

GOVERNMENT OF THE DISTRICT OF COLUMBIA
Department of Energy and Environment

SEU Advisory Board Meeting
Minutes

January 12, 2021
9:00 AM – 12:00 PM

Call to Order

Chair Bicky Corman called a quorum of the Sustainable Energy Utility Advisory Board (SEUAB or Board) to order at 9:10 AM, January 12, 2021. This was a WebEx video conference call meeting.

Roll Call/Introductions

Roll call was taken, and the following people were in attendance:

Board Members:

Board Members in attendance: Bicky Corman (Board Chair), Donna Cooper, Steve Burr, Millie Knowlton (Vice Chair), Sandra Mattavous-Frye, Farrah Saint-Surin, Nina Dodge, Cary Hinton (PSC)

Absent Board members: Nicole Steele, Scott Williamson, Richard Graves

Other Attendees: Tommy Wells (Director, DOEE); Dr. Taresa Lawrence (Deputy Director, DOEE); Dr. Lance Loncke (Sr. Program Analyst, DOEE); Hussain Karim (DOEE); Ted Trabue (Director, DCSEU); Shelley Cohen (Solar Program Director, DCSEU); Tamara Christopher (DCSEU); Crystal McDonald (DCSEU); Patti Boyd (Senior Technology Strategist, DCSEU); Lynora Hall (DOEE); Megan Partridge (PEPCO); Dave Epley (Associate Director, DOEE); Angela Johnson (DCSEU), William Ellis (PEPCO); Yohannes Mariam (OPC); Sarah Kogel-Smucker (OPC); Larisa Dobriansky (General Microgrids); Mathias Paustian (Sierra Club, DC Chapter); Pierre Van Der Merwe (DCSEU); Edward Musz (Pepco); Jean Houpert (DC Green Bank); Robert Stephenson (DCSEU); Joe Cohen; Rachel Gold (ACEEE); Cliff Majersik (IMT); Eli Hopson (DC Green Bank); Johnnie Barton (MOTA); Jean Houbert (DC Green Bank); Lilia Abron (PEER Consultants, DCSEU contractor); Mark Rodeffer (Sierra Club DC); Nate Gillespie (PEPCO); Gene Imhoff (Grid 2.0); Jean Stewart (Sierra Club DC); David Pirtle (PEPCO); Apera Nwora (WGL); Edward Yim (DOEE); Eric Jones (AOBA); Adrienne Mouton-Henderson (PSC);

Approval of Agenda

The motion to approve the agenda was made by Ms. Sandra Mattavous-Frye, Nina Dodge seconded that motion. A vote was taken and the meeting agenda was approved.

- All in favor; None opposed.

Review and Adoption of the December 8, 2020 Minutes.

Board members decided not to vote on the December 8, 2020 minutes at the meeting. DOEE will review the minutes, make any corrections, and resend for final corrections.

To make documents easier to track and keep up with, Nina Dodge requested that when sending documents around by email, to not mix and match the “types of documents”, but to make sure the documents sent are consistent with the thread of conversation of the email. For example, send the minutes separate from the contract change documents.

The Board discussed creating a Dropbox folder again to keep supporting documents. David Epley agreed to look into this and create a system prior to the next meeting.

Discuss Potential DCSEU Contract Updates

The Board asked for further clarification on the deadline to make a decision to renew the option period or issue a new RFP. Director Wells explained the dynamics of that decision, and that DOEE wants to move towards the 5-year option period.

DOEE noted that the updates to the contract are being handled as a contract modification. Chair Corman asked for DOEE clarify and explain how to prioritize the many potential contract changes for the Board to discuss – so that today the Board can focus on which potential contract changes are necessary to potential adoption of 5-year option period. DOEE noted that it was most critical to address potential contract changes that deal with updates to the performance metrics and benchmarks, as well as incentive structure (all of these designed for a 5 year period and would be disruptive to change midway through the option period).

- Dr. Lance Loncke and David Epley facilitated the discussion of the potential changes to the DCSEU Contract. To begin the presentation Lance outlined the “Contract-related votes taken by the Board to Date:
 1. Adopt a GHG reduction benchmark?
 - Board voted yes to include a GHG reduction benchmark
 2. Adopt a fuel neutral energy savings benchmarks in addition to the GHG reduction benchmark?
 - Board voted yes to have a fuel neutral energy savings benchmark
 3. Use 2006 as the base year to use for GHG benchmark?
 - Board voted yes to 2006 baseline
 4. Adopt GHG benchmark immediately at the start of the next contract or phase in over time?
 - Board voted not to phase in
 5. Use either marginal versus average emission rates?
 - Board voted in favor of marginal emission rate being used
- Next, they reviewed contract updates DOEE has flagged for discussion
 1. GHG Reduction Benchmark targets and incentives
 2. Energy Savings Benchmark targets and incentives
 3. Renewable Energy Benchmark summary, targets and incentives
 4. Contract limitations on natural gas appliances and equipment
 5. Contract limitations to non-energy carbon savings
 6. Contractor EM&V / TRM Manual language update
 7. Eliminating the Leveraging Benchmark
 8. Suggested new tracking metrics

- Annual MWh Saved
 - Annual Therms Saved
 - Leveraged Funds
- Next, they reviewed the contract updates the Board had flagged for discussion that need to be discussed today along with the recommendation/stance from DOEE. To note
 1. Incentivizing reductions in peak demand as a means of inducing greater GHG reductions
 - DOEE does not recommend we move forward with this update
 2. Year 1 v. lifetime savings
 - DOEE does not recommend we move forward with this update
 3. Removing differentiation between maximum and minimum benchmarks
 - DOEE does not recommend pursuing this one.
 4. Update to societal cost test cost-effectiveness methodology?
 - DOEE does see the need to update the methodology here. To note, the values are updated each year.
 5. Setting a more robust minimum threshold for the projects that count towards energy reduction
 - DOEE needs more information to better understand Board's position.
 - GHG Benchmark Summary
 1. A majority of the Board voted on 11/10/2020 to recommend that DOEE add a new GHG performance benchmark.
 2. Reductions in GHG emissions will be measured in metric tons of carbon dioxide equivalent (MtCO_{2e})
 3. Annual savings for energy efficiency and renewable energy programs, and natural refrigerants (HFCs, etc.) shall be converted to MtCO_{2e}.
 4. Numeric GHG emissions reductions represent annual and cumulative targets/goals for the FY2022–FY2026 Option Period.
 5. Pro-rated compensation available after each fiscal year; penalties apply after the end of Option Year 5.

Discussion by the Board:

- Steve Burr provided his perspective that natural gas equipment will save energy and it will save GHG. He believes that removing the provision of “certain expenditures shall not be reimbursable without prior approval DOEE,” will allow ratepayers, citizens, and businesses an opportunity to save money, as well as greenhouse gasses. He also stated that within the new 5-year contract, having high efficient natural gas equipment is needed. Steve Burr also mentioned that taking away the efficient natural gas equipment rebates will decrease opportunities will push owners to only install to the code minimum. That being specifically true for price sensitive customers and business who do not have upfront cost. but are looking to save energy.
- Lance Loncke then provided his perspective that dealing with existing gas equipment in commercial spaces is more complex and we are not necessarily taking away the ability to do those projects. The contract change states that the DCSEU needs to consult with DOEE on reviving the option to pursue or incentivize certain projects. Lance Loncke went to state further that the long-term vision for the District must be kept at the forefront and the use of natural gas is something that the District is looking to move away from entirely. He continued that the Board must look at the legislative changes that have been made in regards to the use of natural gas, which should encourage the DCSEU to reduce and/or eliminate their investments in natural gas.

- Nina Dodge suggested that a meeting be held to discuss solar for all programs as well as solar battery storage in residential buildings and how it can be piloted.
- Moving to the last portion of the presentation; DOEE discussed eliminating the leveraging performance benchmark. DOEE's position is "Current efforts involve PJM and SREC revenue derived from District assets that would have generated the same revenue in the absence of this requirement. Other leveraging efforts also introduce complexity and constraints (i.e., direct competition with the DC Green bank) without significant energy savings or expansion of DCSEU program offerings."
- Dr. Loncke outlined the following timeline for completing all proposed modifications to the DCSEU Contract
 1. DOEE will coordinate with the Contracting Officer to formally issue a notice of intent to extend the term of the Contract.
 2. The preliminary notice does not commit the District to an extension. The exercise of this option is subject to the availability of funds at the time of the exercise of this option.
 3. All modifications to the Contract must be completed by 3/31/2021.
 4. DOEE will present draft of all proposed changes to the Board by mid-January 2021.
 5. Provide a minimum of 2 weeks for final review and comments.
 6. DOEE and DCSEU will review and incorporate suggested edits/changes, if necessary and circulate for another round of reviews by the Board.
 7. Deadline for receiving written comments on proposed changes is 3/9/2021 Board meeting.
 - Lance Loncke stated that for the information presented today, the Board has until January 26 to review the material and add their comments, edits; and have another revised draft for the Board at the February meeting.
- Going back to the contract updates for the Board, Millie Knowlton posed the question of "if there is a threshold for quantifying projects in the pool of savings." Lance Loncke responded mentioning that there is not a jurisdiction where there is a minimum threshold for any program to claim savings.
 1. Dr. Loncke stated that he is working on a contract change that will address "free ridership" and will distribute it to the Board when it is ready.

Millie Knowlton suggested this discussion be tabled until the Free Ridership Proposal has been released.

- Referring to the Contract update topic of 'Year 1 v. lifetime savings;' Patti Boyd stated that she believes there is a huge amount of savings within Year 1, and that lifetime savings would not make a major difference. She then provided an example that supported her position; a building that PJM claimed, and within the Year 1 metrics they were able to claim 4200 megawatt hours in savings.
 1. Claiming those 4200-megawatt hour shows the importance of Year 1; moving to lifetime savings would take away the ability to track large megawatt savings
 2. Asa (DCSEU) also provided his perspective stating that the way their societal cost testing is set up, accounts for lifetime savings. Whether it is chose to take Year 1 savings versus life savings; it will not change the way PJM screens their information.
- Nina Dodge contributed to the conversation by asking, "How does the pay for performance program fit into the benchmark?"
 1. A building is operating a certain way for a certain time and their energy use data is taken; both electricity and natural gas and build regression models against weather.
- Nina Dodge posed the question in regards to the technical reference manual, asking will it be used in a "deeper and broader way" when developing the up and coming contract, and be used as a guide. Chair Corman raised a concern about the criteria being used to judge which technologies are

“prohibited” without DOEE’s approval and asked for DOEE to provide that criteria for the next Board meeting.

- Chair Corman asked the Board if they were ready to vote on the contract changes discussed today and she receive a response from Stephen Burr stating he would like more time to review.
- Sandra Mattavous-Frye moved to allow other parties to vote and submit comment; Nina Dodge second that motion.
 1. The Board agreed on this motion.
- Lance Loncke stated that after comments are received; they will be brought to the board.
- It was decided that 2 weeks from today, the Board is to send their written comments and questions on the documents.
- Comments on the December minutes are due by the following Tuesday, January 19.

PRESENTATION ON THE DCSEU’S FY20 ACCOMPLISHMENTS

ANNUAL REPORT RECAP & CLOSING OUT THE YEAR

- Chair Corman explained that this was discussed in the conversation above.

REPORT OF FC1160 JANUARY 7, 2021 EEDR METRICS WORKING GROUP

- The governance questions are to go to the issue of how to try to establish coordination to ensure that utility programs are duplicative of SEU programs.

Legislative and Regulatory Update

No major updates to report.