SEU Advisory Board

Meeting Minutes
Monday, January 14, 2013

I. Call to order

Keith Anderson, Chair, called to order the meeting of the SEU Advisory Board at 10:15 am Monday, January 14, 2013 at the District Department of Environment, 1200 First Street, N.E. Washington, D.C.

Roll call

SEU Advisory Board: Keith Anderson, Betty Ann Kane, Dr. Donna Cooper, Daniel Wedderburn, Bernice McIntyre, Joseph Andronaco, Larry Martin, Jermaine Brown, Sandra Mattavous-Frye, Nicole Snarski.

Absent Board Members: John Mizroch

Other Attendees: Taresa Lawrence, Ted Trabue, David Cawley, Veronique Marier, Herb Jones, Marcus Walker, Dan Cleverdon, Lance Loncke, Alan Barak, Lynora Hall, Nina Dodge, Olayinka Kolawole, George Nichols, Brian Gallagher, Daniel White, Pamela Nelson, Mohamed Ali, Chris Vanarsdale, Samantha Akella, Dave Good, Matt Orlins, Melissa Adams, Karim Marshall, Hanna Grave, Pat Sears, Rachele Treger, Stacy Suzepanski, Meg Moga, Robert Jose, Deanna Troust, Marie Enie, Emily Colligan, Ben Burdick, Sharon Cooke.

Approval of agenda and minutes from the last meeting.

The agenda was approved. The amended minutes with the changes discussed on page 5, paragraphs 3 were adopted with Bernice McIntyre and Jermaine Brown voting Nay, and Nicole Snarski abstaining.

Ms. McIntyre proposed a formal motion to have the meeting transcribed. It was agreed that further discussion would be held on this under the "New Business" agenda item. DDOE will look into securing transcription services for the meetings.

II. Official Business

Mr. Anderson announced that Mr. Chris Vanardsdale has accepted a position with the DCSEU and would therefore be resigning from the SEU Advisory Board. He also welcomed Nicole Snarski as a new Board member. It was noted that emails received from Joe Andronaco would be discussed.

DCSEU Presentation
Mr. Ted Trabue informed the group that he would present a PowerPoint Presentation on:

- Updates on closeout of FY 2012
- FY 2013 Startup and program enhancements
- DCSEU Branding
- Gas spending.

Spending was high at the end of the year. The DCSEU takes the charge of moving towards maturity very seriously.

Highlight from FY 2012:

- Saved enough energy to power 2,000 homes in one year
- Installed 153 kW of renewable energy generating capacity in Wards 7 and 8
- Spent more than $5 million with 43 CBEs
- Invested $4.7 million in energy-efficiency improvements in low income communities.

The DCSEU used three contractors to complete the solar PV projects. The SRECS are currently owned by the company. The DCSEU will provide more details on the solar projects to DDOE. Chairman Kane asked if the DCSEU took the program participants all the way through the process of not only the interconnection, but also applying to the Public Service Commission in getting the projects certified so that they could sell the SRECS. Mr. Trabue responded by saying that the actual contractor took program participants through the whole process with the understanding that the homeowner would eventually own the SRECS. Dr. Cooper asked for more clarity around whether a portion of this program is being funded by a third party, and whether the SRECS will ultimately be going to that particular entity. Mr. Trabue stated that there were three installers who used different processes. He stated that this information was provided to DDOE, but will also be provided to the Board with an example.

Dr. Cooper inquired about education and outreach. Mr. Trabue stated that one contractor is currently engaging the community in a higher level of education and information. The DCSEU and the contractor developed an educational outreach program because of the importance of community engagement. Mr. Trabue stated that education and outreach are tailored around all of the DCSEU programs.

With regard to the solar projects Mr. Brown asked how many of the homes were owned by the residents. Mr. Trabue said that all of the homes have mortgages and income verifications are performed by the DCSEU.

There was a FY 2013 roundtable held on November 2, 2012. Topics of discussion were goals and challenges for the DCSEU. Issues discussed included how to grow to a higher level of prominence and recognition, as well as challenges presented with the annual contract.

Mr. Andronaco had some specific requests for information in the monthly reports for FY 2012 in which the DCSEU reported statistical information by ward. He asked if he could receive a statistical report for September. It was noted that the December report was forthcoming.

Mr. Trabue discussed Program expansion: launch of the enlightenDC campaign; and $50 appliance rebates for ENERGY STAR qualified refrigerators and clothes washers.

Mr. Andronaco asked if the demonstration of products could be on hold so that other important issues could be discussed. It was agreed to not do the presentation on the light bulbs. Lastly, Mr. Trabue stated that the dishwashers help with gas savings by 20%. He provided a listing of partnering retailers throughout the city and mentioned increases in earned media and press releases with the HillRag.com, Howard Magazine, and Energy.gov. The DCSEU attended community events over the summer and fall connecting with over 300 participants.

Marcus Walker, Director of Operations with the DCSEU stated that there were concerns on operation maturity. The question asked was “What’s going to be different in FY 2013 compared to FY 2012?” Mr. Andronaco asked if the FY 2013 Plan submitted at the September 17, 2012 was what he was speaking about. Mr. Walker answered yes. Mr. Walker discussed the FY 2013 Q1 activity. FY 2012 Q1 spending dealt with ramping down the Quick Start programs. FY 2012 sizable projects were based on the pipeline at the start of the year. Projects included custom C&I, Residential Direct Install as well as the solar projects discussed earlier. Mr. Andronaco referenced a slide in the cumulative FY 2013 plan and noted that the projections for October, November and December were significantly lower. In October the projections were $1.5-$1.7 million.

Mr. Andronaco asked if they were absolute expenditures or the distinctive hockey stick. He also asked if there were internal controls and whether the DCSEU has an internal Chief Financial Officer (CFO) or financial person within the organization? Mr. Andronaco mentioned in October the DCSEU had projected spending of $1.5- $1.7 million; however, the October actuals were $2.5 million. The November projections were $2.0-$2.5 million and the November actuals were $4.3 million, which constitute a material difference. He stated that the decrease in expenditures from October-November was 73.8% so that decrease in expenditures has a significant impact on the market place as the DC SEU tries to create long-term positions. He noted that everybody spends more when the DCSEU’s pipeline is not managed throughout a yearly period so these hockey sticks impact purchase costs. Dr. Loncke noted that Mr. Andronaco mentioned November’s actuals as being $4.3 million; however, that was not the actual. It is the cumulative for October and November.

Mr. Walker said that the FY 2013 Plan is where the DCSEU is trying to take the market. Mr. Dave Cawley said that the budget was completed in August 2012. Mr. Andronaco said that the presentation to the Board was on September 17, 2012 and shortly thereafter the DCSEU overspent by $1 million to $1.5 million. Mr. Andronaco went on to say that in FY 2012 the hockey stick (which was not ideal) was there and FY 2013 shows that we are well on our way in the same direction. Mr. Andronaco asked that the Board be provided with the breakdown of a month to month projection on the slide titled Budget Forecast.

Mr. Walker stated that in FY 2012 the DCSEU completed 200 projects and in FY 2013 closed fewer projects but has a larger pipeline; a lot more in terms of electric and gas. The savings for the projects in FY 2012 were MW 4.7, and MW 110 in FY 2013. Same uptake with MCFs in FY 2012 was 1.8 and FY 2013 15.5.

The DCSEU has hired 24 new staff members and is essentially fully operational. All of the DCSEU staff is District residents.

There was a huge deficiency in natural gas savings in FY 2012 in terms of savings and the DCSEU has put a lot of focus on this issue. The DCSEU has closed projects in the multi-family area to increase gas spend. Mr. Andronaco asked if there was funding to support the cumulative line in the budget forecast. Mr. Walker answered yes. He said the DCSEU is also looking at leveraging more capital through some financing programs, grants and foundation funding over and above the budget. A request was made to provide more description on the pipeline of projects, specifically the multi-family and the institutional challenges that the DCSEU has encountered in meeting the natural gas reductions. Several years ago energy efficient measures were suggested. Ms. Adams said that the DCSEU indicated that some energy efficient measures could not be approved which loses sight of the energy efficiency policy. A natural gas dryer is much more efficient than an electric dryer.

Mr. Walker said putting in a T8 which produces less heat drives up the load on gas to compensate for the heat. They want to drive down the aggregate energy use in the District. The sentiment was expressed that although it may drive up the load on gas, what is the more efficient way to heat a building - with electricity from a light bulb or using natural gas on site? It was stated that that was a no brainer. This should be factored in, in a more holistic sustainable way, when evaluations are performed. The Board needs to help the DCSEU think through this issue on gas.

Mr. Cawley stated that an analysis on the cost savings on electric and gas yields a value. Overall what the DCSEU looks for are measures which cause a positive net benefit. They need to have a cost ratio greater that one. There are situations were fuel switching is actually cost effective and in those situations the DCSEU can support these types of measures. The DCSEU cannot provide measures that are not cost effective. Sometimes if the avoided cost is not significant, the DCSEU will have a harder time to justify those measures. The DCSEU is also examining measures that look at fuel switching and higher efficiency to see how robust the programs can be. The DCSEU is perhaps the only program in the country that looks at the unintended consequences of waste heat adjustment on the electric side that serves to reduce the impact of gas programs. Mr. Martin stated that the Board needs to see a side-by-side comparison to determine if there is an environmental issue.

Mr. Anderson asked that all questions be held until the end because there were still three presentations to be given along with the discussion on the transcription of the meetings. Ms. McIntyre asked that the transcription issue be noted for discussion because it is an important issue.

Mr. Walker stated that expanding natural gas efficient products to residential and commercial customers go hand-in-hand. Direct services are provided to customers through signing up at meetings or on the website. The commercial side goes hand-in-hand with the residential side because it is the same supply chain with similar measures. Mr. Walker said the DCSEU will continue to provide direct services across all sectors, which was not the case in FY 2012. The DCSEU will continue to build pipelines and staff augmentation.

Research Findings and Branding Recommendations

Mr. Trabue introduced Pat Sears of VEIC marketing to present the preliminary findings of branding for the DCSEU. The DCSEU hired Deanna Troust of Vanguard to do the branding research and recommendations. The ultimate goal is to have a recognizable DCSEU brand. Ms. Troust stated that the DCSEU was a quasi-District Government agency and was corrected that the DCSEU is a private contractor. The following highlights were presented:

The process consisted of internal and external input; five tasks were implemented:

- A branding workshop with DCSEU staff
- Telephone interviews with teaming partners and SEU Advisory Board members
- Online survey with DCSEU partners and customers
- Media and Competitive analyses
- SWOT analysis

The stakeholders had likes about the Brand:

- Cleanliness and simplicity
- Logo communicates transparency
- "DC" is critical in the name, better than the "District"
- Not necessarily bad that the acronym is cryptic
- There is an awareness of the name DCSEU
- The passion, commitment and collaborative spirit is remarkable

What stakeholders disliked about the Brand:

- Logo is sterile, cannot stand alone
- SEU= Southeastern University
- Images on old website boring
- The word utility in the name could be confusing
- Need to communicate that the DCSEU is a different kind of utility
- Confusing approach: is the DCSEU an economic development organization first and an environmental/energy efficiency organization second – Need a primary goal.

SWOT Analysis (Strengths, Weaknesses, Opportunities and Threats)

- The SWOT Analysis was performed to guide primary focus areas for the brand on 2013 (see the PowerPoint Presentation)

The overall takeaway was:

- Who is our target audience? Residential and commercial
- What are the brands attributes? (the characteristics that make the DCSEU unique): Value delivery, excellence, transparency, market transformers, results driven trailblazers, trusted, committed, experts and community resource center.

Do we have brand equity?

- Having been in the market 2 years, there is equity behind the current name, but we need to build awareness. It was corrected that the DCSEU has been in the market for a year and a half not 2 years.

What is our primary theme:

- While the DCSEU's goals are a source of pride for personal work, they are also seen as competing, complex and some mentioned a tension between them.

Brand Recommendations:

- Illustrate the DCSEU as the go-to resource for energy efficiency via programs, services, and marketing materials.
- Create a web presence that clearly and concisely demonstrates what services and programs are available; how can ratepayers immediately take advantage of the DCSEU and how existing customers are benefiting from services offered through the DCSEU.
- Retain the name because of recognition
- Develop a descriptive tagline and brand guidelines
- Integrate the DCSEU and tagline into copy
- Refresh the logo
- Establish Energy Efficiency as a primary theme
- Create a clear and concise communications strategy.
- Until the new brand is phased in late April, continue to use the current logo

Lance Loncke presented the DDOE's Response to the Recommendations of the Sustainable Energy Utility Advisory Board.

- **Recommendation #1:** The Board recommends that the law be amended to allow the Board to submit its recommendations after the EM&V and audit report, for the subject year, has been completed.
  DDOE response: The Board's report should reflect its year-round assessment of DCSEU's progress; Subcommittees addresses specific issues on an as-needed basis; DDOE utilizes the annual report to provide guidance to the DCSEU for the upcoming fiscal year; DDOE would consider the Board's comments on the findings of the independent EM&V and financial audit reports.

- **Recommendation #2:** The Board recommends that the DCSEU not receive financial incentive in FY 2012.

The objection was raised that this recommendation was Washington Gas' recommendation and not that of the entire Board. Dr. Loncke stated that the Board endorsed this recommendation so DDOE received it as a recommendation of the Board. Ms. Mattavous-Frye sated that this was a consensus report and Washington Gas was allowed to make a separate recommendation that there be no incentive. Ms. McIntyre said that the reason it was included in the report was to advise DDOE that the DC SEU cannot use Washington Gas ratepayer's money to fund programs that are not a benefit to the Washington Gas ratepayers. That proportion of the funding under the Clean and Affordable Energy Act of 2008 (Act or CAEA) should be treated accordingly. That issue cannot be ignored without being in violation of the actual legislation, which the DCSEU was. Washington Gas' position as a company whose ratepayers are funding the DCSEU was to say clearly they cannot support the DC SEU getting an incentive or financial incentive for not meeting the perimeters of the Act. The Board as a whole was willing to give the DCSEU the incentive but next year this Board may not agree if the DCSEU continues to be in violation.

Dr. Loncke explained the difference between contractual and performance incentives. The financial incentives are tied to the performance benchmarks. The ratio spending on gas and electric is a contractual requirement and there are no performance incentives tied to it. There are other means to address failure to meet contractual requirements but it is not a denial of financial incentives. The incentives are tied to the benchmarks for the gas and electric savings. The DCSEU will not receive a financial incentive for that benchmark because they did not meet the minimum requirement. In terms of the spending on how those dollars were spent there were no financial incentives tied to that contractual requirement.

Ms. McIntyre said there is a violation of the Act in spending Washington Gas ratepayer's money within a 75-125% realm. Washington Gas does not believe that the DCSEU met that legal requirement. She asked Lance if he agreed with that. Lance said he did not fully agree. He said that the contract is set up by spending no less than 75% from the gas company and no greater than 125%, it says that also on the electric side. Given the split of the funds DDOE receives, 80% of the funds from the electric company and 20% from the gas company, the DCSEU can spend between 75-125% on the electric side and not be in violation; but yet not meet the minimum of the 75% mark for gas. This is how the legislation is structured. This is where the subcommittee and DDOE can address what should be in the contract. Lance added that he did not disagree with Ms. McIntyre solely on the position that she was taking on this issue.

Mr. Brown stated that everyone needs to sit down and further discuss this issue. The Board's aspirations of what is wanted need more discussion. Mr. Anderson asked what subcommittee should handle this issue. Dr. Loncke stated probably the Structure and Finance Subcommittee because it is a requirement of the CAEA legislation that specifies it. There should be a meeting to discuss the issue of whether it should be one measure for gas and electric spending. Ms. McIntyre noted that this has been a continued discussion, whereas she has asked the DCSEU to be cautious around this because they are using money for a specific sector. She further stated that she believed the Act states that you can only use a certain amount of the gas company's money for electric measures. There is a perimeter in place and the DCSEU has not met the perimeter. With that Washington Gas cannot support an incentive being paid. She stated that although the Board voted differently, she does not want DDOE to ignore that because the ratepayers are funding this and it is not the intent of the City Council to let this continue.

Mr. Andronaco said that this is a topic for governance to discuss and noted that time was running out. This is an attempt to make the Board effective; the CAEA is a complicated and unique act. The Board needs more focus and attention on a finance committee with certain members or executive committees to make sure that the subcommittees are accomplishing things prior to each scheduled Board meeting. Since the Board meets quarterly, the Board should consider having a Vice Chair who is consistent because Mr. Anderson has many duties where he is pulled in many directions. The Board would like to have a retreat where both the Chair and the Vice Chair would be present so at that time the Board could figure out who is good at what and start assigning things. This will help the DCSEU and DDOE. He noted that the Board can do long term planning on the restructured gas spend, and take a look at how it is measured

Ms. McIntyre suggested that a vote be taken and that the Vice Chair perhaps can chair the Structure and Finance Committee. Mr. Anderson indicated that more discussion is needed to get a better understanding before voting. It may require a legislative fix so the Board needs more clarity on the roles of the Vice Chair and Executive Committee. Mr. Andronaco asked to be tasked with setting up the meeting. Mr. Anderson assigned the task to Mr. Andronaco to contact Lynora Hall to schedule a meeting. Ms. Mattavous-Frye indicated that she would like to participate. Ms. McIntyre said that the current meeting takes too much time discussing issues and not getting to the substance. The Executive Committee would allow the Board to have a voice on the agenda. She asked that at the next meeting the Board's time be put up front and no presentations before the Board's issues. Chairman Kane noted that the Board had a good retreat and the next one should be scheduled to build on what was discussed. Mr. Wedderburn supported Mr. Andronaco's recommendations and the thrust of what was said by Ms. McIntyre on gas spend.

- **Recommendation #3:** The Board recommends that the DCSEU share with the Council of the District of Columbia, DDOE and the Advisory Board its plan(s) for ensuring that the performance benchmarks and minimum requirements are met in FY 2013.

DDOE's Response: The DCSEU submitted its FY 2013 Plan that described their approach to meet and/or exceed all contractual requirements and performance benchmarks; and the DCSEU presented its FY 2013 Plan to the Board on September 17, 2012.

Mr. Brown stated that he does not see a plan that the DCSEU has for FY 2013. He went on to say that the Board is not thinking about what it can really do to make an impact in the District. Instead of bringing in all of these companies to do business, he suggested the group should be creative. Mr. Brown said the DCSEU has not made a presence where he lives and he is out in all of the Wards. It appears as though the DCSEU does not exist. He said he has grown weary of attending these Board meetings and being subject to information from the DCSEU and DDOE that is not true. He believes something will happen that will be too big to make a change. Better things can be done to help a whole lot of people. The DCSEU is not being smart with spending the money. He said he is currently working with residents building wind turbines that can reduce the natural gas and electric cost. The Board should be thinking about the DCSEU helping to move towards manufacturing then creating jobs. The Board should decide how the money is spent not Vermont. Dr. Loncke stated that the DCSEU provided the FY 2013 Annual Plan to the Board and they are free to review it again to provide comments and suggestions. Mr. Andronaco said that the plan was off by a factor of 100% for the cumulative spending. Dr. Loncke said this was a plan not actual expenditures.

Mr. Martin noted an issue raised in the annual report, that there are no priorities attached to the requirements and milestones. It is known that the DCSEU cannot meet all of them, so recommendation #3 acknowledge that the DCSEU has to meet all of them and the Board should think about priorities. If the Board is not going to determine priorities, Mr. Martin indicated that he does not like putting the DCSEU in a position where they can pick and choose between which benchmarks they will meet and not. It is not smart because it is it sends a mixed message and the Board needs to try to do a better job at setting the priorities for the DCSEU.

- **Recommendation #4:** The Board recommends that the DCSEU not receive performance incentives for reducing per capita energy consumption in Fiscal year 2012.

DDOE's response: The EM&V contractor will assess the DCSEU's achievement towards this benchmark; based on the DCSEU's final report for FY 2012, the DCSEU did not meet the minimum requirement for satisfactory attainment of this performance; and DDOE will not pay an incentive for this benchmark.

- **Recommendation #5:** The Board recommends that the Mayor reviews the appointment of DDOE's Director as Chair of the Board to determine whether or not it creates true as well as perceived conflicts of interest.

DDOE's Response: The appointment of DDOE as the Chair of the Board by the Mayor is a statutory requirement; The Director's role as Chair of the Board does not present any true conflicts of interest; and the DC Office of the Inspector General concurs with the aforementioned statement.

Dr. Loncke stated that DDOE consulted the Office of the Inspector General (OIG) and their decision was that there was no conflict of interest. It is a part of the CAEA that the Mayor appoints the Chair and he appointed the Director of DDOE. Chairman Kane stated that the appointment of DDOE as the Chair is not a statutory requirement. Ms. McIntyre said that the sentence in the presentation needs to be changed to reflect what Chairman Kane just stated. Information coming before the Board should be accurate including the minutes.

Mr. Andronaco said this is an issue of ethics, and that people may be set up for failure. He also said that Mr. Anderson has been working with the Board from the beginning when he was Chief of Staff and the majority of time he was available for the meetings. When one becomes the Director of an agency, one is given other responsibilities and one's governance may or may not suffer. He just wanted to say that may be an issue. If the Board feels that the DDOE administration would be a problem, he asked how that would be taken by the Chair. Everyone was encouraged to think about this not from the point of the statutory requirement but from an ethical perspective.

- **Recommendation #6:** The Board recommends that the residential and commercial awareness of the DCSEU be scientifically measured.

DDOE's Responses: The DCSEU conducted an independent Branding and Marketing Study to measure the public's awareness of the DCSEU and its programs; the results of the study will be presented to the Board at this meeting; and the DCSEU has already implemented some of the suggested recommendations described in the study.

Branding and marketing were presented. Increased awareness of the DCSEU is needed.

- **Recommendation #7:** The Board recommends the reevaluation of the annual budgeting and performance periods for the SEU.

DDOE's Response: DDOE and the Board's sub-Committee on Structure and Finance have examined this recommendation in the past; there are a number of reasons why this recommendation is not feasible under the current CAEA legislation and other District laws (e.g. CAEA and anti-deficiency); both DDOE and the DCSEU have taken steps to ensure a more even distribution of FY 2013 DCSEU expenditures throughout the year.

It was stated that it may make sense to go back to change the current structure on how the DCSEU is set-up and certain parts of the CAEA would need to be amended. The Structure and Finance

Sub-Committee has had many discussions on this topic. This will also be discussed at the next meeting.

- **Recommendation #8:** The Board recommends that the DCSEU engage in comprehensive and strategic outreach to private solar energy companies licensed in the DC to leverage private sector resources in accelerating the implementation of renewable energy projects in the DC.

DDOE's Response: The DCSEU worked with several DC-based solar companies to leverage additional funds to install solar PV and solar hot-water systems in low-income households; and DDOE randomly inspected several solar PV projects completed by the DCSEU to verify installation and assess residents' level of satisfaction with the DCSEU's performance.

The DCSEU will work with large solar companies in the District. The DCSEU has attested that they have worked with solar companies in the latter part of last fiscal year and FY 2013 to install solar PV systems.

Contractual Amendments
Dr. Loncke stated that in the amendments, DDOE has included penalties. DDOE has the discretion to impose penalties on the DCSEU for not meeting the performance benchmarks. A penalty is tied to each benchmark; certain triggers are associated with the penalties depending on the incentive level. For example, with regard to the performance incentive that is associated with the reduction in per capita consumption to achieve 1% on gas and 1% on electric, the incentive will begin if the DCSEU reaches a 50% level on either gas or electric, and the penalties will start if they do not achieve 35% on each side. The incentive structure demonstrates how the penalty relates to the incentive structure. Another major addition that was made to get the DCSEU up to a maturity level was that 35% of the budget must be spent within six months. This would eliminate the hockey stick. The DCSEU has agreed to this requirement and DDOE has made it a contractual requirement. As of today, they have already spent 34% of the budget; which shows they are making strides to eliminate the hockey stick.

Amendments are done on an annual basis around the dollar amounts. This is the first year that DDOE has installed penalties to all six of the benchmarks. They were only in the contract for green jobs benchmarks because that was the only performance requirement previously. DDOE wanted to give the DCSEU a full year of operation before the other penalties were implemented. Mr. Brown asked if the Board could be involved in the discretionary decisions on the DCSEU's incentives. Dr. Loncke answered by saying the Board reviews the annual report and could make recommendations on whether penalties should be assessed because the DCSEU did not meet the benchmarks. The Board is in an advisory capacity to help DDOE. Mr. Brown stated that the Board is in an advisory capacity to help the ratepayers and DDOE needs to have respect for this Board because it is at DDOE's discretion if the DCSEU gets penalized. He questioned whether the Board's recommendation gets looked at.

Dr. Loncke mentioned that DDOE did not write this legislation in the CAEA – for the Board to be an Advisory Board; however, DDOE has taken a proactive approach to responding to these recommendations. DDOE just did not send them out until one of the Board members asked to include it on the draft agenda that was sent out. DDOE leaves it up to the Board to decide what the Board wants to hear during the meetings and then DDOE responds. Mr. Andronaco stated that this is a governance issue which is also important as everyone has mentioned. The legislation was written but the Board can also advise the Council. The Board has Council representation here who can ask the Council to change the legislation for the betterment of the city. The board does know what the contract revisions are even though this is the fourth month of the new fiscal year.

Ms. McIntyre said that she appreciates that there are penalties involved when the DCSEU does not meet the benchmarks. She noted that DDOE did respond to the report done by the Advisory Board which was presented to the legislature and City Council. Structural changes are needed to improve the way the Board operates, to work between meetings, and to keep the contact close. Presentations should be minimized unless absolutely necessary to present new information or information that couldn't be sent out via email. She noted that the marketing presentation could have been sent out by email, but the Board appreciates them being at the meeting. The Board meets quarterly and not letting the Board give advice is not helpful. She remarked that DDOE needs to provide the information before the meetings so that the presentations are minimized and the Board can address overriding concerns. Dr. Loncke said that the purpose of sending out the draft agenda is to get recommendations from the Board.

Chairman Kane mentioned that she didn't recall any formal process for asking the Board for recommendations or being asked to make recommendations related to revising the contract. She commented that part of the annual work plan of the Board is to provide advice on the contract. Mr. Wedderburn asked what the requirement on the contract for the evaluation was, whether it was 7.5% of the total. Dr. Loncke answered that the evaluation in the contract is an 8% set-aside from the total contract dollars. The 8% comes out of the annual funding for the DCSEU; out of the $17.5 million. 8% is held by the fiscal agent, which is for the EM&V. Mr. Wedderburn asked if this is required by law. The answer was no, it is in the DCSEU's contract. Mr. Wedderburn stated that the amount is too high; a lot of those dollars should be spent on programs. Dr. Loncke said the 8% set-aside is utilized once DDOE has procured the EM&V contract, and the difference goes to the DCSEU for program implementation. For example is last year, DDOE spent $400,000 on EM&V and the balance of the 8% went to the DCSEU.

Ms. Anderson thanked Mr. Andronaco for heading up the Executive Committee. At the meeting the issue of transcription of the meetings should be discussed. With regard to the transcript issue, Ms. McIntyre asked whether the Board or DDOE decides. Mr. Anderson answered that DDOE will investigate the matter. This issue will be discussed at the Structure and Finance Sub-Committee meeting. Ms. McIntyre will schedule a meeting with Ted Trabue to discuss gas spending.

Nina Dodge asked that the Board consider infrastructural gas limitations to high efficiency appliances that rely on gas such as tankless demand water heaters which were on the list of DCSEU programs. She stated that many people live in areas of the city where the water pressure is low and can't support those appliances so this should be addressed from the public's point of view. Mr. Anderson said that this can be further discussed at the meeting Chaired by Ms. McIntyre.

New business

Larry Martin will schedule a Structure and Finance Sub-Committee meeting.

Bernice McIntyre will schedule a meeting with Ted Trabue to discuss gas spend.

Next meeting date: Monday, April 8, 2013

III. Adjournment

Keith Andersen adjourned the meeting at 12:10 pm.

Minutes prepared by: Lynora Hall