

**Sustainable Energy Utility Oversight Board Meeting
March 6, 2008**

Meeting Location: Trabant Center Room 219, 11:30 a.m.

In attendance

Senator Harris B. McDowell, III, Chair
Dr. John Byrne, Co-chair
Senator Patricia Blevins
Senator Charles Copeland
Senator Gary Simpson
Representative Pamela Thornburg
Charlie T. Smisson, Jr., Delaware Energy Office
John Citrolo, Division of the Public Advocate

Attorney to the Board:
Frank Murphy, Esquire

Task Force Staff:
Sean Finnigan, Legislative Assistant, Delaware State Senate
Eric Partyka, Delaware Senate Energy and Transit Committee Intern (CEEP, University of Delaware)

Members of the Public:
Brian Kramer & Pat Todd, League of Women Voters

Minutes

The February 7, 2008 SEU Oversight Board minutes were unanimously approved by the Oversight Board.

SEU Workshop

The Board received a verbal summary from Dr. Byrne of the two-day workshop organized by the Delaware Energy Office and ICF on February 12 and 13. The goal of the event was to assist the Board and the DEO in the development of a Request for Proposals that will solicit a suitable contract administrator. In addition, the workshop explored RFP options for implementation contractors. The workshop also considered in detail the composition, role and functions of an oversight board and advisory committee(s).

Both days were very well attended by representatives of a large number of companies, non-profit organizations and public officials including the director of the Washington, DC Energy Office, a member of Montgomery County, Maryland government and an official of New Jersey state government (as well as several state legislators, state agency officials and county officials in Delaware). There were 110 organizations representing 114 people at the workshop. A little less than one-half of the representatives were from Delaware. All sessions involved a robust question and answer format that addressed the function and role of the contract administrator as well as implementation contractors.

In addition to the extensive recommendations regarding the RFP process and content, the Board received important advice concerning the legal status of the contract administrator. To enhance competition for the position and to allow the Board and DEO to consider the full range of organizational expertise needed to administer the SEU, workshop participants advised that the RFP allow non-profit and for-profit organizations to bid for the position. Areas of expertise that were recommended to receive attention were: financial management; familiarity with energy markets and policies; monitoring, verification and evaluation skills; community education and outreach skills; database management; and social and business marketing. Secondly, it was strongly advised that the board and DEO should be able to reject bidders that do not conform to the standards of the RFP.

The Board also received advice from many participants that participation of legislators on the board should continue. It was the consensus of the Workshop that the inclusion of legislators would create a positive impression of the SEU and confidence that its goals would be seriously pursued.

The next step is for ICF is to complete a draft report for review by the DEO and the Board's Executive Committee. A Final Report will be submitted to the SEU Oversight Board.

Permanent Board

Beginning with its November meeting, the Board has continuously addressed the need to create a permanent board. Board composition, membership criteria, member standards of conduct, etc. have been examined. Boards of many organizations and advice on these matters from federal, business and other sources have been reviewed. Delaware organizations have been contacted for advice.

The Oversight Board agreed at the meeting to establish parameters to codify the general composition of the permanent SEU Oversight Board as required by SB 18. The Board agreed to recommend a permanent oversight board that would have the authority to appoint an advisory committee. The formation of an advisory committee to the board could be predicated on a review of the board structures of the Energy Trust of Oregon, Efficiency Vermont, and the Vermont Energy Investment Corporation, as well as several other organizations.

On the recommendation of Senator Simpson, the Board agreed that the permanent oversight board should be made up of eleven members. The new board members should be drawn from the following categories of expertise: academic/research, business, financial, government, legal, non-profit, policy and technology expertise needed to oversee the SEU. Membership should include those with national reputations and those with Delaware reputations who reflect and understand the geography and social characteristics of Delaware. Members have a fiduciary duty to provide confidence to investors and to the public regarding SEU activities.

Senator Simpson also suggested numbers of permanent board members from different categories/fields. Members were asked to review their notes and consider the suggestion.

It was agreed that the advisory committee should represent a variety of categories including but not limited to accounting, agriculture, business, small business, cooperatives, civic, non-profit, energy, environmental, housing authority, low-income, economic development, industry, marketing and social organizations. The committee may also have individuals who do not represent any organization or group.

At its next meeting, the Board agreed to consider recommendations from its attorney regarding revisions to the Delaware Code on two matters: the legal status of the organization eligible to serve as contract administrator; the process by which a permanent board and advisory committee will be selected and criteria to guide selection.

Notification of Meetings

The Oversight Board unanimously agreed to post meeting times, location and agendas on the SEU website.

Changes to SB 18

The Oversight Board unanimously agreed to hold a Board meeting before the Easter Recess of the Delaware State Legislature. The purpose of the meeting will to be update SB 18 to comply with recommendations resulting from the SEU Workshop and with the obligation to recommend a procedure for the appointment of the permanent board.

A special Board meeting is scheduled for March 19, 2008.