



Executive Director's Report January and February 2023

Thank you – I would like to thank the Board members for 11+ great years. The Board has put a lot of trust and faith in me and the employees. I hope you all believe that we have delivered. I have served many boards, commissions, and councils throughout my career, I have seen my share of arduous and contentious meetings. But not at the DESEU Board meetings; we never had a bad meeting. Our members were always civil, engaged, and kept their eyes on the mission. I want to acknowledge a few members and staff who have worked with me from the beginning. First, Senator McDowell, our founder, and a real mentor to me. Long time board members Sean Finnegan, Drew Slater, and Kris Knight were always there when needed. I also want to thank Frank Murphy, our general counsel, who behind the scenes kept me grounded and was a positive force. Finally, Rob Underwood, who represented DNREC so often on the Board, has been a trusted ally and collaborator.

Executive Director Transition – Drew, I and the rest of the staff have been working on a smooth transition. Fritzy has been busy having Drew fill out all the necessary forms needed for payroll, insurance, health cost reimbursement, banking privileges, and technology set. We have included Drew in several different meetings making sure he is introduced to all the various organizations and individuals that we interact with on a regular basis. Drew has been meeting individually with staff members. Drew and I have been spending time together on specific topics like finances and banking, personnel procedures, budgeting, and lending programs. We still must cover several other subject areas, but we will have a smooth transfer.

Net Metering Cost Benefit Study – The Energy Stakeholders Group led by Senator Hansen has been discussing the need for a cost benefit study of Solar Energy Net Metering. Such a study could lead to a more equitable level of net-metering crediting. We know that net metering does cause the shifting of costs among utility customers, how much and who benefits or loses is unknown. Such a study could lead to a better understanding of the impacts. Senator Hansen has contemplated requesting the DESEU do such a study through a Senate Resolution. Senator Hansen will elaborate on this concept further at our meeting.

Debt Collection – We have been searching for some time for an agency that would help us with debt collection for our residential and commercial loans in default. We had a difficult time finding a firm that would help with residential collections but recently we signed an engagement letter with the Patrick Scanlon Law Firm that operates a debt collection division. We are experimenting with this service; they are currently seeking payments from the six residential loans in default. As you would expect there are fees related to their services. We will closely track their progress to determine if this is the right path forward. To put our defaults in context, there are six loans in default, with a total of \$89,922 owed; However, we have loaned \$10 million to homeowners for energy efficiency and solar measures.

ESPC Contracts – You may recall that we increased our Bank of America Master Lease Agreement cap to \$100 Million because we were anticipating several new Energy Saving Performance Contract projects for financing. So far New Castle County Vocation and Technical School is now preparing to finance a \$9.7 million project, construction to start this summer. In addition, the Department of Health and Social Services is in the final stages of completing their Investment Grade Audit. And Red Clay School District is in the early stages of having an audit completed.