



December 7, 2021

Austin Calaman, General Manager  
Lewes Board of Public Works  
107 Franklin Avenue  
Lewes, DE 19958

Re: Shared Energy Savings Program with Energize Delaware

Dear Austin,

It was great meeting with you, as we discussed I would like to propose extending our existing partnership with our Home Performance with ENERGY STAR Program (HPwES) and our Home Energy Counseling and Checkup Program (HEC2), where we share costs and energy savings. The following outlines a partnership under a revised MOU. As I noted during our meeting the current MOU was priced at an “incentive rate” highly favorable to the Lewes BPW because we were piloting the concept. This proposal is based on a more balanced formula between us. It is modeled on our current MOU with the Delaware Electric Cooperative.

Our programs have invested considerably in Lewes to deliver energy savings, lower energy bills, and increase living standards. Since 2018 we have funded 88 home assessments and 70 energy improvement projects (major measure retrofits), totaling \$142,482 in incentives and 3,030,825 lifetime kWh savings. This was done without a lot of the marketing support that was originally envisioned.

Below is an outline of how the program will work, and I have attached a revised MOU.

#### SHARED FUNDING AND SAVINGS MODEL

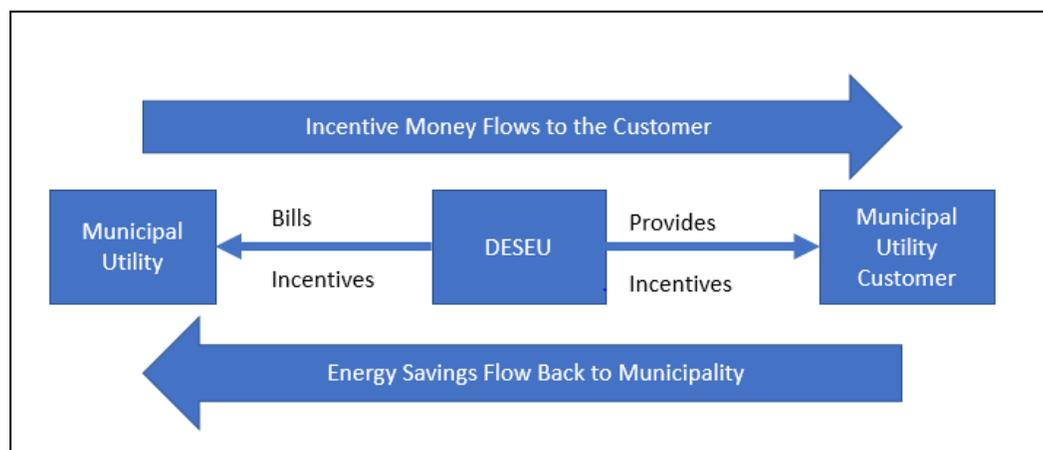


Figure 1. Shared Savings Model

## KEY BENEFITS

### City of Lewes

- Meet City's energy savings goals
- Cost effective energy savings for your citizens
- Claim energy and water savings
- Positive customer engagement
- Additional touch points, lead generation and cross selling opportunities for complementary City programs and services.

### DESEU

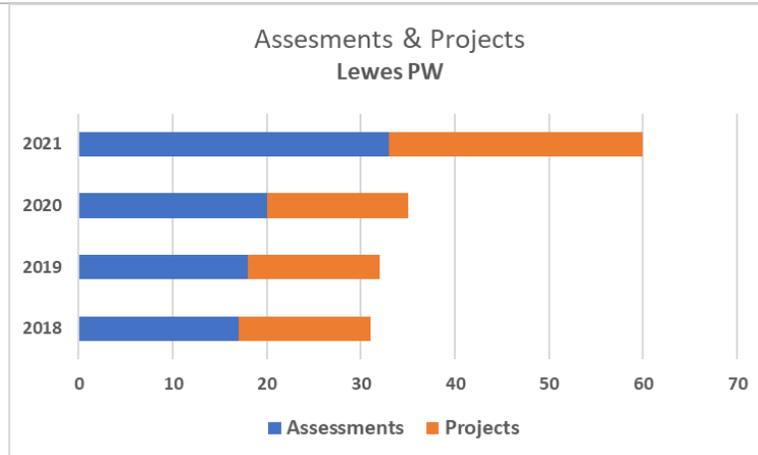
- Program Growth
  - Diversified funding
  - Increased reach and ability to deliver savings to more Delawareans

## SUMMARY

<b>Program Description</b>	<p>Home Performance with ENERGY STAR® (HPwES) and ASSISTED Home Performance with ENERGY STAR® (AHPwES) offer customers a two-step process for increased comfort and energy savings. First, the customer has an assessment performed that creates a customized report with recommendations, during this audit they can receive direct install measures (DIMS) up to \$200 in value. Second, the customer works with a trade ally to implement some or all the recommendations to qualify for program incentives.</p> <p>The Home Energy Check-up &amp; Counselling (HEC2) Program helps Low to Moderate Income (LMI) customers with a no-cost energy checkup. This service includes the installation of up to \$200 worth of DIMS, recommendations for additional measures, energy education and if necessary, referral to other agencies for required services.</p>
<b>Target Market</b>	<ul style="list-style-type: none"><li>• HPwES- Property owners and landlords</li><li>• AHPwES- Low to Moderate Income (LMI) property owners and renters</li><li>• HEC2- Low to Moderate Income (LMI) property owners and renters</li></ul>
<b>Direct Install Measures</b>	<p>Home Performance with ENERGY STAR® Assessment and Home Energy Check-up &amp; Counselling include the following DIMS at no cost to participants:</p> <ul style="list-style-type: none"><li>• Faucet Aerators</li><li>• Low Flow Showerhead</li><li>• Various LEDs</li><li>• Energy Efficient Power Strips</li></ul>
<b>Delivery Strategy</b>	<p>The DESEU provides turnkey implementation of these programs through an implementation partner and local trade allies.</p>

<b>Marketing and Communications</b>	<p>Energize Delaware drives all awareness through its general umbrella marketing, trade ally lead generation, and will work with the City of Lewes to conduct joint activities to promote the program to your customers, examples include:</p> <ul style="list-style-type: none"> <li>• Co-branded web-assets on Energize Delaware.org</li> <li>• Articles in town newsletters or e-newsletters</li> <li>• Billing inserts to promote our programs</li> <li>• Visibility at town public buildings and kiosks</li> <li>• Participation in and tabling at community events</li> <li>• Cross promotion of complementary City programs</li> </ul>
<b>Incentive Strategy</b>	<p>By programs:</p> <ul style="list-style-type: none"> <li>• HPwES- \$50 cost to participant, Energize Delaware pays \$350 to the trade ally performing the assessment. Services include comprehensive assessment, and up to \$200 of free energy savings measures. Post assessment: generous rebates for follow up installation of major measures.</li> <li>• HEC2- Free home walk through assessment and up to \$200 of free energy savings measures</li> <li>• AHPwES- \$25 cost to participant, Energize Delaware pays \$375 to the trade ally performing the assessment. Services include comprehensive assessment, up to \$200 of free energy savings measures. Post assessment: increased rebates for follow up installation of major measures.</li> </ul>

<b>Costs and Benefits</b>	<p>DESEU proposes to share the energy savings and costs for the HPwES, AHPwES and HEC2 Programs using the following mechanism.</p> <table border="1" data-bbox="440 1241 1427 1493"> <thead> <tr> <th colspan="2">HP Assessment Sharing</th> <th colspan="2">HP Project Sharing</th> <th colspan="2">HEC2 Sharing</th> </tr> <tr> <th>Incentive</th> <th>Savings</th> <th>Incentives</th> <th>Savings</th> <th>Incentives</th> <th>Savings</th> </tr> </thead> <tbody> <tr> <td>100% DIMs Incentive cost to Lewes.</td> <td>100% of DIMS Energy Savings to Lewes</td> <td>100% Incentives costs to Lewes up to \$500</td> <td>50% of the Savings credited to Lewes</td> <td>100% DIMS cost to Lewes</td> <td>100% DIMS Savings credited to Lewes</td> </tr> </tbody> </table>	HP Assessment Sharing		HP Project Sharing		HEC2 Sharing		Incentive	Savings	Incentives	Savings	Incentives	Savings	100% DIMs Incentive cost to Lewes.	100% of DIMS Energy Savings to Lewes	100% Incentives costs to Lewes up to \$500	50% of the Savings credited to Lewes	100% DIMS cost to Lewes	100% DIMS Savings credited to Lewes
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Assesments and Projects in Lewes have been growing each year and have nearly doubled in 2021.

Using the Sharing Rules defined above, the table below is a representation of the energy savings and costs Lewes could expect on a yearly basis.

Program	Customers	Incentive	kW	kWh
HP Assessments	26	\$4,256.61	1.67	15,838.13
HP Projects	22	\$11,000.00	5.35	15,389.84
HEC2	8	\$517.67	0.46	5,039.55
<b>TOTALS</b>	<b>56</b>	<b>\$15,774.28</b>	<b>7.48</b>	<b>36,267.52</b>

Reporting and Invoicing

DESEU will run a monthly report detailing number of participants, measures installed, and savings achieved along with a corresponding invoice.

Thank you for your consideration. We welcome the opportunity to discuss this offer and answer any questions that you may have.

Sincerely,

Anthony J. DePrima, Ph.D.  
 Executive Director  
 Delaware Sustainable Energy Utility