

Delaware Sustainable Energy Utility
Oversight Board Meeting Minutes
March 15, 2024 - 9:00 a.m. – Zoom

Members present were Senator Harris McDowell, Senator Stephanie Hansen, Senator Trey Paradee, Richie Jones, Ric Moore, Michael Chajes, Ruth Price, Rob Underwood, and Tom Noyes. Also present were Drew Slater, Frank Murphy, Suzanne Sebastian, Patricia Bush-McManus, Heidi Adams, Harold Stafford, Matt Lillard, and Charles Kistler.

Welcome – Senator McDowell called the meeting to order at 9:03 am.

1. Approval of Minutes
 - a. Oversight Board Meeting Minutes – January 19, 2024

Senator Hansen made a motion to approve the minutes of the January 19,2024 Oversight Board Meeting. Ruth Price seconded the motion and the motion carried unanimously.

2. SEU Business
 - a. Board Memo
 - i. D-PACE Percentage Cap Increase

Drew Slater discussed the D-PACE Percentage Cap Increase. The Property Assessed Clean Energy financing (D-PACE) program has been successful. Mr. Slater is requesting approval to increase the program’s cap from 20 percent to 30 percent and the necessary adjustments in the program’s guide. There is a willingness to do more energy efficiency upgrades if the current cap of 20 percent of total eligible construction costs were increased. This is due to the increase in borrowing costs, where some projects that may qualify for the program consider waiting on energy efficiency upgrades because the total project is not sufficient in today’s high-cost market.

Richie Jones made a motion to approve the increase to the D-PACE program cap from 20 percent to 30 percent and the necessary adjustments in the program guide which was last approved March 17, 2023, and the changes will be reflected as Version 4. Tom Noyes seconded the motion and the motion carried unanimously.

- ii. Pilot EVSE, Residential Charger Rebate –

Mr. Slater stated that as the state transitions to more climate friendly vehicles, there are currently rebate programs to assist with commercial charging infrastructure; however, there is a missing segment in the residential market. Mr. Slater proposed that until the new fiscal year, we would request a budget of \$50,000 in rebates toward the installation of Electric Vehicle Supply Equipment. Mr. Slater stated that the proposed pilot will increase knowledge and help create new applications. If approved, staff will work on a tiered structure with up to \$1,000 in rebates for low-

income customers and \$500 rebates to higher incomes unless market research demands adjustments. With a 30 percent federal tax credit for incomes with the burden, a higher rebate for low-income customers will help determine interest and ensure the rebates are not more than any invoices. The tiers provide potential for more than 80 rebates through the remainder of the fiscal year.

Ruth Price made a motion to approve the request for a budget of \$50,000 to pilot rebates towards the installation of Electric Vehicle Supply Equipment as outlined in the memo, provided to the board and public. Senator Stephanie Hansen seconded the motion, and the motion carried unanimously.

iii. Emergency Pre-WAP Budget Amendment

Mr. Slater requested an emergency FY 24 budget amendment for the Pre-WAP program. Mr. Slater stated that DESEU was faced with an unexpected budget overrun on the Pre-Weatherization Program (Pre-WAP) FY 24 budget when the February invoicing from the Energy Coordinating Agency (ECA) was received. Mr. Slater stated that there are two reasons this happened. With the goal of 400 homes through the Weatherization Assistance Program (WAP), the program budget cannot sustain nearly 70 percent of projects participating in Pre-WAP. In relation to their WAP goals, they completed a record number of homes in February. In completing 30 homes in the month, 18 of those homes required Pre-WAP services. The second reason, roof replacements versus roof repairs significantly impacted the overall Pre-WAP budget.

Mr. Slater stated that DESEU has advised ECA to immediately stop providing roof replacements. In addition, DESEU has requested the pipeline of projects under contract and an accounting of all outstanding work in the queue currently assigned to contractors. DESEU does not want to impact contractors who have performed work and may not get paid without additional program support. DESEU also does not wish to delay any Delawareans from receiving WAP services. Mr. Slater stated that there are no additional administrative costs associated with the increased budget request.

Ruth Price made a motion to approve the increase to the Pre-WAP FY 24 program budget and authorize the Executive Director to approve spending for contractor invoices above the current executed contract amount with ECA. The additional spending authority will not exceed \$500,000, for an overall program budget of \$2,250,000. Senator Stephanie Hansen seconded the motion and the motion carried with one abstention.

3. Reports

- a. Executive Director's Report
- b. Program Managers Report
- c. Budget Report

Mr. Slater presented the reports listed above to the Board.

4. New/Old Business

Rob Underwood received recognition from Tom Noyes and the Board for his outstanding work.

Mr. Underwood received well wishes as he is scheduled to retire next month.

Discussion on vetting R&D projects will be on the agenda for the April 19th DESEU Board Retreat.

5. Public Comment

6. Executive Session – Personnel Matters

Senator Stephanie Hansen made a motion to enter into executive session to discuss personnel matters, Ric Moore seconded the motion, and the motion unanimously carried.

Adjourn – The meeting adjourned at 10:05 am

Agenda is subject to change. During the course of the public meeting, the Board may vote on whether to conduct an executive session to consider confidential and proprietary business before the Board, and such executive session will not be open to the public, pursuant to 29 Delaware Code § 1004. The executive session may address matters involving the discussion of the content of documents excluded from the definition of “public record,” or which involve the potential for litigation. Participation by teleconference will be available to Board members.