

**Sustainable Energy Utility Oversight Board Meeting
January 3, 2008**

Meeting Location: Buena Vista, 11:30 a.m.

In attendance

Senator Harris B. McDowell, III, Chair
Dr. John Byrne, Co-chair
Senator Gary Simpson
Senator Charles Copeland
Representative Terri Schooley
Charlie T. Smisson, Jr., Delaware Energy Office
Keith Lake, People's Settlement Association
Judge Arthur Padmore, the Public Advocate

Attorney to the Board:
Frank Murphy, Esquire

Technical Consultant:
Ralph Nigro, Applied Energy Group

Task Force Staff:
Eric Partyka, Delaware Senate Energy and Transit Committee Intern (CEEP, University of Delaware)

Minutes

The December 6, 2007 SEU Oversight Board minutes were unanimously approved by the Oversight Board.

Discussion of Tax Exempt Bonds

Tax exempt bonds will be a key source for funding SEU projects. Tax exempt status stipulates that management fees can not exceed 2% of the bond value. Proceeds from the bonds will cover the costs of the bond underwriter and attorney and other costs.

Selection of Bond Underwriter

After sending out the RFQ and receiving the responses from Citi and G.K Baum, the SEU Executive Committee requested and received a modified proposal to provide further details.

A copy of the Citi proposal and George K. Baum & Company proposal for fees and expenses were provided to the Oversight Board.

After comparing the two firms, Citi demonstrated a greater capacity both in terms of experience, commitment of senior personnel and an understanding of the novel and innovative opportunity presented by the SEU for the State of Delaware

The Oversight Board unanimously voted to select Citi to be the Bond Underwriter for the SEU.

The Oversight Board unanimously voted to create a summary explaining the procedure followed for the selection of Citi as the Bond Underwriter.

Selection of Bond and Tax Counsel

Bond and tax counsel works directly with the Board to address legal and regulatory concerns in the implementation of the bonding process. After sending out an RFP for bond counsel, the firm of Orrick, Herrington & Sutcliffe, LLP was recommended by the Executive Committee. The Co-Chair of the Board was asked to enter into discussions with this firm about a price cap.

The SEU will require the services of a local bond counsel for the processing of the bonds within the state. This need is being pursued in consultation with Orrick, Herrington & Sutcliffe.

The Oversight Board voted unanimously to select Orrick, Herrington & Sutcliffe, LLP as the Bond Counsel subject to their acceptance of a \$60,000 cap. If Orrick does not accept the cap, the Executive Committee will reconvene to discuss other options

Discussion of Board Membership

The Board discussed the legislative requirement of making permanent board recommendations from within Delaware as well as national members. Ideal candidates would be individuals with experience and influence in the community. Board members are asked to supply recommendations for candidate characteristics. Also, the Board will consider an advisory committee to provide additional input. After receiving the Board recommendations, an inventory of potential member characteristics will be created. The Board will establish a criteria member selection and proceed to select the permanent Board members.

Update on the ICF Contract

The Industry Workshop will be held on February 12-13 at the Hotel DuPont. Email and letter invitations are being sent by ICF. Individuals will be able to complete the registration process on the DEO and SEU websites.

The interim ICF Final report to the Board will include the results of the interviews with Maine, Massachusetts, Oregon, Vermont and Wisconsin. In addition, ICF is scheduling interviews with New Orleans, New Jersey, New York and Cambridge, Massachusetts. The findings of these interviews will be utilized in the workshop.

Early Launch Project

For the Early Launch Project, funds are being transferred from Energy Answers program to the Delaware Weatherization Assistance Program.

Other Business

Delaware's existing appliance rebate program operated by the DEO needs a termination date for the DEO. Applications for the rebate have increased tenfold. The question was raised as to how the rebate program can be transferred to the SEU. In order to move forward, there needs to be a cut-off date established, and the development of a procedure to operate the Appliance Rebate program under the SEU.

DEO will coordinate with CEEP to improve the SEU website.

The next SEU Oversight Board meeting will be on February 7th.