

Delaware Sustainable Energy Utility Oversight Board Meeting

Friday, October 22, 2010

DNREC Lukens Facility

391 Lukens Drive

New Castle, DE

Minutes

ATTENDANCE

Oversight Board Members

Senator Harris B. McDowell III, Co-Chair

Dr. John Byrne, Co-Chair (called in)

Secretary Collin O'Mara, DNREC

Randy Day, Perdue Agribusiness

Roger Jones, The Nature Conservancy

Arthur Padmore, Delaware Public Advocate (called in)

Dr. Chuck Wagner, Manufacturer of Energy Devices (called in)

SEU Contract Administrator

Matt Lillard, Applied Energy Group

Carolyn Snyder, DNREC

Sean Finnigan, Delaware State Senate

Frank Murphy, SEU Attorney

Cara Lampton, DNREC

Members of Public

Jeff Brenner, Brite Idea Energy

Finn McCabe, Flexera

I. Welcome

Senator McDowell welcomed the members of the Oversight Board and introductions were made.

II. Executive Session

Senator McDowell requested that the Oversight Board enter into Executive Session to discuss items of a proprietary nature.

The Oversight Board concluded the Executive Session at 11:15 a.m. and returned to open meeting.

III. Approval of Minutes

The minutes will be amended to note that Secretary O'Mara was in attendance via phone. Arthur Padmore requested that his title be removed from the minutes. The minutes with corrections were approved unanimously.

IV. Program Updates

Matt Lillard gave the Contract Administrator update on behalf of Ralph Nigro, who was unable to attend. He provided program updates on the Appliance Rebate Program, Upstream Residential Lighting Rebate Program, Residential Home Performance Program, Commercial and Industrial Program, Residential New Construction, and Low-Income Multifamily Housing Program.

V. Review of U.S. DOE Monitoring Visit

Carolyn Snyder, the new Director of Energy and Climate at DNREC gave a summary of the U.S. DOE monitoring visit of the SEP ARRA grant. All of the SEU programs are funded in whole or part by the grant except for Green4Green and performance contracting. The federal grant demands significant responsibility in monitoring and project oversight, therefore it is important to for DNREC and the Board to work together to handle the compliance issues. A discussion between BLS, AEG, and DNREC about the grant should be scheduled.

Minor programmatic decisions or those related to grant compliance are worked out with AEG and DNREC on a nearly daily basis. Senator McDowell suggested that the Executive Committee assist the with program decisions. Secretary O'Mara recommended the Executive Committee only be called on for substantive changes, such as moving major funds. DNREC, as the grant recipient, is legally responsible for oversight of the funds including quality assurance (QA) for ARRA grant funded programs, separate from and in addition to the Contract Administrator's QA scope.

VI. RPS Task Force Update

The Board moved to have Sean Finnigan represent their interest at the RPS Task Force meetings. The Board unanimously approved Sean as the Oversight Board's designee.

VII. Anticipated Board openings

Board members Joe Loper and Sharron Cirillo have submitted letters of resignation. New members need to be appointed. A motion approved Roger Jones as a member of the Executive Committee to fill Sharron's seat on the committee.

VIII. SEU 1st year Financial Review

DNREC and Fiscal Agent, BLS, are working to circulate the financial statements and make them more user-friendly. Frank noted some have been circulated. BLS should attend the next meeting.

IX. Old Business

Per Frank Murphy's suggestion, the Board approved the purchase of a directors and officers liability insurance policy which will provide \$5 million of coverage annually for the SEU. The Board also approved payment of outstanding invoices from Ballard Spahr from the Dover Sun Park project and other matters, pursuant to a proposed agreement negotiated in part by Frank Murphy to further reduce the legal fees sought by the Ballard Spahr law firm.

The next meeting is to be scheduled for some time in the two weeks between the election and the Thanksgiving Holiday. Board members will send Cara Lampton their availability.

X. Public comment

A member of the public thanked the Board for their time and effort.

XI. Adjourn

The meeting adjourned at 12:04pm.