

# **SEU Advisory Board**

## **Meeting Minutes**

**Monday, March 5, 2012**

### **I. Call to order**

In the absence of the Chair, Bernice McIntyre nominated Public Service Commission Chairman Betty Ann Kane to be the convener for the meeting. It was unanimously approved by the Board. Chairman Kane, Convener, called to order the meeting of the SEU Advisory Board at 10:20 am on Monday, March 5, 2012 at 1200 First Street, N.E., Washington, D.C.

#### **Roll call**

**SEU Advisory Board:** Betty Ann Kane, Sandra Mattavous- Frye, Chris Van Arsdale, Larry Martin, Dr. Donna Cooper, Joseph Andronaco, Jermaine Brown, Daniel Wedderburn, John Mizroch, Allison Archambault, Bernice McIntyre

**Absent Board Members:** Keith Anderson, Evan Tyroler

**Other Attendees:** Taresa Lawrence, Lynora Hall, Lance Loncke, Hussain Karim, Dan Cleverdon, Cliff Majersik, Nina Dodge, George Nichols, Daniel White, Loretta Caldwell, Barbara Burton, Rishi Garg, Pamela Nelson, Matt Orlins, Dave Good, Brian Gallagher, David Leipziger, Hugh Youngblood, Cary Hinton, Ted Trabue, Lilia Abron, Colin Shay, Kim Katzenbarger, Jim Grevatt, Scott Johnstone, Joe Dempsey, Jacy Gaige, Craig Berry, Bill Updike, Marshall Duer-Balkind, Larry Spragob, Brendan Shane, Michael Yambrach, Theresa Call.

**Approval of agenda and minutes from the last meeting.** Prior to approving the agenda, Joe Andronaco asked if the DCSEU 1<sup>st</sup> Quarter Report was going to be discussed. Dr. Taresa Lawrence indicated that the report would be discussed during the PowerPoint Presentation given by Ted Trabue. Larry Martin asked to add two new business agenda items: to discuss plans for reporting to EM&V; and the SEU Advisory Board being more effective in getting public input and channeling it to the DCSEU. John Mizroch asked about the PACE Program being revisited for a meeting.

The agenda was approved with the new items to be discussed. The adoption of the December 5, 2011 meeting minutes was unanimously approved.

### **II. Official Business**

Ted Trabue, Managing Director of the DCSEU stated that there will be four areas of discussion: Internal Operations, Community Outreach, Data Access, and 2012 Programs. Mr. Trabue informed the group that the DCSEU will be celebrating its one year anniversary of operation on Saturday, March 24, 2012, but will host an event on Friday, March 23,

2012. He discussed a PowerPoint presentation on Fiscal Year 2012 activities. He gave an overview of the DCSEU in terms of staffing, program highlights, and plans for the upcoming internship program this summer. The DCSEU has visited local universities and attended job fairs at the University of the District of Columbia, Howard University, George Washington University and Catholic University to recruit District residents. The interns would be paid a minimum of \$12.50 an hour. Outreach has also been made to many local associations, banks, and government agencies. The DCSEU has ongoing work in the areas of recruiting, the DCSEU website, rolling out programs to meet the energy saving and other goals of the contract.

Mr. Trabue discussed green job creation, but first thanked Jermaine Brown for chairing the Green Jobs Subcommittee. He indicated that Loretta Caldwell of L.S. Caldwell and Associates is working with the Department of Employment Services on a job training program. The DCSEU will be hiring a Community Outreach Coordinator in the near future. Mr. Trabue thanked Joe Andronaco for scheduling the meeting at George Washington University, one of the District's largest energy users. The University representatives indicated that they needed technical assistance from the DCSEU to identify energy savings, and that they would benefit from a continued relationship.

Jim Grevatt, Residential Director will be returning to Vermont, so the DCSEU will be looking to hire a new Residential Director. An Energy Consultant was hired and the DCSEU is looking for others.

Mr. Trabue discussed the need for the energy data, along with the need to access information from the utility companies. He thanked Dr. Donna Cooper for chairing the Utility Data Access Subcommittee and he will continue to work closely with the subcommittee. He stated that the DCSEU supports Councilmember Mary Cheh's legislation as drafted. In the legislation, the PSC plays an appropriate role in rolling out the guidelines and regulations regarding the release of data for commercial and institutional buildings. The DCSEU is looking forward to PSC guidance on this issue.

In two weeks the DCSEU will provide the Data Access Subcommittee with a paper outlining the strong need and importance for the data from the utility companies. The task of identifying the largest energy users is an issue that the team has taken on, and this task will be headed by Dr. Lilia Abron.

Dr. Abron stated that the team started by reviewing Dr. Jerome Paige's report and that they would start with identifying the largest employers in the District. The largest energy users are Washington Metropolitan Area Transit Authority (WMATA), DC Water, Federal Government, District Government, DC Public Schools and street lighting. Another category created is called Energy Hogs which are entertainment centers such as: the Washington Convention Center, Verizon Center, National Ballpark, RFK Stadium and Data Centers. This list includes commercial buildings. A list of larger buildings in the area was obtained from PES and the Institute for Market Transformation, two teaming partners of the DC SEU. The list consisted of buildings 50,000 sq. ft. and larger and it includes PEPCO and World Bank. The team is currently working with GW, WMATA, DC Water, DCPS and GSA.

Mr. Trabue thanked Taresa Lawrence and Lance Loncke for their participation at the weekly meetings with the DCSEU, their insight is appreciated. He also thanked Bernice McIntyre of Washington Gas and Dr. Cooper of PEPCO for providing data.

Dan Wedderburn's expressed the concern that many of the largest users likely already have done a lot of energy efficiency work. He felt that the DCSEU should not devote resources for the largest energy users. Mr. Trabue gave an example about his meeting with GW University and the walk-through, and that GW representatives expressed to him that they have the technical expertise, so their main interest was the incentive money. Mr. Wedderburn stated again that the District's money should not be given to the largest users. Mr. Loncke informed the group that the contract had a benchmark for the largest users, and that the law would have to be changed for the DCSEU not to at least approach the largest energy users.

Joe Andronaco inquired about the programs that the DCSEU will be doing in FY '12, and whether there will be discussions on them at this meeting. Mr. Trabue stated that ten of the programs will be discussed.

Jim Grevatt, Director, Residential Services was involved in planning the FY '12 programs that focus on the residential sector. He stated that the contract has many goals on a fixed dollar amount. The contract is about saving energy, creating green jobs, allocating 30% of funding to low income energy users, largest energy users, and allocating 50% of the contracts to CBE to make sure that the ratepayers' dollars are used effectively. The DCSEU will take a market-based approach to its programs. The DCSEU will develop a balanced portfolio to provide services in all wards, focus on more jobs, more energy savings, the low-income community, largest users, and other issues. The result is steady progress towards these goals. The FY '12 Quick start programs (low-income multifamily, small commercial and single-family residential) ramped down after the first quarter of FY 2012.

The Custom Incentive Program will target the largest energy users to provide opportunities for energy savings. One of the first projects being analyzed is an Anacostia parking garage where the lighting is not efficient. The DCSEU would provide an incentive to the owner of the garage if the owner installed LED lighting to save energy. The DCSEU would pay about a third of the lighting cost. Specific details about this project will be provided to the Board. The DCSEU staff is continuously reaching out to local projects in the District.

The T12 Lighting Replacement Program currently has released a Request for Qualifications (RFQ) for contractor selection and about 15 responses have been received. The DCSEU is in the process of reviewing them. About 30,000 fixtures will be replaced by the end of this fiscal year and conservatively 20,000 hours of work will go to District-based contractors, who will be CBEs.

Prescriptive Program is aimed at smaller projects. For example, if a high efficiency furnace is purchased they will receive a dollar amount. This program will roll out in April 2012.

The job creation in the market-based programs involves the T12 Lighting Replacement Program, with the DCSEU performing the planning, execution and management functions. The contract stipulates that sixty-six green jobs should be created. The DCSEU could

create that number of jobs by creating and managing its own suite of programs, but this approach will not be the most effective way to maximize the energy savings. Mr. Trabue met with a group of contractors (about ninety) to discuss the T12 Program and CBE requirements. Ms. Caldwell stated that the forum was targeted towards CBE firms and the majority of the attendees were CBEs. There were suppliers and installers interested in the programs. The DCSEU did the outreach for the RFQ along with coordination and planning of the programs. It was stated that the District would be able to collect sales and payroll taxes. Quality assurance would be a priority to prevent the contractors from making mistakes on the projects.

The low-income programs under the comprehensive plan deal with under-developed or rehabilitated projects. The DCSEU did an email blast to about 400 contractors in the area and received 25 responses about current projects that may be suitable for these programs. The goal would be to create jobs installing light bulbs. The DCSEU staff would provide support and training for facility staff.

Leveraging affordable housing – The DCSEU has been meeting with DCFHA and has been informed of a financing program that will be offered to the residents. The DCSEU suggested incorporating an energy efficiency savings into the refinancing offered.

The Food Bank CFL Distribution – The food bank program would provide CFL bulbs to the recipients coming to the food bank. Mr. Andronaco asked if other food banks have been contacted and one in particular was Bread for the City.

Renewables Pilot Program this year – Create and run pilot programs. The DCSEU will determine what support is needed to get renewables into the single-family and multi-family homes. To reduce the risk for ESCOs for the renewable projects. Mr. Grevatt asked the question, are there ways the DCSEU could offset the risk at a fairly low cost to encourage projects?

Residential Services - This program would cover DC Home Performance with Energy Star and retail lighting promotions. Two RFQs will be released to solicit qualified home-based contractors and about 3-5 District-based CBEs that may be supported by the DCSEU.

Retail Lighting Promotions – will reduce cost to residents by letting them be able to purchase lighting at an affordable price.

Jermaine Brown asked if the DCSEU was following the Federal guidelines on home-based performance. A contractor should be certified as a home-based contractor to get the incentive money offered. Mr. Grevatt stated that the DCSEU has filed the appropriate application with DOE Home Performance Program, and this application has been approved. The contractors participating must sign an agreement based on the Federal guidelines, agreeing to reporting requirements, following protocol, and implementing quality assurance.

Mr. Brown asked about the disposal of light bulbs, specifically, who is making sure they are being disposed of properly? Mr. Grevatt indicated that area has not been discussed but would appreciate any information that Mr. Brown could provide to them on proper disposal.

Moving forward the DCSEU initiatives are as follows:

February/March	Commercial and Institutional (C&I) Custom, T12 Lighting and LIMF Comprehensive;
March/April	DC Home Performance, Food Bank CFL Distribution, Property Manager DI and C&I Prescriptive; and
April/May	Leveraging Low-Income Partnerships, Retail CFLs and Renewables

There are a few other projects in the development stages and will be discussed later.

Saundra Mattavous-Frye asked the following question about new construction -Is the DCSEU funding incentives for new buildings or are those new construction costs that the owners had to absorb themselves? Mr. Grevatt stated that you do not pay people for what the law requires them to do. The DCSEU will have conversations with them and they may possibly receive incentives. Ms. Frye asked about the Food Bank CFL light bulb distribution, if there was an education component associated with it. Mr. Grevatt said that it will be incorporated. Mr. Van Arsdale asked if there were any mechanisms to measure the effectiveness. Mr. Grevatt said the CFL distribution is highly cost-effective and involves an amount that the DCSEU can absorb. DDOE will be recruiting an Evaluation Measurement and Verification Consultant to assist with verifying energy savings claims that are verifiable.

Chairman Kane asked about the retail CFL program, specifically - how we can make sure that the bulbs are going to District residents. Mr. Grevatt stated that stores have a tracking system by zip code information that the DCSEU will try to obtain. A Request for Proposal (RFP) to do retail promotions will be released to provide displays for the store countertops. Also, DCSEU staff will visit the stores to start a dialogue. Chairman Kane asked a follow-up question about new constructions such as the five Wal-Mart Stores and Costco, and whether we are working with them. Mr. Grevatt stated the DCSEU will try to schedule meetings with the stores.

Larry Martin asked if the DCSEU will be handling the Renewable Energy Incentive Program (REIP). It was noted that the program will be handled by DDOE. Mr. Andronaco wanted to know what dollar amount is being applied in the potential market to get a feel for potential jobs. He also commented that the DCSEU is six months into the new year and some programs have not been implemented yet. Presently, he has no sense if the objectives will be met. Mr. Andronaco expressed concerns about the largest energy users, it needs to be cost effective to free up money for the low income.

Dr. Cooper inquired about information on projections for energy savings from programs that have been implemented this year. Mr. Grevatt said that the information exist and is currently being refined and should be ready over the next few weeks. It was asked if the information could be shared with the Board. Mr. Grevatt indicated yes. Chairman Kane said that the report should be broken down by gas, electric, energy savings, and expenditures on each program.

Mr. Van Arsdale asked about the funding timeline and whether the Board should address this through new legislation or recommendations? Mr. Trabue indicated that some projects will not be completed FY '12 but in FY '13 or FY '14, so we must be conscious of the fiscal year restraints.

Nina Dodge stated that maybe a subcommittee should be formed to discuss structural issues. Lance Loncke made reference that the District law does not allow commitments beyond one fiscal year. Neither DDOE nor the DCSEU can make financial commitments beyond one fiscal year. Chairman Kane suggested that a subgroup be formed to review constraints,

Ms. Dodge made a statement on marketing and education. The reporting presentation should be in layman's terms that are understandable to the general public.

Mr. Brown said that he needs to hear about the programs that will keep the residents employed and how the DCSEU makes work available. He stated that this meeting mentioned nothing about job creation or keeping the residents employed. The meeting has mentioned CBEs, but the CBEs are not putting the residents to work. No one is monitoring them to ensure compliance.

Mr. Loncke stated that the DCSEU is in contract compliance. The CBEs have an obligation to hire District residents. The DCSEU has benchmarks to meet regarding green jobs. DDOE will review the benchmarks and if they are not met then DDOE can levy a penalty on the DCSEU. DDOE has weekly meetings with the DCSEU to review the budget, financial management, marketing plans and aspects of programs to be rolled out. Tracking is key for program design to benefit District residents. DDOE continues to share experiences and the District laws with the DCSEU team. DDOE makes sure that the DCSEU is following the contract terms and conditions. There are also legal issues involved such as utility data access and collection. Some issues may require a change to the legislation. It takes about two weeks for DDOE to review the invoices submitted by the DCSEU. Board members can participate in the reviewing process. Mr. Loncke suggested that time should be allocated at the meeting to go through the quarterly reports after their initial review. The next report will be filed with the DC Council on May 15, 2012.

Mr. Martin would like to have on the agenda EM&V for discussion. Mr. Loncke stated that whatever EM&V dollars that are not spent will be rolled into DCSEU programs.

Dr. Cooper spoke on the utility data access subcommittee: This subcommittee held a meeting on the releasing of data. Dr. Cooper listed the meeting attendees and summarized the input received from the utilities and other representatives. The proposal under consideration will provide data by customer class and breaks out customers who participate in the Residential Aid Discount Program and the Washington Gas RES Program. The DCSEU has been provided information that can be updated at the closeout of fiscal year 2012. That information can include customer usage and new service connections.

Chairman Kane noted that Ms. Mattavous-Frye and staff were in attendance at the Utility Data Access Subcommittee meeting. PEPCO will provide information retrospectively for 2011. Dr. Cooper asked for clarity on how often the information should be provided to the DCSEU. Chairman Kane said that the utility companies should provide monthly usage data by rate class, large commercial, and small commercial at the zip code level.

Several agenda items still remained to discuss so it was agreed to have another meeting scheduled very soon. Suggestions for meeting dates will be sent out to the Board. Ms. Dodge stated the Councilmember Mary Cheh will be hosting a round table on the DCSEU in either April or June.

Kim Katzenbarger, General Counsel to DDOE briefly discussed conflict of interest on the Board. Each Board member must comply with the District's Personnel Regulations, Chapter 18: Conducts and Conflict of Interest. If any conflicts arise, they must be disclosed to the Board which then will waive and Board members then must recuse themselves from issues relating to the issue in question. The Board members should continue to attend the meetings even though they are working on a contract. They should not excuse themselves from attending the Board meetings for the duration of the contract. Again, just recuse yourself from any discussion on the contract in question.

Mr. Andronaco asked if an email outlining this information could be forwarded to the Board. Commissioner Kane asked Ms. Katzenbarger if she could find out if the Board needs to do the Ethics Training required by all District employees. Also, if she could forward the relevant portion of Chapter 18 on ethics to the Board prior to the next meeting. Ms. McIntyre suggested that the Conflicts of Interest be an agenda item at the next meeting. Mr. Mizroch indicated that there needs to be transparency on the Board at all times.

Information on PACE was inquired about and it was agreed that a separate meeting should be held. Mr. Loncke asked what information the Board wants from PACE? DDOE has in-house staff that can provide information on the program. Mr. Mizroch suggested that a PACE/SEU Subcommittee be created.

Mr. Brown asked that it be noted that the presenters should be more aware of the time that they are taking for their presentation because some agenda topics may end up not being discussed due to time constraints.

#### **Other Issues:**

#### **New business**

Next SEU Board meeting on Monday, April 9, 2012.

### **III. Adjournment**

Commissioner Betty Ann Kane adjourned the meeting at 12:20 pm.

Minutes submitted by: Lynora Hall