

State Energy Advisory Board
 July Teleconference Call Minutes
 July 21, 2011 3:30 PM – 4:13 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.

Public

- Miguel Suazo, Biotechnology Industry Organization

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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. Review of STEAB Meetings: Janet Streff
 - a. November 8 – 10, 2011, Tennessee
 - b. March 13 – 15, 2012, Washington, DC

3. Report on Bottom-Up Success Dan Carol
On Jobs and Innovation Poll Report

4. Public Comments Janet Streff

5. Other Business Janet Streff

- Janet Streff (JS) opened the July 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) had no new updates for the Board but said the goal of the Task Force was to have a “report card” of sorts ready for DOE by the November STEAB meeting but did not have specifics about how that project would be undertaken at this point.
- Gil Sperling (GS) added to this saying DOE is looking at the overall organizational structure within the agency for dealing with deployment and is currently looking to implement the types of deployment recommendations that the Task Force outlined in the white paper presented to Henry Kelly several months ago. EERE specifically is looking to elevate market transformation activities and deployment efforts in the front office instead of simply delegating authority to all the Program Areas which is how the system is set up at the moment. There was recently an offsite retreat with all of the Program Managers where these types of issues were discussed and the STEAB’s Deployment Task Force white paper featured prominently in the discussion and was used as a frame of reference for much of what was decided. GS noted he is hopeful that these types of initiatives move forward and knows the Program Managers and the front office are working on drafting an internal document by September of 2011 about deployment within EERE.
- JS thanked PGD and GS for the update and then asked for a review of activities by the USDA/DOE Task Force. Paul Gutierrez (PG) reminded the Board about the letter from Secretary Chu to Senators Bingaman and Conrad with regards to a letter both Senators sent on May 3, 2011 to the Secretaries of Energy and Agriculture about the potential State Energy Extension Partnership (SEEP).¹ John Davies expanded on the discussion by noting there was just released the information about the SEP competitive awards and there was a \$5 million dollar award which included \$500,000 in funding for a pilot SEEP Program and other projects. It appears this funding was with DOE monies only and now the discussion should really focus on how to take this news to USDA and try to solicit for additional funding and whether USDA is interested in investing in this initiative as well. There will be another SEEP Working Group meeting on July 26, 2011 in Washington, DC to discuss the future of this type of program as well as the interest by DOE and USDA. The discussion will also touch on the idea of future funding and how to move this forward quickly and effectively. JD and PG said they were excited about the SEP award and how receptive DOE is being to this concept and going forward the Task Force needs to stay focused on tracking the types of SEP awards and funding that goes towards this initiative. JS finished by saying Duane Hauck (DH) will be meeting with Dr. Ralph Otto of

¹ The letter from Secretary Chu is attached as Appendix A directly following these teleconference minutes.

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USDA next week to carry-on this discussion and gauge the interest level of USDA in financially investing in this pilot program.

- GS added that this initiative has caught the Secretary of Energy's attention and the staff on the 7th floor is most interested in having an MOU between DOE and USDA. If the Task Force can work with USDA to get a sense of the type of financing they would be willing to assist with, then both agencies can work together on budget allocation and allotment. Additionally, there is the hope that this can move quickly in order for the White House to make an announcement toward the end of August about this and other programs to facilitate the move to a clean energy economy in the United States. GS thanked the Task Force for their work and their ability to get this program the high-level attention it deserves.
- Steve Vincent (SV) thanked the Task Force for their hard work on this initiative and reminded the STEAB that while he was here for the June Board meeting he met with Senator Ron Wyden from Oregon to brief him on both the general activities of the Board as well as the specific work of the Task Forces. The Senator was very interested in the work of the Task Forces and should the Senate remain Democratic after the next election, Senator Wyden will become Chair of the Energy Committee. SV went on to say he also met with the Senator's Energy Policy Advisor, and he requested that the Senator be kept apprised of progress made with the STEAB initiatives. SV asked if the Board could send a copy of the Secretary Chu letter to the Senator and JS and GS agreed noting a copy would be sent out along with a brief update. JS also noted that Senator Al Franken of Minnesota is interested in energy policy and would be on the Senate Committee on Energy and perhaps it would be a good idea to loop him into the Board's activities as well.
- Elliott Jacobson (EJ) provided the Board with an update on the Weatherization Task Force's activities stating the Task Force has a live meeting scheduled for August 3, 2011 in Washington, DC. The group will meet with the same players who came to the June Board meeting to participate in the Weatherization Task Force break-out session. These players include members of DOE, NASCSP and other stakeholders in Weatherization. EJ elaborated that the Task Force also has a meeting scheduled with Deputy Assistant Secretary Dr. Kathleen Hogan on the 3rd of August to bring her up to speed on what the Task Force has been working on and also talk to her about what happens to the Weatherization Program after March 30, 2011 and what the program will look like moving forward. GS commented that he would follow-up with EJ about potential other DOE personnel who may be available on that day to meet with the Task Force in order to discuss the WAP program's future through 2030. EJ thanked GS for the assistance noting on the morning of August 4th the Task Force also has a meeting at OMB to continue the dialogue about the importance of the WAP program.
- Peter Johnston (PJ) gave a brief overview of the latest news from the SEP Task Force. There was a conference call with KEMA and Oak Ridge National Lab regarding the SEP evaluation on the 13th of July. It was a comprehensive call and lasted about 3 hours where both KEMA and ORNL spent time responding to questions and concerns from states and stakeholders about the evaluation process and next steps.
- PJ also gave a quick update on the Lab Task Force. The group is still trying to get information from the National Labs about their deployment activities and commercialization efforts. So far not very many Labs have responded and those who have needed a lot of time in order to pull that information together. The biggest take-away from this effort thus far is that its clear the Labs, save NREL, are not focused on deployment and market transformation efforts because trying to get this information requires talking to multiple people over multiple weeks just to get a minimal amount of information. PJ reiterated that until the Task Force is able to gather information and set a base-line from which to move forward, there really isn't anything else to do at this time. Maurice Kaya (MK) stated that the Task Force needs to be more aggressive and asked GS if he could assist and help identify people the Task Force could work with directly in order to gather this information.
- JS then moved on to the next agenda item which is a review of the upcoming STEAB Board meetings. The next meeting will be in November 2011 in Knoxville, TN. Currently the Board is looking at the dates of November 8 – 10, 2011, however, many of the members noted potential conflicts with those dates so the Board will now look at alternate weeks during November in which to hold the meeting. The other option is the 15 – 17th in Knoxville. The Board is meeting in Tennessee in order to meet with ORNL and tour the lab. Ryan Gooch (RG) offered his assistance as he is the STEAB member who is local to TN and ORNL.

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- JS then asked for an update on the March 2012 meeting. The Spring 2012 STEAB meeting will be held from March 13 – 15, 2012 at the Key Bridge Marriott in Washington, DC. This meeting is being held in DC in order to provide the Board with an update and opportunity to talk with DOE and EERE staff prior to the end of ARRA funding on March 30, 2011.
- Dan Carol (DC) spearheaded the next agenda item. He provided the Board with an overview of the results of a poll taken by the think-tank The New Policy Institute. The Institute has held a series of focus groups and conducted various polls over the last several months and compiled a report on the findings. The focus groups and polls dealt with topics which voters and the public were interested in regarding the current economy and the future of what economic recovery will look like.
- DC said the findings of these studies provide good news for the clean energy side of the government because it was noted that through there is a lot of information about clean energy and deployment getting out to consumers, they are skeptical of stories and information that comes directly from the Federal Government and Washington, DC². Voters are more interested and attuned to a national overall message which would then be spearheaded at the local level with a focus on local and regional strengths in order to reach the overall national goal. The voter emphasis on this bottom-up plan as the solution is exactly what the STEAB and the Deployment Task Force has been advocating for over a year. The voters are interested in job creation, but creation at the local level. They want programs working in local and regional areas in their states and once they see that working, the faith and confidence in a larger national plan will come. DC said the big take-away from this study was the missing element to demonstrating success and proving to voters that things are working is the distinct lack of tangible and effective success stories. Voters occasionally hear of a success story, but there is no follow-through and no link to their own community.
- Based on this finding, the Institute is going to work on testing success stories in different regions to see what type of stories get voters interested and talking about economic recovery and a move toward a clean energy economy. The Institute will reviewing stories and putting out those that deal specifically about energy efficiency and renewable energy and will test the reaction to the stories by the public. The goal is both to help voters gain confidence in the push towards a clean energy economy, while also helping them overcome their skepticism about programs that come from Washington, DC once they see the kinds of successes that are being achieved at the local level. Voters want to see regional success and state leadership driving change, but want that change to happen because there is a cohesive national message.
- DC noted for those STEAB members who are interested in learning more about the next steps of this, there will be a conference call on August 2, 2011 at 4 PM Eastern Time where the New Policy Institute will be briefing other groups on the results of these studies. DC said he can provide the call-in information to those interested parties.
- PGD thanked DC for the comprehensive update and for the good work. GS agreed as did MK. MK also asked how DC and the New Policy Institute has been getting this information out to the public. DC responded by saying the Institute has been briefing different groups of stakeholders, working with economic development groups and also talking with Governor's about what can be done in their state to try to make a connection with the voters about energy and job creation as well as sustainability.
- JS thanked DC for the update and moved on to the public comments portion of the meeting. Miguel Suazo, of the Biotechnology Industry Organization, was on the call and was interested in hearing about what is going on with the STEAB, but did not want to provide comments or questions. JS then closed the public comment portion of the meeting seeing as there were no other members of the public on the call.
- JS asked the STEAB if there was any new or old business to discuss. Seeing as there was none, she thanked the group for participating and ended the call at 4:13 PM on Thursday, July 21, 2011.

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

² The findings and report document which Dan Carol discusses can be found as Appendix B following the minutes.

Appendix A



The Secretary of Energy
Washington, D.C. 20585

July 11, 2011

11 JUL 14 AM 10:49

Deb
Alison
Dan A

The Honorable Jeff Bingaman
United States Senate
Washington, DC 20510

Dear Senator Bingaman:

Thank you for your May 3, 2011, letter regarding the State Energy Advisory Board's (STEAB) proposal to establish a "State Energy Extension Partnership" (SEEP).

The Department of Energy (DOE) appreciates your interest in creating strong partnerships between Federal agencies. The Department of Energy's (DOE) Office of Energy Efficiency and Renewable Energy (EERE) is working with the U.S. Department of Agriculture (USDA) to explore partnership opportunities between EERE's State program activities and USDA's Cooperative Extension Services.

On April 18, 2011, DOE jointly chaired a kickoff meeting with USDA to discuss potential areas of collaboration that meet the missions of both USDA's Cooperative Extension Service and EERE's Weatherization and State Energy Programs. My staff is working with USDA staff to review the STEAB Concept Paper and explore options for concrete actions that benefit citizens across the country. We met before the STEAB meeting on June 6, 2011, to review progress, discuss potential areas of cooperation, and define next steps.

DOE is fully invested in helping to identify ways that the Federal Government can promote energy efficiency and renewable energy in our homes, schools, and businesses. We will continue to pursue opportunities like SEEP that create synergy between Federal programs and increase economic development benefits for our communities.

We appreciate your continued support of the State Energy and Weatherization Assistance Programs and other critical EERE delivery programs. If you need additional information, please contact me or Mr. Jeff Lane, Assistant Secretary for Congressional and Intergovernmental Affairs, at (202) 586-5450.

Sincerely,

A handwritten signature in black ink that reads "Steven Chu".

Steven Chu



Appendix B



gerstein | agne
strategic communications

To: Dan Carol
Next Economy Partnership Project

From: Karl Agne
Jim Gerstein

Date: June 16, 2011

*Energy Findings in the Latest Next Economy Poll
Research Findings and Strategic Recommendations*

Gerstein | Agne recently completed a national survey of 2012 likely voters¹, building on focus group research conducted over the preceding six months, focused on the economic challenges facing the country. Our goals were to better understand how Americans view today's economy and how they believe our country can best address the rapidly changing global economy it faces. Our focus groups revealed a clear consensus that the fundamental nature of this economy has changed, that America is falling behind countries such as China and India, and that America must raise its game or risk falling even further behind. Cynical voters are tired of the same old slogans from politicians of both parties and desperate for solutions and strategies that recognize the new economic realities we face. The tremendous potential of clean energy, particularly renewable energy and the promise it holds for the future of American manufacturing, was central to these discussions and dominated much of our research into specific policy ideas that promise the job creation and economic growth these voters demand.

- **Current views of economy reveal deep discontent, uncertainty** – Our recent poll reinforces the depth of voters' economic concerns, with skyrocketing gas prices wiping out any signs of optimism we saw in the Spring. Americans' growing frustration has created a mindset where proposed solutions must be large enough to address the fundamental changes voters see in the economy but immediate enough to produce short-term success. Voters are deeply skeptical of both parties and reject slogans or generalities that may have worked in previous election cycles. They are demanding results and will only respond to an economic narrative that includes success stories that demonstrate how ideas are translated into American jobs and long-term economic growth.

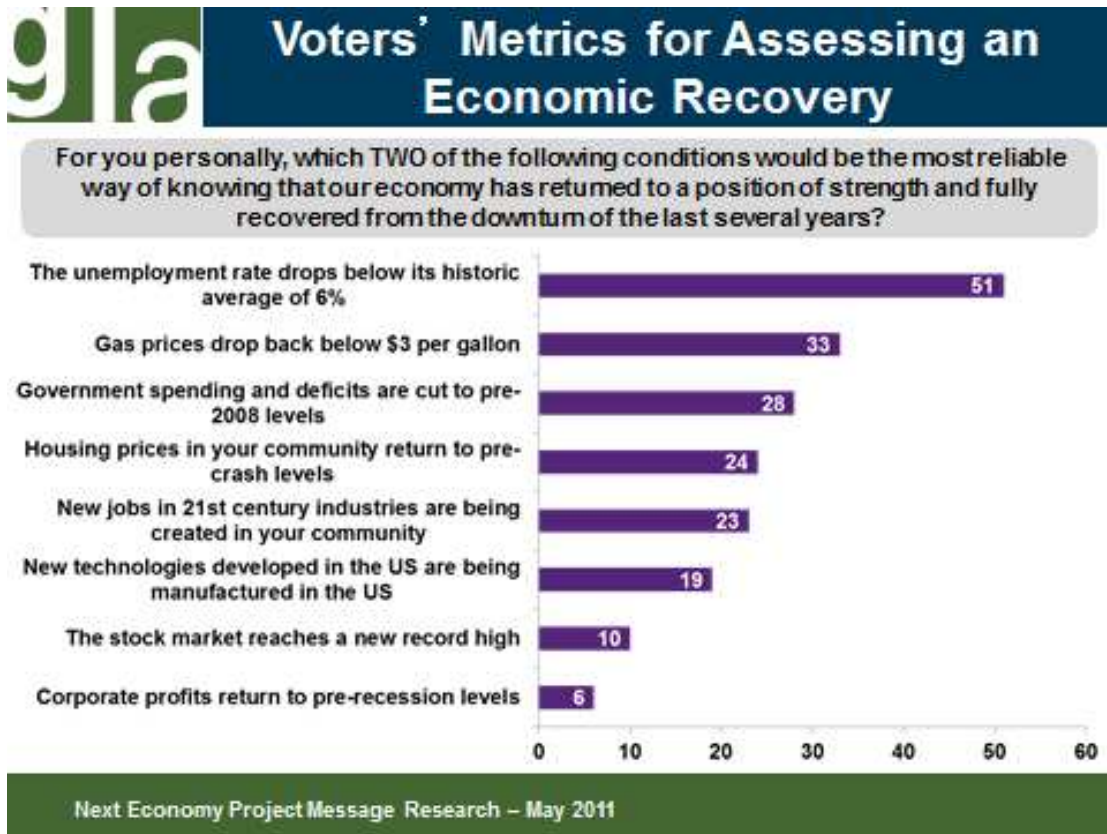
Frustration over gas prices and our country's continuing dependence on foreign oil is central to voters' economic views, and the potential of new energy solutions is always raised unprompted as a central part of any new economic solution. Voters recalling gas price spikes in 2008 and even gas lines from the 1970's are profoundly frustrated that we

¹ Gerstein | Agne Strategic Communications conducted a national survey of 1,000 registered voters who indicated they are likely to vote in the 2012 election, including 800 landline interviews and 200 interviews conducted via cell phone. The survey results were weighted by gender, age, and race and have a margin of error of +/- 3.1%.



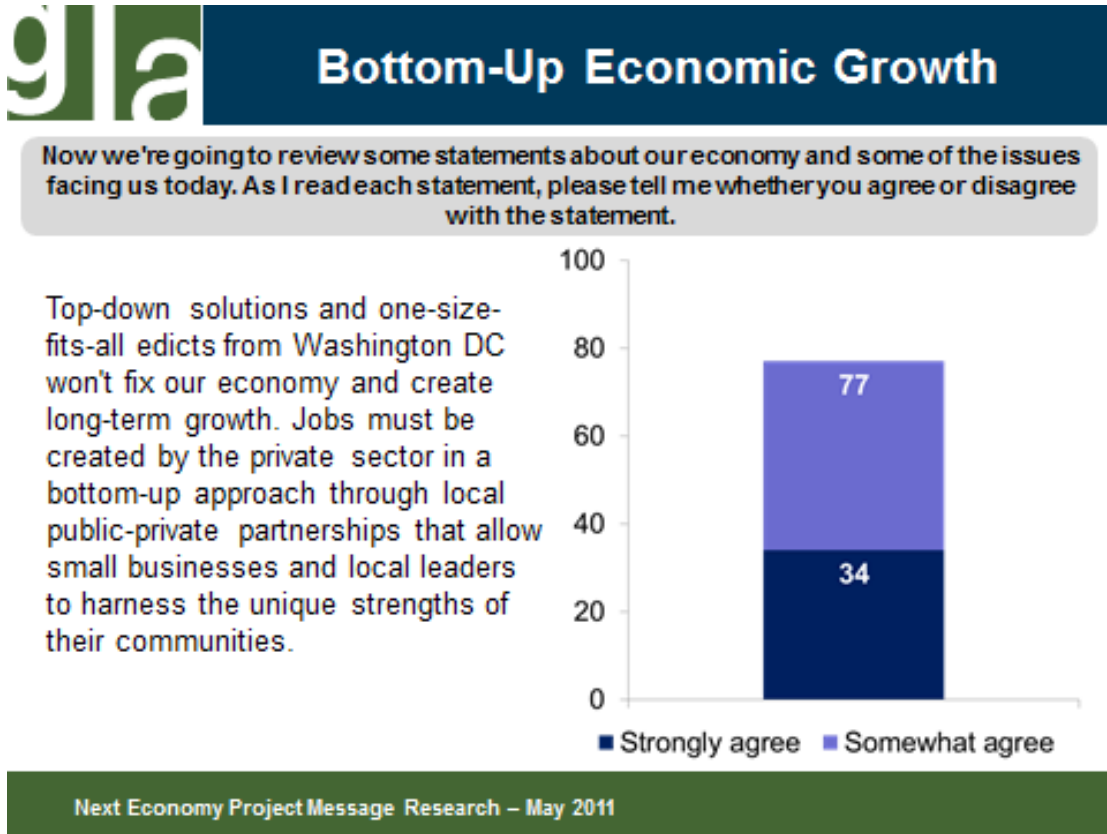
still face the same fundamental challenges today and do not understand why we have not come further in developing and deploying alternative energy solutions. True to their rejection of slogans and easy answers to hard problems, they don't show strong interest in promises of 'green jobs' or a revolutionary new approach. But they do respond strongly to calls for expanding and replicating locally grown small businesses that are creating good jobs, especially 'made in America' manufacturing jobs, with the fact that so many of these examples are clean energy serving as an added bonus rather than the central narrative.

- **Understanding how voters measure economic success** – Voters understand the depth of changes that have taken place in our economy and do not expect a quick fix, but they are desperate for some sense of progress or momentum. While the media and government elites focus on metrics such as the stock market and GDP, average Americans do not closely follow these measures and instead measure economic success through metrics that are much more relevant to their daily lives. Jobs remain the most important measure available, with gas prices emerging as the next critical measure.



It is important to note that the focus on spending and deficits is driven disproportionately by base Republican voters, with housing and 21st century jobs in local communities more relevant to persuadable voters across the spectrum. Stock market growth and corporate profits are the least relevant signs of success.

- **The power of bottom-up growth and success stories** – The focus on jobs, of course, creates the question of where these jobs will come from, and Americans overwhelmingly believe that the answer to this question is a bottom-up approach that puts more power in the hands of local communities and small businesses.



More than 3-in-4 voters agree with this vision of economic growth, with little partisan drop-off, but focus groups reveal that they are not sure what bottom-up growth looks like and whether it can produce jobs on a scale equal to the challenges we face. This once again demonstrates the importance of success stories in any economic narrative. These success stories don't need to be grandiose in scale – voters are more impressed with a dozen jobs that look like the future and that they can see being replicated in their own community than non-specific promises of millions of job. And clean energy advocates don't need to focus on 'green jobs,' just 'jobs' – voters already see clean energy as central to future economic growth, and we see more interest in a focus on small businesses, local communities, and 'made in America' than 'green energy.'

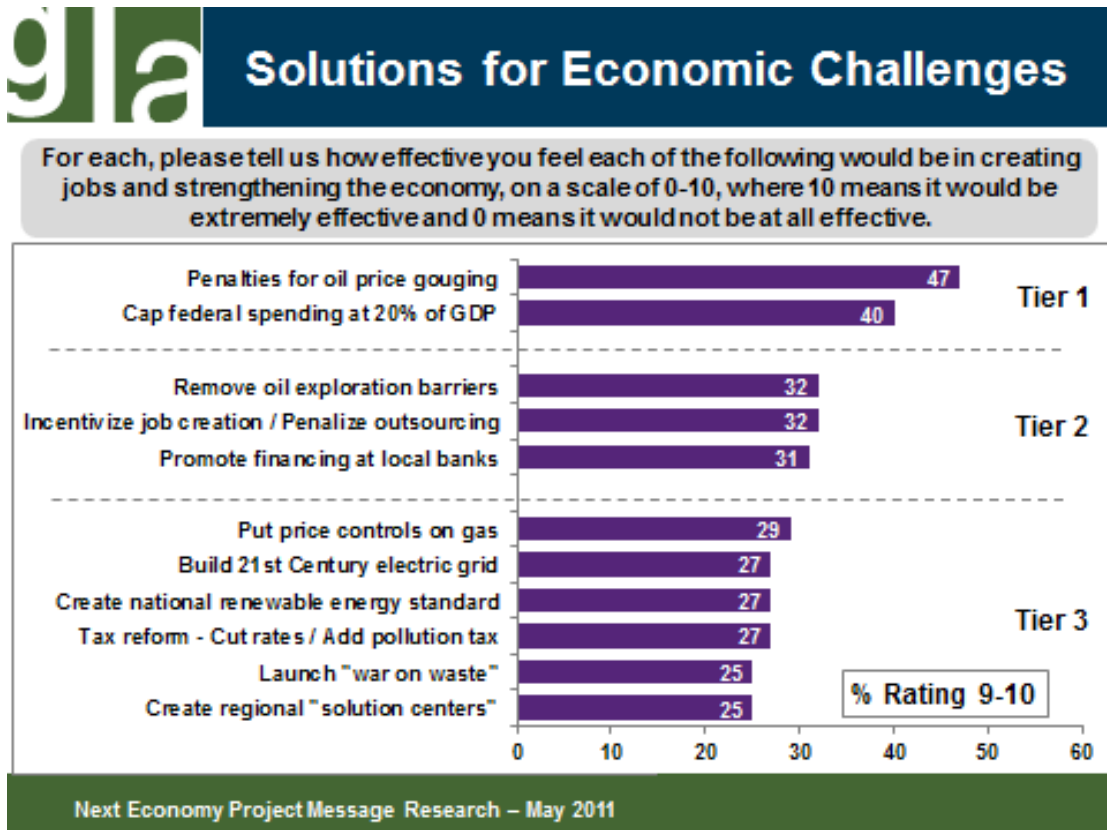
- **Focus on oil companies a double-edged sword** – Any discussion of our economy, let alone energy policy, must recognize the politics of the current debate around oil companies and their role in the hardships facing American families. Voters hold oil companies directly responsible for putting their own profits ahead of what's best for our country and exploiting our dependence on them, regardless of the consequences. Their



anger toward these companies is palpable in focus group discussions, and our poll failed to identify an attack that was too strong to level against them in this environment, with 73 percent agreeing that ‘America’s economic recovery is being held hostage by multi-national oil companies.’ By more than 2-to-1, Americans support eliminating subsidies for oil companies and instead investing that money in clean energy technologies. And this is where the politics of this issue get difficult.

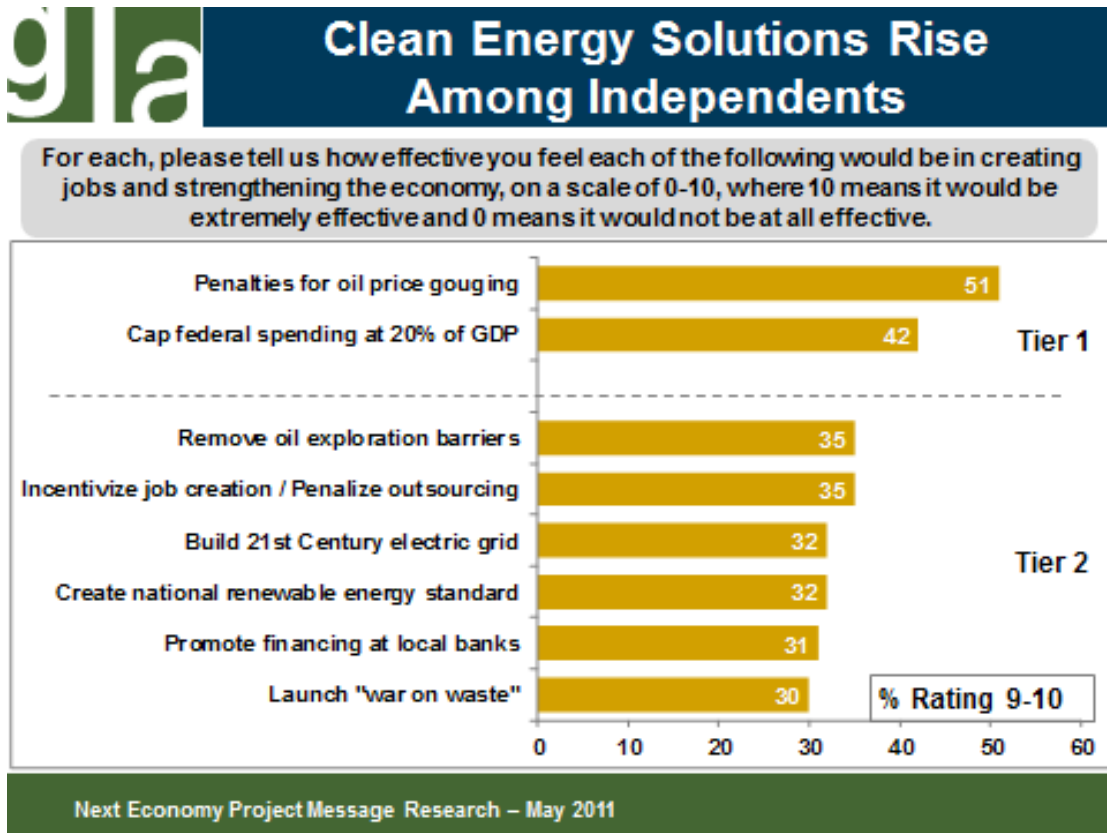
There are clearly political points to be scored in attacking oil companies and holding their defenders in Congress accountable. But with voters’ primary focus on jobs, the opportunity costs of a prolonged focus on oil companies must be weighed against the low likelihood of winning real policy changes in this debate and the importance of staying focused on the actual job outcomes that the public prizes most. When setting up a contrast with those protecting the interests of oil companies, it will be more effective to focus first on your own plans to invest in bottom-up growth and new American jobs, with their failure to hold oil companies accountable framed as an obstacle to these plans.

- **Energy Solutions Among Most Popular Economic Policies** – Looking at specific policy proposals – some currently before the Congress and others not yet at that level – and how effective voters believe they would be in creating they economic growth they demand, we found an attack on oil company profiteering, tax incentives for American manufacturing, and investment in financing through local banks to be the most effective, along with some traditional conservative GOP standards.





However, when we look at the same question among persuadable voters, and particularly self-identified Independents, we see a number of clean energy initiatives pushing up into the second tier of solutions. These include investment in a 21st century smart grid to more efficiently and effectively network and distribute renewable energy across the country, a national renewable energy standard (we found no benefit in shifting this to a ‘clean energy standard’ and including nuclear rather than simply solar and wind power), and a ‘war on waste’ that offers consumers and businesses new incentives to buy more fuel efficient cars and appliances and make basic upgrades to their homes and businesses.



- **Further Energy Solutions on the Horizon** – Some new and broad-based energy policies tested in our focus groups and polling also sparked voter interest, but need to be developed further to answer voters’ doubts and capture their attention.
 - A tax swap that would encourage conservation and spur alternative energy growth by lowering personal income tax rates while increasing energy taxes is supported by 46 percent of voters and opposed by 36 percent, but there is little intensity in this support, and voters’ intense focus on gas prices would make any increase in gas taxes difficult to defend in this environment.



- A number of questions in the survey suggest that the public will continue to support public investment in clean energy because of its importance to American competitiveness. Nearly 2-in-3 voters believe that, “Because of strategic investments they have made in education, infrastructure, and support for home-grown industries, countries like China and India are better equipped than the U.S. to compete and win in the 21st century global economy.” This suggests voters would be interested in a range of new ideas that would create clean energy investment trust funds and 21st century smart grid “infrastructure” banks, especially if these proposals emphasized bottom-up growth models. These proposals range across the political spectrum from the renewable energy trust fund proposed in HR 909 by Reps. Devin Nunes (R-CA) and Paul Ryan (R-WI) to Senator John Kerry’s BUILD Act.
- Another idea that raises many questions but shows promise in appealing to skeptical voters is an Energy Independence Investment Fund, which would allow Americans to invest a small monthly amount in a venture fund that would invest in start-up companies across America, giving them both an opportunity to advance America’s energy independence and a ‘piece of the action’ in the country’s most important emerging industry.

NEXT ECONOMY PARTNERSHIP PROJECT



There is one clear idea that currently unites everyday Americans, business leaders and elected officials like no other: *America needs a plan to accelerate job creation, get gas prices under control and raise our game in the more competitive 21st Century energy economy.* This plan needs to be national in scale, but skeptical Americans have lost faith in top-down mandates and empty promises from Washington. Instead, they want to see a national plan implemented bottom-up to maximize local strengths and assets across the country.

Beyond that, there is little agreement among the American public or policy elites about how we meet the challenge. It is clear that there are no silver bullets or quick fixes. So figuring out what works, what doesn't, what's missing and what unites us – must be a collaborative project linking many actors, institutions and geographies. Enter the *Next Economy Partnership Project*.

Accelerating Bottom-Up Success

While political stalemate is the daily story out of Washington DC, good things are happening in communities across America as new clean economy businesses and models begin to take root. *The Next Economy Partnership Project* was launched in 2010 to:

- Build a common language for bottom up innovation
- Lift up success stories in the near term
- Accelerate long-term, bi-partisan policy breakthroughs and bottom up outcomes

Our effort is modeled on the Turner Foundation Partnership Project, which successfully used shared technology services to accelerate collaboration among civic participation groups in the late 1990s. In this case, we are using public opinion research and collaborative message development to create currency for policy innovators to make a strong case for change. Our work to date has already had measurable impact:

- Through over a year of briefings and convenings, we have gathered together a growing community of formerly “silo-ed” groups around a new, bottom-up narrative for regional innovation, jobs and low-carbon outcomes. *Now we hope to go deeper and wider with targeted state and regional level messaging and success story development.*
- From our focus group research, we have confirmed that voters see an indispensable role for government, but one that is highly focused on local partnerships, local job creation councils and new, flexible approaches that give clean economy entrepreneurs and citizens a greater voice in how federal money is spent. *Now we hope to define exactly what “more for less” government must look like in the 21st century.*
- We have successfully engaged key White House, federal and state officials around the high-impact potential of regional innovation. *Now we hope to accelerate development and deployment of the missing policy & finance mechanisms needed to scale the work.*

For more information: Jenna Narayanan (202-842-7207) or Dan Carol (541-337-7046)