

# **SEU Advisory Board**

## **Meeting Minutes**

**Monday, August 20, 2012**

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

Keith Anderson, Chair called to order the meeting of the SEU Advisory Board at 9:35 am Monday, August 20, 2012 at the District Department of Environment, 1200 First Street, N.E. Washington, D.C.

#### **Roll call**

**SEU Advisory Board:** Keith Anderson, Betty Ann Kane, Dr. Donna Cooper, Daniel Wedderburn, Bernice McIntyre, John Mizroch, Joseph Andronaco, Chris VanArsdale, Larry Martin

**Absent Board Members:** Evan Tyroler, Allison Archambault, Jermaine Brown

**Other Attendees:** Taresa Lawrence, Hussain Karim, Ted Trabue, David Cawley, Veronique Marier, Steve Seuser, Rishi Garg, Loretta Caldwell, Herb Jones, Marcus Walker, Dave Good, Dan Cleverdon, Lance Loncke, Lynora Hall, Nina Dodge, Karen Sistrunk, Colin Shay, Olayinka Kolawole, David Barash, Melissa Adams, Eugene Harvey, Claudette Perry, Danielle Griffin, Stacy Shampanski, Kamina Newsome, Chelsie Silver

#### **Approval of agenda and minutes from the last meeting.**

The agenda was approved. The amended minutes with the changes discussed on page 4 paragraphs 3 and 6; and page 6 paragraph 5 were adopted.

### **II. Official Business**

Mr. Anderson started the meeting by asking the Board if there were any conflict of interest issues to disclose at this time. Joe Andronaco stated that his company Access Green had been awarded a contract with the DCSEU. This fact would be noted in the minutes.

Ted Trabue presented the DCSEU Program Managers to give a brief overview of their programs:

**Danielle Griffin** – Commercial and Institutional Programs: Ms. Griffin’s role is to interact with large commercial and institution (C&I) markets, identify opportunities for good investments of resources or financial incentives. The DCSEU has received positive feedback on potential commercial and institutional projects. The DCSEU will provide C&I entities with technical support, resources, and financial incentives. Currently six of nine universities have pledged to do retrofit lighting and later add controls to get excellent light levels. Gas technical assistance is slated for FY 2013, and the DC SEU is currently looking at a large apartment complex.

**Stacy Shampanski** – Efficient Products: The Retail CFL Program has partnered with 32 chain stores, and six lighting manufacturers that will provide 200,000 CFLs by September 30, 2012. The promotion is currently active at sixteen stores, fourteen of which are Safeways, True Values, and

Home Depot. In addition, the DC SEU has a meeting scheduled with Fragers. The DC SEU has seven Memoranda of Understanding (MOU) in place with local retailers; two of which have placed orders for CFL bulbs. The discounted prices are between \$1-\$3.29 and the local retail prices are \$.49-\$1.29. The retailers with the MOUs have ordered 105,000 CFL bulbs. The DCSEU is looking forward to having retail partners in every ward of the city.

The Food Bank Program for low income residents is currently available through the Greater Washington Urban League, Bread for the City and So Others May Eat (SOME). The DC SEU's goal is to distribute 75,000 CFLs by September 30, 2012. CVS and Giant will not be participating in this program. Low cost LED lights will be in the FY 13 Food Bank program.

**Kamina Newsome** – T-12 Program: The DC SEU's goal is to install 30,000 T-12s, and upgrade any incandescent bulbs. Ms. Newsome is currently working with twelve contractors and there are 475 projects in the pipeline for large and small commercial facilities. The DC SEU is currently hiring to increase the number of staff that can perform the work. All contractors and suppliers are CBEs. There are 54 crews to do the installs, which is equivalent to 1500 retrofits a day.

The Business Energy Rebate Program is for the use of gas efficiency funds for small to mid-size customers. The DCSEU will be considering tankless water heaters, and gas powered cooking equipment and washers.

**Chelsea Silver** – The DC Home Performance Energy Star Program: There are currently three contractors that perform energy upgrades. This is a market-based program which offers incentives and three home owners have completed the program. There are seventy homes in the process of completing the energy audits.

**Federal Home Loan Bank:** offers forgivable loans to residents in the District up to \$12,000 towards energy retrofits in the home. Eighty-two participants had signed up and between 100-150 were interested in the program and the majority of them being seniors. The first million financed came from Industrial bank of Washington and the second million will come from the Bank of Georgetown.

Loretta S. Caldwell gave a brief overview of on-the-job training before introducing Mr. Ron Hanns to give a Power Point Presentation to the group. Ms. Caldwell mentioned that LS Caldwell and Associates (LSC) was working in conjunction with the Department of Employment Services with the motto of "One City One Hire". The presentation would be on the Data Collection Associates and how the group of twelve were chosen out of a group of fifty District residents to participate in the program.

Mr. Ron Hanns supervised the Data Collection Associates (DCA) who canvassed in Wards 1 and 4. The DCAs were trained to disseminate information to educate the residents on energy conservation. In Ward 4 the DCA canvassed 4,571 households, with participation from 1,006 of the households, and distributed 959 CFLs; in Ward 1 they canvassed 5,549 households, with participation from 461 households, and distributed 374 CFLs. These figures add up to an overall total of 10,000 household canvassed, 1400 households participated, and 1300 CFLs distributed. Educating residents on energy conservation will lower the District's carbon footprint. Ms. Caldwell said that mock trainings were held at LSC to prepare the group for the canvassing. This is workforce development in practice.

There were concerns expressed about a lack of discussion of natural gas initiatives. The following questions were posed: How are the natural gas ratepayers benefiting from the programs and what is their money being spent on? When measures are recommended and advice is given to the homeowners, does the DCSEU share the information that a natural gas home uses far less energy? There was also a concern about the upfront cost to low-income residents when replacing appliances and receiving a rebate at a later date.

Mr. Trabue stated that the FY12 plan is to spend the dollars in a manner consistent with the requirements of the Clean and Affordable Energy Act of 2008, to include an appropriate amount of money for gas saving measures. The FY12 plan also intended to inform residents about the best opportunities for efficiency. The Federal Home Loan Bank program had eighty-two homeowners as participants. The DC SEU has had discussions with Colin Shay of Washington Gas on gas saving measures and programs for this fiscal year.

**Mr.Trabue presented a PowerPoint Presentation on the DCSEU’s Progress and Updates, including:**

- DCSEU Initiatives
- Performance & Budget Updates
- Findings on Best Practices
- FY13 Annual Plan Overview

The slides showed at the progress made by the DC SEU during the period July 23, 2012 to August 16, 2012. Mr. Trabue talked about the installation of solar systems in Ward 8. The initial commitment was for 20 homes but to date there had been 30 installations. In the T-12 program, there were small and large customers working with the DCSEU.

The spending commitments had ramped up from July 23<sup>rd</sup> to August 20<sup>th</sup>. The ramp up of electricity and gas savings were a 27% increase on electricity and 60% increase on gas expenditures. The DC SEU projected that some large opportunities may be under consideration before the end of the fiscal year. Tracking the spending in this fiscal year was on target. By the end of the fiscal year, the spending on gas programs would be \$2.3 million. Mr. Trabue noted that the dollars allocated for the EM&V were not included in the amounts on the slides.

**Marcus Walker and Dave Cawley discussed the budget updates:**

- Distribution of costs by services
- Definition of Professional & Technical Services
- Additional explanation of administration

The following items were discussed:

Professional and Technical Services cover all of the programs which were presented by the Program Managers. Each entity has Account Managers who identify opportunities, and later in the process technical services are provided to determine the cost effectiveness and potential energy savings. A lot of screening is done by the “Professional and Technical Services” function.

Direct Services and Incentives receive 38% which covers payments to the customers, and hiring of the Implementation Contractors (IC) to do the work for the customers.

Administrative Services – the DCSEU does not own and operate many of their systems such as Human Resources, Financial System, and Procurement System. Rather, the DC SEU relies on the contractors for the compliance. There are many costs to operate the DC SEU and the DC SEU relies on VEIC for providing these services. Other associated costs are rent and items needed for the office. This category is not limited to just salaries. Also, there is manual processing, which requires data entry, data collection and analysis for savings verification. Salaries are not solely responsible for this figure. If the DCSEU bought its own systems, this number would double.

The DC SEU offered the following definition of Professional and Technical Services: this is comprised of the program managers as well as technical and engineering groups within the DC SEU who do the back-end analysis on energy efficiency on cost effectiveness. The DC SEU also gets support from VEIC

because the DCSEU is a new organization that has to rely on VEIC's expertise for support. Any shared services are loaded in the Professional and Technical Services. It was stated that perhaps another category should be added to the charts which would give more clarity to the public.

It was stated that there was still no clarity on what direct services are provided to the residents. Mr. Anderson said that he will meet with Mr. Trabue to discuss the details on programs/categories and the technical services presented today. Some of the services listed should be direct services and further discussion is needed.

It was asked if there was a way of capturing the leveraging information. The tracking system that the DCSEU currently uses captures this information and will be included in the annual report.

The observation was made that gas dollars on the chart were at the 20% level, and not 25% which is the minimum required by the contract. The response was that the 20% is based on the revenue collected last year. The 80/20 split, which is 80% revenues from electric and 20% from gas, was based on actual collections for FY12. The 19.8% of funds came from the gas company. The 75% mentioned in the legislation says that no less than 75% can be spent on gas measures. The Board needs to understand how the compliance is met.

#### **Dave Cawley on Best Practices:**

Mr. Cawley provided comments on best practices of comprehensive energy efficiency programs across the country, and he stated the following: There are programs which have been running for 20 years. The American Council for an Energy-Efficient Economy (ACEEE), which is based in the District, surveys programs around the country and produces scorecards on what is considered "best practices." He provided a chart which showed that the states highlighted in yellow were the high ranking performers and indicates money spent. The District of Columbia was listed on the chart. It was asked whether other state programs listed have green jobs requirements. Mr. Cawley responded that none of the programs have social requirements that the DC SEU has. The chart listed electric usage and Mr. Cawley said he would obtain the information on gas usage. The characteristics for best practices were: to serve all markets, utilize market based approaches, and leverage investments in energy efficiency. The performance metrics were: level of investments relative to market size, percentage of annual load saved, and cost of service per unit of energy saved.

**Investment Levels:** Mr. Cawley stated that Vermont is out front on investments in energy efficiency for programs funded by ratepayers. The District is in the beginning stages with targets on the electric side and gas side. The question was asked whether there are specifics on what jurisdictions have concentrated on over time. The response was that there are a variety of databases out there to drill down into these issues and what programs offer.

**Load Reduction:** With regard to load reduction, Vermont stands out at 2% annual load reduction. The District has a long way to go.

**Cost of Services:** Mr. Cawley stated that the cost of deliverables has to be reduced. Vermont accomplishes this goal by leveraging more dollars. However, the DC SEU, with the green jobs and social equity goals, is still a very affordable program relative to some of the other programs included in the Best Practices analysis. The DCSEU needs to build strong pipelines to carry over from year to year. In the first year the DC SEU was being set up, and the second year involved a transition to market-based programs. As a result of all of these activities, the initial period with relatively high cost of deliverables was prolonged.

It was stated that an understanding of the breakdown of overhead costs was needed. The ACEEE report does not report dollar amounts spent on incentives. One point of discussion was how the District's SEU

compares to Vermont's? It was noted that the regulators in Vermont had been advocating for greater administrative efficiency for ten years. The Board asked whether the DC SEU could provide information on the Vermont's program at the next meeting. An affirmative answer was given with the caveat that the District has the energy efficiency programs coupled with social equity goals, while Vermont did not. Hence a direct comparison between DC's and Vermont's programs may not offer much guidance.

Per a request from the Board, the DC SEU agreed to include energy savings measured in BTUs in its reporting. Information on BTU savings will be provided at the next meeting.

At the September 17, 2012 meeting, the following items will be on the agenda:

FY 2013 Annual Plan  
Update on Directors and Officers (D&O) Liability Insurance

### **Other Issues:**

#### **New business**

Upcoming meeting schedule: SEU Advisory Board Retreat  
Wednesday, September 5, 2012  
Gallaudet Kellogg Center  
801 Florida Avenue, N.E.  
Washington, D.C. 20002

SEUAB Meeting  
Monday, September 17, 2012  
10:00 am – 12:00 Noon  
DDOE  
1200 First Street, N,E, 5<sup>th</sup> Floor  
Washington, D.C. 20002

### **III. Adjournment**

Keith Anderson adjourned the meeting at 12:05 pm.

Minutes prepared by: Lynora Hall