

Delaware Sustainable Energy Utility Oversight Board Meeting
Perkins Student Center, Kirkwood Room 2nd Floor, University of Delaware, Newark
10:00am, March 10, 2010

ATTENDANCE

Executive Committee Members

Senator Harris B. McDowell, III, Co-Chair
John Byrne, Director, Center for Energy and Environmental Policy, Co-Chair
Secretary Collin O'Mara, Department of Natural Resources and Environmental Control
Sharron Cirillo, Public Accountant
Representative Pamela Thornburg
Dr. Charles Wagner, Manufacturer of Energy Devices
Roger Jones, Nature Conservancy
Nnamdi Chukwuocha, Kingwood Community Center
Randall Day, Perdue Agribusiness
Judge Arthur Padmore, Delaware Public Advocate
Charlie Smisson, State Energy Coordinator (ex officio)

Board Staff

Sean Finnigan, Delaware State Senate
Frank Murphy, SEU Attorney

Scribe

Peter Olmsted, Center for Energy and Environmental Policy

SEU Contract Administrator

Ralph Nigro

Members of the Public

Jim Black, CAC	Mike Humphrey, citizen
Pat Todd, LWV	Barry Yerger, Mid Atlantic
Brian Kramer, LWV	Renewable Partners
Becky Fleischauer, Navigator Communications	Nello Paoli, Preferred Electric
Cara Lampton, DNREC	Sally Buttner, Energy Transition Consulting
Marvin Lands, citizen	Finn McCabe, Flexera, Inc.
Doug Beish, citizen	Rachel Marcus, CMI Solar Electric
Priscilla Chandler, PJM	Brian Gallagher, E3 Energy

I. Welcome

The meeting was called to order at 10:00 a.m. Senator McDowell welcomed the Oversight Board members, the SEU Contract Administrator, Ralph Nigro, and the Delaware Energy Coordinator, Charlie Smisson to the meeting. Board Members introduced themselves.

II. Approval of Meeting Minutes

The November 17, 2009 Board meeting minutes were reviewed and approved unanimously.

III. Review SEU/Dover Sun Park SREC Agreements

To discuss the proprietary nature of the Dover Sun Park agreements, the SEU Oversight Board moved to enter into Executive Session. Due to the proprietary nature of the Dover Sun Park negotiations, members of the public were asked to excuse themselves.

Upon closing the executive session and inviting members of the public to rejoin the Oversight Board meeting, Senator McDowell informed attendants of the potential opportunities presented by the Dover Sun Park.

Committee member Dr. Byrne followed up on the Senators remarks, and overviewed the details pertaining to the project. Dr. Byrne explained that while the Dover Sun Park offers a significant opportunity to strengthen the solar industry within the State, the volume of SRECs that the facility will produce will destabilize this market. Specifically, the oversaturation of Delaware's SREC market will have a dramatic impact on the market-based incentives for small to medium-sized solar businesses within the State. Over the past year, the SEU has therefore negotiated a

participatory role in this project to help stabilize the overall market. Upon direction of the Oversight Board, the Executive Committee has negotiated a series of legal agreements and completed financial analyses of arrangements in which the SEU would purchase a fixed amount of SRECs from the Dover Sun Park.

The SEU would purchase a fixed amount of SRECs from White Oak, subsidiary of LS Power and the owner and operator of the Sun Park, from 2011 through 2014. During RPS compliance years 2015 and 2016, the SEU would then sell these SRECs to Delmarva Power and Light who would use them for complying with DE's RPS solar carve-out. Due to the fact that DE's RPS solar carve-out schedule grows gradually over the initial years, the arrangement under which the SEU will forward sell SRECs to Delmarva will help to stabilize the SREC market and create market opportunity for a variety of participants.

Dr. Byrne informed members of the public that the SEU Executive Committee met last week to discuss this opportunity, and made a motion to recommend that the SEU Oversight Board enter into the necessary agreements to participate in the Dover Sun Park project contingent upon the due diligence regarding financial considerations.

The SEU Oversight Board unanimously passed the following motion:

The SEU Oversight Board does hereby approve the authorization of the SEU Oversight Board Co-Chairs to complete negotiations and to execute the necessary documents including Solar Renewable Energy Credit (SREC) agreements and the financial term sheet as presented to the Oversight Board. The SEU Oversight Board stipulates that the proportion of Dover Sun Park

SRECs that the SEU acquires must cover all the costs associated with entering into these contracts. The SEU Oversight Board further stipulates that the SEU Oversight Board Co-Chairs shall explore, in consultation with the SEU Oversight Board Executive Committee, local alternative financing opportunities that would satisfy the SEU's financial commitments with participation in the Dover Sun Park project.

IV. Contract Administrator Update

Ralph Nigro, SEU Contract Administrator, updated the Oversight Board on the progress of SEU programs to date.

The CA informed the Board that 7,000 units have been awarded rebates through the appliance rebate program equating to approximately \$5 million. The CA continues to engage in outreach activities regarding the commercial lighting program. Both Amtrak and Walmart are participating in the commercial lighting program, and are awaiting a response concerning prevailing wage requirements. In terms of the performance contracting program, five organizations have submitted letters of interest and will engage the appropriate process to select ESCOs. The CA continues discussions with the 2 outfits selected for the Sustainable Communities Program to develop a formal scope of work. The CA continues to explore options for establishing revolving loan fund programs to support energy efficiency retrofits.

The CA also commented that a notice has been released regarding the SEU's partnership with the DSHA to bolster energy efficiency program opportunities for low-income, multi-family

residential units. Board members discussed this opportunity, and agreed that the SEU will need to develop a predetermined set of criteria for evaluating and selected bids.

V. Old/New Business

There was no old or new business to report.

VI. Public Comment

Citizen Mike Humphrey commended the SEU Oversight Board for their persistence in engaging the Dover Sun Park opportunity. As a homeowner whom has installed a solar system, having the SEU stabilize Delaware's SREC market is important for achieving appropriate payback periods for customers who invest in solar system.

Priscilla Chandler of PJM also commended the SEU Board for helping to stabilize Delaware's SREC market through participation in the Dover Sun Park project.

VII. Adjourn

The meeting was adjourned at 11:45 a.m.