Memo

TO: DESEU Board

FROM: Drew Slater, Executive Director

DATE: November 19, 2026

RE: Executive Director's Report

New Staff – We posted the finance and accounting position in September and after several rounds of interviews have made an offer to a candidate. As the organization has grown, this position will provide another internal control step for bill pay, lead out budgeting, work with our accountants, assist with auditor requirements annually, and help grow the organization. Last year was another banner year for organizational growth in programs and non-RGGI revenue. To continue this trajectory into the future, it's important we hire additional staff to meet these growing needs.

Workforce Development – In January we will launch the Teacher Community of Learning as professional development where sustainability can be incorporated into classroom curriculum and school environment. Teachers will earn a stipend for attending five virtual meetings and one in-person meeting at the end of June. In addition, we're working with the Department of Education to provide continuing education credits. As a final step, we will share our Pathways to Green Schools program, which provides mini-grants to teachers for sustainability, environmental expos, among others.

USDA Rural Energy for America Program changes – On October 1st, USDA published a final rule which took effect on October 16th without notice or comment period. Prior to the final rule, USDA had changed the parameters for rural businesses to apply for renewable energy grants by limiting the size of solar arrays to 50kW. For context, this excluded all our family farm solar arrays from participation in their grant program.

The October 16th rule now asks rural businesses to apply only after their project is completed where the full cost of the project is borne by those businesses. In addition, the project must be running for a full year before a business can apply for a grant with no guarantee they will be approved. In short, this makes it highly unlikely any rural business in Delaware will participate.

Rural Energy Advancement Grant – Fortunately, after the first set of changes, we set up the Rural Energy Advancement Grant (REAG) where a rural business can apply for up to 25% of their total loan amount up to $250,000 and funding would be provided at the completion of the project whether energy efficiency or renewable energy.

This program is similar, with much better parameters, and can be approved as the project is underway, and paid out after the project is completed. When we look at our overall loan portfolio of more than 65 applications totaling more than $50 million this program is a large reason why there are so many pending applications for energy efficiency and renewable energy projects. Without it, it's likely many of these projects are never considered in our overwhelmingly rural communities - roughly defined as south of the canal except Dover.

Battery Energy Storage Request for Information – On November 10th, we posted a Request for Information on battery energy storage systems in conjunction with DNREC. We are asking for responses to the questions outlined in the RFI by December 18th so we can collectively review and determine next steps.

Mid-Atlantic Collaborative – I'm working with our counterparts in Maryland and Pennsylvania to establish a Mid-Atlantic Collaborative where we can share program ideas, innovation, and technology to enhance our offerings and gain value information where our regional partners may already have experience in a certain program.

Reviewing QSEHRA versus Healthcare – Every few years we review the Qualified Small Employer Health Reimbursement Arrangement (QSEHRA) and healthcare options. As you know, we do not provide healthcare but instead utilize the maximum allowable reimbursement through QSEHRA on an annual basis.

Annual Audit Completed – Our annual audit was completed by our independent auditors. The results of which will be reviewed at our January meeting.