

**Delaware Sustainable Energy Utility**  
Meeting of the Oversight Board  
391 Lukens Drive, DNREC, New Castle, DE 19702  
May 19, 2016 - 9:00 A.M.

**Welcome**

Senator McDowell called the meeting to order at 9:10 AM. Members present were Joseph Schorah, Pamela Bakerian, Robert Underwood, Ismat Shah, Kristopher Knight, Sean Finnigan (teleconference), Trey Paradee (teleconference), and Charles Wagner (teleconference). Also present were Frank Murphy, SEU General Counsel, Tony DePrima, Suzanne Sebastian, and Lisa Gardner.

Members Absent: Nnamdi Chukwuocha and Dave Bonar

**1. Approval of Minutes**

**a. Oversight Board – March 17, 2016 - Mr. Schorah moved for approval, seconded by Mr. Underwood and unanimously carried.**

**b. Loan Committee – March 17, 2016 – Mr. Paradee moved for approval, seconded by Mr. Knight and unanimously carried.**

**2. SEU Business**

Senator McDowell requested that *Wilmington Housing Loan* be added to the Agenda as 2.f.

**a. ICF – Contract 1-Year Extension** – Mr. DePrima stated the Program Administrator Contract for the Home Performance with ENERGY STAR (HPwES) Program expires on June 30, 2016 and that during the past two years, adjustments have been made to the program incentives, offerings and marketing strategy to increase program participation. The program is administered and implemented by ICF International on behalf of the DESEU. The contract for ICF International was signed with an option to extend to a third year. The contract budget includes program implementation, marketing, and incentives for direct install measures (DIMs), audits and jobs. Staff would like to execute this option to extend the contract with ICF to administer the program for the period of July 1, 2016 to June 30, 2017, in the amount of \$2,782,250.

During year three, a scope of work will be prepared to hire a third-party program evaluator to complete a program evaluation on the HPwES Program and draft a Request of Proposal (RFP) to re-bid the contract. Mr. DePrima stated that a plan to include a companion Quick Home Energy Checkup (QHEC) Program in the RFP for FY 17 (starting July 1, 2017). QHEC would be offered as a free service to Delaware households and provide DIMs similar to the HPwES Program and could include CFLs or LEDs, faucet aerators, efficient flow showerheads, etc. This program would target households that may not participate in the traditional HPwES Program, such as renters, and could potentially be offered through the DESEU's Community Energy Centers.

**Mr. Schorah moved to execute the option for Program Year 3 with ICF International and extend the contract to June 30, 2017 in the amount of \$2,782,250 and release an RFP to conduct a program evaluation for HPwES and develop an RFP to re-bid the HPwES Program to include QHEC for FY 18, the motion was seconded by Dr. Shah and unanimously carried.**

**b. EnSave – Agriculture Program Proposal** – Mr. DePrima presented a detailed summary and budget of the proposed Energize Delaware Farm Program designed to launch in FY 17. The multi-faceted program is designed to strengthen Delaware's farm sector by reducing energy costs and increasing the use of renewable energy on Delaware farms.

The key components of the three-year program include combined assistance with energy audits, rebates for energy efficiency measures, low-interest loans, and the upfront purchase of the SREC's to support solar PV installations. The program is designed to be compatible with existing USDA programs, and other energy program opportunities.

Mr. DePrima recommended that the DESEU contract with EnSave to administer the program. EnSave specializes in agricultural energy efficiency programs throughout the United States, and is uniquely positioned in Delaware due to their participation in the Natural Resources Conservation Service (NRSC) Environmental Quality Incentives Program (EQIP) where they have completed over 100 farm audits in Delaware.

EnSave will designate a staff person as its Program Manager, with overall oversight of the program and the main contact to the SEU's management team. The administrator will provide the program as a turn-key service, and secure the appropriate supporting positions to help with the marketing/outreach, administration, customer service, technical support services, implementation assistance, and reporting in accordance with program design, contract, and scope of work.

**Mr. Schorah moved to authorize the launch of the Energize Delaware Farm Energy Efficiency Program and authorize the Executive Director to enter into a program administration contract with EnSave, seconded by Dr. Shah, and unanimously carried.**

**c. VEIC Net Zero Energy Manufactured Housing Program – Authorization to enter into Contract with VEIC, Milford Housing, and Beracah Homes, Inc.** – Mr. DePrima introduced Mr. Russell Huxtable, Vice President & COO of the Milford Housing Development Corporation (MHDC). Mr. Huxtable briefed the Board of the roll the MHDC plays in today's affordable housing needs. Mr. DePrima reminded members that the Energy Programs Committee recommended moving forward with this program. The complete program design proposal was included in the meeting packet. The goal is to place 25 units over three (3) years; the three-year budget for the SEU is \$2.2 million including two model units, and the silent second mortgages.

After some discussion regarding grants versus soft mortgages, Mr. DePrima suggested moving forward with approving the contracts and re-visiting the funding details during July's Board Meeting.

**Dr. Shah moved the Board adopt the program design and authorize the Executive Director to enter in contracts with VEIC for program support and technical guidance, Milford Housing as program administrator, and Beracah Homes for the purchase of up to two model homes, not to exceed costs highlighted in the program design, the motion was seconded by Mr. Schorah and unanimously carried.**

**d. Delaware National Guard** – Mr. DePrima reminded members that in November 2015, the Board reserved \$8 million dollars to provide a low-interest loan for an Energy Savings Performance Contract for the Delaware National Guard. The project involves both energy efficiency measures and construction of Solar PV arrays at various Guard facilities. The National Guard completed its Investment Grade Audit and narrowed the project to an estimated \$5.1 million contract with Siemens. Due to the amount of the loan, Board approval is required.

**Mr. Schorah moved to approve a 2% loan to the Delaware National Guard in the amount of \$5.1 million (not to exceed), seconded by Ms. Bakerian and unanimously carried.**

**e. Consideration of Statements - A motion was made by Dr. Shah to approve the following statements, seconded by Ms. Bakerian and unanimously carried.**

- i. Murphy & Landon – February 2016 (\$972) – March 2016 (\$1,891.00)
- ii. NW Financial Group, LLC – February 2016 (\$745) – March (\$631.25) – April (\$731.25)

**f. Wilmington Housing Authority Loan** – Senator McDowell and Mr. DePrima stated that the Wilmington Housing Authority is interested in a potential \$.51 million loan for a solar project. Due to project time lines, SREC Auction Schedule, and other project deadlines, Mr. DePrima recommended this project be reviewed by the Loan and or Executive Committee once more details received by the applicant.

**Mr. Schorah moved to delegate loan approval to the Loan and/or the Executive Committee, the motion was seconded by Mr. Knight and unanimously carried.**

**Note:**

**3. Proposed 2016/2017 Budget** – Mr. DePrima provided and reviewed the Proposed 2016-2017 Budget to the Board. Highlighted items include RGGI Revenue, Bond Counsel Expenses and Reimbursement, Added Staff Person, New Programs, and Existing Program and Expenses.

**Mr. Underwood moved to approve the Proposed 2016/2017 Budget as presented, seconded by Mr. Schorah and unanimously carried.**

**4. 2017 Oversight Board Meeting Schedule Amendment** – Senator McDowell requested this item be deferred.

**5. Reports – March 2016/April 2016** – Mr. DePrima and Ms. Sebastian presented the following reports to the Board.

- a. Executive Director's Activity Report
- b. Program Activity Report
- c. Budget Report – Ending February 2016

**6. New/Business/Old Business** – None

**A motion to adjourn was passed unanimously at 11:09 AM.**