

State Energy Advisory Board
Teleconference Minutes
January 21, 2009, 1:00 p.m. - 2:10 p.m.

Attendees:

DFO:

- Gary Burch, STEAB Designated Federal Officer, Director of EE Projects Division, Golden Field Office, Denver, CO

MEMBERS:

- Chris Benson, Director, Arkansas Energy Office, Department of Economic Development (Board Chair)
- Jim Arwood [monitoring] Director, State Energy Office, State of Arizona
- Henry 'Ted' Berglund, CEO and President, Dyplast Products
- John H. Davies, Director, Division of Renewable Energy and Energy Efficiency, Kentucky Office of Energy Policy
- 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
- Robert Hoppie, Administrator, Energy Division, Idaho Department of Water Resources
- Elliott Jacobson, Director, Action Energy, Inc. (Board Secretary)
- Peter Johnston, Project Manager, Clean Energy Technologies, Burns & McDonnell
- James Nolan, Weatherization Director, Department of Public, Health and Human Services
- Jim Ploger, Energy Manager, Kansas Energy Office
- Janet Streff, Manager, State Energy Office, Minnesota Department of Commerce
- Patricia Sobrero, Associate Vice Chancellor, Extension, Engagement, and Economic Development, North Carolina State University (Vice Chair)
- Steve Vincent, Avista Utilities
- Daniel Zaweski, Director, Energy Efficiency & Distributed Generation, Long Island Power Authority

CONTRACTOR SUPPORT:

- Rachna Kumar, Analyst I, SENTECH, Inc.
- Pam Mendelson, Assistant Vice President, SENTECH, Inc.

PUBLIC:

- Jason Leuck, Director, Government & Regulatory Affairs, Lockheed Martin Corp.

Agenda Items:

1. Report of Visit with EERE Management – Pat Sobrero & Elliott Jacobson
2. Status of New Member Package – Gary Burch
3. Status of Travel Reimbursements – Rachna Kumar
4. Impact of Stimulus Package – Chris Benson
5. Annual Report – Chris Benson
6. Other Pending Business – Chris Benson
7. Global New Energy Summit – Paul Gutierrez
8. Logistics and Plans for Next Meeting – Rachna Kumar
9. Agenda Topics for Next Meeting – Chris Benson

10. Public Comment – Chris Benson

Opening Comments:

Chris Benson welcomed the Board members on the call and wished everyone a Happy New Year. He took time to thank everyone for taking time out for the call and was surprised with the large turn-out due to the situation with funding for everyone. He was hopeful that the Senate Appropriations Committee language would be released today which, he says, will help give direction for future planning for the Board and other related work.

Report of Visit with EERE Management:

Chris Benson prefaced this topic by reminding the Board of the results from the November Washington, D.C. meeting. The Board had passed three resolutions, one of which was *09-02: "Organizational Operation of the STEAB"*, where it was agreed upon that resolution 09-02 and its letter would be hand-delivered to the Department of Energy, Office of Energy Efficiency and Renewable Energy (EERE) management at a higher level. Chris Benson stated that he was unable to deliver this but Patricia Sobrero (Vice Chair) and Elliott Jacobson (Secretary) took time out to meet with the management and deliver the package to John Mizroch, Acting Assistant Secretary at EERE. Chris Benson requested Pat Sobrero and Elliott Jacobson to update the Board with details from the meeting.

Pat Sobrero stated that she and Elliott Jacobson had made an appointment to meet with John Mizroch in December. Upon arrival they were both asked several questions by an administrative assistant who said that Mr. Mizroch had stepped out and would not be back in for the remainder of the day. Pat Sobrero and Elliott Jacobson explained that they were STEAB Board members with an appointment and had traveled quite a distance to specifically hand-deliver this document to Mr. Mizroch. The administrative assistant said that she would deliver the package to Mr. Mizroch. This did not seem acceptable/appropriate to Pat and Elliott. In the meantime, Paul Gutierrez was called and told of the situation faced at EERE and he agreed to call congressmen on the Hill of whom he had connections with. After this, another administrative assistant came and said that she would deliver the package to Mr. Mizroch. Both Pat and Elliott requested to have a room where they could converse and make some phone calls which the assistant provided.

Elliott Jacobson felt that they should wait to see if there are any further developments with the phone calls made to people at DOE, communications staff, or even Congress. Calls were made to the delegation, Senators, and the Chairman for the Appropriations Committee. In the meantime, Mr. Mizroch came into the room and discussed Resolution 09-02 and assured both Pat and Elliott that there would be neither a change in the relationship that STEAB has with the Secretary or Assistant Secretary nor a change in the way that STEAB reports. Elliott felt that Mr. Mizroch would honor the legislation and said he would meet with Steven Chalk, David Rodgers, and Gil Sperling to discuss things further.

Pat Sobrero felt that her interpretation of this meeting was a bit different in that Mr. Mizroch seemed to make no promises but did agree to talk to Steven Chalk, David Rodgers, and Gil Sperling. She felt that the reaction from EERE management was neither appropriate nor acceptable. After the meeting with Mr. Mizroch, Paul Gutierrez had left a message saying that Deborah Estes, Majority/Democratic Counsel for the Senate Energy and Natural Resources Committee for Senator Bingaman [D-NM] wanted to meet and speak with both Pat and Elliott. Both met with her and felt that she was very well versed in STEAB. Pat and Elliott voiced the main point of Resolution 09-02. This highlighted that STEAB does not want to be reporting through a program area because it would be against the Board's Congressional Statute. Deborah

Estes thanked the Board members for making an extra trip to bring this to their attention and was sympathetic to STEAB's purpose and goals. Elliott Jacobson also briefly spoke with Congressman Edward Markey [D-MA] who also apologized to the Board members for their trouble and voiced his support for STEAB's issues.

Pat Sobrero noted their meeting with Rob Sandoli and Uday Vadarajan of the Office of Management and Budget. Both Pat and Elliott made Rob and Uday aware of the ongoing issues with EERE and voiced their concern of how EERE may use the issues facing STEAB as a precedent with other FACA programs/committees. Rob Sandoli assured them that he would talk to EERE and make them aware of the issues at hand.

Elliott Jacobson voiced his concern regarding what DOE would decide for STEAB. He noted the importance of letting the administration know that the Board would like to maintain its position as an oversight committee across all programs rather than part of the Office of Weatherization and Intergovernmental Programs.

After the meeting at OMB, Pat Sobrero said she received an e-mail from the Team Leader for President-Elect (now President) Obama's DOE Transition Team, Susan F. Tierney (Mass). She said she was interested in the situation with STEAB in the short electronic discussion with Pat Sobrero.

Gary Burch inquired if there was any subsequent written information from John Mizroch regarding Resolution 09-02 and Chris Benson said there was none. Chris Benson added that maybe the Board should be more proactive and focus on the new Assistant Secretary rather than Mr. Mizroch due to the change and transition in administration.

Gary Burch mentioned that he received a call from Gil Spering (OWIP) saying that Resolution 09-02 was passed on to him. After their discussion, Gil said that he understands what the drivers are regarding STEAB and is in concurrence with the Board's intent to stay in its current position per the statute.

Chris Benson thanked Pat Sobrero and Elliott Jacobson for making the issue known to the administration as well as taking time out of their own schedules to make the trip back to Washington, D.C. He feels that progress has been made but notes that the Board should stay attune to any developments especially regarding any response from the administration.

Both Elliott Jacobson and Gary Burch made a note that Sue Tierney (Mass), who had contacted Pat Sobrero, has now been named the Deputy Secretary of Energy (S-2) which could be a very important and beneficial connection/contact for the STEAB especially if no response from the administration is received. Chris Benson mentioned that Rob Sandoli also wants STEAB to be proactive with its issues especially if the Board does not get the type of response that it wants. Elliott Jacobson said that Rob Sandoli would also like to have another meeting during the week of the March Meeting.

Gary Burch said that any "next steps" can be implemented or initiated during the first week of February during the time of the NASEO meeting. This could provide an opportunity to at least meet with Gil Sperling. Elliott Jacobson said that he would also be in town and Chris Benson offered to give Elliott the necessary information.

Status of New Member Package

Gary Burch proceeded to explain the status of the new member package. Gary said that he received notice that the Secretary has signed off on the package and the Board will be updated

with three new members and two re-appointees. The new members are Larry Shirley (NC), Jim Arwood (AZ) and Cecelia Johnson-Powell (IL). The reappointees are Steven Vincent and Jim Ploger. He mentioned that the letters of invitation have not reached the new members and reappointees yet. Upon receiving the letters, they must call Gary to accept the position and then they will be entered officially as the new members of the State Energy Advisory Board.

Status of Travel Reimbursements

Rachna Kumar gave an update on the status of the travel reimbursements for the members who attended the November Washington, D.C. meeting. Only two members' reimbursements were still being processed; those being for Peter Johnston and Chris Benson which should be completed by the end of the week. Rachna noted that all other members should have received their reimbursements and that if there was any trouble or questions that Wynette Fryer should be contacted.

Impact of Stimulus Package

Chris Benson wanted to address the stimulus package from the new Obama administration and encouraged/asked the Board to comment on it through their own personal experiences or via other suggestions. He also wanted to find out from the Board how/if STEAB should act. He noted that there are lots of details to be worked out. The States are wondering what the contents of this package are and are preparing for a potential tidal wave of work. This will be a good chance to see if STEAB can play a role in helping the States or not.

Jim Nolan mentioned that the stimulus package will have a lot of loops in it and that STEAB may be able to help address items within especially regarding weatherization.

Elliott Jacobson said that the House numbers in the stimulus package are daunting and suggested that the STEAB should reactivate previous committees for State Energy Programs (SEP), Weatherization, and Block Grants. This will allow the Board to have some role in the process as well as to provide some sort of organized advice. Elliott then said the main question to be answered is who will control the money once the stimulus package comes out? This is a problem that will not only be faced at the local level with mayors and governors but also on a State and federal level especially within DOE. Gary Burch agreed that implementation of the stimulus package would be challenging, but he wanted to give further consideration to reinstating STEAB subcommittees.

Pat Sobrero noted that there are a slew of financial questions that are a part of this package. Those being the following: How will states handle the money, how much money will they receive, who will get the money, etc.? She feels that it is important for the Board to discuss these issues before the fact rather than waiting until after the money is allocated. Gary Burch agreed and offered to discuss this with Gil Sperling. He also mentioned that there is a possibility that \$6 billion dollars or more will be in play.

Ryan Gooch mentioned that STEAB should help encourage the 'State-Match Program' regarding the House Bill for the stimulus package. Chris Benson asked if spending on capital projects was allowed and Janet Streff answered by saying that the waiver for capital projects was not in the House Bill but should be implemented/included in the Senate Bill. Ryan Gooch added that the two items missing in the House Bill are the "State-Match" program and the waiver for spending on capital projects.

Pat Sobrero noted the interest in education, engineers, etc. to launch increased weatherization efforts from the university end. She also said that partnering for support in the sustainable

weatherization program has been well received at the university level. Paul Gutierrez agreed with Pat's comments. Chris Benson added that the same is happening in Arkansas in striving to make changes in clean technology; market transformation efforts for transformed economies are being made as well.

Chris Benson said that the main question facing the States is how they are going to use the stimulus money to accomplish all their objectives in such a short time line.

Elliott Jacobson stated that the emphasis on 'Green Jobs' has drastically increased and the administration wants more of these jobs in the field. He noted that this, in fact, could take years because a green job economy is needed before these jobs are even part of an industry. He also feels that this creates a problem because it is hard to satisfy all the players whether that is the administration or the industry, etc.

Jim Arwood mentioned that the House appropriations may not take the stimulus up until next week and Chris Benson mentioned that the Senate would take it over following the House. Chris Benson also noted that STEAB will get a chance to respond to the Senate, depending on the timing, but feels that once it has cleared, the Board can create a possible resolution or recommendation.

Pat Sobrero suggested that the Board should form the subcommittees that were aforementioned so that talks can ensue immediately and can be carried on for however long. Elliott Jacobson felt that the Board should wait and see the Senate version of the stimulus package before doing so.

Chris Benson noted that a 'Standing Committee' was previously created to oversee and 'interfere' with the Hill. He mentioned that Janet Streff and John Davies were part of this executive committee. Jim Arwood asked what the committees' relationship was with the Hill and with each other. Janet Streff said that this committee would interface with the Hill on specific matters.

Gary Burch mentioned that he needed input from the field and that an 'ad hoc' committee could help serve this purpose. Ryan Gooch asked the Board if it was realistic to make committees and wondered if they had the time and resources to implement it all. He noted that the stimulus package issues could be less than 30 days and wondered if it would be realistic to make these committees. Chris Benson said that Ryan has a valid point. Pat Sobrero understood Ryan's concern but noted that issues with this stimulus package will extend throughout the year especially regarding legislation and interface with PMC. Other bigger issues may come up after this immediate issue of which the STEAB subcommittees could be helpful.

John Davies said that he agreed with Pat and that other programs such as rural development etc. are areas where leverage will happen over time. He stated that the money from the stimulus package may not come out quickly and, for that reason, these subcommittees will not have a time constraint.

Chris Benson decided that he would send out an e-mail with the existing committees (Hill, Executive, SEP, Weatherization, and Block Grants) with the existing members listed and then ask if the other members want to be part of the remaining committees. This will then be formalized into something for the future. Chris said that he was in concurrence with Ryan's statement about time but noted that the Block Grant issues will definitely take longer. Some funds may be allocated to grantees quicker than others and the governors are putting pressure on the State Energy Offices. Many states may not have the time to be part of these extra subcommittees with this type of pressure but suggested that this issue be taken up during the next conference call. The next call can include what assignments and responsibilities will be required for these committees.

Gary Burch pointed out that STEAB used to have several standing committees, but had moved away from these over the past few years. He encouraged the Board to consider establishing various interim committees, rather than standing committees.

Gary Burch noted that the Golden Field Office will have to change the way it does business especially regarding the issuing of FOA's. This process takes 12-14 months which is unacceptable. He says there must be more responsibility in handling money and needs counsel from the Board on this issue. He noted that there will be a regional presence but not necessarily a distinct regional office. The difficulty in handling the money stems from the lack of a regional office/presence. Chris Benson noted to the Board that he will be in touch with them within a few days with all of these details in an e-mail.

Annual Report:

Chris Benson noted that it was partly his responsibility to complete the edits on the Annual Report hardcopy but apologized for not doing so due to the lack of time, pressure, and other pending yet important responsibilities. He stated that he would work with Gary Burch and Rachna Kumar next week with editing and cleaning up the report to hopefully have it out to the members (still in draft form) by the next teleconference call (February, 18th, 2009).

Other Business:

Pat Sobrero mentioned that she received an invitation from North Carolina State University for STEAB to visit in the near future. They wish to showcase their Research and Development side as well as their Technical Development programs at the university. She noted that the Chancellor of North Carolina State University was open to the meeting and would like to showcase Renewable Energy and Energy Efficiency through tours.

Chris Benson said that this was great and would like to add this on to the agenda for the next conference call. He suggested that a visit and a meeting at North Carolina State University will be a good change for the Board from D.C. or other Federal Lab trips.

Global NEW Energy Summit:

Paul Gutierrez briefly explained the Global NEW Energy Summit information which was e-mailed to the Board. He notes that this Summit will include some very important players and is domestically focused for cutting edge projects and contacts in the energy economy arena. Paul wanted to share this information with the Board to see if anyone was interested. He also wanted to see if the Board would like to be involved in this Summit such as being a sponsor, etc. He noted that Senator Pete Domenici will be there and the lead sponsors for this event are Los Alamos National Lab, Sandia National Lab, etc. This will allow the Board to have a different mode of interaction with the labs. They will have panels and also wanted to see if the Board felt that they should provide any resolutions or recommendations on these topics. Paul also suggested and hoped that the Board will pass this information along their network of contacts.

Gary Burch stated that STEAB is neither allowed nor able to be a financial contributor to the summit but can find other ways to contribute to this event. Chris Benson thanked Paul Gutierrez for bringing this event to the attention of the Board. He noted that this is a very timely conference and the Board will do their best to help distribute information on it to their contacts.

Logistics and Plans for Next Meeting:

Rachna Kumar stated that logistical information regarding travel and hotel arrangements for the meeting in Washington, D.C. from March 17-19, 2009 will be sent to the Board members via e-mail. This e-mail will contain detailed instructions and deadlines to follow.

Gary Burch mentioned that the Assistant Secretary of Energy will be chosen in March. He noted that President Obama is on the fast track for appointing members.

Agenda Items for Next Meeting:

There were no specific comments on this topic but was suggested to be discussed on the next teleconference call on February 18, 2009.

Public Comment:

Chris Benson inquired if there was any public comment to be made by Jason Leuck representing Lockheed Martin?. Jason thanked the Board for their time and asked if he could contact Gary Burch for further information on the STEAB. Gary Burch said this was okay and would be willing to give him any information he needed.

Closing Comments:

Chris Benson asked if there were any closing comments from any of the Board members. Elliott Jacobson reminded Pat Sobrero, Janet Streff, and Chris Benson of the OMB meeting in March the Monday before the meeting in Washington, D.C. (March 16th, 2009). Elliott also asked if he should get a speaker for the next meeting to discuss the carbon market. Chris Benson suggested that the Board refer to the State and Local Energy Report's recent issue. He referenced an article written by Mark Wolfe which explains the RGGI (Regional Greenhouse Gas Initiative) in detail. Chris Benson said that he could send this article out to the Board if they cannot find it.

Chris Benson thanked the Board for taking time out of their busy schedules to be a part of this teleconference call. He reminded the members that the next teleconference call will be on the third Wednesday of February which is February 18, 2009.

The State Energy Advisory Board January teleconference call was concluded at 2:10 p.m. ET. Minutes scribed by Rachna Kumar (SENTECH, Inc.).