

**Delaware Sustainable Energy Utility Oversight Board Meeting**  
**Trabant University Center, University of Delaware, Newark**  
**10:00 a.m., November 17, 2009**

**ATTENDANCE**

**Board Members**

Senator Harris B. McDowell, III, Co-Chair  
John Byrne, Director, Center for Energy and Environmental Policy, Co-Chair  
Secretary Collin O'Mara, DNREC (call-in)  
Sharron Cirillo, Public Accountant  
Roger Jones, Delaware Nature Conservancy (call-in)  
Dr. Charles Wagner, Manufacturer of Energy Devices (call-in)  
Judge Arthur Padmore, Delaware Public Advocate (call-in)  
Representative Pam Thornburg  
Joe Loper, Alliance to Save Energy (call-in)  
Charlie Smisson, State Energy Coordinator (ex officio)

**Board Staff**

Frank Murphy, SEU Attorney  
Sean Finnigan, Delaware State Senate

**SEU Contract Administrator**

Ralph Nigro, Applied Energy Group

**Scribe**

Peter Olmsted, Center for Energy and Environmental Policy

**Members of the Public**

Jim Black, CAC  
Brian Kramer, LWV  
John Sykes, LWV  
Nello Paoli, Preferred Electric  
Brian Yerger, AERCA  
Taylor Heffernan, Student  
Albert Miller, KW Solar Solutions  
John D. Flaherty  
Jeff Benner, Brite Ideas Energy

Mike Schlegel, Duffield  
Brian Gallagher, E3 Energy  
Scott Lynch, DNREC  
Casey Grabowski, TetraTech  
Amy Roe, Citizen  
Howard Colm, Colm Engineering  
Sally Buttner, Energy Transition  
Consulting  
Finn McCabe, Flexera Inc.

## **I. Welcome**

The meeting was called to order at 10:13 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 September 17, 2009 Board meeting minutes were reviewed and approved unanimously with minor changes. The October 16, 2009 Executive Committee meeting minutes were reviewed and approved unanimously by EC members.

## **III. Update of City of Dover Solar Project**

Board member Dr. John Byrne provided an update regarding the solar power project planned for the City of Dover. Dr. Byrne highlighted that the City of Dover will engage a third party developer to construct a 9-10 MW solar facility on public land. The energy generated from the facility will be sold to customers within the City. The Solar Renewable Energy Credits (SRECs) associated with the operation of the facility will be purchased by Delmarva Power, DMEC, the SEU and Dover ratepayers.

The role of the SEU will be to purchase and hold SRECs from the market for a period of 4-6 years in order to avoid exhaustion of DE's SREC market demand. The SEU is negotiating with the developer to establish an agreement in which the SEU would purchase SRECs in the first 4-6 years of the contract and then forward-sell its SRECs to Delmarva Power during subsequent contract years. It is expected that the SEU will procure SRECs equal to 20-25% of the facility's annual generation. This may rise as high as 40% for the limited 4-6 period of time during which the SEU will buy and hold SRECs.

The City of Dover and the developer are currently reviewing ground mounted, single-axis and fixed-axis technologies.

## **IV. Review of Draft Appliance Recycling RFP**

The SEU Contract Administrator, Ralph Nigro, provided an update on the efforts to establish an appliance recycling program. Mr. Nigro indicated that the desire is to enter into a contract in which a contractor would oversee the implementation and management of an SEU appliance recycling program. Predicated on a per unit basis, the contractor would be expected to arrange for appliance pick-up, decommissioning, and recycling.

Board members expressed concern over some recycling services that are offered and whether appliances are properly decommissioned, recycled and ultimately removed from the market. Noting the importance of marketing and education for a successful appliance recycling program, Board members expressed particular interest in developing the infrastructure for the pick-up and recycling of multiple appliances. Board members also

noted the importance of large retailers in promoting the program. Mr. Nigro commented that the winning bidder would be expected to establish solid monitoring and verification to track progress and savings.

Mr. Nigro noted that the DE Solid Waste Authority currently has an appliance recycling program. Board members encouraged the CA to have a conversation with the DSWA to explore synergies for expanding appliance recycling opportunities in Delaware.

The CA will release an RFP soon and will talk to DSWA.

#### **V. Review of Draft Residential Energy Efficiency RFP**

Mr. Nigro updated the Board on the structure envisioned for the residential energy efficiency program and the development of the RFP for this purpose.

Mr. Nigro noted that the winning bidder(s) would be awarded a contract for 2010 in which the contractor would be expected to implement a suite of programs including: Home Performance with Energy STAR™, Energy STAR™ new home construction, HVAC replacement and weatherization. An in-home audit would be conducted to identify needs and priorities.

Sen. McDowell pointed out that the program should be specifically tailored to reward participants who implement efficiency standards in excess of the current building code. Sen. McDowell also recommended that a tiered structure be established for the menu of programs. Sen. McDowell suggested that financial assistance, grant incentives, and loans be structured into the program which take into account energy cost-to-income ratios. The CA commented that he will bring this to the attention of bidders and will incorporate this tiered approach into the RFP.

Secretary O'Mara noted several components that he believes are important for the success of this program. These include: the shared savings model, audits, financing, diversity of contractors, and job creation.

Mr. Nigro pointed out that the winning bidder would be expected to develop a network of service providers through which the contractor would manage the implementation of the program.

Subject to incorporation of the modifications discussed, Board members voted unanimously to authorize the CA to release the Residential Energy Efficiency RFP.

#### **VI. Contract Administrator Update**

Mr. Nigro provided Board members with a brief update of progress to date. He noted that 2,400 applications have been processed for the appliance rebate program, which represents 60% of the 2009 target.

