**SEU Advisory Board Meeting**

**Minutes**

**October 13, 2020**

**Call to Order**

Chair Bicky Corman called a quorum of the Sustainable Energy Utility Advisory Board (SEUAB or Board) to order at 10:10 AM, October 13, 2020. 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, Donna Cooper, Nina Dodge, Steve Burr, Cary Hinton (designee for Willie Phillips, Public Service Commission), Millie Knowlton, Adrienne Mouton-Henderson (designee for Sandra Mattavous-Frye, Office of People’s Counsel), Nicole Steele

**Absent Board members:** Scott Williamson, Richard Graves, Farrah Saint-Surin

**Other Attendees:** Tommy Wells (Director, DOEE);Taresa Lawrence (Deputy Director, DOEE); 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); Karen Sistrunk (OPC); LaKeisha Lockwood (DOEE); 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).

**A*pproval of Agenda***

The motion to approve the agenda was made by Dr. Donna Cooper, seconded by Mr. Carey Hinton, and unanimously approved by the Board. Bicky asked the Board to send in their comments and suggested revisions on the minutes to DOEE, if they have any.

***Review and Adoption of the August 11, 2020 Minutes.***

The motion to approve the August 11, 2020 were delayed until the November 10, 2020.

***SEUAB Annual Report Chair Bicky Corman***

Chair Corman said “it looks like some of the Board have submitted their sections but that may not have made it into Google Docs.” The report is due to council on November 30, 2020.

**Report out from Board members:**

**Natural Gas** – Natural Gas Consumption - Steven Burr sent in his report but said he will put it in Google Docs by the end of the day.

**Pepco –** Electricity Consumption -Dr. Donna Cooper sent in the report.

**Public Service Commission –** Increasing Renewable Energy Generating Capacity – Mr. Carey Hinton sent in his report. He was having a problem with Google Docs. Mr. Dave Epley will assist him.

**Office of People’s Counsel** – Increasing Energy Efficiency of Low-Income Properties – Ms. Adrienne Moulton-Henderson sent the report in on September 28.

**Nicole Steele –** Submitted green jobs information and the highlighted information needs to be confirmed by DOEE.

**Ted Trabue, DCSEU –** Leveraging External Funds – Mr. Trabue will have the numbers by October 12 and will send them to DOEE.

**Millie Knowlton –** Reducing Growth in Peak Demand (Tracking Goal): Millie has added in her section.

**Randi Marshall, AOBA** - Reducing Growth and Largest Energy Users (Tracking Goal) – Randi was not present for an update. Currently it is not submitted.

**Ted Trabue, DCSEU** – Innovation - The report is forthcoming.

**Nina Dodge –** Societal Cost Test- Report is forthcoming.

**Ted Trabue, DCSEU** – CBE Requirements – The report is forthcoming.

**Ted Trabue,** DCSEU - Status on Engagement Outreach – The report is forthcoming.

**Millie Knowlton –** Going Forward- Report submitted to Google Docs.

Chair Corman asked “are you ready to discuss the executive summary? Or are we going to have another meeting, or just wait to do it all at our November 10 meeting?” The executive summary questions were reviewed. Dr. Donna Cooper suggested that the Board have time to review the document and a meeting be setup for them to go through the document. Chair Corman said “a meeting the week of November 2-6 is proposed. Comments are due the week of October 26 and they would meet the week of November 2 and then vote on it at the next meeting November 10. Ms. Lynora Hall will send around a doodle poll for the week of November 2-6.”

Chair Corman said “when we asked for an extension of time to submit the report Mr. Michael Porcello from Councilmember Mary Cheh’s office asked why we are seeking an extension. His question was directed to me from Nicole Rentz. I said because we were in the middle of a discussion on what type of GHG Emission Reduction benchmark should be. We were having a robust discussion and we wanted to have more time to report to the Council. Mr. Porcello was excited to hear that was a discussion the Board was having and indicated that there are a lot of people interested as well.”

***SEUAB Onboarding Vice-Chair Millie Knowlton***

Millie Knowlton stated “for new board members onboarding, we were hoping to first have some sort of written correspondence from the Chair that would state attendance and expectations. We discussed potentially introducing new attendance requirement for board members such as if you miss more than two meetings in a row, they there would be some sort of formal correspondence and potentially could be asked to resign from the board.” As a board member joins expectations would be clearly communicated in writing. Mr. Karim said he may have some insight on how we might finalize this requirement. In the past the SEUAB had a half of day or one day of training session for new board members to make them more familiar with the SEUAB role. Several years ago, the SEUAB looked into removing board members with the Office of Boards and Commissions. It was found that before you remove a member you must have a hearing were then can voice their explanation of their absences and provide some sort of reason. The Board just can’t automatically remove someone from the board. Mr. Karim said he will check with MOTA on the procedure. “My understanding is you have to have some sort of due process before you ask them to resign because of absentee, he said.”

Vice-Chair Knowlton said “it would be a good idea to do a half of day onboarding. What we had in mind was setting expectations for a review of resources. Some of the comments in the audit were that some of the Board members were less familiar with some of the actual history of the contract and current status. We can start with a centralized database of all resources. We could start compiling all relevant resources like contract materials and amendments. Would DOEE help us to compile all of the relevant resources in either the Dropbox folder or another place to be able to share with the new board members?” Dr. Lawrence confirmed DOEE participation. Vice-Chair Knowlton stated “the last recommendation is to have a one-on-one with the Chair for each member and then a small group meeting with the rest of the board members. Each board member would commit to joining a small group meeting with the new board members.”

***Legislative Update Hussain Karim***

Mr. Karim stated “there isn’t much to report on, the main thing is the budget process is moving forward, and I believe the FY20 budget has been approved. There’s a forecasted revenue shortfall in FY22.”

There were some technical amendments to the Building Energy Performance Standards (BEPS), that adds an additional year between 5-year BEPS cycles to analyze the data and set the new standards. Hussain will include in the annual report. Nothing specific to the SEU and CAEA.”

***GHG Emissions Reduction Chair Bicky Corman, Lance Loncke, DOEE Nina Dodge, SEUAB, Rachel Gold, ACEEE***

 ***Cliff Majersik, IMT***

Ms. Nina Dodge said “we are going to be considering the proposal that circulated with an update yesterday for a GHG Emissions Reduction Benchmark that might take the place of two energy reduction benchmarks - one for electric and the other for gas. Thank you to Dr. Lance Loncke for getting the draft proposal done. Dr. Loncke will be presenting briefly and Ms. Rachel Gold and Mr. Cliff Majersik as national efficiency gurus will speak.”

Dr. Loncke asked “did everyone get a chance to look at the PowerPoint slides which was sent out? At the request of the Board we took a look at the existing natural gas and electricity to determine the benchmarks and still be aligned with the requirements of the CAEA. How we could switch out these two benchmarks and still be consistent with the law. We researched and did analysis to determine what would be an appropriate GHG metric to use and what would be some of the targets that we can reasonably establish for the SEU. As you can see on the slide it goes through the proposal to discuss some of the finer points. In order for us to move forward with changes to the contract you would need to be on board with it.”

The DCSEU has a tremendous amount of extended expertise in house in terms of staff. The DOEE teams has been meeting every other Friday to discuss the GHG benchmark. In summary the proposal:

* Requires the DCSEU to design and implement programs and initiatives that reduce GHG emissions based on the 2016 levels.
* GHG emissions are measured in metric tons of carbon dioxide equivalent (MtCO2e) and are based on average emission rates.
* Annual savings for electricity (MWh) and the natural gas (therms) shall be converted into (MtCO2e)
* Numeric GHG emission reduction represents cumulative targets for FY2022-2026 option period.
* Total emissions will be measured and reported according to leading national and international GHG reporting protocols.
* Pro-rated compensation available after each fiscal year; penalties apply after the end of option year five.

If the DCSEU meets a certain target at the end of the fiscal year they will be eligible to receive a performance incentive. But if they don’t, they have a way to reach that overall five year target before any penalties are applied. This is based on the recommendation from the questionnaire that a cumulative path be followed when setting up the benchmark. Lastly, the proposal will follow DOEE protocols for measuring emission reduction using the DOEE calculations. The 1% annual reduction has been established using the 2016 GHG baseline because the 2016 baseline seems to be most reasonable in terms of specifying a stretch target to achieve. The DCSEU over the last three years has been measuring and reporting out on emissions in terms of metrics tons of CO2. The highest that they’ve been able to accomplish was FY19 where they achieved about 63,450 metric tons.

**Performance Incentive for Reduction in GHG Emissions**

The table presented in the PowerPoint slides gives a sense of how the performance incentive would work. The numbers indicate financial incentives that the DCSEU is eligible to receive each fiscal year.

**Key Issues to Consider**

* Are the proposed 5-year GHG targets too aggressive given the total package of benchmarks and the DCSEU’s annual budget?
* Should DOEE maintain separate or fuel neutral energy savings targets to ensure the DCSEU implements programs that reduce both energy consumption and GHG emissions?
* What level of natural gas energy savings should be counted towards overall GHG reductions?
* Should the DCSEU net out GHG emissions across fuel switches from gas to electric, while imposing a ban on conversations from electricity to natural gas?
* Should the DCSEU use gross meter-level savings (energy used at the site) when calculating the total carbon emissions from energy use?
* Definition of sustainable energy programs and allowable GHG reduction measures (“energy” and “non-energy” carbon savings).

Mr. Loncke said “we’ll give everyone a chance for questions. Chair Corman “thanked Dr. Loncke and DOEE for the presentation. We’re going to have the next presenters to give their presentations.”

***GHG Emission Reduction Nina Dodge, SEUAB***

Ms. Dodge stated “It is impressive how far we have come. I’m going to talk about two small issues. One is site versus source. My understanding is that DOEE is examining going to a more comprehensive metric which would include site and looking into questions of offsets from power purchase agreements and so on, and how they should be valued. DOEE is really encouraged in this direction and I will hope that they would continue leading the District. …We think its really appropriate for DOEE to lead and PSC and the City Council and all of use to weigh into their initiative.”

Ms Dodge continued, “So obviously that would have an impact on the DCSEU and everything else government wide. So I hope that we don’t have a chaotic approach with different agencies coming up with different metrics and replicating the exercise. The second detail is I would go with VEIC on terms of how we refer to the non-energy efficiency carbon equivalent savings as with refrigerant and I would call them what they are (which is related emissions reduction program or carbon reduction), but not use the word sustainability which I think has become meaningless and it encompasses so many different things.

To the report which is very comprehensive. There are three things that I didn’t see in there. First, it would be great for the proposal to mention the Time of Use Pricing Pilot even we are not talking about the first year of the next contract. There are some real opportunities that will arise even frankly with the pilot. Providing appliances that you could set for the nighttime hours to run the electric compliances. Second, the question of refrigerant, I was glad to see in there the non-energy reducing measures. Third, the question of potential greenwashing with the new reduction measures, depending on how we treat offsets.”

***ACEEE Rachel Gold***

The ACEEE stands for American Council for an Energy Efficiency Economy. A non-profit research organization based in the District of Columbia but does work on research and analysis on energy efficiency across the country. Ms. Gold stated that ACEEE “would like to applaud DOEE, DCSEU for doing this analysis and taking on the question of how we evolve energy efficiency to be a decarbonization tool. It looks like some of the other leading states and cities are translating energy efficiency metrics to GHG. Ms. Dodge shared a prospectus of a research project being launched next year around road mapping. How in policy and program design and cost-effective testing do we get from energy efficiency to GHG?” ACEEE is going to be launching some work around that they will share. The work looks at how four options for how jurisdictions can shift energy efficiency to align with decarbonization, with value to the grid and with equity. Those are the three sort of policy drivers ACEEE is seeing around the country.

ACEEE saw four approaches. The first is shifting cost effectiveness; testing and shifting how energy efficiency performance is valued to better capture both the societal cost of carbon and the time and locational value of carbon reductions. Ms. Gold believes “the District has made some shifts over time to make their cost effectiveness testing more robust.” ACEEE sees that the first step. For example, in California they have taken into account the location and time value of energy efficiency.

The second option is shifting goals to look at primary energy as opposed to looking at kilowatt hours and therms. Ms. Gold said, “ACEEE is seeing that as a part of the energy efficiency portfolios in Massachusetts, New York and also as a proposal in Minnesota. It opens up the possibility of beneficial electrification and expanding the universe of what efficiency can do, bringing in value potentially from demand response and electrification.”

The third is to create parallel goals. In addition to a having a Btu goal, a jurisdiction also has a GHG goal. What Massachusetts has is a portfolio of goals. They have a goal for net benefits, net economic benefits, and then individual types of savings as well as site and source goals (because they want to be encouraging both). Electrification is quite complicated. But what they’re doing is put all decarbonization solutions at once and still incentivize reductions.

The last option shifting fully to a standalone GHG metric. When ACEEE published its paper in 2019, there were no examples from around the country but send then SMUD (Sacramento Municipal Utility District) has adopted a GHG metric.

Ms. Gold noted that the District is at the leading/bleeding edge of this issue and hopefully these options will be useful. ACEEE will be launching a process to build roadmap for jurisdictions that are encountering this question. Dr. Loncke ted up nicely a lot of questions that we will be asking ourselves in that roadmap, we will be eager to learn what you do. Dr. Loncke talked about several slides that were in his presentation, he will forward a copy of his presentation to the SEUAB.

***IMT Cliff Majersik***

Mr. Majersik complimented Dr. Loncke and everybody involved in this proposal. “This is a great step forward and I would like to echo what Ms. Dodge and Ms. Gold said that all of us are right on target” he said.

He continued, ”Stepping back and thinking about the big picture, the goal needs to be for D.C. to meet its commitments including the sustainable commitments, the carbon neutrality by 2050, and the 50% GHG reduction by 2032 that’s in the clean energy dc plan, the Mayor’s plan. And of course, always thinking about affordability and equity. The focus will be on the carbon and greenhouse gas goals. For DC to meet its greenhouse gas goals, it’s going to have a 4-legged stool approach for buildings. The first is energy efficiency. The next is going to be renewable energy followed by demand management. (reducing energy at peak times so we can take advantage of good low carbon electricity). The fourth will be electrification, shifting from fossil fuels to electrifying our energy consumption, so we can use less. All four of those will be needed to achieve the goals.”

Mr. Majersik said, “I think with the marginal versus average question, switching to greenhouse gas in absolutely the right way to go but it is the real pit fall that some folks may say only greenhouse gases (therefore we don’t need to worry about electricity once we’ve gone 100%). That is never going to be true, we’re always going to have to be focusing on all four legs of the stool. We need to have long term goals, so we need you to be focused on long term objectives.”

“We made a step forward by going into by going into a five-year contract. But we are still talking about 2032 and 2050 goals and we need for the DCSEU to be focused on what’s going to get us to achieving those goals, the most cost effective most favorable way for the District. The proposal that we have seen here is a big step in the right direction with an opportunity to do more. There is a question around conversion factor from kilowatt hours to greenhouse gases. The uncertainty that creates going forward and I think there are a variety of strategies that can be used to address, but we need to make sure the DCSEU is sending the right signals to work towards the District’s climate commitment. I was a subcontractor helping to write the Clean Energy Plan and the DC Carbon Neutral Strategy Framework and worked very closely with Councilmember Cheh and drafting the Clean and Affordable Energy Act of 2008. I’m thrilled to see that this is working in concert with those and am eager to work with you.”

**General Discussion:**

Ms. Dodge thanked Ms. Gold and Mr. Majersik on their presentations. They said that they would be willing to attend the meetings while the Board are discussing the GHG Emissions Reduction.

Chair Corman asked “knowing what you know about the DCSEU do you recommend anything to emphasize on from the DCSEU?” Mr. Majersik said “I would say that because so many buildings are going to need to improve their performance, the building energy performance standards needs to be factored in. The DCSEU is not going to be able to offer financial incentives for every building that has to comply with the needs to be able to be rewarded for providing technical assistance without any financial assistance. There’s a lot of wasted effort that goes into separately tracking spending on gas and electric savings. There are many deep retrofits, I think we need to stop tracking the spending separately. You could still track savings, if necessary, their various strategies and tracking separately. The savings could be useful as part of a combined strategy to align the DCSEU with the District’s goals. You need to make sure the DCSEU is focused on energy efficiency. To educate all people in our District.”

Ms. Gold answered “from a tracking perspective we don’t want to add any time on energy or cost to the work that’s done, but it is important to be able to look longitudinally at process both for climate tracking and greenhouse gas tracking. Well, at a minimum continuance to track savings from different fields will really be important. Also, I think the contractor community and their trade allies should be able to give input about what they would need to be able to successfully transition their businesses to align with and support the DCSEU and support the changes that might be made.”

Ms. Dodge would like to make a comment relating to some of those comments given by Mr. Majersik about rewarding the need to reward the contractor for technical assistance. She said, “This has been a background concern for the Board for years and sometimes were privy of the wonderful work that the DCSEU is doing. We got a new contract in the works and I will ask Chair Corman to consider making this an agenda item about how that may be worked into a contract. The District is discussing a time of use residential programs. Could someone look into the possibility of piloting an DCSEU time of use and take advantage of whatever decisions made about that program. Let’s take advantage of this.” Dr. Loncke said “that the DCSEU is already receiving credit on terms of providing technical assistant. More broadly for other energy efficiency work and these protocols need to be worked out in concert with DOEE and the third-party evaluator. It’s just a matter of getting that framework finalized.” Mr. Trabue stated that this is he beginning to the conversation and we approve of the partnership that we have had with DOEE. So thank you we’re here to partner, collaborate and continue to bring a great result to the District of Columbia.

Next steps:

* A clear discussion on the GHG benchmark.
* The Board to submit written comments to Dr. Loncke on GHG Emissions
* Decision from the Board on GHG benchmark

Ms. Dodge suggest the Board meet before the next board meeting to discuss the GHG benchmark. The GHG Discussion would be held on Friday, October 26, at 10:00 am. A Doodle Poll will be sent out regarding the meeting to discuss the annual report the week of November 2-6.

***Other***

***Next Agenda***

* Approval of October 13, 2020 agenda.

***Actions taken by the Board***

* Approval of August 11, 2020 will be approved at the next meeting

**Adjournment**

* Vice Knowlton adjourned the meeting at 12:12 P.M.

*Minutes prepared by: Lynora Hall*