**SEU Advisory Board Meeting**

**Minutes**

**5/08/2018**

**Call to Order**

Chair Corman called a quorum of the Sustainable Energy Utility Advisory Board (SEUAB or Board) to order at 10:15 AM, May 8, 2018 at the Department of Energy & Environment (DOEE), 1200 First St., NE, Washington, DC.

**Roll Call/Introductions**

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

**Board Members**

Bicky Corman, Sean Skulley, Sandra Mattavous-Frye, Millie Knowlton,

**Board Members on the Phone:** Donna Cooper, Betty Ann Kane, Nicole Steele, John Mizroch, Leni Berliner

**Absent Board members:** Jared Lang, Kirsten Williams

**Other Attendees:** Taresa Lawrence (Deputy Director, DOEE); Lance Loncke (Associate Director, DOEE); Hussain Karim (Assistant General Counsel, DOEE); Lynora Hall (Staff Assistant, DOEE); Adrienne Henderson (Assistant People’s Counsel, OPC); Ted Trabue (Managing Director, DCSEU); Marcus Walker (Director of Operations, DCSEU); Angela Johnson (Director of Finance, DCSEU); Tamara Christopher (Financial Planning and Analysis Manager, DCSEU); Ben Burdick (Marketing and Communications Manager, DCSEU); Patti Boyd (Senior Technology Strategist, DC Sustainable Energy Utility or DCSEU); Sheryl Dove (Strategy Manager, DCSEU); Yohannes Miriam (Senior Economist, OPC); Marshall Duer-Balkind (Program Analyst, DOEE); Patrice Brooks (Low Income Program Manager, DCSEU); Marc Nielsen (Legislative Director, DOEE); LaKeisha Lockwood (Energy Program Specialist, DOEE); Tom Mauldin (Executive Vice President, NMR Group, Inc.); Marc Battle (PEPCO)

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

***Old and New Matters (12:38)***

Chair Bicky Corman requested a briefing regarding legislative proposals and Non-Wires Alternatives (NWA). Dr. Lawrence stated that she would ask Marc Nielsen, Legislative Analyst at DOEE to speak on that topic.

Chair Corman mentioned in the April 10, 2018 minutes that two modifications would be distributed to the Board for review. Dr. Taresa Lawrence informed the Board that the information was not available to be shared at this time because the modification language has not been completed.

***Approval of Agenda (13:18)***

The motion to approve the agenda was made by Mrs. Sandra Mattavous-Fry, seconded by Mr. Sean Skulley and unanimously approved by the Board.

***II. Official Business***

***Review and Adoption of the April 10 2018 Minutes (13:42)***

The motion to approve the April 10, 2018 minutes was made by Mrs. Sandra Mattavous-Frye, seconded by Mr. Sean Skulley, and unanimously approved by the Board.

**DCSEU Benchmark Progress and Updates through May 4, 2018 *(15:50)***

Mr. Ted Trabue provided a PowerPoint presentation to the Board. He said DCSEU is a little past the mid-year point in this fiscal year. A comparison of where they were last year to where they are today will be given. Ms. Patti Boyd will give a presentation on the Low-Income Benchmark.

***Electric Savings Goals*** - About a year ago they were roughly 19% towards hitting the goal this year. They are 63% of the maximum goal.

***Gas Savings Goals*** - They were at 18% last year and are at 43% of the maximum target this year.

***Low-Income Budget Spend*** – This number is very low and they are behind. They were 28% of the maximum last year. This year they are 12% of the maximum target. This year a new low-income program was launched and will be headed by Ms. Patrice Brooks. They have presently received forty-seven applications for work in the low-income space and issued sixteen work orders as of the close of business yesterday. This will make the numbers on the low-income side increase.

***Green Jobs*** – They are about halfway through the year and tracking about forty-four jobs with the maximum target of eighty-eight jobs.

***CBE Participation –*** It is low at this point but will increase through the low-income program headed by Ms. Brooks through the work orders for processing, and new ones.

***Leveraging*** – Mr. Trabue thanked DOEE for approving the Opportunity Fund. DCSEU hopes to see some revenue coming into the fund very soon.

***News and Accomplishments***

Mr. Trabue thanked those who attended the groundbreaking ceremony for Atlantic Gardens. He said this will be a multi-family comprehensive renovation with solar on the rooftops. It has 303 units. Neighboring buildings inquired about obtaining the DCSEU services.

***Energy Star Awards Ceremony*** – The DCSEU was awarded Energy Star Partner of the Year.

***Passive House Institute Training*** – the DCSEU hosted a Passive Building Program that included instruction in energy modeling software. This is the only professional passive building credential; First in the District of Columbia.

***Tastemakers’ Hall*** – This is a $1.2 million conversion of the former mayonnaise factory for mobile food works. Reduces lifetime emissions of more the 600 metric tons of carbon.

**DCSEU Low-Income Benchmark *(37:31)***

Ms. Patty Boyd gave a presentation on the Low-Income Benchmark Contract language requirements - Old vs. New There will be an explanation on the low-income Contract Modification specifically in Mod 3. Lastly, there was a discussion on impact saving goals.

The slide on page 3 showed the difference between the contract language in FY12-FY16 and FY17-FY21. The SETF spend changed from 30% to a 20% spend. The income level in FY12 - FY16 was 60% AMI and changed to 80% AMI in FY17 - FY21. Leveraged funds were not considered in the old contract; now they can count the savings towards a goal spend. The new contract includes shelters, clinics and energy kits.

Director Tommy Wells mentioned the PEPCO/Exelon merger $11 million designated for low-income weatherization and the efforts to coordinate this. The Solar for All Programis giving money directly to some of our partners like the D.C. Housing Authority to install solar and DOEE will keep the DCSEU closer to what we are doing. DOEE is about to start a project with the University of DC (UDC).

***Contract Modification*** – Savings Goal changed from “Floating” to “Set”. Set at 10% of FY17 maximum combined savings (Section C.40.8.3.1.1). 20% Annual Spend to include “Total Direct Cost” The 10% was changed to the 46.385 MMBtu.

***Total Direct Cost*** – The original contract states “Programmatic Costs not included in the numerator” The modification states “Total Direct Cost” included in numerator, defined in Attachment J.15. These are costs to run specific programs. Direct costs are cost directly related to a single program, project or activity.

***General and Administrative Cost*** – They are costs which support multiple programs, project and activities of the overall operation of the DCSEU and not attributed to a specific program.

The Total Direct Cost for all low-income programs is in the numerator and the Total DCSEU SETF Expenditures (TDC + G&A) are in the denominator. 20% of the number is what should be spent on low-income.

Chair Corman has requested from DOEE and the DCSEU for the next meeting a comparison of the above-described contract modification, that would include the old and new contract language, and an example of how the costs differ under each formulation.

The chart on Considerations for specific EE Projects show the projects and the minimum spend of $3,711,667; Minimum Savings (MMBtu) 23,278 we would need to do 2,328 projects per year; and Maximum Savings (MMBtu) 46,556 we would need to do 4,656 per year.

Low-Income Programs

* Low-Income Comprehensive – Provide residents with custom technical and financial assistance for energy efficiency improvements
* Low-Income Direct Install – Direct installation of Energy efficiency measures

Calculations of Set Savings Targets – Open for discussion if needed

**NMR Group, Inc. *(1:34)***

Dr. Lance Loncke introduced Mr. Tom Mauldin, Executive Vice President, NMR Group, Inc. the new EM&V contractor to the Board.

Mr. Mauldin presented a PowerPoint presentation to the Board. Topics for discussion were:

* The NMR Team
* Evaluation Plan
* Schedule

He stated current partners that they were working with: EcoMetric Consulting, Demand Side Analytics, Bluepath Labs and Setty. A listing of NMR experiences were also shared along with a snapshot of the organizational chart.

Mr. Mauldin provided a chart to discuss the Five Year Evaluation Plan, The evaluation activities will be as follows:

* Impact Evaluation
* Process Evaluation
* Market Effect Study
* Five-Year EM&V Plan
* On-going Technical Assistance
* Adhoc Reports or Presentations

The top three will be discussed further. Chair Corman would like to have further discussion regarding specialized research studies. Dr. Loncke stated that there will be funds available in next year’s budget to undertake the specialized research studies.

The Impact Evaluation will be done to verify energy and demand savings. There will also be Gross Savings Verification to assess progress towards the performance benchmarks. The contractor will perform desk audits and engineering reviews to obtain samples of the projects to review. They will collect data on site. The Net Savings Estimation is to estimate net saving induced by the programs. This year leverage existing SEU NTG values plus review NTG from other jurisdictions.

The Cost Effectiveness Testing will be performing a Societal Cost Test with a scenario analysis and reflect full benefits of programs.

The Process Evaluation – This will examine program design and operations to identify opportunities for improvement consisting of interviews with program staff, partners and perform participant surveys. This will be done to get strategic insight on where the program is and what needs to be done for improvement. Ms. Millie Knowlton asked about marketing, and whether the DCSEU would be considered a one-stop shop. Mr. Trabue informed Ms. Knowlton that the DCSEU would provide her with the requested information. The process evaluation is planned for next year.

The Market Effect Measurements are long lasting sustainable changes in the structure or functioning of a market. This piece was included in the RFP. This type of program would have measurable market effects. There will be two studies, a baseline study and an end of contract study in the District of Columbia. The annual reporting will consist of the DCSEU performance benchmarks and program level finding.

The Base Period Schedule was provided and commencing May through September 2018. Chair Corman asked Mr. Mauldin what would be the novel things NMR would bring to the table compared to the last contractor. She said the utilization and acquisition cost were not transparent to her. Mr. Mauldin stated that they would be looking at something similar on the acquisition and utilization cost but hopefully they can define and explain to the Board. They can also look at other metrics as well. They have not made a decision on what states to review but will be meeting with DOEE staff for further discussion.

Chair Corman would like to have the topics below discussed in the next meeting:

* The comparison of Costs Pre and Post Contract Modifications (discussed in the minutes)
* Legislative Initiatives, such as the NWA

Chair Corman requested that the following be tracked for EM&V for next year’s report

* Market Effectiveness moved to performance benchmarks
* Quantifying Non-Energy Benefit Impact
* Metrics on Utilization and acquisition

Chairman Betty Ann Kane (2:11)

The Energy Infrastructure Modernization Docket 1130. The PSC has put out a position statement and the rulemaking is out. They are in the final stages of selecting a consultant. They have received many responses to the RFP. The will facilitate workgroups

**General Updates**

**Old and New Matters**

*Summary Action Items*

**Actions taken by the Board**

* Approval of May 8, 2018 meeting agenda
* Approval of April 10, 2018 meeting minutes

**Actions for the next Agenda**

* Legislative Initiatives, such as the NWA
* Planning Retreat/Orientation
* Board Vacancies
* Example and materials re prior contract modification
* Forthcoming contract modifications

**Actions with Responsibility**

* DCSEU – will provide marketing information to Millie Knowlton
* DOEE and DCSEU will provide data on previous and current contract expenditures

**Adjournment**

* Chair Corman adjourned the meeting at 12:38 PM.

*Minutes prepared by: Lynora Hall*