

**Delaware Sustainable Energy Utility Oversight Board Meeting  
Kirkwood Room, Perkins Student Center, University of Delaware, Newark  
9:00 am, March 19, 2009**

**ATTENDANCE**

**Board Members**

Nnamdi Chukwuocha, Kingswood Community Center (called in)  
Sharon Cirillo, Public Accountant (called in)  
Roger Jones, State Director, The Nature Conservancy, Delaware Branch  
Mike Sheehy, Public Advocate (called in on behalf of Judge Arthur Padmore)  
Chuck Wagner, Manufacturer of Energy Devices

Senator Harris B. McDowell, III, Co-Chair  
John Byrne, Director, Center for Energy and Environmental Policy, Co-Chair

Charlie Smisson, State Energy Coordinator (*ex officio*)

**Board Staff**

Frank Murphy, Attorney to the Board  
Sean Finnigan, Delaware State Senate

**Scribes**

Anne Smart, Center for Energy and Environmental Policy  
Cara Lampton, Center for Energy and Environmental Policy

**Guest**

Ralph Nigro, Applied Energy Group

**Members of the Public**

John Flaherty  
Brian Gallagher, E3 Energy (for the Delaware Energy Office)  
Vicki Folmar  
Lauren Piscupia, Murphy & Landon  
Brian Heller  
Mark Brunswick  
Jim Black, Clean Air Council  
Brian Kramer, League of Women's Voters – New Castle County  
Pat Todd, League of Women's Voters – New Castle County  
Peggy Schultz, League of Women's Voters – New Castle County  
Gerry Fulcher  
Dave Woodside  
Andy Meserve, GE Energy  
Sally Buttner, Energy Transition Consulting, LLC  
Mike Schlegel, Duffield Associates

## **I. Welcome**

Meeting began at 9:15am.

Senator Harris McDowell announced that the SEU has a contract administrator.

Senator McDowell explained that the CA, along with the State Energy Coordinator and the SEU Board, comprising the three main pillars of the SEU. In addition, a fiscal agent and bid-based performance contractors contribute to implementation of the goal of reducing energy consumption and increasing energy efficiency.

Dr. Byrne noted that a speech at the University of Delaware, Mayor Michael Nutter, City of Philadelphia, praised the SEU as “a great idea” and expressed his appreciation for the assistance provided to Philadelphia by University of Delaware researchers in the preparation of its Sustainability Framework. Please see the Press Coverage section of the SEU Oversight Board website for Mayor Nutter’s complete remarks.

## **II. Approval of the February 3, 2009 Meeting Minutes**

Motion to adopt the meeting minutes for February 3, 2009 was approved unanimously.

## **III. Contract Administrator Update**

The Contract Administrator contract was signed shortly before the Board meeting and, therefore, the Board had not reviewed the document in advance of the meeting for its review. As a result, State Energy Coordinator Chalire Smisson briefed the Board on the highlights of the contract.

Mr. Smisson thanked DNREC Interim Secretary David Small for moderating the CA negotiating process.

Mr. Smisson then introduced Ralph Nigro of Applied Energy Group (AEG). The Contract Administrator is headed by AEG and includes Cadmus Group—under EPA/DOE contract to market *Energy Star*® products and standards through the U.S.; Catalyst Financial Services Group—experienced in sustainable energy financing; and TMA Delaware—an expert in Delaware transit and transportation policy options. The CA Contract is a 4-year contract.

Mr. Nigro stated there are 9 major tasks in three categories: administration, early launch activities intended to provide a foundation for future programs not yet identified, and strategic market analysis and program planning.

- Task 1: Financial Model Analysis and Development
- Task 2: Enhanced Low Income Weatherization and Efficiency Program
- Task 3: Early Launch: *Energy Star*® Residential Appliance Purchase Program
- Task 4: Early Launch: Small Business Efficiency Light Program

- Task 5: Institutional Sector Shared Savings Program
- Task 6: Initial SEU Marketing
- Task 7: Strategic Market Analysis
- Task 8: Management Information Systems, IT Support, and Communications
- Task 9: Reporting

On behalf of the Contract Administrator team, Mr. Nigro stated they recognize the SEU Board's significant role in program design, target-setting, etc. He indicated they are looking forward to a collaborative effort because "we are charting new territory". It is expected that there will be changes to the scope of the first year contract and alternatives proposed for ensuing years of effort.

Charlie Smisson reiterated that flexibility was built into the CA contract and that the SEU Board is charged by law to approve program goals, objectives and designs for the CA.

Mr. Nigro stated that he would like to bring representatives from the full team to a Board meeting in the future.

Dr. Wagner, Board Member, asked if Delaware has enough qualified people to perform energy audits on low-income homes. It was noted that several efforts are underway to expand workforce training in the energy field.

Dr. Wagner asked if Lieutenant Governor Matt Denn had been contacted regarding workforce training and federal stimulus funding. Senator McDowell stated that he had been contact but that a meeting would need to be arranged in the future.

Roger Jones, Board Member, asked if any other states have operated shared savings programs. Mr. Nigro said that is a very common program used throughout the country, especially to address the needs of the institutional sector (which includes public buildings, schools, hospitals, university and others). In Delaware, New Castle County is already using this type of program.

Dr. Byrne asked the Board to support the design of early launch program aimed at increased renewable energy installations in the state. The Green Energy Fund is already experiencing delays. Mr. Nigro stated that it was possible to design an additional early launch program in this area. The Board approved Dr. Byrne's request for an early launch renewables program and Mr. Nigro was asked to prepare a basic design for Board action.

The Board approved an expedited process for the approval of RFPs for the three Early Launch programs. Specifically the co-chairs of the SEU Oversight Board were given permission to approve the RFPs on behalf of the Board. If the co-chairs are not in agreement the RFPs are brought to the Board for final disposition.

Dr. Wagner stated that the hourly reimbursement rate for the CA appears to be high. Mr. Smisson said that the rates were market competitive, as reflected by bidder rates reviewed by the Delaware Energy Office in preparation for and during negotiations for a CA.

Senator McDowell asked if the smart meters could fit into SEU programming. Mr. Nigro explained that smart metering allows utilities to collect information that was previously inaccessible. The CA cannot plan or implement a smart metering program—this would be a utility based program, but Mr. Nigro confirmed the importance of this tool. On the residential level, with the right technology, smart meters could be used to see how much energy each appliance uses and the impact of household activities.

Senator McDowell asked if the early launch program would include disposal of old appliances. Mr. Nigro stated that the early launch appliance program provides rebates only. This was DNREC's decision in the negotiation of the initial contract. But Mr. Nigro indicated that the CA team would be happy to explain the issue in future programming.

#### **IV. Old/New Business**

Dr. Byrne asked for the Board to endorse a letter to Governor Jack Markell commending State Energy Coordinator Charlie Smisson for his dedicated leadership throughout the creation and establishment of the Delaware SEU.

Motion to approve the letter was passed unanimously.

Mr. Smisson expressed his appreciation to the Board, the staff of the State Energy Office, the members of the CA contract negotiation committee, and consultant Brian Gallagher.

#### **V. Public Comment**

John Flaherty asked about projected payment given to a consultant from TMA Delaware at a fee of \$120/hr. Mr. Nigro stated that the \$120/hr fee was determined by TMA. TMA is a subcontractor of the CA.

Pat Todd asked about the advisory committee written into the law and asked when people would be appointed to this committee. Senator McDowell stated that with the CA contract signed, the next priority is to obtain a Fiscal Agent contract. Once this is completed, the Board could focus on the advisory committee.

Branch Heller expressed hope that the activities of the CA will be expressed to the Delaware Economic Development Office because energy costs could decrease in the state thanks to the efforts of the SEU, and this would create a competitive advantage for Delaware. Senator McDowell stated that he met with DEDO Director Alan Levin on Monday and it was a very productive meeting.

Dave Woodside asked for clarification about the pilot program with People's Settlement Association. Dr. Byrne noted that the design of the early launch program dates back to 2007. (Please see minutes from November 1, 2007 as well as the early launch program handout regarding oil and natural gas furnace replacement on the SEU Task Force

website.) People's Settlement Association conducts the workshops for participants of the furnace replacement program. But these funds are from a separate contract with DNREC. The actual early launch program involves funds provided by DNREC to the Weatherization Assistance Program in the State's Department of Health and Social Services. Funds for the early launch program are not handled by People's Settlement Association.

Peggy Schultz asked if AEG and its team did the entire program planning in the scope of work alone without Board involvement. Mr. Smisson confirmed that the Board did not participate in the CA contract negotiation process.

A status update on the bylaws review was requested. Frank Murphy, the Board's attorney, expressed his apologies for being busy due to family matters. The bylaws review will be complete as soon as possible.

## **VI. Adjourn**

Meeting adjourned at 10:25 am.

**The next SEU Board Meeting will be held on Thursday, April 23 at 9am.**