**SEU Advisory Board Meeting**

**Minutes**

**May 12, 2020**

**Call to Order**

Chair Bicky Corman called a quorum of the Sustainable Energy Utility Advisory Board (SEUAB or Board) to order at 10:15 AM, May 12, 2020. This was a Webex video conference call meeting.

**Roll Call/Introductions**

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

**Board Members:**

**Board Members in attendance:** Bicky Corman, Millie Knowlton, Sandra Mattavous-Frye, Donna Cooper, Nina Dodge, Nicole Steele, Steve Burr, Cary Hinton (proxy for Willie Phillips, Public Service Commission)

**Absent Board members:** Scott Williamson, Richard Graves, Farrah Saint-Surin

**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); Patti Boyd (Senior Technology Strategist, DCSEU); Lynora Hall (DOEE); Megan Partridge (PEPCO); Dave Epley (Associate Director, DOEE); Lila Abron (Peer Consultants); Angela Johnson, Tom Mauldin (NMR Group, Inc.); Robert Stephenson (VEIC); Salil Gogte (EcoMetric Consulting LLC), ichael Frishmann (EcoMetric); Katie Bergfeld (DOEE); Wayne Hudders (PEPCO)

***Approval of Agenda***

The motion to approve the agenda was made by Ms. Nina Dodge, seconded by Ms. Sandra Mattavous-Frye, and unanimously approved by the Board.

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

Ms. Dodge suggested items be listed at the end of the minutes, the list will be discussed at the end of the meeting. Chair Corman suggested once an agenda item is listed, we should in parentheses list the person’s name who suggested to topic.

The motion to approve the April 14, 2020 minutes was made by Ms. Nina Dodge, seconded by Ms. Sandra Mattavous-Frye, and unanimously approved by the Board.

***DCSEU Contract Statues and Timelines***

Chair Corman requested to have the SEU contract status and timeline on the agenda because the Board’s big push on the annual report, and the next one would be what the Board submitted on FC 1160, now is the time to hit the reset button because it’s already May.

The SEU provided a status report. Dr. Loncke stated presently we are in year 4 of the 5 year contract period. The next contract period begins October 2021. Modification can be made anytime during the contract with a mutual agreement between DOEE and SEU. Modifications could be made for the SEU to do fuel switching for the future contract. Shifting right now would create financial issues. To exercise a new modification contract we would need to go before City Council to get the contract approved. We have time before the new option period. Mr. Cary Hinton asked has DOEE had contact with legislative staff on the contract. Dr. Loncke stated DOEE has had conversation about changing to a GHG that wouldn’t require a legislative change.

Mr. Hussain Karim stated, we do not require an amendment to transition the SEU from electricity to gas. The RPS is a different law. Mr. Cary Hinton said you would not be locked into only EE metrics, but you could amend it to focus on GHG. Currently electric and gas savings, but you can make it focus on GHG savings. The goal is always energy efficiency. Ms. Nina Dodge asked whether you can change the contract structure to reflect GHG, while still tracking energy efficiency? We have now per our meeting.

Chair Corman informed the Board that the Sierra Club would like to present on high-efficiency heat pumps.

**EM&V Report Presentation (Tom Mauldin, NMR Group, Inc.)**

*Presentation provided to the Board*

Mr. Mauldin said they spent most of their time on the savings section. The goal of onsite visits was to verify measures and key inputs in the savings parametric. The process and methodology was similar to last year’s report with exception of a few more on-site visits. All visits completed were completed pre-COVID public health emergency. They asked customers about spillover and free ridership. They received feedback from program managers at the SEU as well.

Below is what Tom reviewed with the Board:

**Objectives**

* Verified Energy Savings
* Gross Savings
* Net Savings Estimation & Process
* Cost Effectiveness Analysis

Tracked gross saving, and combination retrofit customers were to the top savers.

Annual Goals: the SEU achieved all benchmarks except the maximum of 4b (Low-Income Savings) and 5 (Green Jobs). Every target was achieved within the minimum and maximum range. The 5 year goals are on track.

Reduction in peak Demand does not include Solar for All projects.

Net to gross Ratios:

* Net to gross for Electric: 63%
* Net to gross for Gas: 56%

Gross takes into account spillover and free ridership.

Ms. Millie Knowlton said that seems low. Mr. Mauldin thinks it is about the same as previous years, but he will try to verify. Ms. Dodge asked are the figures we are seeing on “Costs of Saved Energy Comparison” comparing apples to apples? Mr. Mauldin stated for the calculations we are using gross savings here. Pennsylvania sets their targets for gross savings but also measures net. Ms. Knowlton said Maryland uses gross savings but is evaluated on net savings.

Chair Corman asked was there a comparison of GHG to other states and how they value carbon? Mr. Mauldin answered; “we looked at other places and found that $100/ton was on the higher end. California was somewhat higher, Pennsylvania doesn’t value, Maryland at $30”.

Dr. Lance Loncke will send to the Board a memo detailing carbon as a metric. Ms. Dodge asked can we invite board member Scott Williamson who is a carbon accounting expert, to join conversation. We would like to talk about this at the next auditor discussion.

Chair Corman had a question on net gross and free ridership. Was there a sensitive analysis or look at where free ridership is making a difference? Mr. Mauldin said the Commercial Retrofit Program drives a lot of the savings (at over 50% savings of the entire portfolio). Free Ridership is a common occurrence in the energy efficiency world. Dr. Cooper said when it comes to the cost associated with those programs. When you compare utilities there are a lot of variables between utilities when comparing. It is called out in the report and should be clear in the executive summary.

**The DCSEU had these successes and misses:**

**Successes**

* Achieved minimum target for five benchmarks
* Achieved maximum target for three benchmarks
* Already achieved target for five-year Renewable Energy Benchmark
* Cost of saved energy declined steady since FY2017
* Delivering savings at a cost lower than neighboring utilities. Portfolio is cost effective

**Misses:**

* Did not achieve the maximum target of Green Jobs or Low-Income Savings
* Leveraged Funds

***SEUAB, DOEE, DCSEU – Follow Up Discussion of ODCA Recommendations***

*Presentation provided to the Board*

Ms. Dodge said this is follow up from last month. We met with DOEE staff to make a plan to review further. The DC Auditor gave the DCSEU a clean bill of health with recommendations. We will do one of these each month. We are starting with recommendation #1.

Dr. Loncke shared with the Board that John McNeil, who drafted most of the ODCA report, passed away this past weekend. Ms. Dodge and Chair Corman made a suggestion to extend condolences from the Advisory Board to his family.

Dr. Loncke said DOEE currently uses gross energy savings to measure and make bonus payments to the SEU. ODCA thinks it should be based on the net energy savings. To get net energy savings adjust gross savings by using the net to gross (NTG takes into account free ridership and participation spillover). Free ridership is not just one simple question and answer.

Chair Corman asked what NMR looked at for the free ridership. Mr. Mauldin stated that NMR looked at free ridership by conducting surveys of customers, trying to get at their intention. Asking a variety of questions. Dr. Loncke said we would need to give adequate heads up for any changes from net to gross. It doesn’t make sense to change it now. Ms. Dodge asked how much time does the SEU need to make the transition to a different performance metric? Dr. Loncke answered, we could change the contract, and we are doing research right now. Any changes would need to be made after an option year is exercised.

Chair Corman said it doesn’t make sense to change it right now. NMR said free ridership happens and this is something that other jurisdictions have and deal with. The third piece Dr. Loncke said it would cost more to use the “net savings” measurement. Chair Corman understood this to mean that the auditor wants to do business differently. Mr. Trabue said some of their programs don’t use free ridership. There is subjectivity to free ridership and the NMR and ODCA did not use the same methodology to look at this. Free ridership is something that happens in programs.

Ms. Dodge said in the NMR report, they are comparing it to other jurisdictions using their own methodology. Other programs including VEIC are using net savings. What can be learned from them?

Dr. Loncke said the free ridership is common. They are saying we should not be rewarding the SEU for free ridership, but make adjustments. If you are looking at FY19 target, SEU would not be able to get to it using net savings, and would need to spend more money to get to be the target. We have meeting with the SEU to think about all of the factors. (Such as will other utilities be using the same metrics to measure their success?).

Ms. Knowlton said let’s look at what would happen if we ran different scenarios. Look at different programs and how much money/what is the right target using net savings instead of gross. Chair Corman said conversation will continue. We are not panicked over it, but want to look into it more. Ms. Dodge asked can we hear how VEIC conducts their net and gross savings program. Hear about their evolution.

***Nicole Steele, SEUAB – Timing for follow up Discussion on Green Jobs***

Ms. Steele said what they had discussed last week is how we take a deeper dive. She will determine who is interested on the Board about this and creating a small working group to work with the SEU and think more about Green Jobs. Let’s do an email to figure out interest.

Currently, Dr. Cooper and Chair Corman are interested.

***Chair Bicky Corman, SEUAB - Discussion of SEUAB FC 1160 Comments***

Chair Corman said our comments had largely said a lot of this not only a PSC issue for only a SEU issue. It was to convene a broader discussion. This indicates to me the comments should be more widely distributed. We don’t need to discuss this now.

***David Epley, DOEE and Patty Boyd, DCSEU – DC Construction Codes Updates & Impact to the DCSEU***

To be covered at the next meeting.

***Hussain Karin, DOEE – Legislative Update***

The DOEE budget will be heard on May 21st.

The PSC put out the final rulemaking on the Community Solar Renewable facility ruling has been made so that you can have virtual net metering.

***Other Matters***

Dr. Loncke said our intent is to finalize the EM&V Report by the end of the month. The Board can work on drafting the annual report starting June 1, 2020.

***Sustainable Energy Utility Advisory Board***

Ms. Knowlton asked can we try to get support on the report this year?

Dr. Taresa Lawrence answered; due to the budget cuts the funding we were going to use for the Board is not available. DOEE will help out getting feedback from the Board. We do not have the $9,800 for FY20. We can decide on at next meeting.

***Next Agenda***

Construction Codes Updates (David Epley)

ODCA Audit on GHG (Nina Dodge)

Sierra Club - High Efficiency Heat Pumps – July (Bicky Corman)

Green Jobs (Nicole Steele)

SEUAB Budget (Taresa Lawrence)

***Actions taken by the Board***

* Approval of May 12, 2020 meeting agenda
* Approval of April 20, 2020 meeting minutes

**Adjournment**

* Chair Corman adjourned the meeting at 12:10 P.M.

*Minutes prepared by: Lynora Hall*