

Delaware Sustainable Energy Utility
Minutes of the Meeting of the Oversight Board
122 William Penn Street, Haslet Armory, Dover, DE 19901
November 15, 2012 - 8:15 A.M.

1. Welcome

Chairman Harris B. McDowell, III called the meeting to order at 8:30 A.M. Present were Michael Sheehy, Kristopher Knight, Roger Jones (teleconference), Charles Wagner (teleconference), Robert Underwood (Proxy for Secretary O'Mara). Also present were Frank Murphy - Legal Counsel (teleconference), Tony DePrima – SEU Executive Director, and Lisa Gardner – SEU Office Manager.

2. Approval of Minutes

Senator McDowell requested that the minutes of September 20, 2012 reflect that the general consensus was for the SEU to focus primarily on the Green for Green and Home Improvement with Energy Star programs.

Mr. Sheehy moved to approve the minutes, as amended, of September 20, 2012, seconded by Mr. Underwood and unanimously carried.

3. SEU Business

a. Proposed FOIA Policy

Mr. DePrima presented an amended FOIA policy to members of the board. Although the SEU has always responded to FOIA requests; adopting such a policy would outline the process and set timelines and fees. Mr. Murphy indicated the policy complies with all respects to the State of Delaware's statute.

Mr. Knight moved to adopt the FOIA Policy as presented, seconded by Mr. Sheehy and unanimously carried.

b. Proposed 2013 Budget

Mr. DePrima stated that the 2013 Budget was provided to members during the September 20, 2012 meeting, since that time, there has been one minor change; there will be one (1) less payment reflected in the White Oak Project in 2012, and one (1) more additional payment posted in 2013. Mr. DePrima reminded members that this budget is an estimate and can be amended at any given time. Mr. DePrima pointed out that line item titled "Energize Delaware" with a budgeted amount of \$2,568,206; he indicated that this is a placeholder for future programs. Responding to Senator McDowell, Mr. Murphy confirmed that the SEU has control of the trade name "Energize Delaware".

Mr. Sheehy moved to adopt the 2013 Budget as presented, seconded by Mr. Knight and unanimously carried.

c. Consideration of Statements

i. Murphy and Landon Legal Services – August, September, and October 2012 - Mr. DePrima presented Murphy and Landon’s invoices for the month of August 2012, in the amount of \$4,323.33, the month of September 2012, in the amount of \$4,907.90, and the month of October 2012, in the amount of \$15,090.90.

The Board unanimously moved to approve payment of the above mentioned invoices.

d. Green For Green Program Design

Mr. DePrima introduced members of the audience representing the Home Builders Association of Delaware and thanked them for their assistance in developing the Green For Green Program. The proposed budget for this program is approximately \$400,000, which is in line with last year’s pilot program spending. Last year the SEU was responsible for administration cost and rebates; this year we are proposing that the SEU be responsible for Measurement and Verification (M&V) and the rebates and that the Home Builders Association be responsible for all administration costs. Additionally, the rebate amounts have been significantly reduced, approximately by half from last year. Mr. DePrima explained different scenarios of the Rebate Table (**Attachment A**). An important aspect of this year’s proposed program is that non-profit organizations, such as Habitat For Humanity, will receive the benefit of the rebate, since they are the ones incurring the costs. Additionally, it is proposed that 10% of the rebate amount be set aside for the non-profits. Mr. DePrima suggested that a Governance Committee be developed to monitor the rebate reservation system.

Mr. Howard Fortunato, Executive Vice President, Home Builders Association of Delaware offered encouraging comments regarding the Green For Green Program and thanked members for their support.

Senator McDowell moved to approve the Green For Green Programs as presented and to authorize Mr. DePrima to move forward with its development with a Governance Committee, and that any extensions of the budget must be approved by the board. The motion was seconded by Dr. Wagner and unanimously approved.

Dr. Wagner suggested that home improvement suppliers such as Lowes and Home DePot to partner with the marketing process.

e. Extension of Qualifying ESCO’s

Mr. DePrima indicated that in October of 2009, the Delaware Sustainable Energy Utility (SEU) initiated a pre-qualification process through a Request for Qualification (RFQ) for what was then called the “Institutional Shared Savings Program.” This program later became known as our Performance Contracting Program or our Performance Bond Program. Energy Service Contractors (ESCOs) who pre-qualified for this program became a part of a pool of contractors who could make proposals to state, municipal, non-profit and other institutional participants without having to go through any further advertising and selection process. However, it is important to note that state agencies or other participants are not required to use contractors who are pre-qualified. Firms that submitted RFQ’s were reviewed and approved through a process lead by AEG. The intent was to pre-qualify them for a period of three (3) years.

The RFQ was written in such a way that it was open ended specifically the RFQ stated: **“After the deadline time and date for this initial solicitation, applications from additional ESCOs may be considered for qualification under this RFQ and if approved, will be considered only for the remaining duration of the qualification period”**. The RFQ process was very detailed, lengthy, and thorough. No complaints have been received regarding the ESCO’s that are under contract with state agencies through our 2011 Bond Financing. All of the ESCO’s prequalified are well known companies. Given that this was an open ended process that

allowed for new ESCO's join and given the thoroughness of the process, and given the lack of any problems to date, I would like to recommend that that we extend the status of "prequalified" through 2015.

Mr. Sheehy moved to extend the status of prequalification through 2015, seconded by Mr. Knight and unanimously carried.

f. BDO Engagement Letter – 2011 Compilation

Mr. DePrima informed members that BDO is in the process of completing the 2010 Compilation and that is now necessary for them to begin working on the 2011 Compilation. The contracted amount for this work is \$14,000. Mr. Knight explained that he continues to work with BDO in regards to the 2010 Compilation and is expecting their report prior to the next meeting.

Mr. Knight moved to approve the BDO Engagement Letter for the 2011 Compilation, seconded by Mr. Sheehy and unanimously carried.

4. Reports

a. Executive Director's Report

- i. Budget and Bond Report**
- ii. Activity Report**

Executive Director Tony DePrima provided his reports to the Board.

5. New Business/Old Business

6. Public Comment

The Board invited comment from members of the public.

7. Adjourn

Mr. Knight moved to adjourn, seconded by Mr. Sheehy and unanimously carried.

Meeting Adjourned at 10:06 a.m.

REBATE TABLES

One rebated table will be selected by the Home Builders based on their Program (NGBS, LEED, RESNET HERS, and Energy Star) and Standard (2008 or 2012 for LEED and NGBS).

Table #1 2008 Standard National Green Building Standard Homes	
Part 1 - Sustainability Rebate	
Silver Overall	\$1,000
Gold Overall	\$1,500
Emerald Overall	\$2,000
Part 2 - Energy Efficiency Rebate	
Gold Energy Section (Chapter 7)	\$1,000
Emerald Energy Section (Chapter 7)	\$1,500

*One rebate may be taken from each Part 1 and Part 2

Table #2 2012 Standard National Green Building Standard Homes	
Part 1 - Sustainability Rebate	
Bronze Overall	\$1,000
Silver Overall	\$1,500
Gold Overall	\$2,000
Emerald Overall	\$2,500
Part 2 - Energy Efficiency Rebate	
Silver Energy Section	\$1,000
Gold Energy Section	\$1,500
Emerald Energy Section	\$2,000

*One rebate may be taken from each Part 1 and Part 2

Table #3 2008 Standard LEED Homes	
Part 1 - Sustainability Rebate	
Silver Overall	\$1,000
Gold Overall	\$1,500
Platinum Overall	\$2,000
Part 2 - Energy Efficiency Rebate	
HERS 59 – 50	\$1,000
HERS 49 – 40	\$1,500
HERS 39 – Below	\$2,000

*One rebate may be taken from each Part 1 and Part 2

Table #4 2012 Standard LEED Homes	
Part 1 - Sustainability Rebate	
Certified Overall	\$1,000
Silver Overall	\$1,500
Gold Overall	\$2,000
Platinum Overall	\$2,500
Part 2 - Energy Efficiency Rebate	
HERS 59 – 50	\$1,000
HERS 49 – 40	\$1,500
HERS 39 – Below	\$2,000

*One rebate may be taken from each Part 1 and Part 2

Table #5 Energy Star 3.0 Certified or HERS Rated	
HERS 59 – 50	\$1,000
HERS 49 – 40	\$1,500
HERS 39 – Below	\$2,000