

Executive Director's Report

January\February\March 2013

The following is a general summary of activities:

- **Financial and tax matters**– Continued to provide information to BDO related to the 2010 & 2011 Compilation. We had 1099's prepared and mailed out for our 2012 activity.
- **Bond Counsel** – A contract for the Drinker Biddle has been negotiated and is on the March agenda. It should be noted that we had to move forward with his services in the interim for the Red Clay project to move forward.
- **SEU Intern** – Kathleen Saul started on February 1st. She has been focused on developing a Case Statement for the 2011 Bond Series. She is near completion and should have sample for the March board meeting.
- **SREC Auction** –We are now gearing up for the second auction it will open on March 25, 2013. We have been advertising to get the word out. Time was spent negotiating our fees and the SRECTrade fee; our proposal will be on the March agenda.
- **Investment and Cash Management Policy** - I have worked with our Bond Counsel to develop this policy. It borrows significantly from the State of Delaware policies but has been simplified for our purposes.
- **Joint Sunset Committee** – The JSC hearing was moved to April 9, 2013 – 5:30PM to 8:30PM. We have been preparing a power point presentation for that night. I have also been actively emailing "Friends of the SEU" to provide testimony and letters of support. I have also spoken to the Sierra Club, DEED, Delaware Valley Green Building Council, Delaware Contractors, and Green Drinks to get their support.
- **Green for Green Program**: The Green for Green Program launched on February 15, 2013. There are six contractors signed up for the program; to date there are no contracts. I have contracted with an energy auditor to assist in development the energy savings measurements to be used in the program.
- **Programming and Marketing Opportunities**
 - *Red Clay School District*: Financing mechanism has changed since our January Board meeting. The State of Delaware Office of Management and Budget has offered Red Clay a one-time opportunity to finance the project under a master lease agreement with Bank of America. The terms for this were better than a bond issue so Red Clay decided to move forward with this option. Our team, including our bond counsel and financial advisor, served in an important advisory capacity through the effort.
 - *Home Performance with Energy Star*: An RFQ for Implementation Contractor has been posted; proposals are due back April 8th. I plan on putting together a panel to review proposals made up of Energy Committee Members and outside experts.
 - *Loan Program*: The Loan Policy was revised to include Delaware Prevailing wage, I have also completed research on interest rate indexing. My recommendation will be ready for the March meeting.
 - *Delaware Community Investment Trust (DCIC)*: We have developed a basic framework for this low interest loan program to assist low and moderate income multi-family housing and community development projects. The proposed design is on the agenda for March. I had a meeting with Delaware Girls and Boys Club who may be an excellent candidate for this fund.
 - *Compressed Natural Gas (CNG) Vehicle Conservations*. We are still in discussion with Kent-Sussex Industries and Chesapeake Utilities for a pilot program. In addition we will be meeting with the City of Seaford in April to discuss CNG conversions to their fleet.
 - *DEMEC - LED Street Lighting*. DEMEC staff and I are scheduled to go before the DEMEC Board in May to do a presentation and get towns interested in sign up for participation in an RFP.

Executive Director's Report

March\April 2013

The following is a general summary of activities:

- **Financial and tax matters**– 2010 & 2011 Compilation have been completed. We have received an extension to August for our IRS 990 filing. I have posted a “Request for Proposals for Accounting and Audit Services” my goal is to have firms selected in June to begin the 2012 Financial Statements and then an audit.
- **SREC Auction** – The 2013 Auction is complete; the results are posted on www.srecdelaware.com site. The pricing for SREC's were generally low as a result of supply being much greater than demand.
- **Joint Sunset Committee** – The JSC hearing was on April 9, 2013. We had a great turnout of supporters; there were 13 people who made positive comments and only one with negative comments about the SEU. Many more letters of support were filed with the JSC. May 14th is the recommendation meeting; I will brief the Board on May 16th on the results.
- **Green for Green Program**: There are eight contractors signed up for the program; and five buyers signed up. We are planning a training session to be held in New Castle County to builders from that market area.
- **White Oak Solar (Dover Sun Park) SREC Purchasing Program** – We have completed our planned purchase of 11,700 SREC from this project. We will start selling them to DPL each October from 2014 through 2016.
- **2011 Bond Series Case Statement** - This Project is now completed, you will receive copies at the May 16th meeting. It has been well received and clearly shows the positive result of this Bond Series.
- **Red Clay School District Energy Efficiency Performance Contract**: The lease financing through the State of Delaware is now complete for this \$18.5 million Energy Efficiency Project. Ground breaking is May 29th.
- **RFQ Home Performance with Energy Star**: We received five proposals in response to the RFQ. A preliminary assessment was done; we had four experienced qualifying firms, and one incomplete application. Whether we want to go forward with this program will be discussed at the May 16th meeting.
- **Direct Loan Policy and Procedures**: Extensive research was done on Energy Efficiency and Renewable Energy Revolving loan programs to determine how many program offer loans greater than \$500,000. Several loan programs were contacted to determine the demand for these large loans. The results will be reported at the May 16th meeting.
- **Programming and Marketing Opportunities**
 - *School District Superintendents* – In the wake of the Red Clay project I was given a few minutes to address the school superintendents at their monthly meeting. I talked about the advantages of Energy Saving Performance Contracts and the role the SEU can play in assisting them. I was well received.
 - *Delaware Community Investment Trust (DCIC)*: The DCIC Board is scheduled to discuss our Loan partnership proposal at their May 10th Board meeting. The proposal is to establish an energy efficiency loan fund for low and moderate income housing and nonprofit organizations
 - *Compressed Natural Gas (CNG) Vehicle Conversions*. Our discussions with Kent-Sussex Industries (KSI) and Chesapeake Utilities for a pilot program have progressed to the point where Chesapeake has brought in a fleet conversion specialist who is working with KCI on a detailed conversion plan. Once costs have been estimated we will put together a financing plan.
 - *DEMEC - LED Street Lighting*. DEMEC staff and I are scheduled to go before the DEMEC Board on May 21st to do a presentation and have towns sign up for participation in an RFP. The intent is to have the SEU finance the lighting
 - *Delaware Electric Coop (DEC)* – I met with top DEC leadership to discuss opportunities for partnerships - several ideas surrounding their agricultural customers was discussed.

Executive Director's Report

Summer 2013

The following is a general summary of activities:

- **Financial and tax matters** – Both Accounting and Auditing firms have been hired. We are on track for having our 2012 Financial Statements and Audit complete this fall. Revised 2011 IRS 990 was filed, and our 2012 IRS 990 should be completed in the next few weeks.
- **Joint Sunset Committee** – Final hearing was held by the JSC in May; at the meeting several members expressed a desire that the SEU provide programs that are inclusive of all Delawareans. Seven recommendations were made. These recommendations were put into Senate Bill 150, however, it did not pass before the end of the Session, it will be taken up in January.
- **RFP for Investment Advisory Services:** Based on the recommendation of our Financial Advisor, an RFP was advertised for Investment Advisory Services. Proposals are due September 13th.
- **RFP for Home Performance with Energy Star:** An RFP Evaluation Committee was formed; three firms were invited to respond to a detailed RFP. Two firms responded and were interviewed.
- **RFP for Tax Exempt Master Lease:** These kinds of leases are the most common way of financing Energy Saving Procurement Contracts recently used by Red Clay School District. Capital would come from a bank; they would be paid back through the lease payments. The SEU would hold the master lease and sublease to state agencies and school districts. A draft RFP was created by our Financial Advisor; a review committee consisting of a representative from OMB, Department of Finance, Red Clay School District, the SEU Treasurer was convened.
- **Green for Green Program:** We have paid out two rebates; there are 28 applications approved and waiting for final closing. Eleven builders are enrolled including Central Delaware Habitat for Humanity.
- **Direct Loan Policy and Procedures:** The procedures were finalized; it includes a maximum loan of \$1,000,000 and requires Executive Committee approval for loans over \$500,000.
- **Low Interest Loan Program for Businesses and Non-profits.** We are now actively marketing this program. Several contacts have been made. The Executive Committee approved a \$1,000,000 loan for an office building in Wilmington; we are in the process of closing the loan. To support this program the Executive Committee approved a contract with Brent Schaffer, a commercial attorney who specializes in commercial loans.
- **Energy Assessment Program for Business and Non-Profits.** Contract with UD's Industrial Assessment Center is finalized. Two pilot assessments have been started (Modern Maturity Center and KSI industries) and more (Peoples Settlement and Darley House) are scheduled. We have several other assessments being scheduled.
- **Programming and Marketing Opportunities**
 - *Delaware Community Investment Trust (DCIC):* The DCIC Board approved a partnership with SEU. I was asked to provide information on demand for loans, the IAC assessments will help with this. One bank has stepped forward to be the initial investor in the fund. One potential loan to a large Delaware non-profit has been identified.
 - *Green Ribbon Schools Pathway Program:* I have been meeting with Delaware Valley Green Building Council on a proposal to incent more schools to participate in the Green Ribbon Program. A presentation on this idea will be presented at the September board meeting.
 - *Alternative Fuel Vehicle Program:* I continue to meet with potential partners in this area including Sharp Energy (Propane), Chesapeake (Nat Gas), Autoport (EV, NGV, and Propane). Discussions with Kent-Sussex Industries (KSI) about a pilot NGV program have not progressed.
 - *DEMEC - LED Street Lighting.* The DEMEC Board approved participation on this program; 2,700 lights have been proposed for conversion. DEMEC is in the process of developing the RFP. The intent is to have the SEU finance the lighting.

Executive Director's Report

September-October 2013

The following is a general summary of activities:

- **Financial and tax matters** – Revised 2009, 2010, and 2011 IRS 990's have been filed. Our 2012 IRS 990 will be filed by November 15th. Shortly after that the 2012 Financial Statements will be completed and we will launch into an audit. In accordance with the Boards directive at the last meeting, we have filed necessary paper to change our fiscal year. At our next meeting I will proposed a budget for our new fiscal year.
- **Investment Advisory Services:** At the October 10th Executive Committee meeting PNC Capital Advisors was selected as our Investment Advisors. Since then I have been working with them to develop an investment strategy. That Strategy will be presented at the November Board meeting.
- **Home Performance with Energy Star:** IFC was selected at our last Board meeting to be the contractor for this program. Contracts were finalized at the November 8th Executive Committee meeting. We have a project launch date of January 15, 2014 and we will be working closely with IFC in preparation of that launch. At great deal of work in the areas of marketing, IT, contractor training, and administration have to be accomplished. A good deal of my time over the next few months will be dedicated to this.
- **Strategic Planning:** In accordance with the Board's direction quotes were solicited from strategic planning consultants. I received four quotes and am recommending Gigi Windley to work closely with me and the Board to develop a strategic plan over the next few months.
- **RFP for Tax Exempt Master Lease:** I reported at the last meeting that I had convened an ad hoc committee to review a proposed RFP for Tax Exempt Master Lease for State Agencies and School Districts. That effort is now on hold because the representative from the Delaware Finance Department indicated that the state is currently unwilling to enter into any financing that requires state appropriation guarantees. An alternative would be to explore ways to allow School Boards to guarantee appropriations.
- **Green for Green Program:** We have paid out ten rebates; there are 48 applications approved and waiting for final closing. Fourteen builders are enrolled including Central Delaware Habitat for Humanity.
- **Low Interest Loan Program for Businesses and Non-profits.** Last meeting I reported that the Executive Committee approved a \$1,000,000 loan for an office building in Wilmington; unfortunately they were not able to secure the required collateral so the loan has not closed. We have a number of prospects for the program but no applications.
- **Energy Assessment Program for Business and Non-Profits.** Contract with UD's Industrial Assessment Center is finalized. Three pilot assessments have been completed the audits found the following annual energy savings: Modern Maturity Center 23%, KSI industries 21%, and Peoples Settlement Association 59%. We have several other assessments being schedule. I will be meeting with each non-profit to discuss ways of funding and financing the recommended improvements.
- **Green Ribbon Schools Pathway Program.** This program was approved at the September Board meeting and the contract where finalize at the October 10th Executive Committee Meeting. The update kick off meeting was held in New Castle on November 12th. At least four school districts were in attendance.
- **Communications Effectiveness Study.** I have entered into a small contract with Out-of-the-Box Communications to do to an assessment of our current marketing and communications efforts, as well as past efforts of the SEU. This study is designed to work in tandem with the Strategic Plan.

Executive Director's Report

November- December 2013

The following is a general summary of activities:

- **Financial and tax matters** – Our 2012 IRS 990 was filed November 15th. In December, the 2012 Financial Statements were completed and sent to the auditors for review. Our auditor spent a full day in our office on January 7th. The projected audit completion is mid-February. The Accountant is now starting on our short year financial statements.
- **Investment Advisory Services:** Our advisors are recommending adding four investment types to our investment policy. Paper work necessary for transferring our PNC accounts funds to the new investment accounts has been completed. We are finalizing paperwork related to the Bond Construction Funds.
- **Home Performance with Energy Star:** We are still on target for our project launch date of January 15, 2014. This is a soft launch through certified contractors; public advertising will follow later in January. Weekly meetings are held with IFC and AFC staff to review all steps leading up to the launch.
- **Strategic Planning:** December was spent laying the ground work for the strategic plan. Survey questions were developed, work shop design was completed, and an outreach strategy was developed. Gigi Windley will start interviewing Board members in early January. Public meetings will follow at the end of January.
- **RFP for Tax Exempt Master Lease:** I reported at the last meeting work on the Master Lease Program for state agencies has stopped because the state unwilling to enter into any financing that requires state appropriation guarantees. However, we continue to explore alternatives for School Districts that would not require state specific state appropriations but would rely on the School Board's discretionary appropriation. We believe we have determined a way to do that and will be circulating a draft Mater Lease RFP for School Districts for review.
- **Green for Green Program:** We have paid out 19 rebates; there are 30 applications approved and waiting for final closing. Fourteen builders are enrolled including Central Delaware Habitat for Humanity and New Castle Habitat.
- **Low Interest Loan Program for Businesses and Non-profits.** I reported at the last meeting that the Executive Committee approved a \$1,000,000 loan for an office building in Wilmington; unfortunately they were not able to secure the required collateral so the loan has not closed. We have a number of prospects for the program but no applications.
- **Energy Assessment Program for Business and Non-Profits.** Contract with UD's Industrial Assessment Center is finalized. Three pilot assessments have been completed the audits found the following annual energy savings: Modern Maturity Center 23%, KSI industries 21%, and Peoples Settlement Association 59%. We have several other assessments being schedule. I will be meeting with each non-profit to discuss ways of funding and financing the recommended improvements.
- **Green Ribbon Schools Pathway Program.** In December this program met its goal of having eight schools enroll. They are: Mt. Pleasant Elementary, Delmar Middle/High School, Brandywine High School, Seaford Central Elementary School, Newark Center for Creative Learning, Warner Elementary School (Red Clay), Sanford School, Mt. Pleasant High School (Brandywine).
- **IAC Energy Assessment Program:** Four assessments are completed. We are lining up assessments for: Delaware Fair, Church of St. Andrew & St. Matthew, Port of Wilmington, Eagle's Nest School and Church, Town of Smyrna.
- **DPL Collaboration Meetings:** I have begun monthly meetings with DPL to investigate ways we work together Items being discussed: Marketing help with Home Performance Program, LED streetlights, Natural Gas Vehicles, promoting SEU Loan programs.