

**Sustainable Energy Utility Oversight Board Special Public Meeting  
of the Executive Committee of the Board  
Location: Center for Energy and Environmental Policy  
278 Graham Hall  
University of Delaware  
Newark, DE 19716**

Date and Time: December 8, 2011 at 3:30 PM

Present: Sen. H. McDowell, Dr. J. Byrne, R. Jones, M. Sheehy, C. Snyder (by teleconference), A. DePrima, F. Murphy

**MINUTES**

**I. Welcome**

Senator McDowell called the meeting to order.

**II. Consideration of responses to RFP for Procurement Agent for SEU Procurement Program for Solar Renewable Energy Credits**

The Executive Committee addressed the matter of the responses to the RFPs for a procurement agent for the Solar Renewable Energy Credits Auction/Procurement Program. A motion was made to enter into an executive session to discuss the relative merits of the bids that had been submitted by SRECTrade, Clean Energy Markets, and Sol Systems. The motion was passed unanimously by the members of the Executive Committee present: H. McDowell, J. Byrne, and R. Jones. .

In executive session each of the three bids were reviewed in terms of the price bid, the experience and expertise of the bidders, and the quality of services they could be expected to provide. SRECTrade was the low bidder by a substantial margin, had excellent qualifications and experience. SRECTrade has run SREC auctions, and will charge a one-time fee to develop the database.

Having reviewed the three bids in detail and the qualifications and experience of the bidders, a motion was made to leave the executive session which was approved unanimously by the members of the Executive Committee present: H. McDowell, J. Byrne, and R. Jones.

In public session, the Committee considered a motion to recommend to the Board at the next meeting that the SEU retain SRECTrade to serve as the procurement agent for the SEU Solar Renewable Energy Credits Auction/Procurement Program. It was noted that SRECTrade was the low bidder by a substantial margin and was considered by the Committee members to be the most highly qualified of the bidders. The motion passed unanimously by a vote of the members of the Executive Committee present: H. McDowell, J. Byrne, and R. Jones.

**III. Consideration of proposal to retain independent accounting firm (BDO) for SEU**

The Executive Committee considered a proposed contract with the BDO accounting firm to immediately commence an independent review and reconciliation of the SEU's RGGI and

ARRA funds. The SEU needs a comprehensive review in order to commence planning for future energy savings programs. The contract is under a capped fee of \$24,500.

#### **IV. Consideration of proposal to retain financial advisor (Becker Capital) for SEU**

The Executive Committee considered a contract to retain a financial advisor for the SEU, which was needed on an urgent basis. The SEU is without a financial advisor at this time, given that DNREC is winding down the SEU programs created under DNREC's contract with Applied Energy Group. In order to begin to plan for, design and roll out future programs, the SEU will need the assistance of a financial advisor. In addition, if the SEU is to undertake a bond issue, the assistance of a qualified financial advisor is needed at this time, as the SEU needs to begin to coordinate with prospective participants. Further, the SEU has hired an Executive Director, and is in need of a financial advisor to assist the Executive Director with a review of the SEU's financial controls and setting financial policies. As reflected in the prior discussion about the BDO financial review, it was considered important to have a financial advisor to help oversee the work of BDO in its review of the SEU's finances. Furthermore, the SEU will soon be implementing the SREC Auction/Procurement Program, and the advice of a qualified financial advisor will be needed for that purpose. Becker Capital was a co-financial advisor for the SEU's 2011 bond issue and took the lead for the finance team, assisted by NW Financial. In addition, Becker Capital led the SREC Auction/Procurement Program Review Team (which included BDO and the Drinker Biddle law firm) and reported to and advised the SEU Board about the Program, including possible impacts on the SEU. Therefore, Becker Capital and its principal Ken Becker were thoroughly familiar with bond financing issues and SREC Procurement Program issues. Becker Capital's proposal includes capped fee arrangements and is on par with its prior bid to provide financial services for the 2011 SEU bond issue. It was noted that Becker Capital had performed high quality work for the SEU in the prior two engagements and its fees were in the low range. Ken Becker demonstrated a very high level of commitment, particularly throughout the entire bond process; even when it became evident that the work involved would exceed the compensation the Becker Capital firm would receive under its capped fee arrangement with the SEU.

Given the urgency of several of the matters discussed, the members of the Executive Committee present (H. McDowell, J. Byrne, and R. Jones) approved a motion to accept the Becker Capital proposal so that the work could commence in December 2011, subject to presenting the contract to the SEU Board at the January 2012 Board meeting for its review and consideration, and possibly alternative action, depending on the views of the Board.

Under the current proposal, the fees on the Becker Capital contract are incurred month-to-month, and therefore only a limited amount of fees would be incurred prior to the Board meeting in January 2012. The work relative to a future bond issue would only be billed at the time of a bond closing and would be paid entirely from bond proceeds.

#### **V. Adjourn**

A motion to adjourn was approved.