SEU Advisory Board

Meeting Minutes
Thursday, September 5, 2013

I. Call to order

Larry Martin, Vice Chair called to order the meeting of the SEU Advisory Board at 9:45 am Thursday, September 5, 2013 at the District Department of Environment, 1200 First Street, N.E. Washington, D.C.

Roll call

SEU Advisory Board: Keith Anderson, Joe Andronaco, Betty Ann Kane, Bernice McIntyre, Larry Martin, Nicole Snarski, Daniel Wedderburn, Sandra Mattavous-Frye

Absent Board Members: John Mizroch, Dr. Donna Cooper

Other Attendees: Taresa Lawrence, Ted Trabue, Lance Loncke, Hussain Karim, Marcus Walker, Lynora Hall, George Nichols, Mohamed Ali, Nicole Sitaraman, Jon Andreoni, Colin Shay, Olayinka Kolawole, Dave Cawley, Nicole Rentz, Bob Jose, Jerome Paige, Gregory Billings, Rich Fleury, John Wickham, Dave Good, Steve Seuser, Emil King, Patti Boyd, Hanna Greene, Yohanes Miriam, Dan Cleverdon, Michael Ji, Mike Healy, Judith Welch, Daniel White

Approval of agenda and minutes

The agenda was approved.

II. Official Business

Sandra Mattavous-Frye - Discussion on the SEUAB Annual Report

Sandra Mattavous-Frye stated that the Office of the People's Counsel sent out the revised schedule for the drafting of the Annual Report. She asked the Board if there were any changes or a need for clarification. She stated that she did not receive any comments. She reiterated the dates to make certain that the Board members were all on the same page. Ms. Mattavous-Frye stated that based on the way the schedule is drafted, on September 27th the first draft of each section as assigned would be submitted and OPC would do the collation. On October 1st OPC will get that collated version back to the parties for any additional edits or comments. The final draft of the Annual Report will be submitted to the Board on October 25th with the goal of meeting the November 15th deadline. Bernice McIntyre asked if there was a Board meeting in October, and one should be scheduled in October to finalize the report. Larry Martin suggested having a working meeting to focus on the report. Ms. McIntyre said the Board would need to have a vote to approve the report. Ms. Mattavous-Frye suggested November 1st for the next meeting. Mr. Martin then suggested that a Doodle Poll be done for the next meeting. Chairman Betty Ann Kane mentioned that the first week of November was not good for her because the Public Service Commission (PSC) will be having meetings all that week.

Mr. Martin said that there was one other matter that may have been referenced in this discussion on the SEUAB Annual Report and that was the whole timing of the annual report. He raised the concern that the Board is doing an annual report before the Board has all of the information that would allow the Board to make conclusions for the year; the Board has not seen the final report from the DC SEU. He said that if the Board feels like it is fine to do this kind of interim statement then that is fine. However, he said that he would like to have all the data and do a complete analysis even if it is not done until the following April. He put that out to the Board for discussion. Ms. Mattavous-Frye asked what that suggestion would entail; and asked if it would require an amendment to the legislation. Chairman Kane answered that it would require an amendment to the legislation. The legislation states that the final report is due to the City Council 45 days after the end of the fiscal year, which is where we get the November 15th date from. They acknowledged that it is a short timeframe for the report to be done. The suggestion was made for it to be due December 31st which would be 90 days. Noting that DDOE will receive a final report from the DC SEU by October 30th, Mr. Martin stated this would be too late to incorporate the information into the Board's report that is due November 15th. The question was asked when DDOE would receive the EM&V report from Tetra Tech. Lance Loncke said by March 31st. Mr. Martin said that DDOE effectively has to make a decision about the contract well before October 31st.

The question was asked how late would be too late for DDOE to receive the SEUAB report to take it into account during the evaluation of whether or not DDOE is going to renew the contract for the following year. The underlying assumption was that the decision was made in June or July. Under consideration was whether it would be valuable for DDOE to have the SEUAB report after the EM&V report. Ms. McIntyre said that DDOE has a sense of the Board's feeling about the contract, and that the report does not determine the Board's input to DDOE on whether the Board thinks the contract is running well. The report is simply a synopsis of what the Board does to report to the City Council. If the Board feels that the contract should be extended, the Board can give that input when it is needed. Hussain Karim asked the Board to keep in mind that the EM&V report is for the previous year. Ms. McIntyre said by the end of the year should be the latest for the due date of the report. The due date should be moved from November 15th to the end of the year so that the Board can get the DC SEU report before going to the City Council. Going into the next year would not be good.

Daniel Wedderburn asked what is the value of the SEUAB report that goes to the City Council and what would be the additional value of doing the report late? Ms. Mattavous-Frye said that is a philosophical question that goes to the Board itself. The report essentially reflects the Board's assessments and evaluation of the DC SEU. Joe Andronaco stated that one of the difficult things for last year was that there was a lot of activity from the DC SEU. This year is probably not as dramatic.

Chairman Kane suggested that the Board include in its report to City Council a request for changing the report's due date to December 31st. It would give the Board time to look at the final report that the DC SEU submits to DDOE on October 31st. It does not make a lot of sense to have to complete the Board's report in fifteen days. That way, the City Council would be getting a more complete report. Mr. Martin accepted this as a motion and Ms. McIntyre seconded the motion.

Mr. Martin said just for clarity they are asking to push the report back 30 days or to the end of the year. All Board members were in favor of the motion. This will be a recommendation to the Council in the annual report this year. Ms. Mattavous-Frye asked if they needed to pursue other logistics of submitting that request in a report, in addition to getting it before the Council or committee that would have to take action. Chairman Kane stated that maybe they should draft some language. Mr. Martin said that the Board could bring this to the Council staff to evaluate.

Dr. Jerome Paige - DC SEU Performance Benchmarks

Dr. Paige introduced his colleague Gregory Billings. He stated that they appreciated the feedback that they received after the last meeting, which helped to sharpen their thinking. He stated that they will provide a summary of their thinking and recommendations. He reminded the Board that the Goals (Benchmarks) are to:

- Reduce per capita energy consumption
- Increase renewable energy capacity
- Reduce the growth of peak demand
- Improve energy efficiency of low-income housing
- Reduce the growth of energy demand of the largest users
- Increase the number of green-collar jobs

The benchmarks were established by the legislation and their scope of work is to analyze the benchmarks. He stated that most of the discussion would be about the targets. The scope of their assignment is:

- An evaluation of DC SEU benchmarks
- An update DC SEU benchmarks
- A proposed bonus/penalty scheme
- An evaluation of DC SEU performance is outside our scope.

Their approach took account of:

- DC SEU goals, including internal trade-offs
- Constraints faced by the DC SEU
- Discussions held with DDOE, DC SEU, PSC, OPC, WG, PEPCO, Tetra Tech and SEU Advisory Board members
- Review of six other SEUs

Relevant District-wide Features

- 35% CBE Requirement
- Living Wage Requirement
- Annual Contract
- Prohibition on SETF funds use for leveraging
  Non-SETF funds can be used (for example, VEIC funds)

These are features that are basically assigned by law. He noted that marketing and leveraging can be used within that fiscal year.

The Criteria for Reasonableness are :

- Purpose
- Definitional
- Measurement
- Attainability
- Yield Effectiveness
- Use by Other SEU's or Energy Programs

Regarding the benchmarks as a whole it is essential to consider:

- The physical relationships between the different benchmarks
- The financial implications of each of the benchmarks for the other benchmarks.

The criteria for the individual benchmarks are in three groups:

- **Group 1**: DC-specific criteria: What are views of the major stakeholders about the benchmarks?
- **Group 2**: Purpose and specification: Is the purpose of the benchmark still valid? Is the benchmark defined clearly, and is there an acceptable methodology to compute the metric?
- **Group 3**: Attainability: Are there any major external barriers to attaining the targets? What has been the experience of other jurisdictions?

The DC specifics are the views of the major stakeholders on the benchmarks. The team got those views from interviews with various constituents. Dr. Paige stated his team's purpose and specification were that the benchmark is still valid and is it defined clearly. The attainability focuses on the target, what the major external barriers are, and what has been the experience of other jurisdictions.

Dr. Paige presented slides on:

- Internal Consistency of Benchmarks (Constrained Financial Flows)
- Budgetary Tradeoffs Logic Flow – Set a target for Benchmark 1 at the end to make the package reasonable. Specify the targets for Benchmarks 6, 4 and 2. Dr. Paige stated that they will get Benchmark 1 right if they can get or recognize the effects of the other benchmarks.

Order of Benchmarks Discussion – the share of at risk compensation for each are as follows:

- Benchmark 6 – 25%
- Benchmark 4 – 20%
- Benchmark 5 – 10%
- Benchmark 2 – 10%
- Benchmark 3 – 5%
- Benchmark 1 – 30%: The five previous benchmarks flow into benchmark 1

Evaluation Results

- **Benchmark 6 – Green Jobs:**
  Purpose Valid
  Unanimous: Benchmark is critically important
  No other SEU has explicit green job goals
  Measurements presents some challenges
  Some created green work hours not being measured
  Use of 1 FTE job = 2,080 work hours unrealistic for field work

- **Benchmark 4 – Low-income housing:**
  Purpose Valid
  Unanimous: Benchmark is critically important

- **Benchmark 5 – Largest Users**
  Purpose Valid
  Understood widely that SEU has to pursue large energy users, who offer the most cost-effective opportunities
  No current definition of this target

- **Benchmark 2 – Renewable Energy:**
  Purpose is valid given District's commitment to renewable energy
  Stakeholders unclear as to whether DC SEU can lead in meeting District's renewable energy goals
  Limited budget

- **Benchmark 3 – Peak Demand:**
  Purpose Valid
  For stakeholders it seems appropriate to let Pepco take the lead, and DC SEU should play a supporting role. Pepco has invested in the Smart Grid and claims that the Smart Grid will reduce peak electricity demand once dynamic pricing and demand response are introduced.

- **Benchmark 1 – Overall Energy Efficiency:**
  Purpose Valid
  Idea of single target for energy has broad support
  Energy efficiency is critical in other SEUs
  Currently defined separately for electricity and natural gas
  Ratepayers contribute: 80% of DC SEU funds is for electricity and 20% of DC SEU funds is for gas

Dr. Paige's recommendations for each of the benchmarks were:

- **Green Jobs** – maintain current target values; provide information on "all jobs created" as specified in the contract; separate jobs into "field jobs and "office jobs'; field jobs based on work done and capped hourly compensation; use 1 FTE=1,920 work hours for field jobs; count "estimated" work hours when verified paperwork requirements not enforceable; limit on estimated work hours that are countable based on an agreed-upon methodology; set numerical target for field jobs only; require that 60-80% of personnel funds spent on office jobs flow to District residents, but this last recommendation was rejected because of complexity and practical difficulties.

- **Low-Income Housing** – maintain benchmark in general; do not allow DC SEU to count solar pv installations as part of this target.
- **Largest Users** – Use “large” instead of “largest” as a working criteria; no data to define “largest”; define benchmark in terms of “executed financial agreements” with large users instead of physical or monetary units and track yield (energy savings/$) from large users.

  Renewable Energy Capacity – reformulate the benchmark away from price changes; not helpful to define a physical target; revert to the tracking indicator used in “year 1” and define and implement a “cost effective” program.
- **Peak Demand** – no changes; the current specification is reasonable; some suggestions for increasing target from 2 MW; the DC SEU should actively consider selling capacity into PJM market and Pepco has indicated it will assist.
- **Energy Consumption** – Create a single BTU specification; convert kWh and therms into MMBTU and add them up; still spend sector-specific funds within prescribed 75-125% limits; judge the DC SEU on overall performance BTUs saved; count the benefits of technical assistance activities but limit on benefits that are countable; set single target lower than current 1% values; continue with FY13 value of 0.85% for FY 14; move planned FY14 value of 1% to FY 15 and make the overall package reasonable.

Chairman Kane stated that in the District over the last two years, a cumulative reduction of 1.3 million MWh has occurred, and there was a 2.6% reduction in actual reported sales (aggregate) from 2011-2012. There was a 2% reduction from 2010-2011, at the same time there was a 2% increase in population each year. Ms. McIntyre stated that the issue is changing the target of the 1%. Chairman Kane said the 1% is attributed to everything that the DC SEU has done in terms of reduction in electricity sales in the District. They do not have the FY 13 numbers, but it is a challenge to separate out what is happening.

Dr. Paige said the way they sort it out in the benchmark is set in terms of equivalent 1% reduction in the 2009 base. You take the 2009 base and multiply it by the 1% and you will come up with the MWh figure and that is the target for the DC SEU. Ms. McIntyre said she understands that the recommendation is to keep the value as it is right now.

Dr. Paige said that the 1% is not correct at present because the DC SEU did not get the full $20 million contract amount. The target has tracked with the money available. With the full $20 million the DC SEU will be accountable for the 1% savings. In talking to Tetra Tech and others, it takes about 3-4 years for an organization like the DC SEU to ramp up. Since the first year was only six months, this gives the DC SEU another year to ramp up its activities. The idea is to freeze the target at its current level 0.85%, and move to the 1% in subsequent years. Also, this would give the Board a chance to see how the other changes in the performance benchmarks affect the ability of the DC SEU to meet the targets. Ms. McIntyre said she supported that particular effort, and noted that it is a two part change in benchmark target #1 in terms of therms.

Mr. Andronaco said that the MWh and the MCF in the FY13 report are at a 0.85% level. The benchmark minimum of 103,700 MWH and 272 MCF are at the 0.85% level. Dr. Loncke stated that those are the minimum requirements for the benchmarks that would trigger the bonus payments. It does not represent the 0.85%. Mr. Andronaco noted that at the end of July the DC SEU was at 31% for electric of their 50% goal, and 5% for gas. Mr. Martin said that going to a single BTU specification will allow the DC SEU to advance to other technologies that could lead to overall energy efficiency and CO_2 reductions such as micro-turbines in buildings that have electric and heating. This would be an overall improvement for the energy profile in the District. However, he noted that the current way reductions are tracked, requiring gas to be reduced as the goal is a perverse incentive against adopting any of these technologies. Chairman Kane said in many cases, switching from electric to gas is more efficient. Mr. Martin said that he very much favors this recommendation.

Dr. Paige said that the overall package is reasonable taking into consideration all of the other changes. Hopefully, the other changes as well as freezing the current energy consumption target at the 0.85% level will give the DC SEU a chance to experiment and to see where they are able to operate better within all of the constraints they have talked about. Ms. Mattavous–Frye asked if these changes would require legislative amendments. Dr. Paige answered these are targets not goals so no.

Recommendation for the Penalty/Bonus Scheme are:

1. Reduced per-capita consumption: increase from 30% to 35%
2. Increase renewable energy generating capacity: stays at 10%
3. Reduce growth in peak demand: stays at 5%
4. Improve energy efficiency in low-income housing: stays at 20%
5. Reduce growth of energy demand of largest energy users: down from 10% to 5%
6. Increase number of green collar jobs: stays at 25%

Daniel Wedderburn mentioned that DDOE had a low-income weatherization program that was in existence for many years. He asked if it still exists. The answer was yes. He then asked how much money DDOE is spending roughly compared to what the DC SEU is spending. Dr. Loncke said DDOE spends a little under $500,000. Mr. Wedderburn asked since the Federal government is providing under $500,000, what has been the energy efficiency gain from that over the years? Mr. Anderson said we did receive under $8 million from the stimulus money than the amount went back to $500,000. Dr. Loncke said DDOE can provide the exact number for that question. He noted that it is not as significant as what the DC SEU is doing. A budget of less than $500,000 after taking out training and administrative cost allows DDOE to do about 35-36 homes at about $6,500 each. Mr. Wedderburn stated that the point of his question was no longer relevant because he thought the Federal Government was spending more. Chairman Kane mentioned that DCHCD has a program for weatherization upgrades. Dr. Loncke said that in some cases DDOE partners with DCHCD to stretch the dollars.

Nicole Snarski stated that many recommendations in the report are great but she asked what the next step was, and if it would be included in the next contract, or would be incorporated two or three years down the road? Dr. Lawrence said that amendments can be made to the contract that could be retroactive to October 1st,so it could happen in FY14. Ms. McIntyre asked if DDOE was expecting to do this in a tiered way or all at once because some of these recommendations can be put in right away, but others may take longer. She referenced the green jobs as one that may take longer to be incorporated. Dr. Lawrence agreed with the example provided, based on the recommendation and said it could vary.

Dave Cawley asked Dr. Paige when he looked at other jurisdictions and their energy programs, if he looked at the yield that those programs were achieving with respect to the amount of energy savings and the dollars provided in the program. If so, he asked how that influenced his recommendations? Dr. Paige replied that they did not research yields for the different programs. They looked to see what was doing well without specifically focusing on the yield. Mr. Cawley asked how was the conclusion of the 1% goal considered to be reasonable. Mr. Trabue said, in terms of VEIC's view of the 1%, if you looked at the best energy efficiency companies throughout the United States it is per $10,000 how many kW or therms they are saving. The DC SEU would like for this 1% metric to be measured in that way. He said it appears that the Paige team is saying that they did not look at that. He made the analogy that asking the DC SEU to get 1% savings on $20 million is like asking us to design a car that's gets 400 miles per gallon. He said there are some established standards or data that would suggest how far you can go and what is reasonably achievable with dollars invested. He was of the view that Dr. Paige and his team has appropriately pointed out the pulls and tugs within the contract, and constraints.

He asked if the Paige team looked at the case of taking the constraints off of the contract. He asked "if they took the green jobs, CBE spend, low-income spend off the table, could they even get to 1% savings with $20 million?" He said that is a threshold question. Dr. Paige said he does not have the numbers off hand on what the current target for 1% in terms of MWH is. Mr. Trabue also said that he does not know the MWH numbers. Dr. Paige asked Mr. Trabue how close were they at that time, and Mr. Trabue answered not close. Marcus Walker said they are at around 34,000 kW and 40,000 MCF. The minimum MCF is 272,000. Mr. Andronaco said they are not even close. They are really behind and he does not think they are incompetent.

A discussion was held on comparing the DC SEU with other states in terms of the targets. Mr. Billings stated that an examination of Ohio's and Vermont's annual reports show that they are on track with their three year targets. Chairman Kane asked if their targets are like the District's regarding the 1%? Mr. Billings answered yes. He said that Delaware, New Jersey and Cambridge seem to have difficulties but the other three seem to be on target. Mr. Trabue said if those states are spending closer to 5% of utility revenues on energy efficiency programs and the DC SEU is spending a half of a percent or maybe three quarters of a percent; there is a significant disparity in the amount of resources that are being put into these programs. Yet the DC SEU is still trying to hit that 1% savings goal. Mr. Billings noted that Vermont was spending $44 per ratepayer, Oregon was at $24 per ratepayer and the District was at the median number. According to the ACEEE they were about $12 per ratepayer. Chairman Kane stated that the District is down 2.9% in consumption. Ms. McIntyre said we may not be able to resolve this at this particular time. She said she thought that the constraint recommendations was a sort of a median point by keeping the target at what it is today for another year as opposed to going along to have it moved up to the 1% level. She thought that we were moving in the direction that gives the DC SEU a little more flexibility. It was stated that the 1% next year and in FY15 is still not attainable given the resources that the DC SEU has allocated to them capping out at $20 million. Mr. Martin said the goal is not quantified and that there is not really a strong quantified underpinning for setting the goal at 1%. He said a good rational has not been provided. He noted that this is something for further discussion.

Ms. McIntyre said they understand that the 1% is a hard target to meet and they are trying to adjust the other aspects of it. Washington Gas would like to be move towards a BTU for FY14. Ms. Mattavous-Frye said that this is such a complicated discussion point. If and when the Board looks at this in the future, it should be parallel with consumer actions. If they are talking about reducing the goal, they need to look at the consumer contributions as well. Dr. Paige stated that they will take a look at this.

Mr. Cawley said that they have some information for Dr. Paige to look at. They compared all of the jurisdictions around the country, and the yields that are being asked in the District are twice as high on the electric side and close to 7 times as high on the gas side. He stated that they have plenty of information on this and he would be happy to share it. Mr. Andronaco said they need to look at the broader ability to leverage these funds and to have multi-year contracts. Those are two huge constraints. He said the $20 million is equity and there is market leverage and financial leverage. The $20 million could be $100 million a year. Chairman Kane said that it still has to be every single year. Mr. Andronaco said that he is saying multi-year leveraging. This is the nation's capital and we should have an incredible program. We have tons of buildings in this city and we need to make that $20 million bigger.

Mr. Martin said that the Board has an agenda for FY14 and with all of the issues that have been flagged he thought the Board would be busy for a while. He said this was a really useful exercise and he applauded DDOE for pulling this contract together and teeing up these discussion points. Chairman Kane asked if there were recommendations that the Board needed to come to consensus on regarding the multi-year contracting and the leveraging issue. She recommended that this concern be noted when the Board submits its report to Council. She said they should include in the report what the DC SEU did and the Board's view. She noted that this needs to be communicated as a concern of the Board, that there are these structural problems. She noted that we are now two or three years down the road and still see the inability to do multi-year contracts and leveraging. Mr. Martin stated that unless anyone objected, he thought they should read that into the minutes and accept it as a recommendation without going through the whole motion process. The Board thanked Dr. Paige and his team for their presentation.

Mr. Martin said they had a discussion on the three vacant seats on the Board, which is making it harder for them to do business. He asked Mr. Anderson if he had any suggestions to fill them. Mr. Anderson said to encourage people to apply and that he would consult the Office on Boards and Commissions (OBC). Mr. Martin said that he has spoken to people who had applied and were not suitable. Mr. Anderson said that he would have a discussion with Darryl Gorman, Director of OBC.

Mr. Martin asked if the Board could get an update on the discussion DDOE had with the Department of Small and Local Business Development (DSLDB) regarding the 35% set-aside for the CBEs. He said the Board may need to take into account some of the special conditions of the DC SEU that affect the CBE requirement in the DC SEU contract. He asked if there was any progress on this discussion? Dr. Loncke answered "somewhat." He said the DC SEU submitted its subcontracting plan that has been forwarded to the Contracting Officer and she is currently engaged in the process. There is a waiver process that must be followed before any exclusion in the DC SEUs budget is approved. He stated that DDOE is working with the Contracting Officer and DSLBD to see if certain waivers will be allowed.

Ms. Mattavous-Frye said going back to the vacancies, in addition to having the discussion with OBC, the vacancies should be actively advertised by posting on the DC SEU website or DDOE's website because people may not be aware. Mr. Martin noted that the meeting date was not posted and the minutes were not up to date on DDOE's website. He asked who had the responsibility to keep it updated. Dr. Lawrence answered that it is DDOE's responsibility, and that this will be looked into.

Mr. Martin stated that he noticed that the solar pv program is inactive now based on the quarterly report, and that it looked like the entire budget has been spent. Mr. Trabue said the DC SEU is actively working on some houses in Ward 5 which are low-income. Mr. Martin asked about the thermal pv program. Mr. Trabue said there were ongoing projects at that time.

Mr. Martin said that in the quarterly report there was an issue about some of the commercial institutional customers who wanted incentives. He said he has heard this from the commercial sector as well. They would like to see a check box that states they can get this incentive if they take certain actions. He asked if the DC SEU has decided that it is not an option to move in that direction. Mr. Trabue said for some commercial institutions they do have that option. They currently offer a prescriptive program for commercial customers. He stated that there are hundreds of different measures on the list that would qualify to sign up to install those measures and the DC SEU would inspect them and give the rebate on those that are of set values. He offered to bring the chart to show the Board what the values and rebates are. He stated that there is a dollar value limit of $10,000. Mr. Andronaco said this issue comes up a lot. There are prescriptive programs that have an energy rebate up to $10,000 and then there are the T12 and T8 conversion which hovers around 300-500 fixtures. This eliminates some of the larger users, so they go into this custom program, which has been described a lot like a "black hole." He stated that the feedback he received on the prescriptive program is that it is complicated and not easy to do. He said he would like the DC SEU to research this issue. It would motivate the market more even if they say the DC SEU is offering a 10% or 20% incentive with a specified activity. There would be a limit and when they hit it, the rebates would then be exhausted.

Ms. Snarski stated that this is a great point with regard to the limit, and it should also be conveyed to the actual users. She noted that they are coming off the heels of negative reputation with a former program managed by Lockheed Martin. That program hit a wall and everyone had implemented a lot of projects with the expectation that they would get a significant rebate, and they did not, so people are hesitant. So she recommended the DC SEU approve the money before moving forward so that people will know what to implement before they spend their own capital dollars. Mr. Trabue said that this is something that they have discussed internally, whether they should have prior approval so that they do not have the expectations unfulfilled. Rich Fleury said there are complaints from non-profit business owners that they cannot participate in the commercial program. They own buildings and are identical to the commercial property owners but because of their non-profit status they are not able to participate.

Ms. Snarski stated that is not true because she worked with Carnegie and other non-profits. Mr. Martin said it seems like this is getting ironed out, and noted that the DC SEU is working well within the market place. Mr. Trabue said there is constant improvement.

Mr. Andronaco sought clarification regarding the prescriptive program for the commercial sector, so the perception of it being a black hole can be addressed. It was agreed that there should be further conversations on this as it seems complicated and there is a free ridership issue. Ms. Snarski noted that the custom path may present additional challenges and she provided specific examples as it relates to the dynamics between the building owner, project manager, and the DC SEU, and the way investment decisions are made. The DC SEU said they will evaluate the issues based on her description of the problems in the marketplace.

Mr. Martin said that this needs further discussion because there are issues that need resolution. Ms. Mattavous-Frye asked Mr. Martin to give them the discussion topics.

1. Job reporting to the DC SEU
2. How to measure low-income better
3. Low demand
4. How to reasonably set incentive values
5. Multi-year funding and leveraging
6. How to improve the DC SEU to allow for budgeting for longer projects

Mr. Martin said there are six topics.

Mr. Wedderburn congratulated Dr. Lawrence for being promoted to Acting Deputy Director. Chairman Kane suggested that a letter be sent to Dr. Donna Cooper congratulating her on her promotion as the Regional Vice President at Pepco.

III. New Business

A discussion with the Chairman Keith Anderson regarding the three vacancies on the SEU Advisory Board:

Low Income
Renewable Energy
Building Construction

IV. Adjournment

Larry Martin adjourned the meeting at 12:10 pm.

Minutes prepared by: Lynora Hall