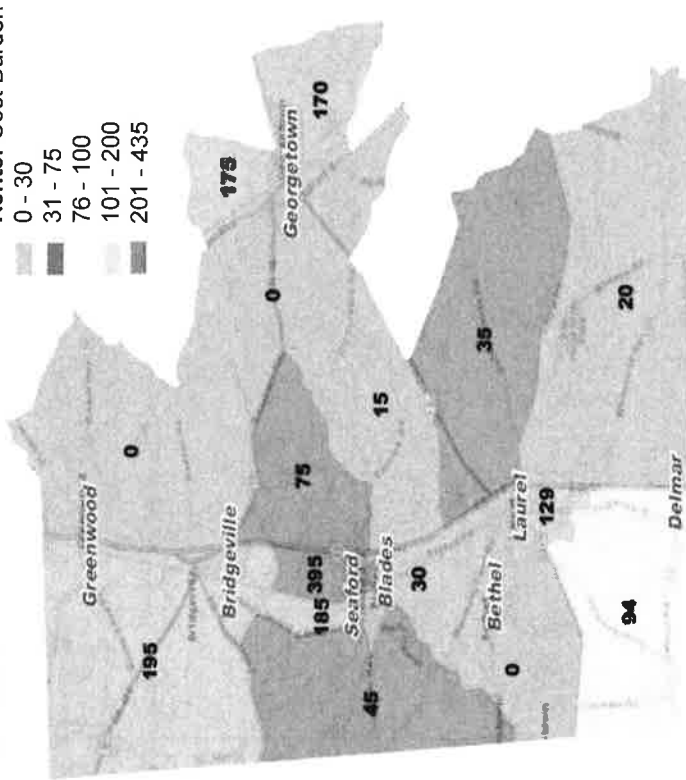
Source: Delaware Housing Needs Assessment, 2015

Cost Burdened Renter Households by Census Tract (Under 80% Area Median Income)

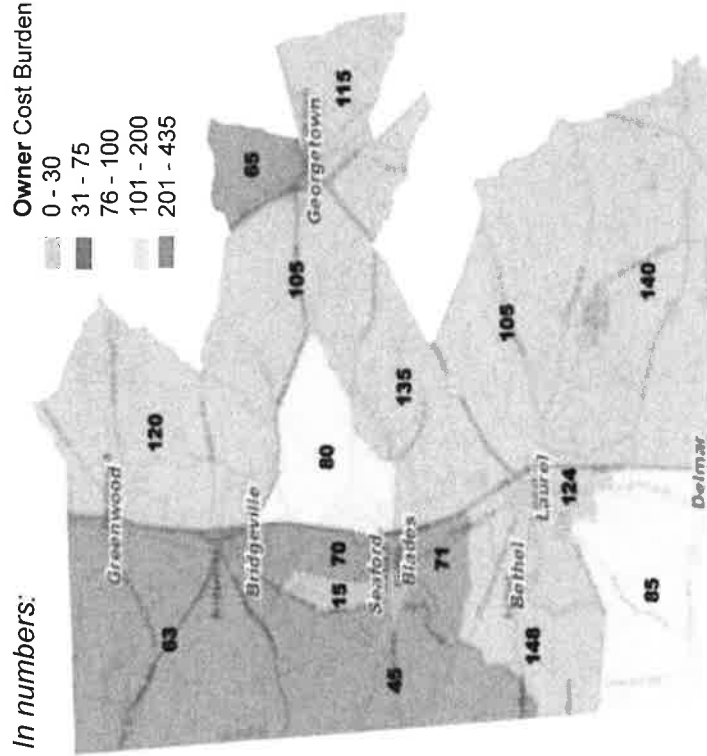
Housing Challenges			
West Sussex			
	TOTAL	% of All units	Compared to State
Cost Burdened Renters	3,017	46.7%	0.7%
Severely Cost Burdened Renters	1,344	20.5%	-2.0%
Cost Burdened Owners	5,227	28.3%	1.0%
Severely Cost Burdened Owners	2,020	11.0%	0.6%

HUD provides estimates of households who pay a burdensome amount for housing costs and are likely to be in need of more affordable housing options. According to HUD definitions, a "cost burdened" household pays more than 30% of their income on housing; a "severely cost burdened" household pays more than 50% of their income on housing. The information is categorized by income, and by owners and renters. HUD provides the following income categories in relation to Area Median Income (AMI): Extremely Low Income (<30% AMI), Very Low Income (30% - 50% AMI), Low Income (50% - 80% AMI), Moderate Income (80% - 100% AMI), and Middle Income and higher (>100% AMI).

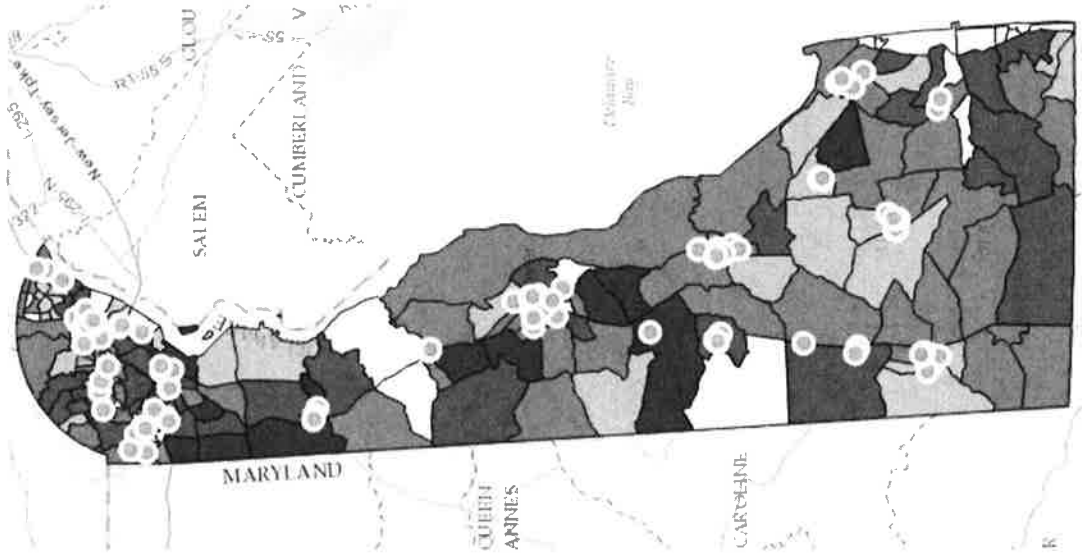
In numbers:



In numbers:



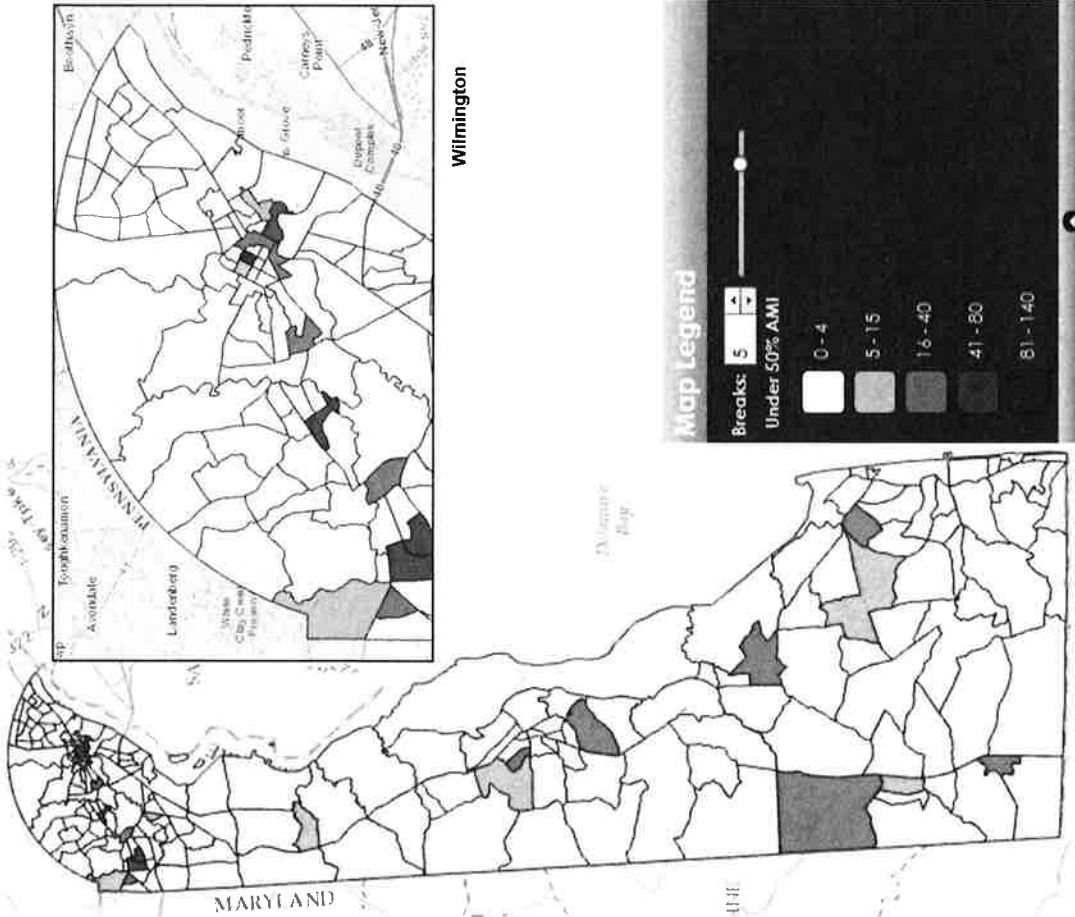
Housing Preservation/ Affordable Housing Units



Substandard housing is defined as homes that are vacant and abandoned; homes that are occupied but are in uninhabitable conditions; and homes that are occupied and in disrepair.

Substandard Housing

Substandard Rental Units Less Than 50% AMI



Substandard Owner Occupied Units Less Than 50% AMI

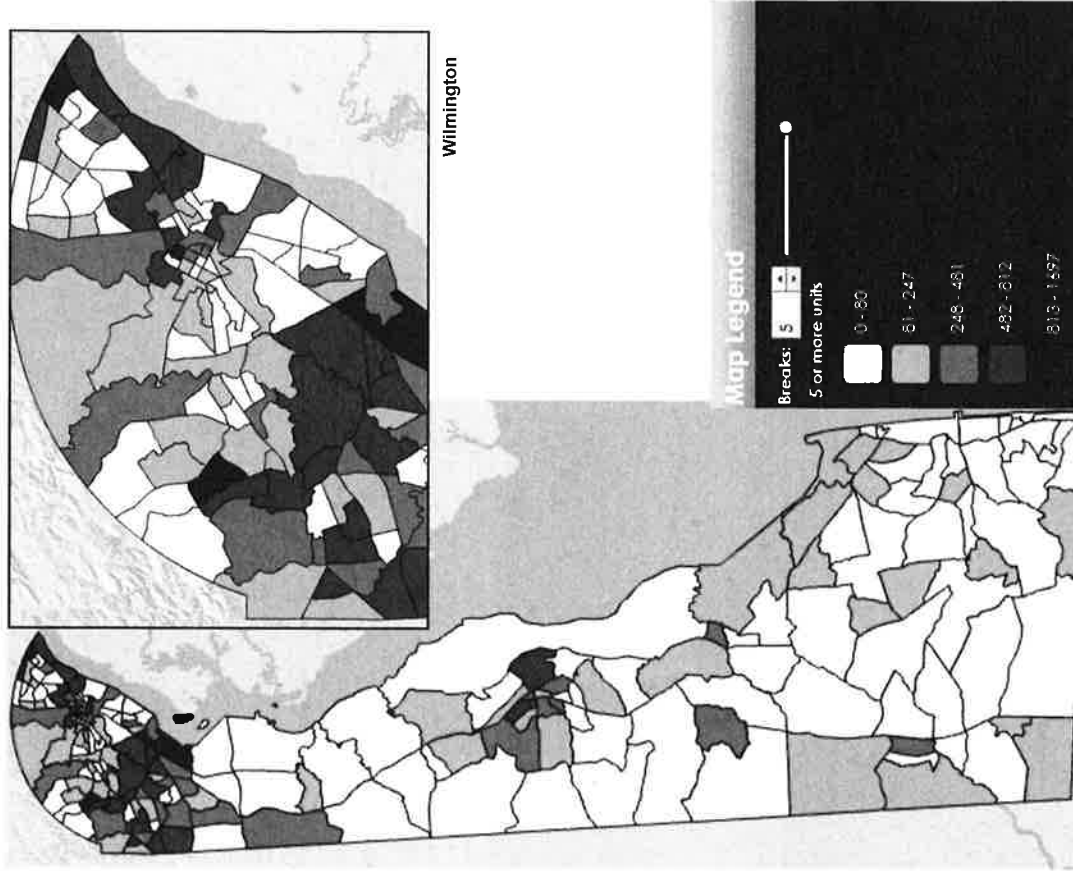


Single vs Multi-Family

Single Family (Detached)



Multi-family (+5 Unit Buildings)



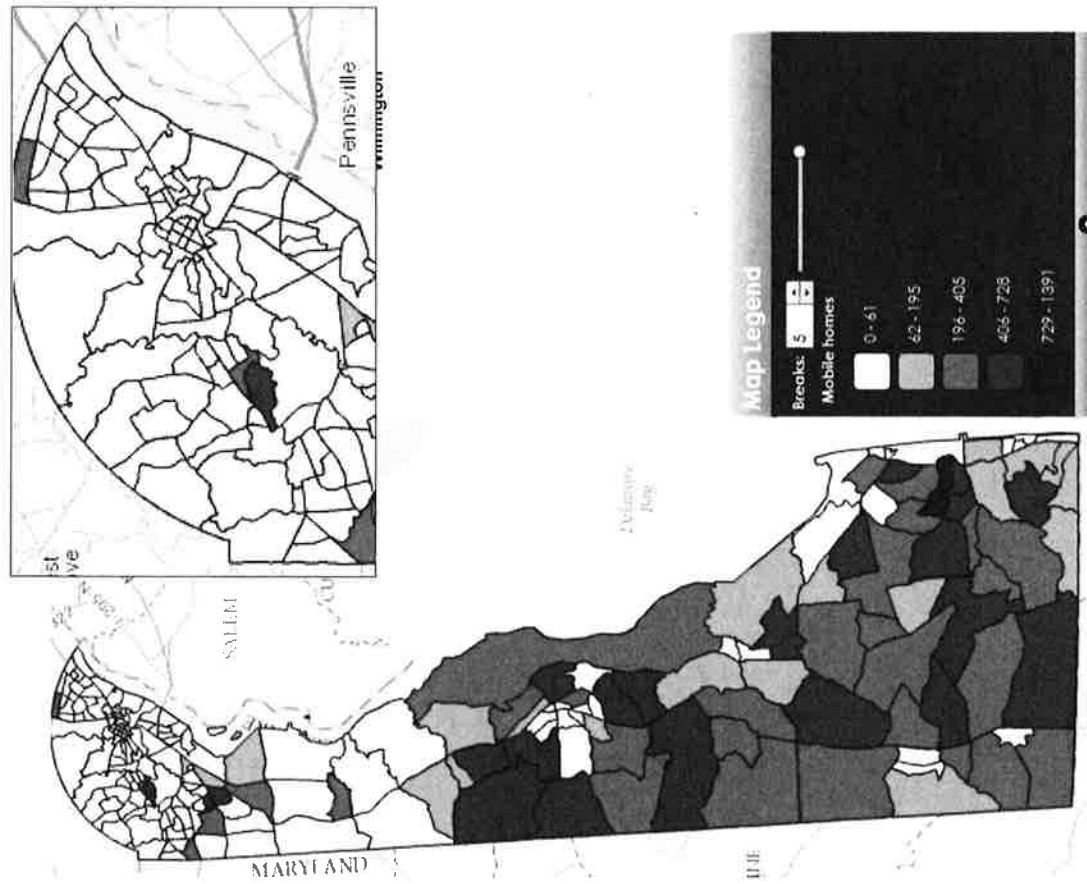
Renters: Single Family and Multifamily

Delaware	RENTAL	OWNED	VACANT	TOTAL						TOTAL
Total Housing Units	87,612	243,868	70,258	401,738						
Single Family Renters (1 unit)	North New Castle	Wilmington	Newark	South New Castle	North Kent	Dover	South Kent	East Sussex	West Sussex	TOTAL
Housing Units ≤30% AMI	5,166	2,000	923	102	1,093	815	235	460	651	7,707
Housing Units 30%-50% AMI	3,864	1,308	643	181	722	532	246	600	415	6,028
Housing Units 50%-80% AMI	4,574	1,067	688	75	931	579	176	555	507	6,818
Housing Units 80%-100% AMI	1,913	342	285	38	713	520	145	351	247	3,407
Housing Units >100% AMI	4,994	881	612	148	1,272	832	231	1,201	612	8,458
TOTAL	20,511	5,598	3,151	544	4,731	3,278	1,033	3,167	2,432	32,418
Total # of Units <80% AMI	13,604	4,375	2,254	358	2,746	1,926	657	1,615	1,573	20,553
Multi-Family Renters (2+ Units)										
Housing Units ≤30% AMI	8,796	3,405	1,571	173	1,860	1,389	399	782	1,109	13,119
Housing Units 30%-50% AMI	6,579	2,226	1,096	309	1,229	907	418	1,021	707	10,263
Housing Units 50%-80% AMI	7,787	1,817	1,171	129	1,585	986	299	946	862	11,608
Housing Units 80%-100% AMI	3,256	582	484	66	1,215	885	248	598	421	5,804
Housing Units >100% AMI	8,503	1,499	1,043	252	2,165	1,416	393	2,046	1,041	14,400
TOTAL	34,921	9,529	5,365	929	8,054	5,583	1,757	5,393	4,140	55,194
Total # of Units <80% AMI	23,162	7,448	3,838	611	4,674	3,282	1,116	2,749	2,678	34,990
TOTAL RENTERS										
Housing Units ≤30% AMI	13,962	5,405	2,494	275	2,953	2,204	634	1,242	1,760	20,826
Housing Units 30%-50% AMI	10,443	3,534	1,739	490	1,951	1,439	664	1,621	1,122	16,291
Housing Units 50%-80% AMI	12,361	2,884	1,859	204	2,516	1,565	475	1,501	1,369	18,426
Housing Units 80%-100% AMI	5,169	924	769	104	1,928	1,405	393	949	668	9,211
Housing Units >100% AMI	13,497	2,380	1,655	400	3,437	2,248	624	3,247	1,653	22,858
TOTAL	55,432	15,127	8,516	1,473	12,785	8,861	2,790	8,560	6,572	87,612
Total # of Units <80% AMI	36,766	11,823	6,092	969	7,420		1,773	4,364	4,251	55,543

Owners: Single Family and Multifamily

Delaware	RENTAL	OWNED	VACANT	TOTAL						
Total Housing Units	87,612	243,868	70,258	401,738						
Single Family Owner (1 unit)	North New	Wilmingto n	Newark	South New	North Kent	Dover	South Kent	East Sussex	West Sussex	TOTAL
	Housing Units ≤30% AMI	7,016	1,719	482	481	828	643	2,031	824	12,782
	Housing Units 30%-50% AMI	8,500	1,313	806	804	1,400	494	3,317	1,502	17,211
	Housing Units 50%-80% AMI	17,543	2,231	2,142	1,481	2,725	1,075	5,855	2,840	33,610
	Housing Units 80%-100% AMI	12,696	1,278	1,157	1,287	1,857	998	3,705	1,664	23,613
	Housing Units >100% AMI	69,132	6,314	8,987	8,402	9,520	3,587	23,053	9,769	132,353
TOTAL	114,887	12,855	13,574	12,455	30,870	16,330	6,797	37,961	16,599	219,569
Total # of Units <80% AMI	33,059	5,263	3,430	2,766	9,197	4,953	2,212	11,203	5,166	63,603
Multi-Family Centers (2+ Units)										
Housing Units ≤30% AMI	780	191	54	53	199	92	71	226	92	1,421
Housing Units 30%-50% AMI	944	146	90	89	288	156	55	369	167	1,912
Housing Units 50%-80% AMI	1,949	248	238	165	535	303	119	651	316	3,735
Housing Units 80%-100% AMI	1,411	142	129	143	263	206	111	412	185	2,525
Housing Units >100% AMI	7,681	702	999	934	2,046	1,058	399	2,561	1,085	14,706
TOTAL	12,765	1,429	1,510	1,384	3,331	1,815	755	4,219	1,845	24,299
Total # of Units <80% AMI	3,673	585	382	307	1,022	551	245	1,246	575	7,068
TOTAL Owner Occupied										
Housing Units ≤30% AMI	7,796	1,910	536	534	1,986	920	714	2,257	916	14,203
Housing Units 30%-50% AMI	9,444	1,459	896	893	2,882	1,556	549	3,686	1,669	19,123
Housing Units 50%-80% AMI	19,492	2,479	2,380	1,646	5,351	3,028	1,194	6,506	3,156	37,345
Housing Units 80%-100% AMI	14,107	1,420	1,286	1,430	3,526	2,063	1,109	4,117	1,849	26,138
Housing Units >100% AMI	76,813	7,016	9,986	9,336	20,456	10,578	3,986	25,614	10,854	147,059
GRAND TOTAL	127,652	14,284	15,084	13,839	34,201	18,145	7,552	42,180	18,444	243,868
Total # of Units <80% AMI	36,732	5,848	3,812	3,073	10,219	5,504	2,457	12,449	5,741	70,671

*NEW: Mobile Homes

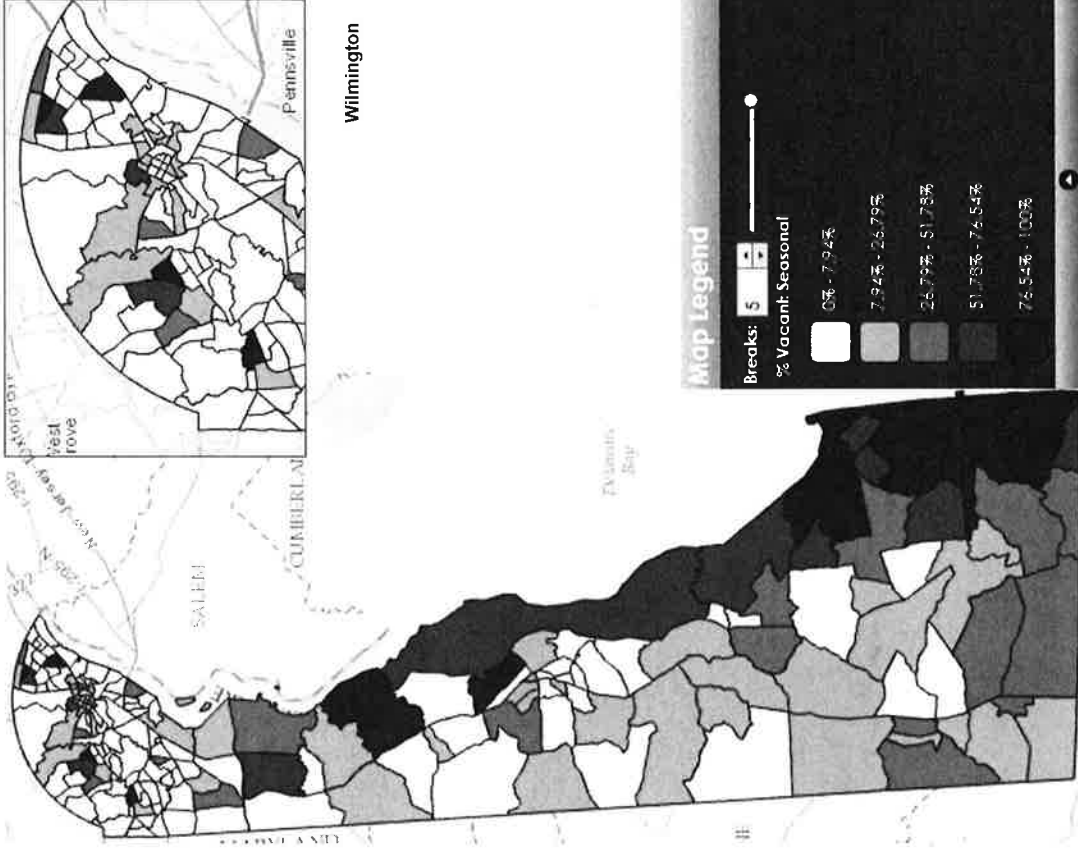


*NEW: Vacant Housing

% Vacant: All



% Vacant: Seasonal

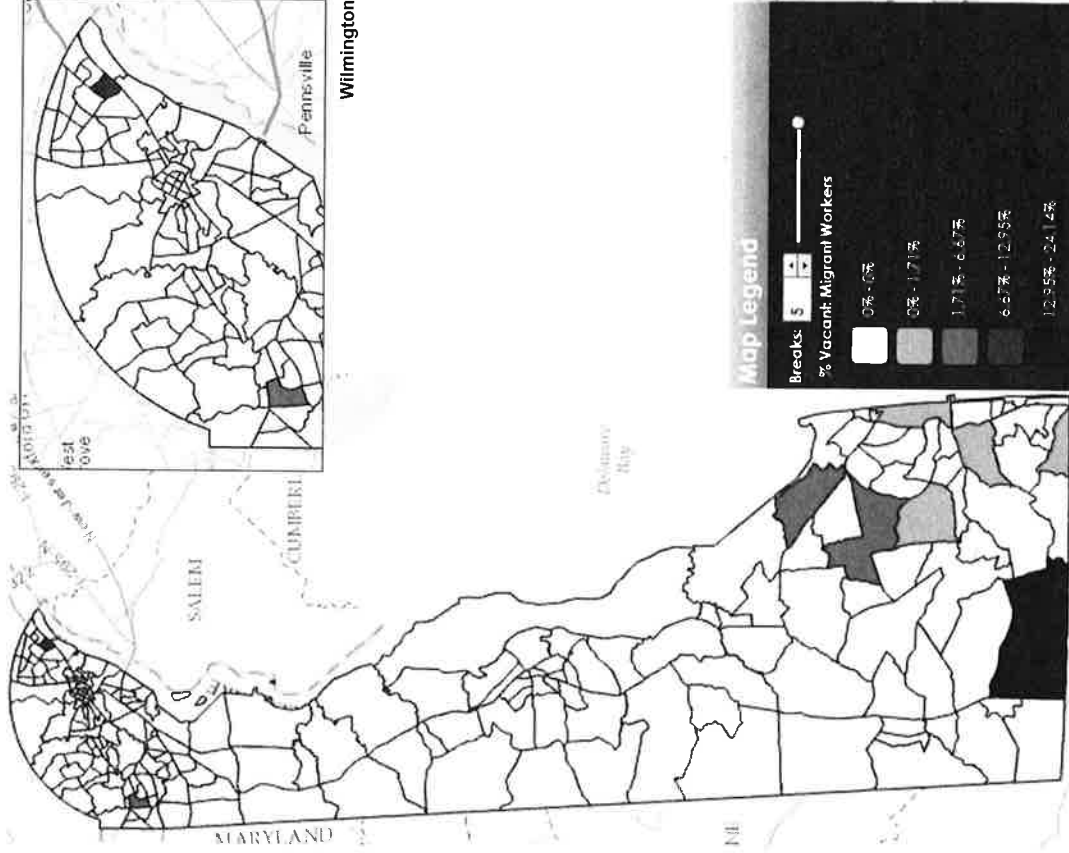


*NEW: Vacant Housing Continued

% Vacant: Abandoned



% Vacant: Migrant Workers

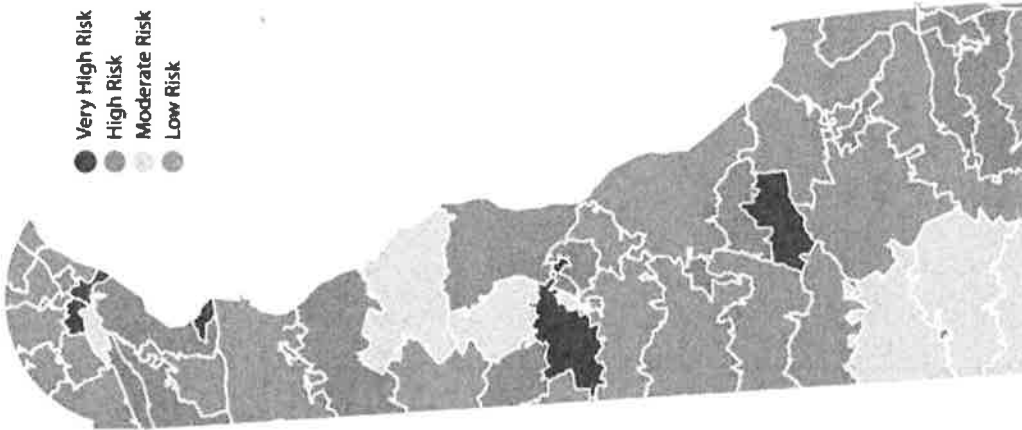


*NEW: Health Equity

Map: DE Healthy Equity
Action Center:
Framework: Health Equity
Institute, San Francisco
State

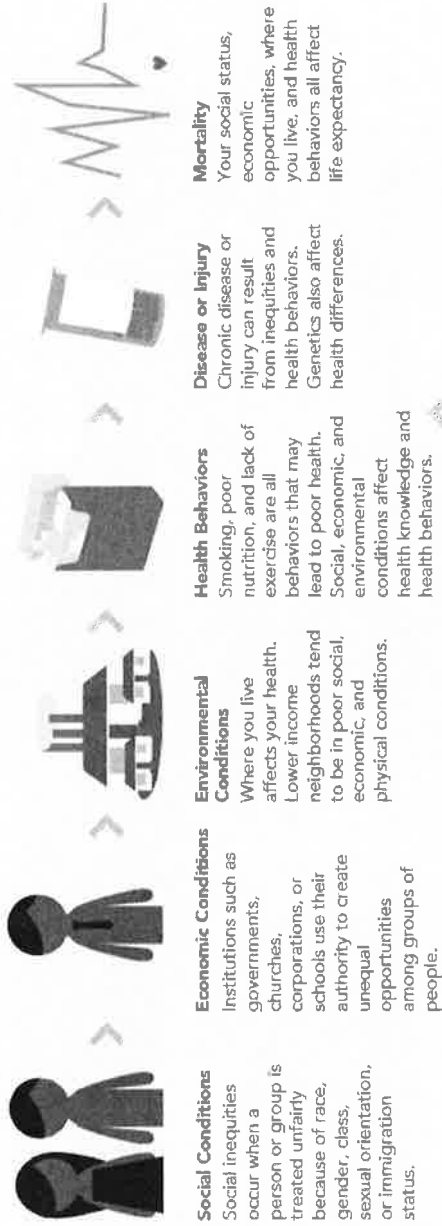
Risk Level: Health Inequity

- Very High Risk
- High Risk
- Moderate Risk
- Low Risk



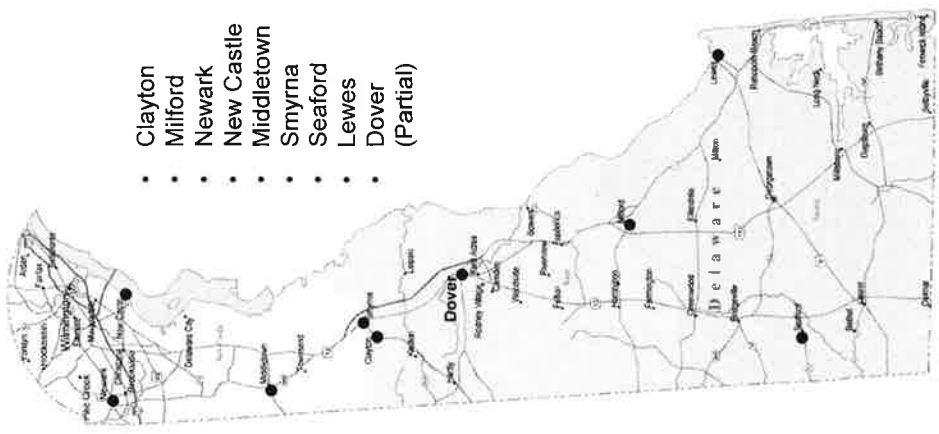
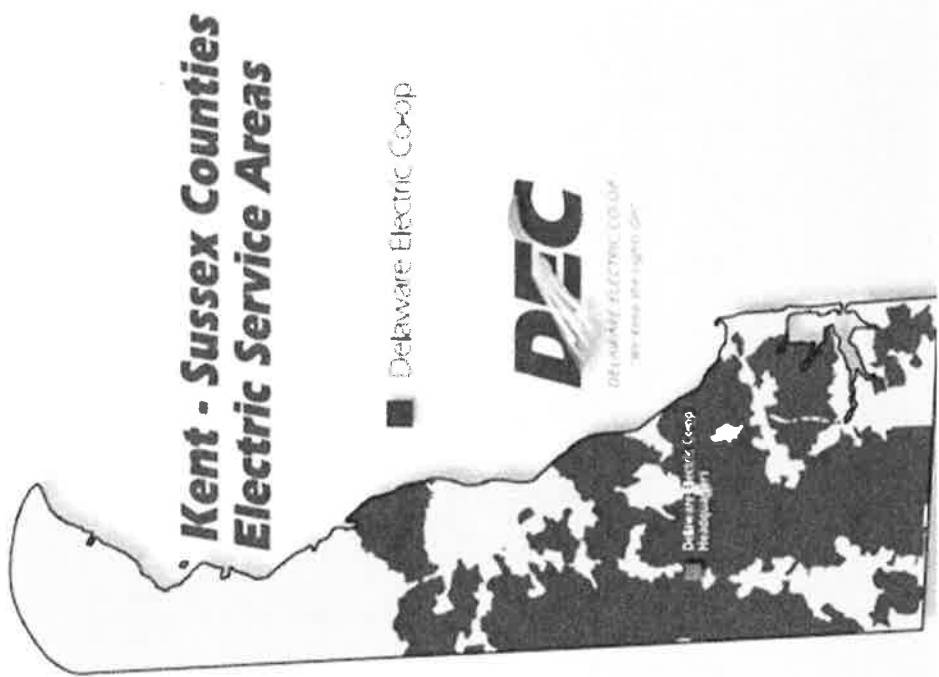
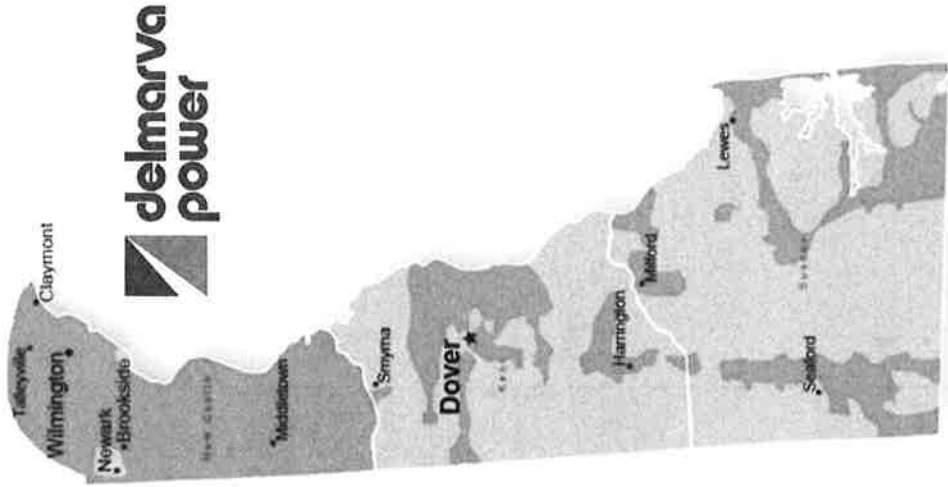
Wilmington

Health Equity Framework



AFFECTED BY ACCESS TO
QUALITY HEALTHCARE

*NEW: Electric Utilities Territories of Delaware



- Clayton
- Milford
- Newark
- New Castle
- Middletown
- Smyrna
- Seaford
- Lewes
- Dover (Partial)



Areas of Concentrated Need and Utility Territories

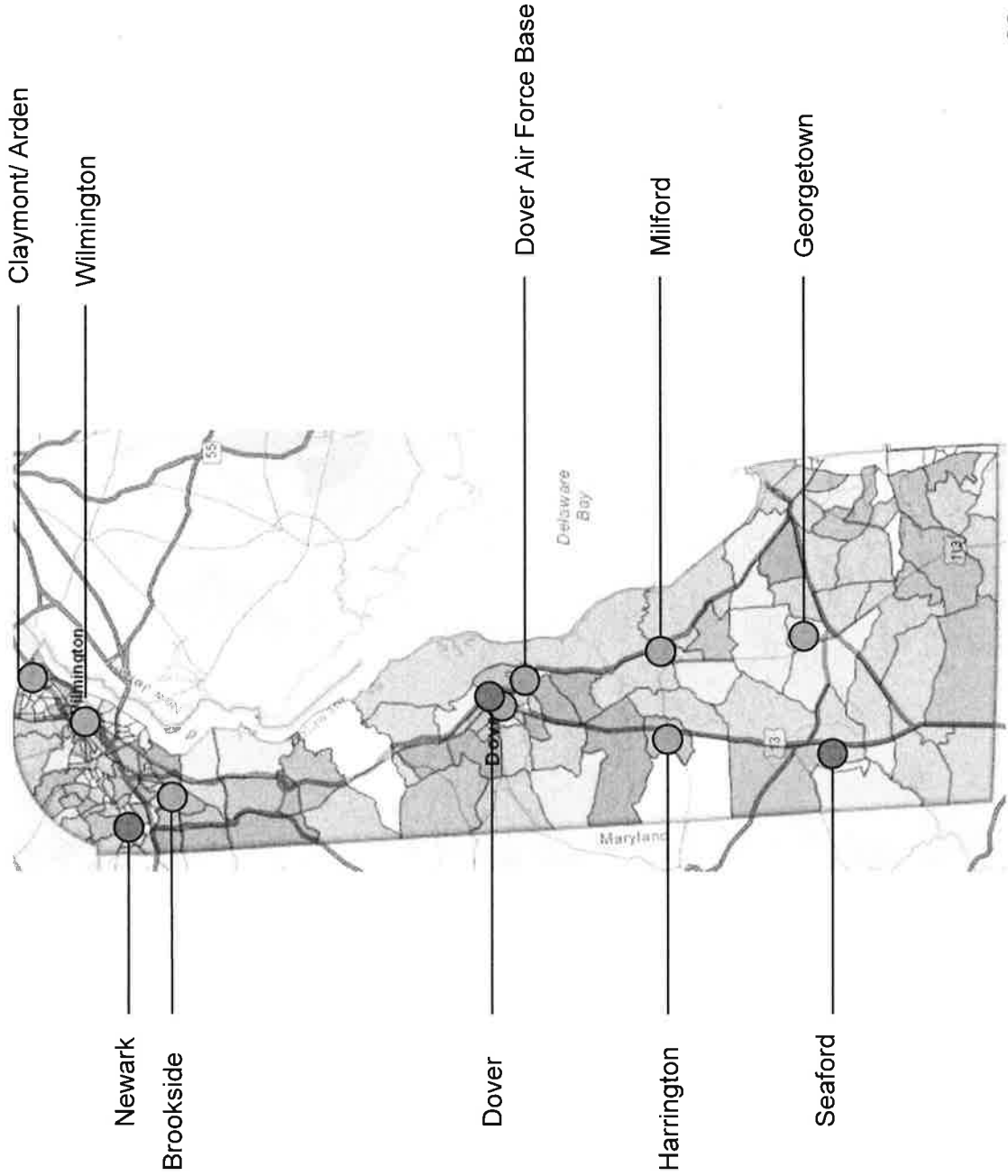
Primary Factors

- High # of Rentals
- High # <80%AMI
- Cost Burdened
- Substandard Housing



DEMEC

Delaware Municipal Electric Corporation



Housing Services/ Programs: Rental Assistance

- Public Housing
 - 5 housing authorities
 - 25,000 households on waiting list
 - *Housing Choice Voucher Program (Section 8)*
 - Rental in Private Market
 - 5,059 Units Served
 - <50%AMI
 - *Public Housing Program*
 - 2,521 Units Served
 - <50%AMI
- Section 202 and Section 811
 - Section 202: supportive housing for low income seniors
 - Section 811: supportive housing for low income persons with a disability
 - Granted directly to non-profits
 - 1,068 units statewide
- USDA Rural Housing Program
 - Rental assistance and financing
 - 1,679 units statewide (mostly Sussex County)

Housing Services/ Programs: Affordable Housing

- Low Income Tax Credits
 - 4,203 units in LIHTC portfolio
 - 50%-60% AMI
 - Tax incentive administered by the U.S. Treasury
 - Administered in DE by DSHA
 - Budget: Approximately \$2.2 million in tax credits (determined by U.S. Treasury) annually
 - 180-220 units developed annually
- Community Development Block Grant Program
 - Direct Grants (homeowner rehab)
 - Budget: \$6,639,673 annually
 - 75% of budget to Homeowner affordable housing rehab
- HOME Investment Partnership Program
 - Direct Grants (homeowner affordable housing rehab)
 - Budget: \$4,130,849
- Housing Development Fund
 - State Housing Trust Fund
 - Loans for multifamily development and rehab
 - Homeownership acquisition & rehab and new construction
 - Rehab programs serving existing homeowners

Low Income Energy Programs

- Weatherization Assistance Program (WAP); Catholic Charities
- Pre-WAP Program; SEU
- Low-income Home Energy Assistance Program (LIHEAP); Catholic Charities
- LIHEAP Heater Repair/ Replacement and Cooling Program
- SHARING/ Grants Fund ; Chesapeake Utilities
- Beat the Peak; Delaware Electric Co-op
- Assisted Home Performance with ENERGY STAR, SEU

Next Steps

- Chart out all available resources and scale of activity of identified services
- Identify low-income program service gaps and opportunities for settlement funds
 - Some preliminary considerations:
 - Statewide or place based?
 - Extremely low income or working poor?
 - Single family or multifamily?
 - Leverage with other programs?
- Collect stakeholder feedback on potential program concepts
- Draft initial recommendations and collect comments/ edits
- Draft final recommendations report

Attachment C
Initial Guidance Document
Large-Scale Projects

**Low-Income Energy Efficiency Program:
A Project of the Delmarva Settlement Fund**

LARGE-SCALE
ENERGY EFFICIENCY PROGRAM

GRANT PROGRAM APPLICATION
GUIDANCE DOCUMENT

Issue Date: TBD
V1.0; 2017-05-08

Table of Contents

Section I: Funding Opportunity Description	4
A: Program Description	4
1. Purpose	4
B: Authority	5
Section II: Award Information	6
A: Available Funds	6
B: Number of Awards	6
D: Period of Performance	6
E: Eligible Applicants	6
Section III: Application and Submission Information	7
A: Obtaining Guidance Information	7
1. Public Notice	7
2. Obtaining Copies of the Guidance	7
B: Content of Application	7
c: Application Submission Dates, Times, and Process	8
1. Grant Application Due Date	8
2. Grant Application Delivery Method	8
3. Grant Application Modifications	8
4. Grant Application Opening	8
5. Conflict of Interest	8
Section IV: Application Review Information	10
A: Review and Selection Process	10
1. Rating	10
2. Rating Criteria Overview and Weighting	10
B: Information to be Included with Each Rating Criteria	11

1. A- Capacity of Applicant.....	11
1. B- Relevant Organizational Experience of Applicant.....	13
2. Description of the Need/ Extent of the Burden	14
3. A- Soundness of Approach.....	16
4. Budget.....	21
5. Achieving Results and Program Evaluation.....	25
6. Bonus	26
Section V: Award Administration Information	28
A. Anticipated Announcement and Award Dates.....	28
B. Award Notices	28
C. Administrative/ Policy Requirements	28
D. Reporting/ Grantee Payment	28
1. Status Reporting	28
2. Grantee Payment.....	29
Section VI: Guidance Designated Contact	30
Section VII: Appendix	31
Appendix A: Budget Worksheet.....	31

SECTION I: FUNDING OPPORTUNITY DESCRIPTION

A: PROGRAM DESCRIPTION

1. PURPOSE

On June 2, 2015 and November 1, 2016, the Delaware Public Service Commission (PSC) adopted orders approving the merger of Delmarva Power & Light and Exelon Corporation (“Delmarva”) and the Amended Settlement Agreement (PSC Docket No. 14-193). Provisions resulting from the Amended Settlement Agreement (Settlement) allocated funds to a low-income customer energy efficiency program for Delmarva Power customers. These funds are being provided through a competitive grant process to support capable organizations in delivering energy efficiency programs to low-income ratepayers located in Delmarva’s Delaware service territory. The Delaware Department of Natural Resources and Environmental Control (DNREC), Division of Energy and Climate (DEC) will administer these funds.

Applicant(s) receiving a grant award will accomplish the following:

- Increase the energy efficiency of low-income Delaware households that contribute to statewide electric and gas savings.
- Engage with and inform low-income Delaware households about the benefits of efficiency.
- Develop a comprehensive community-based approach to address energy efficiency issues in low-income housing by mobilizing public and private sector resources, including grassroots, community-based, non-profit, and faith-based organizations.
- Ensure to the greatest extent feasible that job training, employment, contracting, and other economic opportunities generated by this grant will be directed to low-income persons.

With direct guidance from the EEAC and the EEAC Low-Income Working Group, (Name of Manager’s Organization) has been contracted to manage and distribute all low-income settlement funds through a grant making process that serves two distinct energy efficiency programs including a large-scale low-income energy efficiency grant program(s) as well as a small-scale community-based low-income energy efficiency grant program(s).

This guidance document supports the large-scale low-income energy efficiency program only. The large-scale energy efficiency grant program will be structured in a similar way to low-income energy efficiency programs established around the country (e.g. Weatherization Assistance Programs, low-income energy efficiency retrofit programs, behavior programs, etc.). Organizations that have the experience, capacity and resources in place to stand up a large-scale energy efficiency program are encouraged to apply.

B: AUTHORITY

These Low-Income Energy Efficiency Program grant funds have been authorized by the Delaware Public Service Commission (PSC Docket No. 14-193). All grant applications will be coordinated and initially reviewed by the Low-Income Energy Efficiency Settlement Grant Fund Review Committee (“Review Committee”) which includes representation from the Delaware Energy Efficiency Advisory Committee.

SECTION II: AWARD INFORMATION

A: AVAILABLE FUNDS

Total amount of funds available is \$###. The maximum available for award amount for the Low-Income Energy Efficiency Program funds is not to exceed \$###. The minimum award amount is to be no less than \$###.

All awards are subject to the applicable funding restrictions described in PSC Docket No 14-193. (See Addendum)

B: NUMBER OF AWARDS

The Review Committee has no pre-determined number of grant awards from the available Settlement funds.

D: PERIOD OF PERFORMANCE

- Estimated Project Start Date: TBD
- Estimated Project End Date: TBD
- Length of Project Periods: Up to a 36-month total project period with annual budget periods.

E: ELIGIBLE APPLICANTS

Eligible applicants include Delaware-based for-profit companies with a valid State of Delaware business license, non-profit organizations with a valid 501c3 federal designation, and Delaware government agencies.

SECTION III: APPLICATION AND SUBMISSION INFORMATION

A: OBTAINING GUIDANCE INFORMATION

1. PUBLIC NOTICE

Public notice regarding this Guidance document has been provided in accordance with the Grant Manager's statutes.

2. OBTAINING COPIES OF THE GUIDANCE

This Guidance document is available in electronic form through the Grant Manager website (Insert Website URL HERE). Paper copies of this Guidance will not be available.

B: CONTENT OF APPLICATION

All submitted applications should contain the application components listed below. Further detail about rating criteria and specific expectations for each application section are provided in Section IV of this Guidance document.

- **Narrative Response** - The narrative responses to Rating Factors 1 to 5 are limited to:
 - A maximum of 40 numbered pages (excluding appendices, budget forms/narrative, and worksheets)
 - Letter sized paper, 8-1/2 x 11 inches
 - 12-point (minimum) Times New Roman font
 - Double spaced
 - At least 1 inch margins on all sides
- **Budget Narrative**
- **Budget Worksheet** - (See Appendix A.)
- **Appendices** - Supplemental application materials such as résumés and match commitment letters. These attachments should directly refer to and support the specific rating factor narrative to which they pertain.

The information required to be submitted in response to this Guidance has been determined by the Review Committee to be essential for use by the Review Committee in the grant application

evaluation and award process.

C: APPLICATION SUBMISSION DATES, TIMES, AND PROCESS

1. GRANT APPLICATION DUE DATE

Grant applications are due at 1:00pm EST on TBD, 2017. Applications received after the specified date and time will not be accepted or considered.

2. GRANT APPLICATION DELIVERY METHOD

All grant applications must be submitted electronically via email and must respond to the items outlined in this Guidance document. Each application must be emailed to Insert Grant Manager Name: (Insert Email address). Email subject line should read as follows:

App_LI Delmarva Settlement_Track (Insert Number)_(Insert Organization Name).

3. GRANT APPLICATION MODIFICATIONS

Any changes, amendments or modifications to an application must be made in writing, submitted in the same manner as the original response, and conspicuously labeled as a change, amendment or modification to a previously submitted application. Changes, amendments or modifications to applications shall not be accepted or considered after the hour and date specified as the deadline for submission of grant applications.

4. GRANT APPLICATION OPENING

The contents of any proposal shall not be disclosed as to be made available to competing entities during the negotiation process.

5. CONFLICT OF INTEREST

A conflict of interest or the appearance of a conflict of interest may occur if you are directly or indirectly involved with an organization that has submitted a proposal for evaluation and you are a member of the Review Committee, EEAC, or the EEAC Low Income Working Group. All applicants that participate on the EEAC or the EEAC Low-Income Working Group must inform the Guidance Designated Contact of any potential conflicts of interest. Any applicant that sits on the EEAC or the EEAC Low-Income Working Group must recuse themselves from participating in any part of the application evaluation process. Examples of potential biasing affiliations or

relations are listed below:

- Your affiliation with a bidding company or institution. For example, a conflict may exist when you:
 - are employed by or are being considered for employment with the company or institution submitting any bid or hold a consulting, advisory, or other similar position with said company or institution;
 - hold any current membership on a committee, board, or similar position with the company or institution;
 - hold ownership of the company or institution, securities, or other evidences of debt;
- Your relationship with someone who has a personal interest in the proposal. This includes any affiliation or relationship by marriage or through family membership, any business or professional partnership, close personal friendship, or any other relationship that you think might tend to affect your objectivity or judgment or may give an appearance of impropriety to someone viewing it from outside the relationship.

SECTION IV: APPLICATION REVIEW INFORMATION

Application Review - This section describes the application review and rating process and the review criteria that will be used by the Review Committee to select qualified grant awardees. Applicants shall follow all instructions contained in this Guidance in order to be considered for an award.

The Review Committee reserves the right to:

- Select for grant award an application other than that with lowest costs;
- Reject any and all grant applications or portions of grant applications received in response to this Guidance or to make no award or issue a new Guidance;
- Accept applications in-part;
- Request modification to grant applications from any applicants during the grant process;
- Negotiate any aspect of the grant application with any grant applicant and negotiate with more than one grant applicant at the same time.

A: REVIEW AND SELECTION PROCESS

1. RATING

All grant applications shall be evaluated using the same criteria and scoring process. After reviewing the application, the Review Committee shall assign a score for each pre-determined criterion listed in the section below. The Review Committee will also consider whether each grant application is clear, concise, and well-organized.

2. RATING CRITERIA OVERVIEW AND WEIGHTING

The following criteria shall be used by application evaluators to assess grant applications. Each criterion has been weighted based on level of importance specific to each Track.

TRACK I: Rating Criteria	Weight
1: Capacity of applicant and relevant organizational experience	20
2: Description of the need/extent of the burden	10
3: Soundness of approach	40
4: Budget	15
5: Achieving results and program evaluation	15
Total	100%
6: Bonus	5

Grant applicants are encouraged to review the rating criteria and to provide a response that addresses each of the scored items. Evaluators can only make decisions about an applicant's capabilities based on the information provided in the application, so the responding applicant should be detailed in their grant application responses.

B. INFORMATION TO BE INCLUDED WITH EACH RATING CRITERIA

Applications should demonstrate their ability to meet the rating criteria described above through information presented in the application. The application narrative should address rating criteria 1-3, 5, and the bonus criterion. Criterion 4 should be addressed in the budget narrative. The specific information requested under each rating criterion is described in further detail in the following sections.

Applicants should ensure that information provided in the narrative for a specific rating criterion does not include information that addresses a different criterion. For example, if your grant application describes your organization's past experience in the narrative for rating criterion 3 instead of rating criterion 1, the past experience will only be scored based on the information included in rating criterion 1.

In addition, material provided in the appendices can support narrative information, but will not be used in lieu of information provided in the narrative response to the rating criteria.

1. A- CAPACITY OF APPLICANT

Evaluators will consider numerous factors of your prior performance, such as monitoring results, performance against benchmarks, and other relevant information, to evaluate capacity and relevant organization experience.

You must demonstrate that your organization has sufficient qualified personnel, or will actively retain qualified experts or professionals, and is prepared to perform low-income energy efficiency work, and other proposed activities within 90 days of the grant award to successfully implement and complete the project. If any of the key personnel titles/roles you list below are not filled by your staff when you submit your application, describe your plan to fill the vacancies in a timely manner.

A. KEY PROGRAM PERSONNEL

Key personnel must include, at a minimum, a Program Manager. Unless financial management of the grant falls under the responsibility of the Program Manager, you must also identify the

person responsible for the financial management of the grant. You must provide resumes of the key personnel and job descriptions for planned key personnel, including the person responsible for the financial management of the grant. You must describe the roles and responsibilities of each key personnel for the project. For each key personnel, please provide the following:

- Personnel Name & Organization
- Title/Role
- % Time (FTE)*
- Duties/Responsibilities

The day-to-day Program Manager must be experienced in work related to the project. The Program Manager must have demonstrated project management experience. If a Program Manager has not yet been hired, the job description for this position must be included in the Appendix to your application.

* FTE = Full time equivalent; if labor hours are used, convert to FTE on the basis of 1 FTE = 2,080 hours per year.

B. KEY PROGRAM PARTNERS

Provide the information below related to partner entities that will receive Settlement funds from your program and that will provide critical services and/or carry out critical activities for the proposed grant program (vs. commercial services and off-the-shelf suppliers):

- List and describe partner entities (i.e. sub-grantee(s), sub-contractor(s) organization(s), sub-recipient(s) and consultant(s)) at all tiers that will provide critical non-duplicative services and activities;
- Detail each of these critical partner entities' qualifications and experience in initiating and implementing energy efficiency or housing projects;
- List the key personnel from each of these critical partner entities, their respective roles and responsibilities, their qualifications and experience, and the percentages of time committed for all key personnel identified. You may provide this information in your narrative or in resumes for each of the key personnel from these critical partner entities;
- Provide a description of how partner entities are in good legal standing and have all the business elements necessary (e.g. insurance, certifications, etc.) to conduct work in the State of Delaware

C. ADMINISTERING THE GRANT

Describe how you will administer this grant program, including how you will address oversight and financial management and provide examples of current financial reports.

Describe how funding will flow from your organization to those who will perform work under you on this grant program. Also describe how you will ensure that acceptable work is conducted and acceptable products were provided before you pay invoices to key program partners and before you submit invoices.

Describe the staff, procedures, and electronic management system you will use on this program to ensure proper project oversight/monitoring, contract administration, and monitoring of all sub-grantees and contractors.

I. ENGAGEMENT WITH EXTERNAL PARTNERS

Describe your involvement in coordination among critical energy efficiency agencies, including participation in the statewide or jurisdiction-wide energy efficiency goals and objectives.

II. INVOLVING COMMUNITY-BASED PARTNERS

Describe how grassroots community-based non-profit organizations, including faith-based organizations, will be involved in your grant program's activities. For example, these activities may include outreach, community education, marketing, and program assessment activities.

1. **B-** RELEVANT ORGANIZATIONAL EXPERIENCE OF APPLICANT

A. PREVIOUS EXPERIENCE

List all (e.g. federal, state, local, and non-profit) projects completed by your organization in the last three years that demonstrate experience in implementing energy efficiency or other related programs ("similar programs"). Examples of similar programs include Community Development Block Grant's housing rehabilitation activities, Weatherization Assistance Programs, Healthy Housing programs, energy efficiency community education programs, and other comparable state, local or non-profit programs, etc.

B. ADMINISTRATION OF SIMILAR PROGRAMS

Describe how you have administered similar programs, including whether and how you achieved performance benchmarks, addressed program oversight, and implemented financial management. Elements of prior performance that will cause your score to be reduced include:

- Termination for cause.
- Failure to achieve program benchmarks, financial benchmarks (e.g., amount or percentage of funds from the awarding agency disbursed, amount or percentage of match expended, etc.), or other requirements of the program.

C. DELIVERY OF SIMILAR PROGRAMS

Describe how funding flowed from your organization to those who performed work under you on similar programs. Also describe how you ensured that acceptable work was conducted and acceptable products were provided before you paid invoices and before you submitted invoices to the entity that provided you the grant or contract.

D. OVERSIGHT OF SIMILAR PROGRAMS

Describe the staff and procedures used on similar programs to ensure proper project oversight/monitoring, contract administration, routine monitoring and, if you conducted it, targeted monitoring, of all sub-grantees and contractors to ensure conformity to the terms, conditions and specifications of grants, contracts or other formal agreements.

E. MONITORING OF SIMILAR PROGRAMS

Describe whether and how routine monitoring of all sub-grantees and contractors ensured conformity to the terms, conditions and specifications of contracts or other formal agreements and requirements, and the requirements of similar programs.

2. DESCRIPTION OF THE NEED/ EXTENT OF THE BURDEN

You will be scored on this rating criteria based upon need documented through publicly available

data and information. There must be a direct and substantial relationship between the proposed energy efficiency activities and documented community needs. The data submitted in response to these rating criteria will be verified using data available from the Census and other data available, and you must indicate what source of data is being used. You must ensure that the current residents of the Delmarva territory (“Delmarva Target Area”), whose demographic characteristics constitute the data for these rating criteria, are the individuals and families that will receive priority for the benefits of the funded programs and this must be addressed in the remainder of the application.

Points will be awarded for this rating criterion based upon need demonstrated under segments b., Energy efficiency burden, c., Income data, and d., Other Factors Contributing to Energy Burden, described below. Please provide data responses in simple table format. NOTE: Provide data only for areas that lie within the Delmarva Target Area unless you demonstrate that Delmarva Target Area data or jurisdiction-level data are not available. For example, do not provide data for your whole jurisdiction if the Delmarva Target Area is only a portion of it. Provide verifiable sources for your data.

A. DESCRIPTION OF DELMARVA TARGET AREA

See addendum item 2.0 for a description of the statewide Delmarva Target Area. If program services are contained to a particular geographic area within the statewide Delmarva Target Area, you must provide the census tract(s), ZIP code(s), or other identifying name(s) or number(s) for the Target Area(s) you propose to work.

B. ENERGY EFFICIENCY BURDEN

Describe how you will use data to prioritize the selection of program participants to recruit for low-income energy efficiency work under the grant.

C. INCOME DATA

Provide the percentage of families in the Target Area(s) at or below 60 percent of the State area median income level (AMI), or at or below 200% of federal poverty guidelines. For Track II applicants, this shall help designate areas in which community-based applications will be focusing efforts. Include the source and date of your data if the data are available from a publicly accessible online source, provide the specific URL(s), such as:
http://destatehousing.com/AffordableHousingResourceCenter/ot_resources.php.

D. OTHER FACTORS CONTRIBUTING TO ENERGY BURDEN

Provide additional information that describes the need created by the high energy burden in the housing in the proposed Delmarva Target Area(s). NOTE: this is a narrative response, and must not duplicate information provided elsewhere in this response for Rating Criteria 2.

3. A- SOUNDNESS OF APPROACH

This rating criterion addresses the quality and cost-effectiveness of your proposed work plan. In general, there are four key stages in the life of this grant: application, start-up, implementation, and close-out. You must describe in detail your work plan to address start-up and implementation phases of the grant that includes specific, measurable and time-phased objectives for each major program activity. You will be rated on:

- Your ability to implement your work plan; and
- The quality of your work plan, for each major program activity that reflects benchmark performance standards. Your proposed Delmarva low-income participant completion and financial benchmarks must be included in a table as part of the narrative.

A. PROGRAM WORK PLAN AND PROGRAM RECRUITMENT

I. GENERAL PROGRAM CONCEPT

Provide a general program concept description. Be sure to include a general description of low-income program services provided, and any low-income energy efficiency industry innovations.

II. START UP

Describe the startup phase (first 90 days) of your proposed program, including: development of your program work plan with a timeline to complete work within the 36-month period of performance; development of your program policies and procedures; plan to hire and train staff; if applicable, plan to establish a qualified contractor pool; plan to build and establish partnerships; development of plans for outreach, marketing, and recruitment of families and units; development of plans for staff education and training; development and plan for prioritization of units; and develop and plan for intake and enrollment.

Describe the facility location(s) at which all grant operational functions will be completed.

III. BUILD AND ESTABLISH PARTNERSHIPS

Describe how your program will coordinate with State and local agencies or other partner organizations; and describe how, for example, referrals from the LIHEAP, Section 8, Housing Choice Voucher program and other agencies that assist low-income households will be received and processed. Describe your process for establishing contracts and/or memorandums of understanding (MOU) with partners and sub-recipients. Describe your process for monitoring and tracking your sub-recipient and partner activities and commitments. Explain your process for addressing activities that are not being met as agreed in the contract or MOU.

IV. OUTREACH AND MARKETING

Describe in detail the methods and strategies you will use, including the individuals and/or sub-grantees, sub-recipients or contractors responsible, to affirmatively market and outreach the program to low-income Delmarva Target Area and/or residents with Limited English Proficient guidelines. Describe the measures your program will take to sustain recruitment, and identify the staff responsible for both monitoring recruitment activities and implementing the measures identified to sustain recruitment. Discuss your proposed outreach activities and expected outcomes, as it relates to unit enrollment and program sustainability in the Delmarva Target Area. You must describe how outreach activities will be culturally sensitive, targeted, and linguistically appropriate and identify the means available to supply the educational materials in other languages (identify all languages that apply) common to the community. Outreach must also be provided in alternative formats for people with disabilities. Include the estimated number of individuals to receive the intended outreach.

V. PRIORITIZATION AND ELIGIBILITY OF PARTICIPANTS

Describe your plan and numerical goal for the number of eligible program participants. You must clearly connect the identified need and Delmarva Target Area from previous factors to the selection criteria and approach for this criteria factor.

VI. INTAKE AND ENROLLMENT

Describe the specific measures your program will use to complete intake and enrollment of program applicants. Describe the specific measures your program will take to sustain your eligible participant pipeline. Identify the staff responsible for both monitoring of this process step in addition to the actual recruitment activities by your agency staff.

VII. CLIENT CONFIDENTIALITY

Describe how you will ensure the safety, security and privacy of files and all protected information.

B. TECHNICAL APPROACH

Another aspect of Criteria 3A is the proposed technical approach for low-income energy efficiency work. Applicants should provide the following information related to their technical approach.

I. PRODUCTION PROCESS

Describe the production process from participant intake to work completion/clearance and follow-up testing (if applicable), including identifying the agency/person responsible for each phase, the timeline to complete each phase and how monitoring will be performed to both prevent and resolve production impediments.

II. COMPLETION ESTIMATES

Describe the proposed number of eligible participants you plan will receive low-income energy efficiency work based on your capacity and expected accomplishments. Describe your approach to maximizing the number of eligible participants to receive energy efficiency work. Work completion estimates must include consideration of potential impediments and unforeseen delays. Remember that, if awarded a grant, you will be held to your production commitments.

III. COST SAVINGS ESTIMATES

Describe the proposed estimated level of gas (MMBTU) and electric (kWh) savings based on expected accomplishments. Describe your approach to maximize energy efficiency savings for eligible participants.

IV. COST CONTROL

Describe how you will keep costs per eligible participant under tight control, such as your process of selecting participants to enroll and refining the scope of work associated with each energy efficiency service provided.

V. ENERGY EFFICIENT ASSESSMENTS

All work must meet industry standards. For energy efficiency housing retrofit programs, a Building Performance Institute (“BPI”) standard energy efficiency audit/ inspection and basic risk assessment is required for every unit and/or common area you assist using funds under this program.

Describe the industry standards you will be using for this program. If applicable, include the assessment methods, computer software, schedules, and estimated costs for energy efficiency audits/ inspections you propose.

VI. CLIENT ENERGY EFFICIENCY EDUCATION

Describe how you will provide program participants with energy efficiency information generated by activities under this grant.

VII. DEVELOPING WORK SPECIFICATIONS

All applicants must describe the process for developing energy efficiency work specifications. Describe the general scope of energy efficiency services and prioritization process for prioritizing specific energy efficiency measures.

All applicants must describe the primary energy efficiency measures that you anticipate implementing as part of your organization’s energy efficiency program. Individual measure