

# Delaware Sustainable Energy Utility



## Strategic Plan

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Anthony J. DePrima, Executive Director, Ex Officio

## **PLAN ADOPTED**

January 15, 2015

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## Introduction

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In December of 2013, the DESEU contracted with organizational development specialist, Georgeanna Windley, to work with the DESEU Oversight Board, Staff and public with the purpose of developing a Strategic Plan. Executive Director, Anthony J. DePrima served as the Strategic Planning Coordinator.

Between December 2013 and May of 2014, the DESEU Oversight Board, its Executive Director, program staff and program partners worked together to conduct internal and external environmental scans and utilized a structures planning method known as a SWOT analysis. The SWOT was used to evaluate the strengths, weaknesses, opportunities and threats associated with the key business units that make up the DESEU.

The SWOT covered the following areas:

1. DESEU Oversight Board
2. DESEU Office Operations
3. DESEU Programs
4. DESEU Communications

DESEU Leadership and Oversight Board members reviewed and provided feedback on the information and ideas generated throughout the planning process. Key strategic issues were identified and addressed beginning with one-on-one interviews with each DESEU Oversight Board member and each DESEU staff member. DNREC Staff also answered questionnaires. That information was relayed to the DESEU through DNREC's Energy Office representative. Key DESEU contractual service providers also offered feedback throughout the public comment period. Finally, The DESEU held two highly publicized public visioning sessions and accepted comments and ideas during those sessions.

The planning team developed a set of DESEU's values based on the comments received. They and worked collectively to update and develop DESEU's mission and vision statements so that they reflect current legislative and legal mandates.

In keeping within the recently updated DESEU enabling legislation, the plan was adjusted after the Senate Bill 150 was bill was signed into law. This ensured that the plan remained in alignment with the mandates set forth by the General Assembly and the Governor of the State of Delaware.

In August of 2014, the draft of the plan was posted for on the DESEU's website for public comment. The planning team reviewed all comments, and after that the Executive Director met with interested stakeholder groups gain clarification on certain initiatives. All comments were considered, validated, prioritized and incorporated, where appropriate, into this document.

In November of 2014 the DESEU Oversight Board voted to adapt the plan keeping in mind that it will be added to and adjusted as necessary as conditions warrant.

## Executive Summary

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*Investment in Delaware's in-state clean energy and energy efficiency resources serves to strengthen our economy, create jobs, improve the environment, and ensures that Delaware has sustainable energy resources for current and future generations. The DESEU fills a critical role in managing that investment.*

This document presents a coherent and defensible basis for future decision-making at all levels. It serves to improve and maintain organizational effectiveness and as an important conduit for the coordination of activities amongst a broad cross-section of entities.

This plan was designed to be flexible enough to allow for changing circumstances, yet focused enough to provide a workable blueprint for those charged with leading, implementing and evaluating the DESEU's programs and initiatives.

### **PROJECT BACKGROUND**

This Strategic Plan was developed in concert with the directives given to the DESEU by the General Assembly and the Governor of the State of Delaware. Senate Bill 150 with House Amendment 2 was signed into law by Governor Markell on August 6 2014.

The bill articulates the recommendations of the General Assembly's Joint Sunset Committee following its recent review of the DESEU.

The recommendations of the Joint Sunset Committee were incorporated into Senate Bill 150, which amended Title 29, Section 8059 of the Delaware Code to:

1. allow greater flexibility in the composition of the DESEU Board
2. include language about staggering the terms of Board members
3. provide standards for the removal of Board members
4. add language related to board absences: "Board members appointed by the Governor may be deemed to have resigned if they are absent from three consecutive Board meetings without good cause."

The newly enacted legislation also updated the program management structure, which previously required a contract administrator and a fiscal agent to conduct the DESEU's business. Now, the DESEU's day-to-day business is managed by an Executive Director, who reports directly to the DESEU Oversight Board. The chief responsibilities of the Executive Director include: oversight of program management and the setting and compliance with performance and budgetary targets.

The bill also directs the DESEU Oversight Board to:

1. submit a public annual report to the Governor and the General Assembly
2. prepare certified financial statements each year
3. calls for the DESEU's financial statements be audited every other year by an independent certified public accounting firm
4. mandates that the DESEU prepare a three to five year strategic plan with input from stakeholder groups and the public, the plan is to include an educational component for the general public and a continued focus on residential energy efficiency projects

5. authorizes the DESEU Oversight Board to appoint advisory committee or committees to assist the Board from time to time.

In addition recommendations set forth by the Joint Sunset Committee, a House Amendment was attached to Senate Bill 150, known as House Amendment #2, that amendment provides a process for which energy providers shall implement energy efficiency, energy conservation, and peak energy demand programs in collaboration with the DESEU. Specifically, the DESEU will:

1. provide two members to serve on the 13 member Energy Efficiency Advisory Board
2. provide common market platforms as an easily accessible resource for all Delawareans
3. at its discretion provide funding to reduce the implementation costs of energy efficiency programs provided
4. collaborate with energy providers to offer effective programs.

## **ABOUT THE PLAN**

This document is a result of the DESEU's first major strategic planning effort under its new management structure.

A customized planning framework, unique to the DESEU was developed to align with the above-mentioned legislative directives. The planning model is designed to enable DESEU leaders to develop effective operational strategies in real time, using the guiding principles that are woven throughout the plan.

Organizational growth patterns tend to be uneven, so the reader will notice that some that parts of the plan are more developed than others. Where initiatives are presented in a more general sense, the reader may assume that certain administrative or other support functions must be in place before a recommended initiative can move forward. The goals and objectives for certain functional areas are found in Part Two of this document and correspond to the programmatic areas articulated in Part One.

Readers will notice programmatic initiatives are presented by lifecycle stage. This progressive growth structure was designed to encourage the introduction of new initiatives as technology, economic and other circumstances change. It also allows for the identification of programs that require a phasing out or transition period.

## **ORGANIZATIONAL STATEMENTS**

As a part of the inaugural strategic planning effort, the planning team was charged with articulating the mission and vision for the DESEU. The summarized mission and vision statements appear below.

### **Mission Summary Statement:**

*Serve Delawareans by promoting the use of affordable, reliable and clean energy and energy efficiency initiatives.*

### **Vision Summary Statement:**

*Become the leading organization in the State of Delaware to offer cost effective opportunities for energy savings while creating new markets for customer-sited renewable energy while reducing environmental impacts of energy production and use.*

### **Values:**

The mission and vision statements are complemented with organizational values that were created with input from all members of the DESEU Oversight Board and reflect best practices for publically funded 501-c3 organizations.

#### **As an organization the DESEU will be:**

Nimble, Results Oriented, Collaborative, Transparent and Accountable.

#### **The programs and services we provide will be:**

Community Oriented, Effective, Socially Equitable, Environmentally Sustainable, Economically Feasible and Customer Friendly.

The inward looking values reflect the way in which the DESEU chooses to operate. The outward looking values guide the development and implementation of DESEU programs as well as affect the values that are inward looking.

## **OVERARCHING STRATEGIC INITIATIVES**

Having analyzed the critical issues in the proceeding exercises the, Strategic Planning Team developed broad cross-cutting priority initiatives<sup>1</sup> that serve to guide both program development and management.

### **Strategic Initiative 1:**

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#### **Encourage State owned/funded facilities to reduce energy costs by making state-owned facilities more energy efficient**

Because one of the DESEU's original and fundamental charges is to issue tax-exempt bonds for public agencies in the State of Delaware and because DESEU resources can be used to reduce ongoing operational expenses through energy savings for state-owned facilities, the DESEU will focus on issuing new bonds for this purpose.

### **Strategic Initiative 2:**

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#### **Increase and diversify program offerings to match the varied needs of the marketplace with a focus on residential energy efficiency projects**

Because the DESEU is charged covering a broad cross section of industries and economic sectors, it will develop a broad and robust portfolio of energy efficiency, renewable energy, and air emissions reduction programs to allow all energy end-users, regardless of market segments or end-use fuel, to participate in the DESEU programs. The Portfolio of Programs will be expanded exponentially to efficiently utilize the revenues that are provided to the DESEU to accomplish its mission.

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<sup>1</sup> A strategic initiative is a broad but coherent approach to realize the organization's mission and vision with available resources

### **Strategic Initiative 3:**

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#### **Increase public awareness of the benefits and resources associated with energy conservation and renewable energy**

Because energy use and the options available to conserve energy are not well understood by the general public, the DESEU will work to increase public awareness by encouraging the development of education and public outreach initiatives. As participation increases, the DESEU as a public service, becomes well known and so citizens and businesses of Delaware are persuaded to conserve energy, and where appropriate, switch to new fuels and energy saving habits.

### **Strategic Initiative 4:**

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#### **Increase organizational capacity in marketing/communications to enable the expansion and support of public engagement and educational initiatives**

Because citizen engagement and public accountability is mission critical, the DESEU will build a solid marketing and communications structure to support community engagement and education in an effective and cost efficient manner. An infrastructure supporting delivery systems based on new technologies will be emphasized.

### **Strategic Initiative 5:**

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#### **Build a high performance organization so that the DESEU illustrates its worth to the public, thus assuring public confidence in the DESEU remains high.**

Because new programs will be developed and existing programs are in the process of being updated, a continual focus on program monitoring will be achieved. The development and implementation of appropriate evaluation measurement and verification and systems to satisfy both program requirements and regulatory compliance is paramount. In accordance with its enabling legislation, the DESEU will establish appropriate programming and budgetary targets. The DESEU will ensure that strategic initiatives are integrated into performance and budgeting targets and that program monitoring is effective. Through good governance, planning and management practices the DESEU Leadership will ensure that program goals and objectives are specific, measurable, relevant, time-scaled and attainable within the confines of available resources.

### **A COMPREHENSIVE PLAN THAT GUIDES BOTH PROGRAMS AND OPERATIONS**

This plan is divided into three sections. Section One's focus is outward looking and programmatic scope. Section Two is inward looking and includes those functions that support and link programmatic initiatives to external constituencies yet are foundational to all programs. Section Three focuses on the DESEU leadership and administrative functions.

#### *About Section One:*

**The Portfolio of Programs** work together to drive the above mentioned overarching goals and objectives as articulated by the DESEU enabling legislation. The justification for programming recommendations is based on a combination of ideas generated in the public meetings, from suggestions generated during the one-on-one interviews, and from the written comments received during the sixty-day public comment period. The 2014 Study of Potential for Energy Savings in Delaware was used as resource for generating and validating the proposed recommendations. Subtractive thinking was used to analyze current programs and to eliminate those that no longer support the mission. Additive thinking was used to layer on new and innovative programs into the mix.

*About Section Two:*

Section Two provides goals and objectives for the common activities and administrative functions that serve as a foundation for all programs. They include Marketing, Communications and Education, as well as, those associated with Evaluation, Measurement and Verification.

*About Section Three:*

Section Three provides goals and objectives designed to drive a continuous improvement effort for both the Oversight Board and the DESEU administrative functions are also included. The Governance and Organizational Development section reflects the current life stage of the DESEU as a robust and dynamic organization and provides the strategic framework for future capacity building efforts.

## **IMPLEMENTATION ISSUES**

The DESEU's Strategic Plan is designed to align easily with subsequent operational plans, budgets, performance targets, fiduciary responsibilities and financial statements.

Effective implementation of the strategic plan is important to the long-term success of the DESEU's efforts. While the DESEU Oversight Board will guard against any urge to micro-manage, it has the responsibility to know the operational details, especially those that relate to achieving strategic goal, are being handled effectively.

Now that the strategies, framework, goals and objectives have been established, the DESEU Oversight Board will work to create the impetus for establishing and measuring performance targets against strategic initiatives.

With the planning document completed and distributed, it enters a new monitoring phase in which actual performance is continually being viewed in light of the plan. Planning without monitoring the results, and modifying the plan where necessary creates no long-term value therefore the DESEU Oversight Board and Executive Leadership are dedicated to revisiting the plan and reporting progress on a continuous basis and to making adjustments as circumstances change.

## Organizational Statements: Vision of Success

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The Vision Statement serves to focus the activities of the DESEU over the next three to five years. It provides a picture of the DESEU operating effectively to realize its mission.

### Delaware Sustainable Energy Utility Vision Statement

The Delaware Sustainable Energy Utility (DESEU) will be the leading organization in the State of Delaware that:

- 1) Offers cost effective opportunities for energy savings
- 2) Creates new markets for customer-sited renewable energy generation
- 3) Reduces environmental impacts of energy production and use

The DESEU's efforts will build jobs in Delaware, improve our national security, support the local economy, improve energy reliability and protect Delaware from the damaging effects of volatile energy prices.

The DESEU will accomplish this by utilizing both its authority granted by the State of Delaware and private sector entrepreneurial strategies.

The DESEU will be respected as an accountable, transparent, effective and nimble non-profit organization that operates at the highest standards recognized in its industry.

*This Vision Statement was created with input from all members of the DESEU Oversight Board and is based on the enabling legislation that created the DESEU. It reflects the values that were developed as a result of this Strategic Planning effort.*

## Mission Statement

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The Mission Statement articulates the DESEU's reason for being, and serves as a foundation for DESEU's governance plan. It provides a structure for the DESEU's work. The mission statement drives all other elements of the organization, its activities, and its management and governance structure.

### Delaware Sustainable Energy Utility Mission Statement

The Delaware Sustainable Utility, a 501 (c) 3 non-profit organization, serves Delawareans by promoting the use of affordable, reliable and clean energy and energy efficiency initiatives. The DESEU operates as the premier one-stop-shop for connecting and empowering energy consumers with the resources to reduce costs, improve the environment and ensure energy independence for future generations.

The DESEU develops and implements energy efficient solutions, clean energy and air pollution reduction programs. These programs include funding, financing, and educational programs. In addition, we provide highly valuable technical and financial services to our clientele so that they can make informed decisions regarding their energy future.

The DESEU offers our programs by fully utilizing the authority granted by the State of Delaware to issue tax-exempt bonds, invest Regional Greenhouse Gas Initiative (RGGI) funds, bank solar renewable energy credits (SRECS), and most recently offer programs funded by Delaware energy providers. The DESEU also utilizes private sector entrepreneurial strategies.

The DESEU focuses on building relationships with residents and businesses so that they are motivated to use less energy, generate clean energy and reduce harmful emissions. We serve people of all incomes and housing styles. We serve businesses, industries and institutions from all sectors. We apply our programs to new construction projects, the rehabilitation of existing buildings, transportation projects and innovative technologies.

*This Mission Statement was created with input from all members of the DESEU Oversight Board and is based on the enabling legislation that created the DESEU.*

## Values

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Leadership begins with values and values in action. Values define how the DESEU conducts business and sets the stage for building a worthy vision.

### Delaware Sustainable Energy Utility Values

As an organization the DESEU will be:

Innovative  
Nimble  
Results Oriented  
Collaborative  
Transparent  
Accountable  
Mission Focused

The programs and services we develop and provide will be:

Community Oriented  
Effective  
Socially Equitable  
Environmentally Sustainable  
Economically Feasible  
Customer Friendly  
A Pleasure to Use

*These values were created with input from all members of the DESEU Oversight Board and reflect best practices for publicly funded 501-c3 organizations.*

## SECTION 1: **The DESEU Program Portfolio**

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DESEU Program design is at the core of what drives the organization towards its overarching goals and administrative mandates.

The DESEU is charged with designing a portfolio of programs to allow all energy end-users, regardless of market segments or end-use fuel, to participate in a broad and robust portfolio of energy efficiency, renewable energy programs, and air emissions reduction programs.

As programs develop, they will be time-scaled and funded according to the strategic priorities identified annually by the DESEU. This section is organized by program life cycle stages.

### **About the DESEU Program Portfolio**

The program categories include:

#### **ESTABLISHED PROGRAMS**

Program descriptions are coupled with status reports and include goals and objectives for DESEU's established programs.

#### **PILOT PROGRAMS**

The DESEU'S pilot programs are restricted in scope and are offered for a limited time period until validated. Program descriptions are coupled with status reports and include objectives for the programs. Pilot programs will be closely monitored to determine if they are meeting benchmarks and goals.

#### **EMERGING PROGRAMS**

The DESEU's emerging programs have been conceptually reviewed and approved by the Oversight Board and are generally ready to be implemented in the coming year. This section includes program descriptions, the rationale to justify program expansion, and suggested objectives for program start-up.

#### **POTENTIAL PROGRAMS**

The potential program section lists those new programmatic ideas that were discovered through the strategic planning effort and/or were recommended in the *Study of Potential for Energy Savings in Delaware*. This section includes program descriptions, the rationale to justify the programs, and suggest objectives for further investigation.

## Guiding Principles for DESEU Program Portfolio

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The following Guiding Principles were established to serve as a touchstone for the DESEU's programs and should be referred to when developing new programs.

Coordinate with relevant regional and national energy efforts and markets, including markets for pollution emission offsets and credits, and renewable energy credits.

Develop unique offerings that meet customer needs that compliment rather than duplicate other energy savings and renewable energy programs offered in Delaware.

Partner and promote coordinated program delivery, where feasible, to reduce administrative costs and broaden program reach.

Keep administration to a reasonable minimum so that the DESEU may deliver its greatest value to Delaware residents and businesses.

Develop the DESEU's long-term viability by favoring, where feasible, programs that are self-supporting. These include programs that charge a fee for service or lending programs where the principle investment is returned and can be reused to support future programs.

Diversify programs across industry sectors, population and technologies.

Build on existing market channels for retailers, distributors, contractors, builders, manufacturers, and other key trade allies.

## **GOALS AND OBJECTIVES:**

### **Established Programs**

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*The following programs were specifically authorized by the DESEU enabling legislation and or initially offered during 2010-2012 when the DESEU received American Recovery and Reinvestment Act (ARRA) funding. After a program review by the DESEU Board in 2012, the following programs were determined to be both successful and popular and should continue.*

#### **GOAL ONE**

### **Expand “Performance Bond Program” to increase energy savings in the public sector by moving beyond state agencies to school districts and local governments and by increasing the regularity of energy efficiency bond issues**

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#### **Description:**

One of the DESEU's original and fundamental birthright authorities is to issue tax-exempt bonds for public agencies in the State of Delaware. A Bond was issued in 2011 on behalf of three state agencies (Office of Management and Budget, the Department of Corrections, the Department of Services for Children Youth and their Families and for two institutions of higher learning: Delaware State University and Delaware Technical and Community College. The Bond issue was Delaware's single largest investment in public energy efficiency to date. It raised \$72.5 million in private capital, and funded \$75 million energy efficiency improvements through Energy Savings Procurement Contracts. It created 955 construction jobs, projects \$26.7 million dollars in NET premium savings and saves 22,194 tons of Green House Gas emission.

#### **Status:**

A team of financial and legal experts has been retained by the DESEU for the purpose of implementing a bond issue whenever necessary. The DESEU has a prequalified list of Energy Service Companies capable of performing the required energy efficiency work while guaranteeing energy savings. A 2013 survey identified between \$30 and \$50 million in State Agency energy efficiency projects that could potentially be financed. At least \$20 million is necessary to make a bond issue the most cost efficient financing strategy. Since 2011, the State of Delaware's Administration has been reluctant to have state agencies or school districts participate in another DESEU tax-exempt bond issue. This is due to liability concerns and a desire for further evidence of proven savings.

#### **Objectives:**

1. Assemble the financial, legal and technical experts from the State of Delaware and the DESEU to rationally discuss what the barriers are to additional bond issues and how can they be overcome.
2. Continue to promote the value of the program amongst state agencies to increase demand for Energy Saving Performance Contracting.

3. Issue one bond on behalf of State agencies and school districts each year until demand is satisfied.
4. Explore the potential of bond issues to include local governments and school districts.
5. Consider establishing a Master Leasing Program to fund Energy Efficiency Performance Contracts when appropriate.

## **GOAL TWO**

### **Improve “SREC Procurement Program” management and delivery systems so that DESEU becomes the provider of choice each year**

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#### **Description:**

The DESEU was selected by Delmarva Power to operate an annual Solar Renewable Energy Credit (SREC) procurement program. The program was designed by the Renewable Energy Task Force and approved by the Delaware Public Service Commission. The program operates in the form of an annual online auction where owners of existing or proposed solar systems can bid in a price for their projected SRECS. The SRECS are then purchased by the DESEU under twenty-year contracts and then bundled and sold to Delmarva Power. The program is operated as a fee for service. The purpose of the program is to assist Delmarva Power in meeting its requirements under the Delaware Renewable Energy Portfolio Standard requirements (RPS) in such a way that provides economic benefits to the solar installers, their employees and to homeowners and small businesses.

#### **Status:**

The DESEU has operated three successful SREC annual auctions, trading over 25,000 SREC's for an estimated 1000 systems. Since January 2012, the DESEU has processed over \$3 million in trades and fees, and collected \$83,000 in administration fees. A survey of participants by the Public Service Commission finds overall satisfaction with the administration of the procurement process.

#### **Objectives:**

1. Continually improve the program by working closely with the Delaware Renewable Energy Taskforce and Delmarva Power.
2. Simplify the transfer agreements for small systems for 2015 auction.
3. Continue to receive high levels of satisfaction in customer surveys by working with our customers to pay them quickly and to resolve any questions or complaints.

### **GOAL THREE**

## **Improve the “Green for Green Program” so that the number of homebuilders and the number of homes qualified for the program increases**

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### **Description:**

The DESEU provides rebates between \$1,000 and \$4,500 for buyers of newly constructed homes that meet high standards of energy efficiency. The standards used are the National Green Building Homes Standard, LEED, and HERS, ratings. The program is administered by the Home Builders Association of Delaware (HBAD). Home owners apply to the program through the home builder. The program reimburses homebuilders for home certification expenses up to \$500. The intent of the program is to encourage home-builders to offer energy efficient models by creating demand.

### **Status:**

The program was launched in late in 2013, to date, 62 homeowner rebates have been issued resulting in an estimated \$1.2 million in lifetime energy<sup>2</sup> savings, 288 Metric Tons of Green House Gas reductions, and 38,525 MMBTU'S of energy savings. Sixteen contractors are currently enrolled in the program. A survey of participants found that 50% of the participants felt the rebate helped them select their community and their builder. Furthermore, 49% of the participants felt the rebate helped them decide on what model and/or home features they wanted to have.

### **Objectives:**

1. Determine the maximum possible market penetration and determine a performance target level at which “market maturity” is achieved.
2. Establish a benchmark for measuring the degree of market transition based on the percentage of Delaware homebuilders who offer qualifying home models and the percentage of new homes built that qualified for the program.
3. Measure the effectiveness of the rebate program by determining the number of homebuyers who were influenced to select a participating builder or to choose a qualifying home.
4. Consider alternate marketing strategies and incentives to increase market transition including education and technical assistance to homebuilders who are interested in the program
5. Reevaluate the program standards and when new 2012 IECC Energy Building Code is implemented.

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<sup>2</sup> lifetime energy savings is the annual projected savings over 20 years

#### **GOAL FOUR**

### **Increase the “Revolving Loan Program” lending with the goal of increasing energy savings by diversifying the loan program’s portfolio with respect to geography, business sectors, and energy savings systems**

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This is a low-interest revolving loan fund that finances the implementation of energy efficiency measures, renewable energy, and emissions reduction projects. The savings can lower customers’ bills and reduce the environmental impacts of energy production, delivery and usage. The loans are capped at \$1million. Interest rates range from 50% to 120% of the average twenty-year AA tax-exempt bond rate. The loan terms can range up to twenty years depending on the life cycle of the improvements.

#### **Status:**

A team of financial, legal and engineering experts are in place to assist potential borrowers. The DESEU Oversight Board has set aside a fund of \$4 million. To date, the DESEU has closed on two loans in an amount of \$1.25 million.

#### **Objectives:**

1. Build awareness of the program.
2. Lend out the annual budgeted allocation by the end of each fiscal year.
3. Establish an energy savings or emission reduction benchmarks based on energy savings or emission reduction per dollar invested.

#### **GOAL FIVE**

### **Significantly increase participation in the “Home Performance with Energy Star Program”**

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#### **Description:**

This is a two-part program for homeowners. It offers participants the opportunity to improve their home’s comfort, energy efficiency, durability and safety by providing the homeowner an Energy Audit. The participant contacts a specially trained participating contractor and arranges for an Energy Audit, for which the DESEU pays for 50% of the audit up to \$200.

If the homeowner implements the recommendations of the Energy audit they can qualify up to \$4,500 in rebates from the DESEU. In addition, remaining expenses can be financed through DESEU low interest loans if qualified.

This program is funded by the DESEU for two-years beginning January 1 of 2014 with a possible one-year extension. The targets for this program are: 3,400 audits, 1,360 rebate participants and 348 loans over the first two years. The program is administered by and implemented by a contractor.

**Status:**

The program began in January of 2014 with a soft opening. It was widely promoted a to a broad constituency base in May of 2014. As of June 2014, 61 audits were completed and nine homeowners took advantage of rebates. The program is not anticipated to meet is performance targets.

**Objectives:**

1. Over first two years, continually monitor the program and measure results in order to determine if program targets are being met and if program improvements need to be made, including increased marketing.
2. Evaluate the program demand to determine if additional funding is warranted.
3. Monitor customer satisfaction through surveys.

## **GOALS AND OBJECTIVES:**

### **Pilot Programs**

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*The following pilot programs approved by the DESEU Board are limited in scope and offered for a limited period of time. They will be closely monitored to determine if they are meeting benchmarks and goals. Should they be deemed successful they will be added to the “Established Program” portfolio.*

#### **GOAL ONE**

### **Evaluate the “Energy Assessment Program for Nonprofits and Public Agencies” to determine if users are achieving the recommended savings and using DESEU financing**

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#### **Description:**

In conjunction with the University of Delaware’s Industrial Assessment Center, the DESEU is funding energy assessments for non-profits and governmental agencies. The DESEU pays 90% of the audit cost then follows up with financing and fund advice. This program has the potential of discovering leads for the Revolving Loan Program and its Loans to Communities in Need Program. Follow up surveys are done after one year to determine what energy savings have been recommended.

#### **Status:**

To date the program has resulted in twelve assessments in a wide variety of buildings including senior centers, community centers, churches, municipal buildings, firehouses and state fair buildings. Thus far, this program has identified 3940 MWH in electric savings and over \$500,000 in utility cost savings annually. The recommended measure would also save 3427 metric tons of reduced Greenhouse Gas Emissions. The studies have identified over \$775,000 in energy efficiency project cost.

#### **Objectives:**

1. Set an appropriate performance target for the program based on number of recommendations implemented and the number of recommendations financed by the DESEU.
2. Establish this program as a feeder program for the Revolving Loan Program by meeting with all participants after the assessments are complete to discuss possible funding opportunities.
3. Measure how many assessment recommendations are implemented and financed through the low interest loan program to determine if the program is meeting its targets.
4. Make modifications to the program to achieve targets if necessary including the partial funding of investment grade audits.

## GOAL TWO

### **Evaluate the “Pathway to Green Schools Program” to determine if it is effective increasing the number of Green Ribbon Schools and in increasing energy savings in audit schools**

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#### **Description:**

This yearlong pilot program was created in conjunction with Delaware Valley Green Building Council and is designed to reduce energy costs and foster growth of sustainable initiatives in Delaware’s Schools. The program goal is to encourage more Delaware Schools to apply for and achieve “Green Ribbon School Status”. It is part of DVGBC’s larger Green Schools Campaign, which is being implemented throughout the Delaware Valley. That program aims to “put every child in a green school within a generation.”

Participants in the DESEU’s program receive the following benefits:

1. \$1000 grants awarded by the DESEU to all schools that compete in the program.
2. Free energy audit performed by the University of Delaware’s Industrial Assessment Center.
3. Assistance with benchmarking in Energy Star Portfolio Manager.
4. One-on-one support in implementing new sustainability initiatives.
5. Preparation for applying to the U.S. Department of Education’s Green Ribbon School Program (optional).
6. Public Recognition for Greening Events.

In addition a \$10,000 grant is awarded by the DESEU to the school that ranks highest in its sustainability measures.

This program has the potential of discovering leads for the Revolving Loan Program and Loans to Communities in Need Program.

#### **Status:**

Nine schools, six public and three independent, are participating in 2014. Seven schools that did not have recent audits received energy audits, on average the audits made 20 recommendations per school and found an average of 34% energy savings.

#### **Objectives:**

1. Establish firm benchmarks for the success of the program based on the number of schools participating in the Green Ribbon School certification program and the amount of implemented energy savings at each school.
2. Evaluate the success of the program and determine if a second year of the program is merited.

3. Capitalize on the program's wide geographic reach and its grassroots nature to build awareness about the DESEU and its Energize Delaware Programs.

### **GOAL THREE**

## **Grow the “Energize Delaware Loans for Communities in Need Program” so that all of the budgeted funds are committed and that at least 60% funding is provided by DCIC funders**

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### **Description:**

The DESEU has joined with the Delaware Community Investment Corporation and its member banks in establishing a low interest loan fund to assist non-profits and housing providers in low and moderate-income communities. The DESEU has set aside \$1million with the goal of leveraging an additional \$9 million from DCIC member banks. The DESEU has agreed to have its funds used in a “top loss” position so that the participants can offer the lowest possible rates from members banks,

### **Status:**

The program was launched in the Spring of 2014. Program guidelines have been established and the loan application form was created. One loan is currently under review and is being viewed as a pilot loan for the purpose of testing the process.

### **Objectives:**

1. Create a marketing strategy for the program that serves to broadly promote the program in targeted markets.
2. After completion of the first loan, review the loan process and make relevant improvements.
3. Establish energy savings and emissions reductions benchmarks that can be used to evaluate loan proposals.

## GOALS AND OBJECTIVES

### Emerging Programs

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*Emerging programs have generally been reviewed and approved by the DESEU Oversight Board and are ready for implementation in the coming year.*

#### GOAL ONE

### **Implement the “Sustainable Investment Evaluation Program” (SIEP) for state agencies and school districts to increase the number of energy audits completed and identify potential energy performance contracts**

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#### **Description:**

This program is intended to reduce the perceived risk of entering into Investment Grade Audits for State Agencies and School District by offering to pay for 50% of the cost of the audit, up to \$150,000 cash. This would subsidize a \$300,000 audit. Using a 10 cents per square foot rule-of-thumb for the cost of an investment grade audit, this would fund an audit for a \$3 million square foot building. If they went forward with the DESEU project financing then the cost of the audit would be rolled into the financing. If not, then the DESEU would pay their share of the audit costs. \$1 million has been set aside for this program. The program would also identify demand for energy performance contracting financing including bond financing.

#### **Status:**

Initial early promotion for the program was completed. Program documents have been drafted. To date there is one school district that has expressed interest in possible participation. Currently, the barrier to more participation in this program seems to be related to an overall reluctance to finance energy savings performance contracts.

#### **Objectives:**

1. Finalize application and detailed program guidelines.
2. Develop a customized promotional effort directed toward public facility managers, school district superintendents, cabinet secretaries and Energy Service Companies to inform them about availability of, and the benefits associated with, the program.
3. Determine the effectiveness of the program after one year and make changes as necessary.

## Goal Two

### **Expand the “Solar Thermal and Geothermal Commercial and Industrial Incentive Program” so that there are more resources for renewable thermal technologies, specifically for solar thermal**

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#### **Description:**

This program is designed to incentivize the construction of non-residential solar-thermal and geothermal heating systems by providing rebates up to \$200,000. The rebates are based on the size of the systems and are generally designed to cover approximately 30% of the total cost of the project. The intent of this program is to create demand for technology that has not been utilized in Delaware and grow green jobs. The Oversight Board recently set aside \$1 million for the program. It's slated to start in August of 2014.

#### **Status:**

In states across the country, there is a movement towards focusing more resources on renewable thermal technologies, specifically solar thermal. This is primarily domestic solar water heating for homes, apartments, and businesses. 14 states include solar thermal in their Renewable Portfolio Standards. There are also statewide incentive programs available for solar thermal systems, including those in California, New York, Maryland, and the District of Columbia. Other states considering new programs that include solar thermal are Virginia, Connecticut, and Massachusetts.

The basic program guidelines have been established. The Board approved the program in July of 2014 and the program is slated to begin. It will be made available through an online application system.

#### **Objectives:**

1. Develop program application.
2. Develop administrative procedures and processes.
3. Develop a targeted marketing program.
4. Establish program benchmarks and monitoring system.

### **GOAL THREE**

## **Implement “Joint Green Energy Enhancement Grant” encourage the construction of small solar systems**

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### **Description:**

The purpose of this program is to encourage the construction of small solar systems, which in turn, support solar installers and spark the creation of new solar installation business by having the DESEU purchase SRECS from new systems. The Board has set aside \$1.5 million a year for two years to purchase 20-year SREC contracts at \$0.45 per watt. It is estimated that this will result in the acquisition of 4000 SRECS.

### **Status:**

The program is design and slated to begin in Fall of 2014 an online application system.

### **Objectives:**

1. Finalize program application.
2. Finalize administrative procedures and processes.
3. Develop a targeted marketing program.
4. Establish program benchmarks and monitoring system.

### **Goal Four**

## **Implement the “DEMEC LED Street Light Financing Program” so that reduced maintenance costs are realized by municipalities**

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### **Description:**

Delaware Municipal Electric Corporation (DEMEC) is piloting a LED street light conversion program for nine municipalities in Delaware. The first phase is intended to convert 1,500 “cobra” head style streetlights. There is potential for over 10,000 conversions in these municipalities. Approximately 50% of the program will be financed through a USDA zero interest loan program.

The DESEU has been asked to finance the remaining cost, which is projected to be between \$600,000 and \$1 million dollars at a low interest rate. In addition, the Board approved a \$15,000 grant to offset the costs of writing the project specifications. The purpose is to serve as pilot program to illustrate energy savings and also operational savings. Iowa Case Study<sup>3</sup> results revealed that street conversion projects yielded 29% to 63% savings in energy cost.

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*3 LED Street Lighting, A Handbook for Small Communities  
Copyright 2012 by the American Power Association*

In addition, reduced maintenance costs are realized because LED lights last 3 to 4 times longer than conventional lights.

**Status:**

DEMEC was awarded the USDA funding and the plan is to kick off in the Fall of 2014. DEMEC will administer the program. DEMEC is seeking a non-binding letter of intent to finance up to \$100,000 at a project rate of 2%.

**Objective:**

1. Develop EMV reporting system.
2. Study the results of the program to determine feasibility for expansion to other street light styles and publish a report on the findings.
3. Capitalize on the program's wide geographic reach, and its grassroots nature, to build program awareness.
4. Evaluate the programs potential to be transferred to other electric energy utilities.

## **GOALS AND OBJECTIVES:**

### **Potential New Programs**

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*Potential programs were discovered through strategic planning interviews or were recommended in the “Study of Potential for Energy Savings in Delaware”.*

#### **GOAL ONE**

### **Create energy efficiency and renewable energy programs to benefit low and moderate-income people of Delaware**

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#### **Rationale:**

This need is cited in the original DESEU enabling legislation, and was one of the most suggested recommendations in the SWOT public sessions and during the one-on-one interviews. It also emerged as a recommended area for energy savings in the *Potential for Energy Savings in Delaware Study*.

The Study specifically calls for the development of programs for multiple family and income eligible services. It stated that “Multi-family housing is an increasingly important segment of the housing market, yet providing comprehensive energy efficiency services to people who live in apartments can be difficult and is often overlooked by efficiency programs.”

With the exception of the recently launched DCIC partnership there are no specific programs in the DESEU portfolio that specifically addresses the needs of persons or businesses facing the most significant barriers to participation.

#### **Objectives:**

1. Identify and work with collaborators including housing authorities, the Delaware Housing Coalition, local non-profit and for profit housing providers and faith-based organizations.
2. Conduct a robust search for potential programs that are designed to provide educational and financial support for: income eligible renters, manufactured home owners and parks, home-owners on fixed incomes, and low-income owners and residents of multiple family units.
3. Strive for program implementation in FY 2014-15 with a potential allocation of up to \$2 million in funds.

## GOAL TWO

### **Evaluate clean vehicle programs to expand DESEU programs into this new market area and capture new energy savings and greenhouse gas emission reduction opportunities**

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#### **Rationale:**

The need for Clean Vehicle programs is cited in the original enabling legislation, and was also recommended as a result of interviews with DNREC and with Oversight Board members. The transportation sector in Delaware accounts for 42% of the Delaware's carbon emission profile.

#### **Objectives:**

1. Identify and work with collaborators including the Delaware Clean Cities Program, the Northeast Electrical Vehicle Network, natural gas utilities, and propane fuel providers and the Delaware Valley Council for Clean Air.
2. Conduct a robust search for potential programs across all alternative fuels that are designed for passenger, fleet and commercial vehicle users.
3. Seek out revolving loan opportunities to finance clean vehicle fleets.

## GOAL THREE

### **Evaluate small business investment incentives to expand DESEU activity in areas where there is a high potential for energy savings**

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#### **Rationale:**

A successful program was offered in 2010 and 2011 that combined rebates and financing opportunities, which supported small businesses seeking to reduce energy costs. The program showed that there was demand for a program that includes rebates to incentivize small businesses. These entities often lack the capital to invest in energy saving projects. The *Study for the Potential for Energy in Delaware* also found that there was a need for Small Business Retrofit Programs.

#### **Objectives:**

1. Identify and work with collaborators including Chambers of Commerce, the Small Business Administration, the Delaware Energy Efficiency Investment Fund Administrators and the Delaware Economic Development Office.
2. Conduct a robust search for potential programs across all business sectors.
3. Seek out revolving loan opportunities to finance small business energy savings retrofits.

## **GOAL FOUR**

### **Explore potential agricultural assistance programs to expand activity in an area not currently served by the DESEU**

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#### **Rationale:**

There is potential for energy savings in the agricultural sector. Prospects include agricultural buildings, food processing/manufacturing, vehicle fleets and other agricultural related services. Agriculture makes a notable contribution to the State's overall economy serving an important economic driver for other industries in the state and region. The number of farms in Delaware in 2007 was 2,546, which covers 510,253 acres, or 41% of all state land. The DESEU has no programs targeted toward this important economic sector.

#### **Objectives:**

1. Identify and work with collaborators including the Delaware Farm Bureau, the Delaware Department of Agriculture County Conservation Districts, Delaware's poultry Industry, the Mid-Atlantic Farm Credit Bureau and USDA program administrators and the Delaware Extension Service.
2. Conduct a robust search for potential programs across all agricultural sectors and agribusinesses.
3. Seek out revolving loan opportunities to finance agricultural energy savings improvements in buildings and vehicles.

## **GOAL FIVE**

### **Evaluate the following programs recommended by the “*The Study of Potential Energy Savings in Delaware*” to capture opportunities found through the study process**

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#### **Rationale:**

The Delaware Department of Natural Resource and Environmental Control (DNREC) commissioned the Study of Potential Energy Savings in Delaware to estimate achievable energy efficiency potentials under different scenarios. Among three different scenarios it found a range of savings by 2025 between 18.7% and 30.1% for electric, 9.1% and 18.1% for Natural Gas and between 12.4% and 24.7% for Petroleum fuels. The study also provides “proxy” programs that could be implemented to achieve the savings. The following is a summary of programs suggested in the study that are not currently offered by the DESEU.

#### **Status:**

##### **Retail products programs:**

The retail products programs will work with manufacturers and retailers to promote and employ a variety of incentives and rebates for energy efficient products. Typically this involves instant and mail in rebates for energy efficient lighting, appliances, consumer electronics.

**Behavior modification programs for the residential sector:**

These programs provide home energy reports to consumers on specific energy usage patterns for metered utilities. The principal goal is motivating customers to follow-through with customer specific efficiency recommendations (e.g. turning down thermostats, turning off unused lights, etc.). This should include programs to educate and train people how to use the technology they have.

**Lost opportunity program:**

These kinds of programs are geared toward the commercial and industrial sectors. Similar to the residential rebate programs for appliances this program would incent commercial and industrial utility customers to implement and utilize energy efficient equipment and measures.

**GOAL SIX****Evaluate new subsidiary “Green Enterprises” that would be aligned with the DESEU mission and support the DESEU by diversifying its revenue streams and programs**

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In 2011 the DESEU created a subsidiary corporation named *SEU One, LLC* for the purpose of operating the SREC Procurement Program. *SEU One, LLC* is incorporated as a limited liability corporation and the DESEU is the sole member. *SEU One, LLC* operates with its own banking accounts so that funds related to the SREC Procurement Program are not mingled with the other program funds of the DESEU. *SEU One, LLC* charges a fee for service to its client and in turn that revenue is used to support the overall DESEU administration.

This is an excellent example of how the DESEU created a subsidiary “green enterprise” that diversified its revenue and expanded its programs while at the same time insulate its core function.

Other opportunities should be explored. Some potential Green Enterprises include:

**Delaware Green Bank**

A Green Bank is a public or quasi-public financing institution that provides low-cost, long-term financing support to clean, low-carbon projects by leveraging public funds through the use of various financial mechanisms to attract private investment so that each public dollar supports multiple dollars of private investment.

A Green Bank may conform to a variety of structures, utilize many different public funds, and create a diverse array of financial products. Several states including New York and Connecticut have formed Green Banks as part of a national push for states to establish Green Banks. Federal Legislation to provide support for state Green Banks has been proposed.

The DESEU functions very much like a Green Bank without the advantages of a name that clearly indicates its purpose. **The DESEU should look into the Green Bank model and place its lending programs under that concept.**

## **Public Purpose Energy Service Company (PPESCO)**

Public-purpose energy services companies improve building energy performance in small to medium-sized buildings that serve a public purpose. They operate on a smaller scale than do typical ESCOs, making energy savings—not dollar their bottom line for improvements to buildings.

Customers would include affordable multi-family housing, schools (K-12), health care facilities, and non-profit facilities, and municipalities. This concept was developed by Vermont Energy Investment Corporation (VEIC) under an open-source concept with intent to establish a network of independent PPESCO around the country.

VEIC plans to engage this new PPESCO community by creating a trade group, using in-person and virtual networking activities to create wider access to capital and projects, and to establish operating norms and quality standards to support the growth of the PPESCO marketplace.

There is a barrier to small public agencies, non-profits and other public service organizations in Delaware, in that there is a lack of contractors who provide comprehensive energy service contracting for small scale. **DESEU should look at the feasible of filling the gap in services by establishing a PPESCO in Delaware.**

## **Photo Voltaic (PV) Solar Leasing Company**

A solar (PV) leasing company is one that provides capital for small businesses and residences through an equipment leasing arrangement so that there is an opportunity to afford solar PV panels without high upfront costs. The high cost of Solar PV is a barrier in Delaware, particularly for middle-income residential families and small businesses.

The State of Connecticut offers a Solar Leasing program. The program is described as a “no money down” opportunity to install a solar system on your property. Pay less than your current electric bill and lock in predictable bills for years to come. Your CT Solar Lease™ includes comprehensive insurance and warranty coverage provided by an Assurant.”

Offering an affordable solar leasing program in Delaware would also provide a leasing venue for local independent solar installers. Currently leasing programs are offered a few companies who operate nationally. **The DESEU should consider forming a Solar Leasing Company.**

## **Energy Star Portfolio Management Company**

This kind of enterprise would manage, for a fee, Energy Star Portfolio Manager Software for buildings owned by public agencies and non-profit organizations. The EPA created ENERGY STAR Portfolio Manager®, an online tool, to measure and track energy and water consumption, as well as greenhouse gas emissions. It is used to benchmark the performance of buildings. Building owners that use the program are more likely to manage their buildings in the most cost effective and sustainable way possible. Unfortunately, many public agencies and nonprofits do not use the program because they do not have the human resources needed to operate it. An Energy Star Portfolio management company would centralize the service making it more affordable. **The DESEU should consider forming an Energy Star Portfolio Management Company to fill the need in Delaware.**

## **Green Energy Aggregation Program**

Delaware's electric market allows customers of Delmarva Power to shop for suppliers to provide the "generation" component of their electric service. Interest has grown in the market place for green energy generated by solar, wind and other recognized renewable sources. The DESEU could consider establishing Green Energy Aggregation Program as a cost efficient way to allow customers to access to these sources of energy. The program will promote renewable energy and stimulate the green economy. **The DESEU should consider forming a Green Energy Aggregation Program**

### **GOAL SEVEN**

**Monitor, influence, and evaluate programs recommended by the new Energy Efficiency Advisory Committee to ensure that the DESEU mission as a "one stop shop" for energy efficiency program is maintained and expanded**

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#### **Rationale:**

House Amendment 2 (HA2) to Senate Bill 150, signed in law, established an Energy Efficiency Advisory Committee of 13 members; the DESEU has two seats on the committee. The purpose of the committee is to assist energy providers in the development of energy efficiency, peak demand reduction, and emission-reducing fuel switching programs and collaborate on recommending candidate energy efficiency, and reduction, and emission-reducing fuel-switching program elements that are cost-effective, reliable, and feasible, including financing mechanisms. In addition, the committee is to assist in evaluation, measurement and verification of energy savings of the programs. HA2 calls for the affected energy providers and the Sustainable Energy Utility to collaborate to promote available energy efficiency and peak demand reduction programs through a common marketing platform provided by the DESEU. And HA2 gives the DESEU the right at its discretion to provide private financing, RGGI funds, or other financing resources to reduce implementation cost in coordination with the affected energy providers. Finally the DESEU may collaborate with affected energy providers to provide efficiency programs. The DESEU should fully exert its committee membership and its legislative charge to collaborate with the energy providers to supports is mission of being the premier one-stop-shop for connecting and empowering energy consumers with the resources to reduce costs, improve the environment and ensure energy independence for future generations.

#### **Objectives:**

1. Establish the DESEU as an active and valuable member of the EEAC.
2. Provide evidence to the EEAC that multiple utility funded programs can be coordinated and offered through a single independent third party provider, like the DESEU, and that programs offered through an independent providers are more efficiency and effective and avoid duplication and customer confusion.
3. Work with the Energy Providers to establish the "common marketing platform."

4. Ensure that programs recommended by the EEAC are not duplicative of DESEU programs.
5. Collaborate with affected energy providers to provide cost effective efficiency programs uniformly across Delaware.

## **SECTION 2:**

# **Program Support Systems**

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Section Two focuses on critical functions that support and help programmatic initiatives to succeed.

They include:

1. Evaluation, Verification and Measurement Reporting
2. Education, Marketing and Communications

## GOALS AND OBJECTIVES

# Evaluation, Measurement, Verification and Reporting

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*“To build a successful team, you don’t start out with people—you start out with the job. You ask what are we trying to do?” Whether the organization achieves what it is trying to do, its chosen destiny is the best single measure of board performance.*

*–Peter Drucker*

## Background and Rationale:

Evaluation Measurement and Verification begins with externally driven program targets that, in turn, drive internal program targets. Evaluation is an objective, systematic process for assessing program performance in order to quantify the effectiveness, efficiency, or effects of the program for the purpose of documenting performance or making improvements.

Evaluation, Measurement and Verification systems are critical for management, confirming delivery of expected energy savings targets, and justification of Energy Efficiency and Renewable energy programs.

These systems produce third-party measurable and verifiable outcomes that reinforce our values of transparency and accountability.

Results from third-party evaluation benefit our funders, customers and clients by ensuring the DESEU offers the best and most cost-effective programs. Evaluation also allows the value of DESEU’s programs to be accurately documented. The DESEU should strive to set standards for reporting excellence.

## Guiding Principles for the EMV System

Have the ability to report accurate and timely data for energy related program evaluation.

Be transparent in communicating the methodology of our measurement system. Utilize national best practices and uniform methods for measuring program impacts.

Utilize unbiased independent, third party evaluators to conduct annual EM&V studies.

## GOAL ONE

**Establish long-term performance targets for the DESEU and targets for each program based on potential energy savings and clean energy deployment so that the DESEU performance can be measured and reported. (This will be achieved within the context of legislatively established targets and DESEU funding availability)**

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### **Background:**

The DESEU enabling legislation requires the Executive Director to set and comply with appropriate performance and budgetary targets and that these targets must be the DESEU's overall strategy. It requires that each program have estimated budget, program goal, performance target, budget, implementation strategy and evaluation strategy. The Board is to review and approve the recommendations of the Executive Director. There are in place several legislatively established statewide targets for renewable energy deployment, electric and natural gas usage reductions, and carbon emissions reductions

### **Objectives:**

1. Issue a Request for Proposals to seek qualified vendors who can develop and recommend long-range performance targets for the DESEU and targets for each established program.
2. Select a vendor and enter into a contract to develop performance and program targets in early 2015.
3. Have targets in place for fiscal 2015-16 program year.
4. Monitor targets annually for needed adjustments.

## GOAL TWO

**Ensure that monitoring and reporting systems for DESEU's programs are in place so that program progress and measurement against program targets is possible**

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### **Objectives:**

1. Issue a Request for Proposals for an EM&V process evaluation to seek qualified vendors who can evaluate and recommend a measurement, verification, evaluation, and reporting protocols DESEU programs.

The protocols should:

- a. Establish programmatic benchmarks as part of the program design and management.
- b. Leverage state, regional, and national EM&V standards and resources to develop set standards for reporting organizational excellence.

- c. Develop schedules for every program determining how and when they will be evaluated.
  - d. Protocols for measuring all programs on a monthly basis or other appropriate interval, the outcomes should be reported quarterly to the board.
  - e. Develop protocols for evaluating pilot programs and new program proposals based on cost effectiveness, technical feasibility, social equity, economic impact, and energy savings.
  - f. Establishing protocols for conducting annual third-party evaluation to determine verified gross and net energy savings for all DESEU funded programs.
2. Select a vendor and enter into a contract to EM&V protocols in early 2015
  3. Have protocols in place for fiscal 2015-16 program year.
  4. Monitor target EMV protocols annually for needed adjustments.

### **GOAL THREE**

**Ensure that internal and external reporting systems for DESEU programs are in place so that the DESEU Board and the Public can be kept informed of the DESEU's progress over time**

#### **Objectives:**

1. Develop a timeline, matrix of responsibilities and performance indicators that will measure and report the successes in achieving the goals set forth in the strategic plan.
2. Publish an annual report that includes quantitative performance outcomes but also illustrates those outcomes. Report on the progress made towards meeting established program targets and benchmarks.
3. Develop bi-monthly reports for Board and public consumption that tracks program process and measurements against program targets and benchmarks.
4. Develop a Delaware Energy Efficiency Scorecard system that can be used to track overall statewide progress toward legislative targets.

## GOALS AND OBJECTIVES

# Education, Marketing & Communications

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*“Energy is not well understood by the people in this country. It’s like air—we use it but we don’t think about it. “ –Senator Harris McDowell*

### **Background:**

The DESEU enabling legislation requires that requires the DESEU to enhance the educational component directed toward the general public. That educational component is to have a continued focus on residential energy efficiency projects. The SWOT analysis conducted as a part of this planning effort revealed that there is an immediate need for the DESEU to focus its attention on educating key publics about its role so that participation in DESEU programs increases The SWOT also revealed that energy audits are often secondary in terms of priority in most organizations creating obstacles to energy and cost savings.

### **Rationale:**

In order to encourage the public and businesses to change behaviors associated with energy savings, a significant and ongoing public information program will be necessary.

As the DESEU’s programming expands, its ability to communicate with large segments of the public in a cost effective manner becomes a challenge for the organization. The education, marketing and communications program is the core support function of the DESEU.

## Guiding Principles for the Education, Marketing and Communication

Utilize multiple channels of communication in order to gain the broadest reach

Ensure that those who have Internet access and communications challenges are included in outreach initiatives

Where possible use existing distribution channels (like Food Banks) to educate harder to reach populations

Continually monitor the effort for effectiveness

## **GOAL ONE:**

**Create education and public awareness programs that inform Delawareans of all ages and incomes about the benefits associated with energy efficiencies, renewable energy, and greenhouse gas emission reductions.**

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### **Rationale:**

In order for programs to be successful it is necessary to educate and subsequently motivate constituency groups to act. Beyond our program success it is imperative to encourage Delawareans to become aware of their own abilities to save energy and reduce harmful emission.

### **Objectives:**

1. Create a Speaker's Bureau, Speakers Series and hold workshops and on Energy Efficiency and Renewable Energy.
2. Develop education and outreach materials directed toward a variety of constituencies including business from all economic sectors.
3. Do energy savings demonstrations at fairs, community/public events and home tradeshows
4. Develop public outreach plan for each economic sector. Recruit partners to deliver programs and training. (in-person presentations, media interviews, etc.)
5. Compile a list of programs and reach out to civic and business organizations to let them know what is available.
6. Seek out opportunities for public outreach through non-traditional methods by partnering with schools, children's museums and other targeted visitor attractions that have the interest and ability to provide venues that can serve as outlets for DESEU educational programs and promotional activities including providing the public with energy savings measures that they can be self-installed.
7. Work closely with utilities and utilize their billing contacts and processes to increase DESEU program awareness.
8. Periodically conduct focus groups with marketing directors from key partner organizations to identify cooperative opportunities.
9. Develop an annual DESEU signature event.

## GOAL TWO

### **Overcome Brand Confusion and Create Top of Mind Awareness for the “Energize Delaware” Effort so that the “Energize Delaware” brand becomes recognized and understood for throughout Delaware.**

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#### **Rationale:**

An ongoing effort to boost the public image of the DESEU and its programs and partner organizations is mission critical.

The ability of the DESEU to effectively transmit product knowledge and to motivate Delawareans to utilize “Energize Delaware” as a resource is critical to its success.

Although the Utility has existed for a number of years, research findings reveal that the DESEU is not widely known. Research findings also reveal that brand confusion exists. The name of the organization (Delaware Sustainable Energy Utility) creates confusion as a result of multiple meanings associated with the words “utility” and “sustainable.”

Adding to the confusion is the fact that the DESEU “Energize Delaware” logo represents the programs of the DESEU but is not always linked to the name of the organization or its purpose.

#### **Objectives:**

1. Enlist professionals to refresh the DESEU’s brand and associated slogans and taglines so that it efficiently communicates the DESEU’s purpose and programs and associated accomplishments to the public.
2. Better publicize the role of the DESEU so that clients know to contact the DESEU for their energy efficiency and renewable energy needs in Delaware.
3. Widely publicize the comprehensive list of DESEU programs and their descriptions.
4. Develop a Graphic Identity and Brand Standards Manual to increase the consistency of visual impressions associated with the DESEU so that top of mind awareness can be achieved through visual recognition.
  - a. Develop standard logos, typefaces and colors to enhance the association with the DESEU and Energy Savings Programs
  - b. Create a style guide for the website
  - c. Create recognizable visual messages and associate taglines
  - d. Create standard templates and electronic clip book for use by the DESEU and its partners
  - e. Develop a logo for DESEU sanctioned programs (like the good housekeeping seal)

### **GOAL THREE**

## **Build a cost-effective marketing and communications infrastructure that so that the capacity is there to meet the DESEU public awareness and education goals.**

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### **Rationale:**

The single most important driving factor the DESEU's success in the marketing effort is customer acceptance. A consistent and systematic effort that builds trust in the DESEU, and converts prospects into participants in a cost effective manner, will provide the foundation needed for the DESEU to reach its goals.

### **Objectives:**

1. Systematize the DESEU's Marketing and Communication efforts by creating, funding and approving a biennial marketing and public relations plan that is aligned with the strategic plan. The plan will identify all target markets (geographic, demographic, behaviors) by program and utilize repetitive messaging to communicate that the DESEU is a one-stop conduit and the "go to place" to find energy savings programs, renewable energy program support, and opportunities to reduce air pollution and harmful emissions.

The following components should be included:

- a. media relations plan, including social media
  - b. content management strategy and production plan
  - c. search engine optimization strategy
  - d. paid media plan
  - e. community outreach and education plan which will include the initiatives suggested in goal number 3
  - f. methods for program evaluation and measurement at regular intervals which will include surveys to measure the reach and penetration of the DESEU's marketing efforts
2. Utilize the DESEU Brand to empower partner organizations so that the *Energize Delaware* Programs are mutually beneficial, more cost effective and more efficient in their delivery.
    - a. Take a multifaceted approach using the Internet, local media advertising and mailers for homebuilders and other partner agencies
    - b. Partner with other entities to build up brand awareness
    - c. Maintain close working relationship with Delmarva Power and Light (DELMARVA POWER), the Delaware Electric Cooperative (DEC), the Delaware Municipal Electric Corporation (DEMEC), Delaware Department of Natural Resources (DNREC) and the energy services corporations (ESCOS).

- d. Promote businesses that are currently using DESEU incentives and partnering with the DESEU, and ask them to promote DESEU programs.
  - e. Enhance one-on-one efforts
  - f. Hire industry specific “circuit riders” to work with specific groups and businesses on Energy Savings Programs.
3. Refresh update and enhance Website so that it becomes the core instrument to support programs, promotions, public awareness and educational outreach, as well as, support mass communications initiatives.
- a. Ensure the website is updated on a continuous basis
  - b. Define user groups and the likely actions they will take when using the website
  - c. Ensure the DESEU website is not confused with other websites
  - d. Do more with key words and employ search engine optimization strategies so that internet searches for the DESEU provide crisp results
  - e. Develop better linking strategy for the DESEU website to minimize user confusion
  - f. Develop social media plan using the website as a conduit
  - g. Utilize push technologies such as social media links, mobile phone applications and email blasts to encourage people to sign up
  - h. Proactively post DESEU events on news outlets web sites
  - i. Update website on a continuous basis so that content is timely and fresh and so that that rankings on search engines appear at or near the top.
  - j. Enhance website with relevant educational videos

#### GOAL FOUR

### **Communicate successes so that value the DESEU brings to Delaware comes commonly known and understood by the public**

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#### **Rationale:**

The ongoing documentation of the DESEU's activities, finances and accomplishments help to build the reputation and credibility of the organization and its programs.

#### **Objectives:**

1. Continuously report out successes through the news media, develop news release and press conference schedule.
2. Publish an annual report that illustrates to stakeholders that the DESEU is fulfilling its mission.
3. Hold public events illustrating DESEU success stories.

## SECTION 3:

# Governance and Organizational Development

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*“Governance is not an end unto itself: it is a means to an end. The old approach of giving the board something to do, anything at all is wrong. The board does have something to do, something vital, and it’s making sure the organization succeeds at reaching its chosen destiny.”*

*Mark Light, The Strategic Board*

Goals and objectives for continuous improvement for both the Oversight Board and the DESEU administrative functions are included in this section.

## GOAL ONE

**Build organizational capacity so that the DESEU can fully utilize its available resources to increase energy efficiency and clean energy in Delaware while serving to reduce greenhouse gas emissions**

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### **Background:**

Due to increased funding from the RGGI program and other sources of revenue the DESEU has an opportunity to grow and expand its programs and influence in the State of Delaware. In order to do this, the DESEU will need to expand its capacity. We will do this through networking, partnering and strategically expanding and leveraging resources. The DESEU should solicit more outside input and expertise of like-minded Delawareans by building a broader coalition of supporters, contractors, and partners. Focus on ways of institutionalizing partnerships once they are formed.

### **Objectives:**

1. Develop a staffing plan for Board review and approval so that DESEU can be properly staffed to meet the challenges of increasing responsibilities in light of increasing appropriations and possible new responsibilities under SB150. A lack of technical, financial, and public relations expertise was identified during the SWOT process and public meeting.
2. Establish a relationship with the University of Delaware’s Center for Energy and Environmental Policy to create and budget for a formal research and development capacity that produces Board Briefings and White papers on relevant and emerging energy technologies, markets, and policies.
3. Build greater creative capacity by populating and empowering an advisory group or groups to help “bake” ideas, monitor new technical developments and report back to the DESEU Board and Executive Director
4. Increase the number of people being sent out to promote programs
  - a. Establish a speaker’s bureau
  - b. Empower partners with relevant materials and information
  - c. Use board members as advocates

- d. Establishing circuit rider program made up of specialized experts to promote and assist with programs
5. View Utility Companies and Renewable Energy and Energy Efficiency businesses as partners
    - a. Engage with renewable energy and energy efficiency businesses, as well as, industry associations for the purpose of identifying and pursuing mutually beneficial opportunities including cooperative outreach activities, program financing, identifying new technologies and recruiting new clients.
    - b. Meet regularly with Delaware electric and natural gas providers for purpose of collaboration and for coordination in the area of energy savings and emissions reductions.
  6. Build capacity by working with existing economic development organizations to support green job creation efforts and enhance economic incentive programs.
    - a. Build working relationships with economic development organizations such as: the Small Business Development Centers, the Delaware and County Economic Development Offices, Downtown Revitalization Programs, Department of Agriculture, DRBA, USDA, Delaware Solid Waste Authority, Department of Transportation and Chambers of Commerce.
    - b. Evaluate their programs for complementary areas of interest.
  7. Increase capacity for educational and marketing outreach.
    - a. Hire PR/Marketing professionals who can work as needed to improve communication and marketing: need multi-year contract to maintain continuity.
    - b. Consider creating an internal communications shop.
  8. Increase the diversity of revenue sources to increase the DESEU financial capacity to offer programs and to maintain its long-term diversity.
    - a. Explore opportunities for grant funding and be vigilant about pursuing them.
    - b. Explore new lines of business that can increase revenue diversity and broaden capacity to offer programs.

## **GOAL TWO**

### **Engage and empower the DESEU oversight board so that it can effectively lead the organization toward its Vision**

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#### **Background:**

The DESEU Oversight Board members must construct and work within a solid organizational framework that facilitates efficient Board related operations that help them to fulfill their specific responsibilities, which includes individual Duty of Care, fiscal oversight, resource development and board performance evaluation.

1. Fully engage DESEU Oversight Board members.  
(Oversight Board Members should vigorously participate by attending meetings, reading board material actively serving on committees promoting the DESEU whenever possible. Proposals should be reviewed with a critical eye.)

- a. Focus all board members on promoting financing, in particular more Bond Issues.
  - b. Encourage Board members to better know each other's abilities and the abilities of their respective organizations.
  - c. Institutionalizing the committee work in accordance with the committee's responsibilities as articulated by the Board.
  - d. Hold a more effective planning/ evaluation retreat on a regular basis
  - e. Include Board members in key meetings with potential program partners as needed.
2. Continue to build efficient board framework, management and support systems
- a. Board members should recognize the board's role as oversight body and require that proposals come from the Executive Director and are vetted through the appropriate committee(s).
  - b. Populate key committees with individuals who have proven expertise in topic area and listen to recommendations.
  - c. Governance Committee should establish an annual review process for updating governance documents as external conditions change including committee structure. Evaluate the committee system and evaluate if non-board members should be utilized.
  - d. The Governance Committee should establish a process for identifying potential new Board who are well versed in energy matters for the purpose of making recommendations when vacancies arise. The process should include all board members and give consideration to representatives from utilities and higher education.
  - e. Increase the efficiency and effectiveness of board and committee operations by establishing predictable meeting dates and consistent operational deadlines for the release of agendas, reports and board packets and real-time data on finances.
3. Enhance Oversight Board Member Orientation, Training, and Evaluation Systems
- a. Provide an orientation for new Board members complete with a director's resource manual, which includes all governance documents and names, titles and contact information for Oversight Board and Committee members.
  - b. Conduct board member effectiveness self-evaluation annually
  - c. Encourage board members to attend the Delaware Alliance for Nonprofit Advancement's Board Excellence Training program. This program is specifically designed to help develop the governance function of nonprofit Boards of Directors, and thereby the long-term community impact of the nonprofit organizations themselves.

### **GOAL THREE**

## **Streamline Operations so that the DESEU programs are delivered in an efficient in timely manner to its customers.**

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### **Background:**

The DESEU is an independent organization, streamlining operations and being less bureaucratic enables the DESEU to improve productivity, be more competitive, and to attract and retain customers.

1. Review procurement and contracting policies because they may be more difficult than necessary.
2. Have the Board place its focus on critically reviewing and approving proposals verses the time consuming process of designing them.
3. Review and adjusting board policies and procedures so that the Executive Director is given more authority to make decisions.
4. Hold regular Executive Committee meetings so that approvals and directives can be executed in a timely manner.

### **GOAL FOUR**

## **Enhance Planning so that the DESEU has a predictable path forward for its programs and its growth**

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### **Background:**

As programs are added, organizational growth becomes a more important issue. Careful attention must be given to planning so that resources will be available when needed. In addition, a strong planning effort would avoid the on again, off again programming that was experienced in the past.

1. Institute a consistent and regular organization-wide effort for planning and evaluation.
2. Follow through on current strategic planning efforts.
3. Institute a multi-year planning and budgeting system that establishes guidelines for spending the following areas: Administration; Programs (administration, grant v. loans); Marketing; Research and Development; and Measure, Verification, and Evaluation.
4. Adapt a communications and public relations plan that reflects the findings found in the communications section of this plan.
5. Revisit organizational goals regularly and communicate progress through annual reports to legislators, stakeholders and the public.

## GOAL FIVE

**Be recognized as high performance organization so that its value to Delawareans is known and unquestionable.**

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### **Background:**

The DESEU receives RGGI funds through the State of Delaware and is empowered with authority by the State of Delaware. It is vitally important that the DESEU has the confidence of those it serves and that the organization operates in an ethical and forthright manner.

1. Continue to develop good board policies by following the Standards for Excellence: An Ethics and Accountability Code for the Nonprofit Sector that is recommended by the Delaware Alliance for Nonprofit Advancement.
  - a. Strive for SOE Tier One recognition in FY 2014-15
  - b. Strive for SOE Tier Two recognition in FY 2015-16
  - c. Strive for SOE Tier Three recognition in FY 2016-17
2. Participate in the Delaware Alliance for Nonprofit Advancement's (DANA) Board Excellence Training Program. Encourage DESEU Board members to participate in relevant training programs
3. Ensure that financial statements are audited and then carefully reviewed by the Financial and Audit Committee and Board, and publish and posted them on the DESEU website.
4. Create the impetus for updating the strategic plan and measuring performance against strategic initiatives.

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### **DESEU Oversight Board Members**

#### **Officers**

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<http://www.standardsforexcellenceinstitute.org/dnn/>

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September 4, 2014

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