

SEU Advisory Board

Meeting Minutes

Monday, September 17, 2012

I. Call to order

Chairman Betty Ann Kane called to order the meeting of the SEU Advisory Board at 10:10 am Monday, August 20, 2012 at the District Department of Environment, 1200 First Street, N.E. Washington, D.C.

Roll call

SEU Advisory Board: Betty Ann Kane, Dr. Donna Cooper, Daniel Wedderburn, Bernice McIntyre, John Mizroch, Joseph Andronaco, Chris VanArsdale, Larry Martin, Jermaine Brown, Sandra Mattavous-Frye

Absent Board Members: Keith Anderson

Other Attendees: Taresa Lawrence, Hussain Karim, Ted Trabue, David Cawley, Veronique Marier, Steve Seuser, Rishi Garg, Herb Jones, Marcus Walker, Dan Cleverdon, Lance Loncke, Lynora Hall, Nina Dodge, Olayinka Kolawole, George Nichols, Lilia A. Abron, Brian Gallagher, David Leipziger, Gail Montplaisir, Elizabeth Chant, Barbara Burton, Daniel White, Pamela Nelson, Carey Hinton, Mark Davis, Kenton Edelin, Mike Healy, Mohamed Ali, Joe Dempsey, Carol Sabo, Teri Lutz

Approval of agenda and minutes from the last meeting.

The agenda was approved. The amended minutes with the changes discussed on page 4, paragraphs 3 and 6; and page 6, paragraph 5 were adopted.

II. Official Business

Lance Loncke introduced the representatives from Tetra Tech: Carol Sabo and Teri Lutz. An overview of the Evaluation, Measurements & Verification (EM&V) process was presented to the Board. Topics for discussion were:

What is EM&V and why is it important
DC SEU EM&V Project Status
Early Findings

Evaluation objectives were discussed:

- Estimate the levels of demand or energy savings
- Determine the portfolio and program effects
- Understand and document program performance
- Understand program or program-related markets and market operations
- Assess program-induced changes in energy efficiency markets
- Determine program and portfolio cost effectiveness.

Evaluation Categories:

Impact Evaluation – quantifies the demand and energy savings, market effects, and the environmental and economic costs and benefits.

Process Evaluation – assessment of operations to identify and recommend improvements to increase the efficiency and effectiveness for acquiring energy savings.

Market Assessment – Conducted to characterize the market before program design and to assess broader market effects of an energy efficiency program once implemented.

Market Effect Evaluation – an evaluation of the change in the structure of the functioning market.

Performance Benchmarks Approach:

Tetra Tech will review and ensure: 1) compliance with assumptions and definitions for benchmark calculations as agreed to with DDOE; 2) documentation and program data support calculations and reports; 3) program level savings align approximately with pertinent benchmarks; and 4) calculations and assumptions align with the benchmarks.

The Project Timeline for Phase 1:

August 1, 2012 –	Project Kick-off
August 16 & 17 –	Introduction to KITT and CAT
August 27, 2012	Bi-weekly Technical Advisory Group meetings commence
August 28–31, 2012 -	KITT & CAT questions and answers
August 31, 2012 -	KITT data extracted, Program Plans available
September 4, 2012 -	Draft Framework and Evaluation Plan for DDOE
September 6, 2012 -	Project Checkpoint
September 12, 2012 -	DC SEU review of draft documents complete
September 17, 2012 -	Advisory Board meeting
September 30, 2012 -	Final Deliverables

The Project Timeline for Phase 2 includes completion of the evaluation for FY12 and the start of FY13:

October 1, 2012 -	FY12 Evaluation Kick-off
November 1, 2012 -	Preliminary results based on data extracted from KITT
November 15, 2012 -	Program evaluation plans and budget by program updated, sampling completed
November 30, 2012 -	FY12 Programs evaluation effort commences pending client approval of final plans and sampling strategies.
January 30, 2013 -	Fielding ends, data analysis commences
March 1, 2013 –	Submit draft EM&V program results to DDOE and VEIC
March 15 & 30, 2013 –	Submit reports and FY13 evaluation begin
March 20, 2012 -	Submit draft Performance Benchmarks assessment results to DDOE And VEIC
April 2013 -	Present evaluation results to DDOE and VEIC
October 2013 -	Kick-off FY14 evaluation

Tetra Tech early finding of the DC SEU are:

The energy efficiency portfolio programs are considered industry standard programs for new portfolios—industry-tested program designs by VEIC.

The majority of savings are expected to be from the installation of lighting measures—typical and effective for new portfolios.

- New programs can take from one to three years to mature – and the DC SEU programs are performing as to be expected given when they were launched; a number of programs had delayed starts.
- Good QA/QC and follow-up procedures are in place
- Program managers report a substantial number of applications downloaded and many projects in the pipeline.
- DC SEU programs staff have a good understanding of target markets in terms of size and the key customers.
- Tracking and estimating tools are transparent and logical; standard reporting tools could be improved.
- Strong emphasis on infrastructure building – working with program partners/vendors, contractor training – with the objective to make appropriate programs very trade ally driven, which will support market transformation.

There are challenges unique to the District such as:

- The District includes a large contingent of federal customers who have different project funding mechanisms that must be considered in project incentive.
- There is no large industrial base from which the garner savings – typically a significant savings sector.
- The Green Jobs Performance Benchmark, although likely a good longer-term driver for success, is slowing progress early on as the workforce infrastructure is being development.
- Due to the nature of some federal customers, there are barriers to gather onsite data to calculate/verify savings.

There were questions asked regarding Tetra Tech;

- What is Tetra Tech’s calendar for submitting reports?
- How was the EM&V contractor selected?
- What were the evaluation criteria?

These questions will be answered at the next SEU Advisory meeting.

Mr. Ted Trabue gave a PowerPoint Presentation on the DC SEU Fiscal Year 2013 Annual Plan that included:

- FY 2012 Lessons Learned and FY 2013 Strategic Direction
- Resources Available
- DC SEU Programing
- Meeting Benchmarks – Early

The FY 2012 Lesson Learned will be to combine market based programs with direct installation during the transition to the market based approach. The DC SEU plans to have a trajectory that has green job hours being created reliably and steadily. The DC SEU will continue to focus on staff hiring and training, and will plan for steady spending and billing. The DC SEU also will respond faster to feedback and more rapidly implement any course corrections.

The FY 2013 Strategic Direction will be to continue/accelerate existing programs, with a mix of direct install and market based programs, along with continuing to secure green jobs and energy savings.

The presentation included various charts for review and discussion:

- Overview of Initiatives by Strategy
- FY 2013 Budget by Area
 - Renewables 7%
 - Commercial and Institutional 43%
 - Low-Income Multifamily 27%
 - Residential 23%
- Project Electric/Gas Spending
- Contributions to Benchmarks
- Green Jobs FTEs by Quarter
- Cumulative Spending
- Corrected Budget Values for Services

Mr. Marcus Walker spoke briefly on the program completion levels. The DC SEU staff had been out in the field visiting the contractors who are assigned to various projects as well as getting feedback from the customers; making sure that the QA/QC is completed and determining if remediation is needed; processing the projects to submit invoices to DDOE; trouble shooting the supply chains and managing the programs to achieve the FY 2012 spending requirement over the next two weeks.

The DC SEU objective was to have 100% market based programs but had to revert to direct install programs because of the fiscal year deadline to spend contract dollars. The green jobs goal is 66 and the DC SEU projected about 60 FTE equivalents created in FY 2012. The DC SEU has held four job fairs; two were for internal office staff and two for contractors. The green jobs requirement reduces the overall energy savings goal. The CBE spend for the year was \$5.5 million; the low income spend was 30% at \$3.9 million and on track to hit \$4.85 million. The largest energy users study has been completed and will be presented.

It was stated that the DC SEU was late in developing a relationship with large energy users as far as developing the green jobs was concerned. The DC SEU needs to be more aggressive to create green jobs for the residents. The programs need to be geared towards hiring rather than energy reductions. Mr. Trabue highlighted the solar program successfully implemented in Wards 7 and 8 for low-income households.

The Board noted that the DC SEU encountered certain market barriers and wanted to confirm that the DC SEU can achieve the goals set forth. Mr. Trabue stated that at the end of FY11 the DC SEU ramped down the Quick Start Programs after administering them for the first quarter of FY12. None of the existing programs were developed or implemented at that time. Since they are now developed it will now put the DC SEU in a much better place going into FY13. There will be one new program in FY 2013, the Cool Roof Pilot Project. This topic will be an agenda item for the next meeting.

Dr. Cooper asked the DC SEU to provide to the Board issues that they ran into regarding the market based approach and why they fell short. This information is needed for the SEU Advisory Boards Annual Report.

Dr. Lilia Abron said that working with the largest energy users as DC Water, WMATA and Providence hospital all of them have the same requirement of meeting the 35% CBE participation. Dr. Abron will give report at the next meeting on the largest users.

Mr. Walker said that the DC SEU would not achieve the statutory required spending on gas programs and that renewable energy projects were on-going.

Mr. Dave Cawley gave an overview of the comparison of administrative costs for Efficiency Vermont, Efficiency Smart, and the DC SEU. He stated that the level of administrative costs is a function of how

long an operation has been up and running. Efficiency Vermont has been operating for twelve years and currently has a budget of \$46 million. The budget includes operation wide expenditures, facility costs, top management, IT, and the communication infrastructure. After twelve years, Efficiency Vermont's administrative costs represent 5% of its revenues. Efficiency Smart Program has a budget of \$7.2 million with an administrative cost of 12%; and the DC SEU's administrative costs for FY12 is 17% of the budget, and will drop significantly to 9% in FY 2013.

Ms. Mattavous-Frye asked if the DC SEU could provide a breakdown of how it will achieve the reduction in administrative costs from 17% to 9%. This information will be provided at the next meeting.

Mr. Karim was asked to speak on the Directors and Officers Liability Insurance. Since the Board member who requested the information was not present Mr. Karim was asked to electronically forward the information to the entire Board.

After the presentations, several Board members had questions that will be agenda items to be discussed at the next meeting;

- More details on Direct Installations (**agenda item**)
- Difference between a Cool Roof and Green Roof (**agenda item**)
- Report on largest energy users (**agenda item**)
- Report on the DC SEU 11 Week Training Program
- FY13 Comparison of Administrative Costs, with an emphasis on the reduction in costs from 17% to 9%
- SEU Annual Report – Coordination of process i.e. topics and timeline.

Other Issues:

Dr. Cooper and Mrs. Mattavous-Frye will coordinate the process for the SEU Annual Report and circulate to the Board.

OPC will convert the report to layman's terms.

All presentations covered at this meeting will be provided to the Board.

The SEU Advisory Board currently has two vacancies in the areas of building management and renewable energy. Referrals may be submitted to DDOE.

New business

The Board asked the status of the Chair, Keith Anderson.

Set a schedule of the required quarterly meetings with the DC SEU.

Drafting of the SEU Annual Report.

III. Adjournment

Chairman Betty Ann Kane adjourned the meeting at 12:25 pm.

Minutes prepared by: Lynora Hall