DER Participation Guide

Revised 4/1/25

Contents:

1. Review Stages

Stage 1: For clients having DER as a goal and getting started with their plans. Clients may skip Stage 1 and start at Stage 2.

What is needed: During a call with LEAN, client shares their plans and LEAN team explains the program and identifies the next step.

Outcome: If LEAN and client agree project should proceed as DER, client will be instructed to complete design and advance to Stage 2. If plans do not rise to DER, client will be instructed to participate in LEAN's standard programs.

Stage 2: For clients that have a completed or nearly completed DER design.

What is needed: LEAN will start to fill out the DER Summary with client input. Client submits available docs such as narrative reports, complete drawings or energy modeling reports.

Outcome: If LEAN determines the design is viable for DER, the project will be approved for Stage 3. If LEAN determines the design will not pass, the project will be moved to standard programs for cost-effectiveness screening.

Stage 3: For clients that have been approved for this stage only.

What is needed: Client submits final specifications, drawings, and other requested information if not done already. LEAN conducts a DER energy model to establish the MMBTU savings and determine the incentive amount.

Outcome: The model will be run according to program requirements and will result in the MMBTU savings expected from the installation. Results will be shared with the client and given to the PAs for review. This step is the last one before an incentive is approved.

2. Required Information

General - Stage 1

1. LEAN application & eligibility
2. Retrofit goal if any, e.g. ZOT, Passive House; general idea of scope or plans
3. Assent to share building data post-construction for free analysis
4. Existing conditions or energy audit or assessment done (if none, LEAN will conduct a standard audit)
5. Method of shielding tenants from utility bill increase if electrifying (optional until Stage 2)
6. General description of intended scope

*Info required in Stage 2 can be submitted in Stage 1 if ready

Audit & Scope - Stage 2*

1. Information in DER Template, *Project Summary* tab including:
   - Construction timeline & phases if any
   - Costs
   - Anticipated financing
2. Detailed existing conditions backup document if not already submitted
3. Details on scope (see Stage 3, contractor set CDs required, summary ok at Stage 2)
4. 2-3 years of past utility/fuel usage for all meters
5. Optional but recommended: projected savings – engineering calcs ok for this stage, a building energy model not required but helpful

Final Details - Stage 3

- Anything finalized or not already submitted, e.g.:
  - Conformed specifications & drawings
  - Final costs & sources
  - Construction timing
  - Any requested backup documentation
  - Anything requested for the energy model

3. DER Project Summary

LEAN uses an Excel document to summarize project details and approvals. We will complete the DER Summary with the client's input and may ask the client to complete the basics shown below. (See next slide for instructions.) At the end of the project, we will provide the client with the final copy.

Project Information		Name of Person Completing this Form	
Facility Name			
Customer Contact			
Facility Address			
Number of Buildings included in project			
Number of Units affected by project (across all buildings)			
Target Construction Timeline (Start and End)			
Electric Utility Provider			
Gas Utility Provider			
Primary Heating Type			
Utilities are paid by Tenants / Owners / Both			
Total Gross Square Footage in project (across all buildings)		Source:	
Retrofit Goal, if any, e.g. DER, zero over time, Passive House			

DER Program Requirements - In addition to the savings requirements, the following factors are required.	
Please select the mechanism for shielding tenants from electricity increase: master metered (owner pays), utility allowance, rent restructuring, other. You will be asked to complete an additional form on this topic before your incentive is finalized.	
Will your installation include equipment to capture & produce building equipment data, such as a BMS or EMS?	
Do you agree to provide LEAN with trend data (equipment performance data) two times post-construction or allow LEAN to install monitors post-construction?	

4. DER Summary Instructions

Overall
- Include only the buildings having DER work.
- Gross square feet should be for the DER buildings only. Include all interior area, including basements & attics.
- 'Tenant shielding' means preventing tenants from having to pay higher electric bills when fuel switching. Tenant shielding is required in all LEAN programs. Provide a brief description as indicated and be prepared to submit a short narrative later if requested. The most common forms of tenant shielding are master metering and utility allowance.
- For the free analysis of how your building is performing relative to the projected savings, indicate your agreement as shown.

Existing Conditions & Scope (will be filled in by LEAN and confirmed with applicant)
- For existing conditions, provide audit report/CNA/equivalent, if available.
- For scope, provide a project summary (e.g. feasibility report) initially and at the end of Stage 2/beginning of Stage 3 provide final construction documents. LEAN will confirm the scope with the specifications and drawings.

Costs and sources (we will request this information at the end of Stage 2 or during Stage 3)
- Itemized costs by measure category. Backup docs for costs should be submitted as shown below.
    - Any of: bid sheet, schedule of values, price list, subcontractor quote, equivalent
        - Highlight DER categories on full lists
        - Don't include renewables
        - Should be submitted by end of Stage 2
        - Costs by measure must be broken out; e.g. DHW must be broken out from plumbing
- Client should be ready to provide a list of funding sources and amounts when requested. Backup is not required. Identify what's earmarked for DER if any. Exclude funds for renewable electric (PV) systems.

5. Important Things to Know About Our Energy Modeling

- We use client energy models to gauge the feasibility of a project meeting our 40% EUI savings threshold. We do not use client energy models to establish the MMBTU savings that the incentive is based on.
- Clients are not required to do their own energy model but must provide reasonable engineering calculations by Stage 2 to show the likelihood of meeting the savings threshold.
- We conduct our own energy model during Stage 3 to confirm the project passes the 40% threshold and to establish the MMBTU savings.
- There is no expectation that client models will meet our parameters. It may be difficult for a client to obtain past billing usage for tenant accounts, and designs are unlikely to be final. However, clients are welcome to conduct their energy models as closely as possible to our guidelines. We have a client version available on request.

  Key parameters:
    - Baseline must be calibrated to 2-3 years of recent billed usage.
    - Baseline must be existing conditions at time of audit, not code conditions.
    - Representative building/s may be modeled.
    - Energy saving measures must conform to the final CDs.
- Our list of approved software includes EA-Quip, Energy Plus, TREAT, eQUEST, and proprietary tools. We do not use WUFI, and we have found that WUFI results are typically different than ours.
- We have a pool of experienced vendors to conduct our models. If a client’s modeling vendor is one of ours, we will aim to have that vendor run our model too.
- Observed differences (so far) between client models and ours have been due to: baseline calibration, representative building/s, other software (e.g. WUFI), and scope change from design to installation.

6. Where to Find It & How to Submit

LEAN Multifamily Application, click on Apply Now button: https://leanmultifamily.org/

DER Template: Will be shared after the initial call

Energy modeling guidelines: Available on request

Submit all documents via webform: https://wkf.ms/48K426Z

7. Key Owner Responsibilities

1. Submit LEAN application if not already recently in system.
2. Participate in one or more calls with LEAN to gather & confirm information.
3. Ensure method for shielding tenants from electric bill increases due to electrification, if not master metered.
4. Provide master utility account information, if needed.
5. Obtain tenant account info, if applicable.
6. Facilitate LEAN’s access to property for audit if needed.
7. Provide studies & design information as requested and final construction documents (required) to LEAN.
8. Sign agreement when approved.
9. Submit invoice when installation completed and facilitate access to site for inspections.
10. Share building performance data twice within the calendar year after construction.
11. Other responsibilities are contained in the Terms & Conditions that accompanies the agreement.

8. Info for Consultants & Design Teams

We are not requiring a narrative assessment or feasibility report, but we will gladly accept an existing report for reference, particularly if it provides context and additional information you deem helpful in our understanding of the project.

We do need a complete audit or assessment of existing conditions. It can come in any form, but if it does not cover everything necessary, we will need to conduct our own audit.

We are no longer requiring design teams to complete the DER Summary. We may ask the client or design team to fill in the basics on the *Project Summary* tab. Please be prepared to assist with providing or confirming the following:

1. # units, gross square footage, address, etc.
2. Existing conditions by category (envelope, heating, cooling, etc.)
3. Planned retrofit by category
4. Expected measure costs (estimates can be submitted early and finalized later)
5. Expected sources of funding (can be finalized at the end)

Provide final (i.e. conformed) specifications and drawings via a folder link when the time comes. Use the webform https://wkf.ms/48K426Z to submit everything. There's space for a link on the form, and smaller documents can be uploaded directly.