**SEU Advisory Board**

**Meeting Minutes**

**Tuesday, September 5, 2017**

**I. Call to Order**

Bicky Corman called to order a quorum of the SEU Advisory Board (SEUAB or Board) at 10:15 AM Tuesday, September 5, 2017, at the Department of Energy and Environment (DOEE), 1200 First Street, N.E., Washington, DC.

**Roll Call**

Roll call was taken and the following people were in attendance:

**SEU Advisory Board:** Bicky Corman, Sandra Mattavous-Frye, Donna Cooper, Betty Ann Kane, John Mizroch, Kirsten Williams, Sean Skulley, Nicole Steele

**Board Members on the phone:** Dan Wedderburn, Leni Berliner

**Absent Board Members:** Jared Lang, Josh Richards

**Other Attendees:** Tommy Wells (DOEE), Taresa Lawrence (DOEE), Lance Loncke (DOEE), Barbara Burton (OPC), Lynora Hall (DOEE), Marshall Duer-Balkind (DOEE), Patti Boyd (DCSEU), Adrienne Henderson (OPC), Bernice McIntyre (Washington Gas), Dan Cleverdon (PSC), Ted Trabue (DCSEU), Marcus Walker (DCSEU), LaKeisha Lockwood (DOEE), Yohannce Miriam (OPC), Alex Lopez (O’Power), Ricky Gratz (O’Power), Bob Jose (DOEE)

***Board meeting live stream link:*** [***https://www.youtube.com/watch?v=a9dI4fxh650***](https://www.youtube.com/watch?v=a9dI4fxh650)

**Approval of agenda (3:19 – 38:10)**

Prior to the motion to approve the agenda, the Board engaged in an extensive discussion regarding 1) the timing for submission of minutes from previous meetings, 2) issues that should be included on every agenda moving forward, 3) understating the breakdown of the DCSEU’s monthly expenditures, and 4) the quality of the minutes from the August 14, 2017 meeting.

***Summary and outcome of discussions held:***

Chair Corman requested that the Board receive the minutes from previous meetings in a more timely manner and prior to the development of the draft agenda for the next Board meeting. Director Wells acknowledged the request and noted that DOEE will make a better effort to complete the minutes in a timely manner so they can be submitted for review by Board members and used to help inform agenda items for the next Board meeting.

Chair Corman also requested that a report on the breakdown of the DCSEU’s monthly expenditures be added as a recurring agenda item for all upcoming Board meetings. Director Wells noted that since there was no discussion or objection from other Board members, DOEE will assume that there was a unanimous acceptance of the motion to add a presentation/discussion of the DCSEU’s expenditures as a repeating agenda item for the Board. Chairman Kane answered, yes.

Mr. Trabue asked for further clarification regarding the Chair’s request to ensure that the DCSEU would not be required to submit additional information/reports to DOEE and/or the Board. Director Wells also echoed Mr. Trabue’s concerns by stating that both DOEE and the DCSEU would like to have a clear understanding of the Board’s request so that both parties can be completely responsive and provide the information in a manner that is acceptable to the Board. Chair Corman responded by stating that the Board has previously requested a breakdown of the DCSEU’s internal and external expenditures. The Board also requested written descriptions of each line item included on the DCSEU invoice, and a rationale or explanation of how each line item expenditure facilitates the DCSEU’s mission and contributes towards the achievement of the established performance benchmarks.

Following a lengthy dialogue about the breakdown of the FY 2017 invoice categories, both the Board and Director Wells agreed that the DCSEU will not be required to submit additional documents since the breakdown of the DCSEU’s monthly expenditures is currently compiled by DOEE. However, the Board unanimously agreed to schedule a meeting to conduct a deep dive into “Understanding the DCSEU Expenditures and Invoicing Processes.” Given the importance of completing the Board’s Annual Report for FY16, Chair Corman noted that this meeting would occur sometime after October 12, 2017.

**II. Official Business**

**SEUAB Chair Corman (38:14 – 47:44)**

The motion to approve the June 12, 2017 meeting minutes was made by Sandra Mattavous –Frye, seconded by John Mizroch, and unanimously approved by the Board.

The motion to approve the August 14, 2017 meeting minutes was made by Chairman Betty Ann Kane, seconded by Sandra Mattavous-Frye, and unanimously approved by the Board with the understating that the requested edits to Dr. Cooper’s comment on page 3 and Ms. Berliner’s comment on page 4 will be incorporated into the final draft by DOEE. Dr. Cooper clarified her original comment and requested that DOEE insert the word “detailed” into her description of the types of comments that Pepco provided on the DCSEU 5-Year Strategic Plan. This correction was completed by DOEE. Ms. Berliner also provided a written clarification of her comments regarding the amount of incentives provided through programs implemented in Maryland. This correction was also made by DOEE and the final draft of the August 14 minutes was added to the SEUAB Dropbox.

**Discussion on Outstanding Questions and/or Concerns regarding the FY16 EM&V Report and the DCSEU Financial Audit Report (47:55 – 1:18)**

There was only one question/concern raised by the Board regarding the FY16 EM&V Report completed by Tetra Tech. Chair Corman requested further clarifications on the concept of “acquisition costs” and an understanding of how the DCSEU programs differ from Maryland programs. Dr. Loncke provided an explanation of acquisition costs and the intended purposes of the comparisons provided in Tetra Tech’s report, noting that it would be really difficult to make apples to apples comparison between the DCSEU and Maryland or Pennsylvania programs because they each have different objectives, constraints, and program requirements. This information is very helpful for the DCSEU and for DOEE in terms of planning, to understand if the DCSEU is expected to achieve a certain amount of savings. The acquisition cost analysis is primarily used for planning purposes and provides useful information to help the DCSEU design and implement more cost-effective programs. Dr. Loncke directed the Board’s attention to page 6 of the FY16 EM&V Report that was displayed on a screen in the meeting room for further explanations on why acquisition cost, by itself, should not be used to compare performance across different program jurisdictions.

Ms. Mattavous-Frye noted that the Board should document in the annual report an explanation of why it is not possible or feasible to do apples to apples comparison of acquisition costs for the Council, the general public, and the media when they inquire. Dr. Cooper stated that she has included a draft in her section of the annual report that further clarifies the differences in factors and variables that contribute different acquisition costs across jurisdictions. Ms. Kane asked if acquisition cost is a useful indicator of performance. Dr. Loncke stated that it is not a measurable requirement of the DCSEU contract and is mainly used for informational and planning purposes because it is not a benchmark tied to any of the DCSEU’s performance benchmarks.

Given the answer provided by Dr. Loncke and the discussions held among members, the Board concluded that Tetra Tech would not be requested to provide further clarifications on the acquisition costs analysis completed as part of the FY16 EM&V report. The Board had no additional questions regarding the FY16 DCSEU Financial Audit report.

**Discussion on Barriers and/or Challenges Faced by the DCSEU – (1:19 – 1:48)**

Mr. Trabue provided an oral presentation to the Board regarding the challenges faced by the DCSEU which he summarized in the following four (4) categories:

1. ***Limitation on Spending at the start of the contract/program year.*** Mr. Trabue noted that on more than one occasion, the DCSEU was not provided the full allotted amount of contract funding at the beginning of the fiscal year which significantly disrupted the DCSEU’s operations and ability to effectively complete some projects during the first quarter of the fiscal year. He noted that the temporary shutdown of the federal government and the uncertainty of the timing of the new 5-year contract resulted in a restriction in the amount of expenditures/costs the DCSEU could bill to the District. For example, in October 2015 the District exercised a partial option year for $990,000 pending the Council’s approval of the eventual full contract amount of $20 million. Mr. Trabue stated that these limitations on spending at the beginning of the year significantly slowed the DCSEU’s annual program ramp up, sometime until March of the following year, and caused the proverbial hockey stick approach to DCSEU spending.
2. ***Access to real-time utility data.*** Mr. Trabue noted that the lack of direct access to interval data from the utility companies have limited the types of programs that can be implemented by the DCSEU. It has also limited the DCSEU’s ability to easily identify the largest energy users in the District, and fully understand their energy consumption patterns. The current approach utilized by the DCSEU provides access to utility data for those customers that have provided written approval for the DCSEU to contact the utility companies to request access to their energy use data. This process is often time consuming and limit the DCSEU’s ability to design and offer incentives to help building owners install energy saving measures. Mr. Trabue stated that the Benchmarking data provided by DOEE has helped alleviate some the challenges in identifying the largest energy users in the District, but the DCSEU would prefer to have access to interval data so that the DCSEU Account Managers can conduct more meaningful engagements with building owners, use analytics to make a recommendation from an engineering perspective, and possibly increase the dollar amount of incentives offered by the DCSEU.
3. ***Growing lack of opportunities for the DCSEU to reduce Natural Gas Consumption (Di-gasification).*** Mr. Trabue noted that almost all of the buildings in the District that were built in recent years or those that will be completed within the near future are all electric, a phenomenon he referred to as de-gasification. This reduces the amount of opportunities the DCSEU has to achieve the reductions in gas. However, Chairman Kane stated that incentives/funding authorized by the PSC on a pilot basis during a recent Washington Gas rate case may provide some opportunities to increase natural gas usage in multifamily buildings located in the District. Mr. Trabue asked if the new program would provide an incentive to install new gas lines and Ms. Kane responded in the affirmative, once all the program implementation details have been finalized. Dr. Cooper inquired about the level of funding available for the residential and/or commercial buildings, and Mr. Skulley explained that the incentives are for only multifamily buildings only but could not readily recall the amount of funding for the program. Dr. Loncke asked if the program will start in October 2017 and Mr. Skulley noted that they are currently engaged in discussions with some building owners/developers, while they work to develop internal policies and procedures before a full program launch. Mr. Trabue requested a meeting with Mr. Skulley to discuss rolling out the program and Mr. Skulley agreed to meet sometime in the next week.

1. ***Impending Changes to the District’s Energy Conservation Codes.*** Mr. Trabue noted that upcoming changes to the energy codes which will occur within the timeframe of the current 5-year DCSEU contract will reduce the amount of savings the DCSEU can achieve, especially for lighting retrofit measures. Mr. Trabue explained that the DCSEU can only claim the incremental savings for installing measures that are above established energy codes. Therefore, increases in the baseline requirements to comply with the new energy codes would require more technologies to be installed, and reduces the amount of energy savings that the DCSEU can claim on an annual or lifetime basis. He noted that the DCSEU fully anticipates that LED lighting would become a standard requirement in the code by 2020, which would require the DCSEU to incentivize lighting technologies that are more efficient than current LED lighting technology in order to claim savings.

Chair Corman wanted to know if the assertion that the DCSEU can only claim incremental savings was specified in the DCSEU contract. Dr. Loncke said it is not in the contract *per se* but it is a well-established standard for claiming energy savings for lighting measures, and it is also specified in the DCSEU Technical Reference Manual. Ms. Boyd also explained that the energy code serves as the baseline against which the DCSEU can claim incremental savings. This is based on the notion that if there was no DCSEU programs or incentives, and a customer needed to replace an inefficient or non-operable piece of equipment/lighting measure, they would have to replace it with a measure that meets or exceeds the existing District energy conservation codes.

**Next Meeting**

The next Board meeting is scheduled for September 22, 2017 at 10 AM.

**Adjournment**

Chair Corman congratulated the District for being the first LEED Platinum City and adjourned the meeting at 11:59 am.

Minutes prepared by: Lynora Hall.