**SEU Advisory Board Meeting**

**Minutes**

**November 10, 2020**

**10:00 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 10:10 AM, November 10, 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, Sandra Mattavous-Frye, Nicole Steele, Randi Marshall

**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); 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; Jean Houbert; Lilia Abron; Mark Rodeffer; Nate Gillespie; Gene Imhoff; Jean Stewart; David Pirtle; Apera Nwora

**A*pproval of Agenda***

The motion to approve the agenda was made by Ms. Millie Knowlton, second by Dr. Donna Cooper, and unanimously approved by the Board.

***Review and Adoption of the August 11, 2020 and October 10, 2020 Minutes.***

Meeting minutes will not be reviewed until the next meeting at Nina Dodge’s suggestion. Chair Bicky Corman asked the Board to review and submit any changes by Friday, November 13, 2020.

***GHG Emissions Reduction Lance Loncke, DOEE***

Dr. Loncke asked “did everyone get a chance to look at the email which was forwarded from the subcommittee meeting discussion. The first proposal looked at replacing the electric and natural gas with a GHG energy reduction benchmark. We have since looked at adding the GHG benchmark to the performance pool of benchmarks in the contract. We have decided to go with a fuel neutral benchmark which would be converting the gas and electric benchmarks to a common metric. This morning I will be going over the direction we will be going into. If you participated in our subcommittee discussion then you got 90% of what would be discussed this morning. Because we previewed what changes will look like if we were to shift to how would we get there and we previewed some small tweaks to the GHG benchmark.”

Mr. Stephen Burr asked “what would be the process to move forward with the review and comments and things that kind of help to facilitate that gives a little more advance notice. Dr. Loncke said “that would be a pretty much extended process to see the entire package of changes to the contract. We’re trying to tackle these things pretty much one benchmark at a time. So right now we’ve started with the GHG benchmark, we don’t think there’s a lot of work with combining the existing electric and gas benchmarks into a fuel neutral benchmark and then totally renewable energy benchmark, but those pieces are still to come in terms of renewable energy benchmark. But with respect to the GHG benchmark the draft was recirculated more than a month ago, the intent was to get comments on it. So far we’ve gotten a lot of verbal but if you want to send any written comments feel free to do so. Mr. Burr asked “was there a written form or any draft of that currently? Or will it be forthcoming? Dr. Loncke answered “once you get a chance to review my slides then you’ll understand exactly how that’s going to be done. What’s most important is the targets that we’re going to set for each fiscal year.”

Chair Corman says “that it sounds like there are two things that might need to be working in parallel and I’m not sure of DOEE timeframe. I know that DOEE has requested guidance from the Board on what the Board wants to see. I’m not sure that the Board has necessarily voted yay or nay. Does the Board want to see a GHG emissions reduction performance benchmark included in the next DCSE contract? So the vote should be a yay or nay and I’m assuming that would be something you would want to hear from the Board. We can discuss more on how we vote.”

Dr. Loncke said “what DOEE is doing is setting up the framework because we haven’t made a decision as to whether we’ll exercise an option period. Even if we do, we still have to get to the table to negotiate with the DCSEU on what those targets would be. So I would like to throw caution to the Board.” Ms. Dodge asked “just to make sure everyone is on the same page I think now that you raised a yay or nay vote goal for today could Chair Corman give us language for that? So we all know what we are talking about.”

Chair Corman answered “does the Board recommend that the next contract include a GHG performance benchmark? We need to be mindful that the annual report is due November 30. We want to provide the substantive comments if that’s needed to keep the discussion rolling in addition to the oral commentary.” Board requested to see the presentation first so Dr. Loncke presented the GHG emissions report.

Presentation: “There have been changes to the proposal that were sent forward with the intent of getting some feedback from the Board. The first draft sent around, we were looking at a 2016 baseline or seven targets based in our 2016 GHG levels. The 2006 level is where the District measures our GHG reductions. It is a very well-known and accepted metaphor measuring reductions. We do have parts by which we can measure accurately CO2 to equivalent reductions that will be coming out. Internally we have decided to use the marginal emissions rate because marginal in our opinion more accurately reflect the carbon that is coming on especially during peak times of the day. Even our independent evaluators have suggested that the marginal emissions rate is used. Just to be on the safe side and for ease of reporting, our monthly EM&V report will continue to show both numbers. So therms, such an item is being able to address some of the existing refrigerant commercial space which will have GHG saving available, and maybe a small amount of energy efficiency but definitely the refrigeration will contribute to reductions. We still set the targets based on a cumulative basis even though we have annual targets meaning if the DCSEU hit certain marks each fiscal year they can receive what we call a performance incentive. They still have a full five years to get the entire target meaning if they invested in year one or two they wouldn’t be penalized by the District. But by the end of the fifth year period they do not accomplish the minimum mark for a five year contract, then they would be penalized by DOEE. The reporting protocols are the same, we are going to follow the lead and general accepted national standards. The maximum target reaction the DCSEU to achieve is one percent reduction over 2016 baseline.”

Ms. Dodge said “Dr. Loncke will explain what discrepancy is between the automatic points that come from fulfilling the energy efficiency benchmark so that we know what the incremental stretch that will come in your presentation.” Dr. Loncke said “he could show what the stretch will look like but he would need to pull up the GHG calculator.”

Here are some key issues to consider:

Whether a GHG reduction benchmark would be in addition to or in lieu of an energy savings benchmark.

* DOEE recommends adding a GHG performance benchmark.

Would an energy savings benchmark would be replaced (immediately or phased out over time), or maintained in addition to the new GHG performance benchmark.

* DOEE recommends an immediate transition to a fuel neutral (MMBtu) performance benchmark. The CAEA does not require separate benchmarks for reductions in energy consumption. A fuel neutral benchmark will also ensure the DCSEU prioritizes energy efficiency, energy reductions align with current the low-income savings metrics, and provide additional flexibility for the DCSEU to pursue opportunities with greatest impact.

Whether to maintain distinct energy benchmarks for electric and for gas.

* DOEE recommends converting the existing natural gas (Therms) and electric (Mhw) performance benchmark to tracking metrics.

Whether to limit investments in gas programs and if so, whether to do so immediate or over time.

* DOEE recommends a phased in approach based on how clear the fuel mix is in the electric grid. DOEE recommends disallowing investments in new natural gas appliances by making them non-reimbursable expenses, but allowing for retrofits (e.g. control upgrades, steam traps) to existing bas systems to provide opportunities for the DCSEU to reduce natural gas consumption among some on the District’s largest energy users.

Whether the limit DCSEU’s ability to pursue “non-energy” carbon savings.

* DOEE is considering the following to be out of scope/non-allowable measures: Transportation, Solar + Storage, PPAs and CHP.

Mr. Matthias Paustian, Sierra Club asked a question regarding marginal versus average emissions, one needs to know more about the specifics. He stated that “looking at the PJM numbers, the marginal emissions is about 50% higher than the average emissions, so that choice is a big deal. This gives me some substantial reservations about using marginal emissions here. There’s something very specific to the situation of the District of Columbia that gets lost. If you look at the PJM marginal emissions the District is a small player.”

Director Tommy Wells said “that he appreciates and values the perspective of Mr. Paustian and the Sierra Club, but for today there are a lot of people on this call and if they’re all treated as Board members, there is no need to having an advisory board. So I’ll defer to the Chair [it is her] prerogative on how she wants to have non-board members to weigh in on this. It may be either the Chair or Board member wants outside information then that gives the Chair the ability to either schedule it or bringing it immediately.”

Chair Corman stated “the Board has to have transparency; the public is invited and has always weighed in on various topics which have been helpful. So is the Board ready to say whether it is ready to cast a vote or is there more to hear? We will give five more minutes on this with question and comments. The Board has not stated whether it wants to move forward with the GHG performance benchmark or not - yay or nay.

Is the Board now prepared to make a recommendation in putting a GHG reduction performance benchmark in the contract? There are still more detail to come on what the performance benchmark would look like. Ms. Dodge proposed to move that a vote be taken, second by Mr. Hinton. Mr. Epley polled the board:

Chair Bicky Corman – Yay Co-Chair Millie Knowlton – Yay

Nina Dodge – Yay Randi Marshall – Abstained

Nicole Steele – Yay Donna Cooper – Yay

Cary Hinton – Yay Steve Burr – Yay with caveats

Sandra Mattavous-Fryre – Yay Richard Graves – Absent

Scott Williamson – Absent Farrah Saint-Surin - Absent

Chair Corman said “there will be a GHG emissions reduction performance benchmark in the contract. Dr. Loncke will prepare the benchmark for the next meeting. Director Wells asked Dr. Loncke if a timeline was completed. Dr. Loncke said he would like to have the modifications to send to the Contracting Officer if they can get clear direction by December. DOEE would need all information from the Board to complete the information. Chair Corman suggested the Board submit their information in a two weeks time. Dr. Loncke will send around the questions about the GHG key issues.

***Annual Report Chair Bicky Corman***

***Co-Chair Millie Knowlton***

Chair Corman asked “are there any burning issues that need to be addressed from the Board about the annual report? The Board was asked to focus on the executive summary because two to three sessions was spent on this section.” Dr. Cooper will send in her changes/comments to Mr. Epley to be input in to the report. Mr. Burr had comments on the Societal Benefit Cost section. Ms. Dodge, Ms. Boyd and he will get together to share their comments as needed. Everyone is to forward there comment to Mr. Epley, and then he will forward a draft to everyone for review and comments. Ms. Dodge would like at the January 2021 meeting for open discussion to what extend are the DCSEU incentivizing directly or indirectly? The use of gas and retrofits in new constructions.

***Onboarding Co-Chair Millie Knowlton***

Discussion at the next meeting.

***Legislative Update Hussain Karim***

No updates at this time.

***Other***

***Next Agenda***

* Approval of November 11, 2020 agenda.

***Actions taken by the Board***

* Approval of August 11, 2020 and October 13, 2020 will be approved in one week.

**Adjournment**

* Co-Chair Knowlton adjourned the meeting at 1:58 A.M

*Minutes prepared by: Lynora Hall*