

LEAN DER FAQs

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How is DER different from the standard LEAN program?

The standard pathway is the traditional route where clients receive either a) qualifying energy efficiency upgrades at no cost directly through LEAN contractors or b) an incentive up to 100% towards eligible upgrades installed by their own contractor. In both standard options, the upgrades must meet a cost-effectiveness test and other program requirements.

The DER pathway provides an incentive of less than 100% of cost for owners pursuing a mix of measures exceeding what normally qualifies for the standard LEAN program. DER projects are owner-managed, and LEAN does not prescribe the scope of work. DER projects must meet a 40% reduction in site Energy Use Intensity. The incentive is based on energy savings, not cost-effectiveness, and is calculated at \$350 per million BTUs of projected savings.

I've had a standard LEAN audit, and I'd like to do more than what was proposed. Can LEAN help me develop my DER scope?

No, LEAN is not involved in prescribing or developing a DER scope. You must utilize the services of a design team. Some owners start with a sustainability consultant to get a feasibility study.

Does LEAN do the installation of my DER work?

No, you must hire your own contractor.

Can we get to 40% savings without electrification of heating or DHW?

Yes, electrification of space or water heating is not required, and you might reach the 40% threshold with other measures.

What happens if the project does not meet the 40% savings threshold?

We will screen it through our standard pathway to see what incentive we can provide for the measures that are eligible and meet our standard requirements.

What documentation or additional information do I need to provide to be considered for DER?

Please see the *Participation Guide* under Program Materials for details and submit a specific question through the [contact form](#) if needed.

What does the DER process involve?

Stage 1: Client meets with LEAN to discuss plans for efficiency and decarbonization work. If LEAN and the client agree that the project should proceed as DER, the client will be instructed to complete the design. If LEAN and the client agree the project does not fit as DER, the project will be referred to the LEAN standard pathway.

Stage 2: The project design team fills out and submits the DER Template Project Summary and any other backup documentation for LEAN to review. If LEAN determines that the design is valid as DER, the project will be approved to move to stage 3.

Stage 3: The client submits the final specifications and drawings and any other requested information. LEAN conducts a DER model to confirm energy savings and determines the incentive amount. After work has been completed, the project is subject to inspection from a LEAN representative before incentive is paid.

How does it work if my project is phased or will last multiple years?

DER is designed to serve those owners with a complete upfront scope of work. The construction may occur over multiple years. DER is not currently set up to serve owners doing incremental design and installation, such as treating weatherization and HVAC upgrades as distinct projects. At this time, those projects can be screened in our standard pathway to see if they qualify.

How early in the process can I get a commitment?

We cannot provide an exact commitment until Stage 3. We can provide a letter of incentive availability indicating that you are participating in the pathway once you reach Stage 2. Since it is too early in the process to commit to the exact incentive for your project, the letter will contain the dollar amount calculated if you achieved exactly 40% savings on your existing energy usage.

How does payment work?

DER incentives are paid after the owner's contractor completes the work and LEAN conducts an inspection. The owner submits an invoice to us for DER-related costs with backup documentation in the form of contractor invoices, and then we schedule and complete the inspection.

Can I use the DER pathway to help with Boston's BERDO compliance?

Yes, the DER pathway is intended to help owners pursuing decarbonization, such as is required by BERDO or equivalent requirements in other municipalities.

Do you have energy modeling guidelines that we can follow during our design process so that we're close to estimating the final amount?

Yes, we have a copy available on request.

Do we need to have our energy modeling software approved by you?

No, design teams can use whatever software or proprietary tool they choose. In Stage 3, when we do our final model to determine the incentive, we require our modeling vendors to use certain software.

What does "tenant shielding" mean?

Tenant shielding is the term we use to describe the methods for eliminating or reducing the additional burden on tenants who pay for their electricity usage when heating is converted from a fossil fuel system to an electrified system. Tenant shielding is a program requirement for electrification. The responsibility is on multifamily building owners to implement a method for shielding tenants, such as master metering new electric equipment or adjusting utility allowances.