State Energy Advisory Board
August Teleconference Call Minutes
August 18, 2011 3:30 PM – 4:22 PM

TELECONFERENCE ATTENDEES

Designated Federal Officer (DFO):

- Gil Sperling, STEAB DFO, Senior Management Technical Advisor, EERE, DOE.

STEAB TELECONFERENCE ATTENDANCE		
BOARD MEMBERS	Present	Absent
Susan S. Brown, Deputy Administrator, Wisconsin Division of Energy	✓	
Dan Carol, Strategic Advisor/Organizational Consultant		✓
William Vaughn Clark, Director, Office of Community Development, Oklahoma Department of Commerce	✓	
John H. Davies, Director, Division of Renewable Energy and Energy Efficiency, Kentucky Office of Energy Policy	✓	
Cris Eugster, Executive Vice President and Chief Sustainability Officer, CPS Energy		✓
David Gipson, Director, Energy Services Division, Georgia Environmental Facilities Authority	✓	
Philip Giudice, Commissioner, Massachusetts Department of Energy Resources		✓
Ryan Gooch, Energy Policy Director, Tennessee Economic and Community Development		✓
Paul Gutierrez, Vice Provost for Outreach Services, Associate Dean and Director, Cooperative Extension Service, College of Agriculture and Home Economics, New Mexico State University		✓
Duane Hauck, Director, Extension Services, North Dakota State University	✓	
Elliott Jacobson, Vice President for Energy Services, Action Energy	✓	
Peter Johnston, Project Manager, Clean Energy Technologies, Burns & McDonnell	✓	
Maurice Kaya, Hawaii Renewable Energy Development Venture	✓	
Steve Payne, Managing Director, Housing Improvements & Preservation, Department of Commerce	✓	
Larry Shirley, State Energy Office Director, North Carolina Department of Administration		✓
Roya Stanley, Deputy Director, Iowa Office of Energy Independence		✓
Janet Streff, Manager, State Energy Office, Minnesota Department of Commerce	✓	
David Terry, Executive Director, ASERTTI		✓
Steve Vincent, Regional Business Manager, Avista Utilities	✓	
Daniel Zaweski, Assistant Vice President - Energy Efficiency and Distributed Generation Program, Long Island Power Authority	✓	

Contractor Support & Other DOE Staff:

- Emily Lindenberg, SENTECH, Inc.

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Agenda Items:

1. Task Force Reports and Updates:
   - a. Deployment Task Force — Phil Giudice
   - b. DOE/USDA Task Force — Duane Hauck
   - c. Weatherization Task Force — Elliott Jacobson
   - d. SEP Task Force — David Gipson
   - e. Lab Task Force — Roya Stanley
2. Update on November STEAB Meeting from November 15-17, 2011, in Knoxville, TN — Janet Streff
3. Public Comments — Janet Streff
4. Other Business — Janet Streff

- Janet Streff (JS) opened the August Teleconference call by thanking the STEAB for attending the call. She moved directly into asking about the Task Force updates and asked for an update from the Deployment Task Force. Phil Giudice (PGD) was not able to join but had mentioned to JS that he had no additional update from that Task Force. Maurice Kaya (MK) noted as a member he did not know of anything additional to add, but he was hoping to get an update on changes within the office of Energy Efficiency and Renewable Energy (EERE) as they relate to Program Manager new-hires and other recent staffing changes from that office but could wait for that update until after the Task Force updates and review. Steve Vincent (SV) reminded the Board that Senator Wyden from Oregon received a copy of the Deployment Task Force's white paper and additional information was sent to the Senator and his staff about the activities of the Deployment Task Force and the responses from Secretary Chu to the USDA/DOE Task Force working group and resolution.
- John Davies (JD) gave the update for the USDA/DOE Task Force. He told everyone there was a SEEP Call earlier that morning to review the final draft of the concept paper and address a few additional items including a possible MOU between USDA and DOE. There will be a follow-up call in September to continue the discussion. The good news is that on the SEP Competitive Solicitation which just closed brought in 20 proposals for the $5 million set aside for the SEO and Cooperative Extension partnership portion of that grant. This new was much better than expected and proved states are interested in this type of partnership and outreach.
- The next update was from the SEP Task Force. David Gipson (DG) provided the update for this Task Force and noted there was a good call with KIMA and Marty Schweitzer from ORNL on July 13, 2011about the SEP evaluation. The call focused on getting specific questions answered about the evaluation and the questions had been submitted by states, the STEAB and other interested parties. It was a very thorough conversation and key questions surrounding attribution, and tax credits funded out of SEP, a benefits fund, matching grants were discussed and ultimately all of these will be part of the evaluation. Energy audits will be included as well, but Energy Assurance would not, as per guidance from DOE. A compromise was that Energy Assurance would be referenced as a benefit even though it would not be part of the *overall* study. DG mentioned that David Terry (DT) is working on behalf of NASEO for outstanding items which were not addressed on this call so this evaluation is being looked at from a lot of different angles. On the issue of SEP Reauthorization, DG suggested that a letter from STEAB to DOE and others would be a positive step, noting DOE should be encouraged to reach out to the Senate Energy Chairman regarding this Reauthorization and STEAB should make this suggestion. Perhaps both this letter of encouragement and even a Resolution would be the proper steps and DG asked for the Board's thoughts. MK encouraged these steps be taken for this effort and reminded the groups how important it is to make sure STEAB's recommendations are well known and publicized within DOE and EERE. MK said if the Task Force can take on this responsibility that would be ideal. JS agreed that both a Resolution and letter of encouragement are good tools to make our point

known. DG thanked the group for input and noted he will work with DT and others on the SEP Task Force to get these items moving.

- The next update was from the Lab Task Force. Peter Johnston (PJ) relayed that at this time there was nothing new to report. Gil Sperling (GS) let the STEAB know that Roya Stanley (RS) is now at DOE working on a special assignment as the Iowa Office of Energy was abolished during the last legislative session. RS is in DC working within OWIP, and he as DFO will connect with her in person about this Task Force as well as other items related to the Board. MK suggested that since the STEAB is meeting at and with Oak Ridge National Lab in November, perhaps members of the Board can let the Task Force know what they want to learn while at Oak Ridge and the Task Force can help work with GS and the Lab to make sure the presentations and tours are amenable to the Board.
- The last update was from the Weatherization Task Force and Elliott Jacobson (EJ) took the lead. He said he and the Task Force are anxious to move forward and submit a Resolution draft version is Resolution 11-01[1], because of the timeliness and sensitivity of the issues addressed in the draft Resolution with regards to the Weatherization Assistance Program (WAP). JS asked if the Board felt a resolution was the best way to convey this information to DOE or should the group consider a white paper. EJ agreed that the way information is transmitted can change, but the information must get to DOE because of the importance of this issue. Steve Payne (SP) said that in meetings the Task Force had recently the message was clear that a decision on the idea of an extension for ARRA needs to happen right away to assist states. He hopes however the information is sent it is done so quickly and effectively. EJ gave a quick background to the meetings with OMB and Dr. Kathleen Hogan when they were in Washington, DC on August 3, 2011, and understood from these meetings that there is an extension proposal floating between DOE and OMB, but details of that are not known by the Task Force. If an extension is granted, DOE will have to do a lot work to make sure states are getting what they need, and there will be a big question about funding and how funds are allocated or re-directed. EJ feels sending a Resolution to DOE about this issue is proactive because it gives guidance and provides support demonstrating that this is favorable to all states.
- DG and JD had questions about number three under the "Recommendations" portion and EJ explained how DOE needs to look at the types of delivery systems and the types of funding which need to be given or allocated. SP elaborated what this Resolution is trying to say is that if not all states spent all their funding in the 3 years of ARRA, rather than returning those funds to the Treasury, DOE can extend the time-line for use of that money. It then continues that Congress could appropriate some amount of money to states with limited funds remaining and use an allocation formula to determine funding amounts. Those states with funds remaining will not receive additional allocation unless the remaining ARRA funding in that state is less than the 2012 appropriation planned for that state. If it is less then DOE can make up the difference but whatever funding remains will be divvied up among the remaining states. JS thanked SP for the explanation and said that she likes the concept, but the Resolution is a bit convoluted and should be edited to be more clear and concise. She also suggested that additional background information be included about how the STEAB and Task Force came to this conclusion. Perhaps in the background section the Task Force can include notes about the meetings with OMB and Dr. Hogan.
- GS posed the question to the Task Force about if this Resolution is asking for Congress to change the statute associated with ARRA to allow DOE to change the use of allocated funding and extend the ARRA deadline. SP indicated this Resolution does not want to imply DOE has to go to Congress but instead indicates that this could be a one-time exception and extension for states. JS asked if it was feasible for the Task Force to make these changes, ask for additional comments from Board members and send out a revised draft for a vote. The Task Force said it will certainly work on that with the contractor support and will have a revised draft within the coming days. JD had a question on Recommendation number 2, asking if it really means to tell DOE to message political leaders, which to his understanding would mean lobbying. JD felt that this needs to change so as not to imply an agency should lobby Congress. GS told the group that from the DOE perspective it's not clear in that recommendation what the Board is trying to say. SP stated the spirit of the recommendation

[1] Draft Resolution 11-01 is attached as Appendix A immediately following these meeting minutes.

was to again prove to DOE the value of WAP and make sure that is properly conveyed to congress , but the group can work on re-writing this section as well.

- JS thanked the Task Forces for the update and then asked for a brief overview of November 2011 meeting details. The contractor support indicated plans were being made and a room block was set up for the November 15 – 17, 2011 meeting in Knoxville, TN and information on the travel arrangements had gone out to the Board the week before. The agenda was going to be pulled together in the coming weeks and any STEAB members with ideas or recommendations for the meeting should send those along to GS for consideration.
- GS then let the Board know he is in the process of working on a nomination package to replace retiring STEAB members and that is the biggest item of focus. EJ asked if any sectors of representation needed nominations or consideration and GS indicated that SEO and WAP sectors are in need of nominees.
- JS turned back to the topic of the upcoming November meeting and asked that when planning the agenda the focus be on liaising with the National Lab and making sure the STEAB received updates on areas of interest instead of just listening to presentation after presentation. MK stated there used to be a person at Oak Ridge who collaborated with the states, but it was his impression that role is no longer fulfilled. MK asked for the contractor support to see if there are suggestions about who to work with in ORNL to make the visit meaningful and robust. He wants the STEAB to identify and work with a person who understands what STEAB is and what the mission is in order to set-up the kinds of meaningful presentations and tours which benefit the Board. JS said it would be a good idea to use the Lab Task Force for some of this assistance.
- JS moved on to the public comments portion of the meeting. Seeing as there were no members of the public on the call and seeing as no members of the public contacted GS or the contractor support, JS then closed the public comment portion of the meeting.
- JS asked the STEAB if there was any new or old business to discuss. PJ told the Board he was participating in the EECBG Sub-Committee meeting in Atlanta, GA on September 14th and would provide an update to the Board on the September call. JS asked if there were additional comments or new business. Seeing as there was none, she thanked the group for participating and ended the call.

Minutes were scribed by Emily Lindenberg, contractor support for the STEAB.

Appendix A

United States Department of Energy
State Energy Advisory Board (STEAB)
Resolution 11-01

Subject: Recommendation for an Extension and Re-Direction of Funding to Maintain the Weatherization Delivery System during the Transition from ARRA.

Background: The American Recovery and Reinvestment Act (ARRA) was the first legislative action passed under the new political administration in 2009. Through a system of direct grants, rebates and tax cuts, the legislation intended to stop the recessionary spiral of the American economy, provide 3.5 million jobs, and strategically invest in infrastructure developments promoting long term economic growth.

With the adoption of the ARRA, the Department of Energy (DOE) received $36.7 billion, of which almost half of the total amount ($16.8 billion) was earmarked for the Office of Energy Efficiency and Renewable Energy (EERE). The Weatherization Assistance Program (WAP) received $5 billion of that funding. This money was given to states and territories to manage a network of local community action agencies, nonprofit organizations, and local governments that provide weatherization services to low-income families to permanently reduce their energy bills by making their homes more energy efficient.

The Weatherization Program is an asset to the Department of Energy because of its effect on energy saving, job creation, climate change, and the lowering of the energy burden to low-income families. The Program has a proven return on investment which few federal programs can claim. As ARRA funding comes to an end in March of 2012, there are many states which have funding remaining and programs and projects which can continue to be successful for DOE if allowed to continue past the March 2012 deadline.

Recommendations: The State Energy Advisory Board (STEAB) recommends EERE approve and foster a three-part strategy that will preserve the delivery infrastructure to the maximum extent possible in a continued weak economy, including:

1. To extend the term of the ARRA grant from March 31, 2012 to at least September 30, 2012 to permit states that have ARRA funds remaining to continue meeting program goals and spending until those funds are depleted.
2. To message to political leaders that ARRA was a success overall in delivery, effectiveness, and value. While an extension is needed for some states, many states will exhaust all ARRA funds and are looking to 2012 funding to maintain service delivery and an historical valuable program.
3. To hold all states harmless from funding reductions by creatively and strategically allocating 2012 weatherization appropriations. There is a political perception that program appropriations is either unnecessary or reduced, because ARRA funds remain available. However, a majority of states will exhaust all ARRA funds before the 2012 program year. Since unexpended funds cannot be recaptured and redirected, then STEAB recommends using the 2012 allocation to achieve funding balance between ARRA and allocation. Some states, for example, that receive an extension might have sufficient ARRA funds to last through the 2012 program year when compared to the amount that could have been received by the allocation formula. There could be other states that have some ARRA funds remaining and request an extension, but it is not enough

to carry the program through the 2012 program year. Therefore, those states might have a combination of remaining ARRA funds with 2012 allocation.

It is also the recommendation of the STEAB that DOE and Office of Weatherization and Intergovernmental Programs (OWIP) reinvigorate the Weatherization Plus Program. The focus of the Weatherization Plus Program on a community-wide scale with regards to energy-usage in low-income homes enables Weatherization providers to serve as a resource for regional and national efforts to conserve energy, increase economic activity, and mitigate climate change.

Weatherization returns $1.65 in energy related benefits for every $1 invested in the Program. This cost-effective approach ensures the proper investment of taxpayer resources.

As we strive to sustain the weatherization program for the long-term, during a period of economic and political uncertainty, STEAB believes it's timely and fruitful to reconstitute a group of national experts to develop a strategic program path for the next 30 years.

Next Steps: Given that STEAB is comprised of a select group of individuals from across the US that volunteer their time, at the Secretary's request, to serve on this Federal Advisory Board, STEAB is committed to undertaking actions and various activities in conformance with its Charter to advance the issues noted above.