**SEU Advisory Board Meeting**

**Minutes**

**April 14, 2020**

**Call to Order**

Chair Bicky Corman called a quorum of the Sustainable Energy Utility Advisory Board (SEUAB or Board) to order at 10:40 AM, April 14, 2020. This was a conference call meeting.

**Roll Call/Introductions**

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

**Board Members:**

**Board Members on the Phone:** Bicky Corman, Millie Knowlton, Sandra Mattavous-Frye, Donna Cooper, Nina Dodge, Nicole Steele, Steve Burr

**Absent Board members:** Scott Williamson, Richard Graves, Farrah Saint-Surrin, Willie Phillips

**Other Attendees:** Tommy Wells (Director, DOEE);Taresa Lawrence (Deputy Director, DOEE); Lance Loncke (Sr. Program Analyst, DOEE); Hussain Karim (DOEE); Ted Trabue (Director, DCSEU); Shawn Fenstermacher (Mid-Atlantic General Manager, VEIC); Shelley Cohen (Solar Program Director, DCSEU); Tamera Christopher (DCSEU); Crystal McDonald (DCSEU); Adrienne Mouton-Henderson (OPC); Patti Boyd (Senior Technology Strategist, DCSEU); Lynora Hall (DOEE); Megan Partridge (PEPCO); William Ellis (PEPCO); Dave Epley (Associate Director, DOEE); Yohance Miriam (OPC); Eli Hopson (DC Green Bank, CEO); Representatives from Anglin Consulting and Premier Group.

***Approval of Agenda***

Chair Corman asked to add to the agenda a discussion of broader distribution of the Board’s comments in FC 1160, and on the impacts of (and status of) forthcoming Building Code amendments on SEU programs. The motion to approve the agenda as amended was made by Ms. Sandra Mattavous-Frye, seconded by Ms. Nina Dodge, and unanimously approved by the Board.

***Review and Adoption of the March 10, 2020 Minutes.***

No changes made to minutes, however the Board reserved the right to send comments or corrections after. The motion to approve the March 10, 2020 minutes was made by Ms. Nina Dodge, seconded by Dr. Donna Cooper, and unanimously approved by the Board.

***Dr. Lance Loncke – Anglin Consulting, Premier Group Services, Inc.***

Dr. Loncke introduced the consultants who performed the DCSEU audit to the Board. There was a financial examination of the SEU and their compliance with the contract for FY19. There were follow-up questions from the Board.

DCSEU base year three the Contract DOEE-2016-C-0002 ( Modification number, MO7), DOEE awarded a total of $33,554,408.91 to DCSEU, which was comprised of $19,294,409.91for DCSEU SOW requirements, $12,000,000.00 under Solar for All Program and $1,351,666.00 under Emergency HVAC Program. $908,333.00 of the Fiscal Year (FY) 2019 connect was reserved for compensation to VEIC for attainment of performance benchmarks. Total spending for FY 2019 was $25,593,182.61 which included actual reimbursable cost and 4% non-at-risk operation fee. An estimated performance incentive of $881,061.00 was invoiced to DOEE pending verification of the DCSEU’s performance metrics.

**The following summarizes other results for testing:**

1. Green Jobs – We noted that DCSEU has created a total of 76 Green Jobs which is below the 88 minimum required per section C.40.8.4.1. of the contract.
2. Travel Expenses – We noted an instance where travel costs submitted for payments were in excess of federal per diam rates. A total of $64.77 is questioned.

**Here are topics for review during the audit:**

1. General Administration Expenses
2. Green Collar Jobs and Rate of Pay
3. Annual Expenditures on Natural Gas and Electricity Related
4. Ownership of Material, Data and Products
5. Subcontractors Review and Small, Local and Disadvantage Business Enterprise
6. Subcontactors Review
7. Project Related Incentive Payments
8. Eligible Cost and Expenses
9. Low Income Spending
10. Financial Summary

**Schedule of Current Year Findings**

1. Green Jobs – Per DCSEU several green jobs eligible employees resigned and transferred out of program. **Recommendation:** DCSEU and its subcontractors should increase hiring efforts within DC to increase awareness of job opportunities.
2. Travel Expenses in Excess of the Allowable Per Diem – DCSEU did not have adequate controls in place to ensure that travel related costs were in accordance with federal rates prior to requesting reimbursement from DOEE. **Recommendation:** The DCSEU Management must implement established controls to ensure that all travel related cost are within the per diem rates prior to requesting reimbursement from DOEE. All disallowed charges should be at the expense of VEIC.
3. Request for Incentive Payments – Our testing of the green jobs created for the year ended September 30, 2018 revealed that the DCSEU provided a total of 87 Green Jobs but invoiced DOEE for an incentive payment based on 88 Green Jobs. DCSEU failed to adequately track the total green jobs and maintain proper documentation. **Status:** DCSEU indicated that they will send an accrual invoice based on preliminary results at year end, in October and invoice the final amount when DOEE request a final invoice, after third-party evaluation. This issue was resolved, however green jobs performance benchmarks were not met for the year under review.
4. SBE Reporting Error – The DCSEU reported a total of SBE spending of $2,948,346.77 compared with $2,199,604.60 reported by the subcontractor for the period ending September 30, 2018. **Status:** DCSEU indicated that they received the corrected forms from the subcontractors and DCSEU review staff returns any forms with errors to the subcontractors for corrections before submission to the DSLBD. The issue was resolved.
5. Disallowed Legal Cost Charged to SFA Program – We noted that a legal cost of $2,506.75 was charged to the Solar for All program. We were unable to determine what those legal charges were for doing our fieldwork. **Status:** DCSEU provided accurate supporting documents and required explanation in a timely fashion for the year under review. This issue has been resolved.

Mr. Trabue noted about Green Jobs. The Green Jobs Benchmark is 66 minimum and a maximum of 88 within the contract. The Performance Incentive Payments are based off where they land within that range. The 66 jobs are the minimum per the contract, so the statement by the Auditor that they did not meet the requirements of the contract is misleading.

Ms. Dodge asked what are the two prior year’s achievement, and do you agree with the recommendation to increase awareness regardless of benchmark.

* Mr. Trabue says 82 – 85.5 for year’s FY17/FY18. They have more externs than they had in the past, plus an extensive Internship Program. COVID-19 has altered their hiring plans, but they are hoping to move forward with the internship program. They do have three vacant positions open, but not able to do in person interviews, and thus are holding on hiring for now. SEU is comfortable with auditor’s recommendations and already incorporating some into their operations.

Ms. Dodge asked is the budget sufficient to hire?

* Mr. Trabue said they are spending money on incentive dollars (to obtain green job status). To shift the budget around, it hasn’t been done in many years.

Chair Corman asked does the requirement of 88 jobs come from a formula required by law? I am not sure where the minimum/maximum came from.

* Mr. Karim said the way we got the 88 number, the Federal Government used (200,000k = 1 green job). If you spend 200,000k in incentives that results in a full time job. VEIC does not know who will get hired when incentive money goes to a third party. There are two ways to get there, hire 1,950 hours or spend $200k in incentives. The law doesn’t say minimum/maximum, but DOEE created the benchmark. The contract has this requirement in it.

Someone asked if the ARRA numbers still current? Why do your number of interns and jobs in general get lumped together?

* Mr. Karim said we have not considered new guidance.
* Dr. Loncke stated 2014 was the last time they looked at this. The 200k is a number DC came up with. President Obama was closer to 150k.
* Every consultant since can’t find a better number.
* The headcount is not the most effective either, doesn’t mean it is a living wage.

Chair Corman asked can we do better? The minimum/maximum could be revisited, as we head into a contract renewal.

* Mr. Trabue says the more they use incentive dollars to get to 200k threshold, is less money we have for labor (bring on temp workers). The rent goes up and salaries goes up. Based on living wage hours that are paid. The base budget does not go up every year – it has been flat for the past six years. They are trying to squeeze more out of a flat base budget. Mr. Trabue said “In my opinion this is one of the most important benchmarks to me. He is in 200% support of the Auditor’s recommendations. One of the things that has pained me over the years is we have a high class workforce training program, we have 19 this year, our graduation rate (putting them into fulltime careers) is 85-90%. Once they have been trained and go into a job, they can no longer count that person since the SEU is no longer paying their wages.” They have tried to implement and do better this year than last year. They are however challenged by the COVID19 crisis.

Chair Corman said if there is an issue with not being able to track people who have entered the industry. Now that we are done with our comments in 1160, maybe the board should look at what has been worked into the contract over time and legislative changes. SFA has been added to the SEU’s portfolio but I am not sure if it has the same jobs requirement attached.

* The Solar for All money and expenditures is performed with REDF funding. There is a CBE requirement with the solar funding.
* Mr. Trabue said only SETF counts towards green jobs. Everyone on the SFA team is a DC resident.
* Ms. Nicole Steele said regarding jobs, she thinks we could look at better tracking, giving credit, with new guidance on how to engage partners. She wants to reiterate it as important and should be highlighted.

**Chair Corman said to add Green Jobs to the next agenda for future discussion.** It was voted on and approved unanimously. Ms. Dodge said our annual report has improved on how this work, but we should hold these considerations into account when we draft the annual report.

***Nina Dodge – ODCA Report Feedback***

Ms. Dodge will be discussing DOEE’s comments to the auditor on the report, page 54; and the auditor’s response to DOEE’s response to page 82. The report can be found here - <http://zd4l62ki6k620lqb52h9ldm1.wpengine.netdna-cdn.com/wp-content/uploads/2020/02/Clean.Affordable.Energy.2.27.20.pdf>

Ms. Dodge wants to review and figure out how to move forward with DOEE’s suggestions. She is hoping people have had a chance to read the five comments and DOEE suggestions. She thinks this is potentially very valuable to the SEU and the Advisory Board’s participation.

Ms. Dodge thought for this meeting it would be helpful/important for this meeting to review the auditor’s report. The report was requested by Councilmember Mary Cheh. The SEU is a major part of the report. They also looked at the 2008 CAEA.

She said DOEE is the major implementer of these sections and issues \_\_\_\_ response to the auditor. Ms. Dodge has taken the five SEU sections with DOEE’s responses.

Recommendation 1:

* “Free Ridership”
* DOEE disagreed with this recommendation but offered up a new suggestion
* Mr. Trabue said that he would rather discuss this at length with the Board.
* Chair Corman had requested that it be on the agenda, and it did not make it into the first draft so was squeezed into today’s. She suggested it go on the next agenda and have a review at length because of the late start today. Ms. Dodge suggests we go over these quickly as a preview ad then circle back on it.

Ms. Dodge walked through recommendations 1-5 and DOEE responses.

**The Board recommends this goes on the agenda for the next meeting. Ms**. Dodge will meet with Mr. Trabue and Mr. Loncke about how to structure the conversation for the next meeting. It might take multiple meetings because it is a complex topic. Chair Corman asked should this be a subcommittee? Ms. Dodge stated that it should be board-wide, as did Dr. Cooper. Ms. Dodge and others will have recommendations to come. Perhaps a ½ hour part of each board meeting for each topic, we can spread them out.

Mr. Trabue thinks that the auditor’s report is good news that shows the SEU is doing a good job with taxpayer’s funds. Ms. Dodge agreed the Auditor’s brings good news.

***Ted Trabue – DCSEU Program Update***

**COVID-19 Impact on DCSEU Performance/Operations**

Mr. Trabue said the SEU had a nine year anniversary. The slides will show the impact the SEU has had since then. Listed below are topics for discussion:

* Review of the five year cumulative progress impact.
* Crystal McDonald will present on COVID-19
* Review of inspection protocol update, relying on online tools

Account Management

* Not all building types/owners present the same challenge.
* They have reps for each of the vertical markets.
* We will walk through the slides addressing each account type and the effects they are seeing.

Rebates

* We are extending pre-approval of rebates to allow customers more time to claim rebates.
* We expected a drop in sales of EE products at retail stores (LED Bulbs) as well as with home renovations.

Low Income Projects are on hold for safety

* PPE equipment is hard to come by and much more expensive than usual
* LIHEAP centers are currently closed, so we are trying to get energy kits in a remote to customers.
* Small Business Campaign will continue much longer into the year.

Mr. Trabue said that COVID-19 has caused the SEU to make real changes in the temporary.

Chair Corman asked is there anything that the Board or DOEE can do to help the SEU to keep moving?

* Mr. Trabue stated we are all ears and open to new ideas.
* Dr. Cooper said that PEPCO and SEU could speak offline and help share information and help each other out.

Mr. Ted Trabue said PEPCO has done a lot to help solar over the years. There were a few delays on Community Solar but not a ton. The Single Family Solar work might see some delays with construction time to time. They might need to work and figure out new ways to address single family homes (since they cannot go into homes). It was noted the completion of Solar PV at Walter Reed Hospital.

Chair Corman asked currently are there any payment challenges the SEU may have. Mr. Trabue answered not at this time.

***Hussain Karim – Legislative Update***

* Legislation prohibits disconnections of utility service during COVID-19 and fifteen days after it ends.
* Open Meetings Act: we need to record these meetings. This one was not recorded, but the minutes will be posted according to MOTA new guidelines.
* The Green Bank has hired Eli Hopson, Executive Director.

Chair Corman inquired about the building codes at City Council.

* Mr. Epley said the bill is about to be passed and that he will send around the 12 DCMR updates.
* The link to the proposed codes on the way to final approval can be found here - <http://lims.dccouncil.us/Download/44077/PR23-0673-Introduction.pdf>

**Other Matters**

* None

**Actions taken by the Board**

* Approval of March 10, 2020 meeting agenda
* Approval of March 14, 2020 meeting minutes

**Actions for Follow-up**

* DCSEU Green Jobs
* ODCA Report Feedback (look at one topic each meeting) (including broader dissemination of the Board’s comments in FC 1160)
* DC Construction Codes Update and how it impacts the DCSEU
* Amendments to the next SEU contract

**Adjournment**

* Chair Corman adjourned the meeting at 12:07 P.M.

*Minutes prepared by: Lynora Hall*