

DELAWARE MUNICIPAL ELECTRIC CORPORATION
REGULAR MEETING
DEMEC ADMINISTRATIVE BUILDING
SMYRNA, DELAWARE
November 20, 2018

A meeting of the Board of Directors of the Delaware Municipal Electric Corporation was held Tuesday the 20th day of November, 2018 at DEMEC's Administrative Building, Smyrna, Delaware.

The meeting was called to order at 11:02 a.m. with Morris Deputy, Chair, presiding.

The following roll call was presented:

Present:

Morris Deputy, Chairman
Representing Middletown
Eric Norenberg, Director
Representing Milford
Rick Carmean, Alternate Director
Representing Milford
Gary Stulir, Director
Representing Smyrna
Darrin Gordon, Director
Representing Lewes BPW
Charles Anderson, Director
Representing Seaford
Pam Patone, Director
Representing the MSC of New Castle
Dr. Roy Sippel, Alternate Director
Representing the MSC of New Castle
Donna Mitchell, Director
Representing Dover
James Robinson, Alternate Director
Representing Dover
Tom Coleman, Director
Representing Newark
David Del Grande, Alternate Director
Representing Newark
Austin Calaman, Alternate Director
Representing Lewes BPW
Mary Ellen DeBenedictis, Director
Representing Clayton
Patrick E. McCullar, President
Representing DEMEC

DEMEC Staff Attending: Kimberly Schlichting, SVP-Operations & Power Supply; Louis Vitola, VP-Finance; Heather Contant, Communications Specialist; Kendra Friel, Administrative Assistant; Stephanie Dove, Manager of Accounting & Settlements; Steve Siok, Director of Beasley

Plant Operations & Compliance; Scott Lynch, VP of Asset Development; Emily Greene, Energy Services Manager

Guests and Attendees: Jenn Anderson, Milford

MINUTES

The minutes of the following meetings were presented for approval:

1. Minutes of the Meeting of October 16, 2018

Upon motion made by Lewes BPW to approve the minutes of the meeting of October 16, 2018, seconded by MSC of New Castle, the motion passed unanimously.

APPOINTMENTS / ELECTIONS

None.

TREASURER'S REPORT

The President presented the October 2018 financial reports. Mr. McCullar stated that revenues continue to come in ahead of budget and that expenses are relatively in line. He noted that he expects Government and Community Relations and Training accounts to run over budget due to materials associated with Public Power Week and an upsurge in attendance of DEMEC board members at the 2018 APPA Annual Conference.

Upon motion made by Clayton to accept and approve the October 2018 Financial Reports, seconded by Newark, the motion passed unanimously.

PRESENTATIONS

None.

RESOLUTIONS

None.

COMMITTEE REPORTS

Executive Committee –

Mr. Darrin Gordon, Director representing Lewes BPW informed those present that the executive committee had recently met and proposes the following in 2019:

- Review of employee healthcare
- DEMEC business review to be performed by an outside consultant

Mr. Gordon cited Mr. McCullar's possible future plans for retirement as the catalyst for this business review noting that the DEMEC board of directors rely very heavily on his expertise and feel lacking in the ability to adequately support DEMEC staff should Mr. McCullar retire sooner rather than later. The proposed scope of work would include an interview of all DEMEC staff to determine strengths and concerns, an analysis of the President & CEO position and the Senior VP position to assist in determining a peer group for future use, a review of goals that determine compensation changes (including bonuses), a review of the DEMEC bylaws, which have been left virtually untouched since 1979, a succession model and a review of DEMEC committee structure.

Mr. Gordon proposed that this review be scheduled to begin in January or February of 2019, with a projected completion of the report by April or May of 2019. He noted that the committee is looking to APPA for qualified consultants. Mr. Gordon asked for questions, comments or recommendations. With none being presented, Mr. Gordon looked to Mr. Morris Deputy, Chairman, to determine if a motion would be required to proceed with the RFP (request for proposal) process to which Mr. Deputy replied in the affirmative.

Mr. Eric Norenberg agreed that a motion would be necessary to take such a step and suggested that an addition of a projected cost be included in the motion for budgetary purposes.

Upon motion made by MSC of New Castle to seek RFPs for a consultant to perform a DEMEC business review with a budget up to \$20,000, seconded by Newark, the motion passed unanimously.

Audit Committee –

Ms. Pam Patone, Director representing the MSC of New Castle, informed those present that an audit committee meeting had recently taken place. She noted that the members reviewed the DEMEC third quarter financial results, received an update on the progress of the DEMEC travel policy and received an explanation from Mr. Louis Vitola, VP of Finance, on how previously approved investments would appear on the balance sheet. She also revisited the intention of the committee to seek RFPs for audit services, which they are currently intending to begin in January of 2019.

After the meeting, the committee met with the current auditors whom were onsite for preliminary audit fieldwork. Ms. Patone informed the board that they may be contacted by the auditors and assured them this is standard procedure and encouraged them to make time to accommodate the auditors.

Ms. Patone concluded her presentation and offered to answer any questions.

PRESIDENT'S REPORTS TO BOARD

Generation Project Report:

Mr. McCullar informed the board that all assets are available and operating. He also noted that Fremont concluded its fall outage two weeks ahead of schedule and is also operating.

Mr. Tom Coleman, Director representing Newark, asked whether Beasley Unit #2 spinning reserve activity should be added to the monthly generation reports. Mr. McCullar advised that this data is currently available in the Joint Owners Report provided to the board. Ms. Kimberly Schlichting, SVP Operations and Power Supply, added that the condensing data was clarified to improve the narrative in the Joint Owners Report.

Construction Project Status Report:

Middletown Transmission & Substation –

Mr. McCullar informed the board that this project would be covered in detail during executive session.

Economic Development Projects:

Middletown Technology Center –

Per Mr. McCullar, the Middletown Technology Center is moving along much as it has been. He asked Mr. Deputy when Middletown was expecting to hear from potential businesses. Mr. Deputy noted that currently they are waiting for the new year.

Newark STAR Campus –

As has been previously reported, the Newark STAR Campus is moving along ahead of expectations resulting in load increasing significantly. Mr. Coleman took a moment to inform the board that the University of Delaware has decided to close the Christiana Towers years ahead of schedule, which will result in an influx of students seeking accommodations. He noted that this closure could potentially expedite plans for housing on the STAR Campus as well.

Legislative Status Report:

Ms. Schlichting recounted a recent meeting with Mr. David Murray, a representative from the Maryland, DC and Virginia branch of the Solar Energy Industries Association (MDV-SEIA). Ms. Schlichting, along with Mr. Scott Lynch, VP of Asset Management, Ms. Emily Greene, Energy Services Manager and Mr. Lincoln Willis, Principal of The Willis Group, met with Mr. Murray, whose company was responsible for the last-minute legislation introduced in June of 2018, which DEMEC was forced to mobilize quickly in order to thwart. This attempt to push through

irresponsible legislation was drafted without input being sought from DEMEC, Delmarva Power (DPL) or the Delaware Electric Coop (DEC). Per the instruction of Senator Harris McDowell, all concerned parties must now work to draft a more realistic version of the legislation. With this in mind, Mr. Murray reached out in the hope of attaining a better understanding of the concerns of DEMEC.

Ms. Schlichting and the other attendees outlined the items which need to be addressed regarding net metering and shared why we could not support the legislation as it stands. She also encouraged Mr. Murray to reach out to the DEC and DPL, as both may have their own difficulties regarding the proposed legislation.

Mr. Murray stated his intention of MDV-SEIA to reintroduce the legislation in March of 2019. Ms. Schlichting stated she feels this aggressive time frame will not be attainable as all parties will most likely not be in agreement by then. She reminded Mr. Murray that all parties must work together per the instruction of Senator McDowell. She also noted that should the legislation be once again submitted without reaching an acceptable compromise, DEMEC will be given no choice but to block it once again.

Mr. Charles Anderson, Director representing Seaford, asked if a white paper had been drafted outlining the issues to which Ms. Schlichting replied that one had been started and was in the process of being finalized. Mr. McCullar suggested that once complete, the white paper be circulated to the board for input. Mr. Anderson offered to provide a copy to Representative Brian Shupe. Rep. Shupe is the former Mayor of Seaford and is well acquainted with DEMEC.

Ms. Schlichting inquired if any members knew of council/board members who may not take the same view as DEMEC. She indicated that DEMEC should not proceed without the full support of the membership. Mr. Gordon noted that he does have a few board members who may express opposition, but he feels the provision of the white paper will be enough to convince them of the importance of our resistance. Mr. Norenberg indicated that he anticipated no pushback from his council and shared that Milford had recently completed a cost of service study and felt that the decisions made were well supported.

Ms. Donna Mitchell, Director representing Dover, asked if based on the current requirements, is DEMEC mandated to follow the currently established guidelines or do we participate in a voluntary capacity. Mr. McCullar indicated that DEMEC is exempt from the Public Service Commission requirements placed on Delmarva, but that we have, as a practice, voluntarily followed the current schedule. He noted that we can vary our participation however we like. To this Ms. Mitchell asked if we hoped to follow this same path regarding the legislation in question, but are insisting on net metering. Mr. McCullar assured her that she was correct.

Mr. Coleman inquired of the change being sought to which Mr. McCullar replied we are seeking a cap on the financial liability of any community for net metering annual true-ups. Currently, anyone can now have generation and push megawatts (MWh) of generation to a community, which then are required to pay for said MWhs. Ms. Schlichting indicated that the intent of net metering is to essentially zero out any bill in a twelve month period. If someone is continually pushing, they are now becoming a net generator. Those in support of the legislation note that the community is only required to pay back at their avoided cost, but the community does not need and has not asked for this generation, having already planned for their load requirements.

Mr. Charles Anderson, Director representing Seaford, noted that utilities size Distributed Energy Generator (“DEG”) systems by completing a two year historical lookback at time of construction. He indicated that this may be a viable defensive mechanism, only allowing the use of data on a rolling schedule in situations such as this. Ms. Schlichting noted that at one point in time, a solar developer was supportive of doing away with payments entirely, however legislation could not be moved at that time. Support was due to the realization that solar can stand on its own and incentives are unnecessary.

Mr. Anderson noted that he felt net metering should go away entirely. He suggested that systems are built to suit load. Mr. McCullar stated that our biggest concern is to ensure that customers pay their fair share of the fixed system costs incurred on the systems implemented to bring the customers power. Even if a business is able to lower their consumption to a residential rate, with solar or another method, they are still provided with the ability to draw from the grid on a commercial scale at any time if they so choose. A brief discussion followed about DEMEC hosting another round of rate design classes to further advise and encourage the members to revisit their rate design and current rates.

Community Support/Charitable Contributions Policy:

Mr. McCullar noted that the policy is currently being drafted and that he hopes to have something in the near future.

Utility Best Practices Update:

Ms. Stephanie Dove, Manager of Accounting and Settlements reported that interim data results from the Shpigler Group has been received. She noted her intention to share the data with the members for review and to solicit corrections. She intends to provide the data early next week. She encouraged those present to ask questions of either Mr. Shpigler or herself as both will be copied on all correspondence.

Ms. Patone asked how the surveying went. Ms. Dove indicated that six of the nine members participated and that a separate report will be provided by the Shpigler Group when the final benchmarking report is issued.

SCADA Upgrades:

Ms. Dove reported that the upgrades are complete. She noted that we are currently monitoring and all are working as anticipated. She indicated that we will continue to monitor.

2019 Budget:

President McCullar provided an overview of the proposed budget, aligning 2019 budget initiatives with DEMEC’s goals:

Goal: Lowest reliable power supply cost, with a stable power supply portfolio.

Mr. McCullar noted that DEMEC is currently analyzing the impact of increasing the ratio of assets to bilateral market purchases. It is the position of DEMEC that more investments in assets will be necessary in the future as market contract costs are anticipated to soon rise. He noted that the right investment in assets will be a hedge against market-based contract cost increases and will put DEMEC in a better position to maintain lower costs

Goal: No member wholesale rate volatility.

DEMEC currently manages a Financial Transmission Rights (FTR) portfolio to protect DEMEC members from congestion cost risk. The fuel policy hedges the cost of both natural gas and fuel oil. An appropriate level of forward market purchases is serving as a hedge in the power portfolio. We plan to continue generation behind the meter and the development of economic solar. Pursuit of reciprocating internal combustion engines (“RICE”) units is also being explored. These two utility behind-the-meter generation options will better control costs. Our goal is to reduce demand on the transmission system by generating as much power as possible behind the meter.

Goal: Maintain rate stabilization reserve target.

The rate stabilization reserve is part of the wholesale rate designed to achieve the target predetermined by the board.

Mr. McCullar finalized his review of the goals by indicating that DEMEC will continue member distribution utility training and support as well as regulatory representation and education on federal state and local levels.

Mr. McCullar asked the members to confirm that we are in full understanding of the goals provided by the board.

Mr. Gordon inquired as to where the rate stabilization account funds were held to which Mr. McCullar noted that currently these funds sit on the DEMEC balance sheet. Upon the approval of a new policy at the previous board meeting, these funds are now being invested.

In a brief discussion about lowest reliable power supply cost, Mr. McCullar noted that it is the position of DEMEC that Utility-scale behind-the-meter generation development is the correct direction to take. He noted that it will allow us to keep pace with the anticipated Renewable Portfolio Standards (RPS) increase as well as hedge ever-increasing transmission and capacity costs.

Mr. McCullar now introduced DEMEC’s interest in securing increased ownership in Fremont once again in 2019, noting that the asset has proven to be very efficient and dependable, exceeding all expectations. Currently, the impact on our portfolio is being studied by ACES. It is the hope that the results of this study will be available for the December board meeting. At this time, we have the opportunity to purchase additional MWs from parties currently long in their portfolio at no premium cost. In essence it will be simple assignment similar to the AMP 2018 portfolio realignment process. Once the study by ACES is complete, it will be brought to the board with recommendations.

Mr. McCullar noted that the 2019 power supply cost is projected to reduce significantly. The biggest decrease is anticipated to be in the energy-only component of the portfolio, although several other components are also contributing to this decrease. New forward power contracts have been acquired at lower costs. Congestion should decrease also. Capacity should stay level. Ancillary services should be down slightly. Transmission has become larger, but we should be able to keep it at the current rate for 2019. Renewable Energy Credits (RECs) cost will be going down in 2019, but Solar Renewable Energy Credits (SRECs) will rise. Mr. McCullar reminded the members the contract for Milford Solar includes a schedule of increasing numbers of SRECs to be purchased in order to match our rising obligation. Rate stabilization reserve funding remains the same, as well as the administrative costs. Beasley contributions and generation credits also remain the same for the seven joint owners. Lewes will likewise see its billing rate decrease, although Lewes does not have an ownership share in Beasley.

Ms. Mitchell inquired as to why congestion is showing as an expense when credits have been issued. Mr. McCullar informed her that while credits have been issued, they do not cover the full fee for congestion, resulting in a modest amount due. Mr. Coleman asked if solar was actually a cheaper generation source given the presented information. Mr. McCullar explained that behind-the-meter solar generation investment is still more expensive, but that credits for avoided transmission and capacity offset costs resulting in a lower rate. He offered to provide a breakdown of this to assist with understanding at a later date.

Mr. McCullar also noted that he is not sure if 2019 will be the last year of decreasing rates. It is expected that energy numbers will be going up as natural gas costs rise. It is the opinion of Mr. McCullar that the current spike in natural gas prices will just be a seasonal increase. Summer will see the true national price average return.

Mr. McCullar continued to review other elements outlined in the budget. He noted that power sales to members will go down, and the PJM market revenue will be slightly lower. He also informed the members that generation revenue is conservatively shown in presentation. Member administrative fee revenue will be up as a function of the higher load expected, permitting the lower per-unit fee. Member contribution to Beasley will be up, as outlined in the O&M budget for Beasley operations. The member project fee and contract service fees will remain the same. The training fee will be removed as the board has adopted an all-for-one policy regarding training. The budget has increased for governmental and community services, as well as office operations; the latter directly related to the increase in budget for travel and training. APPA dues will be going up slightly and debt service is due to remain the same.

Ms. Patone expressed confusion as to why the member administrative costs would rise due to increased load, but the power sales to members are noted as going down. Mr. McCullar explained that total cost of power supply to members, because of reduction in energy only costs, brings savings to the members. The load for 2018 exceeded budget significantly and is anticipated to continue to do so, resulting in increased member contribution costs.

Mr. McCullar concluded his presentation by reviewing the administrative services portion of the budget noting that no new positions are being recommended at this time. There will be an increase in the administrative services costs as two new positions were recently added in 2018 that have

their first full year of funding in 2019. Health insurance increased modestly. Finally, he noted that personnel services represent less than 1% of the total budget.

Mr. McCullar assured the board that a full budget package will be available within the next week or so and that approval of the proposed budget will be requested at the December board meeting.

AMI Updates:

Mr. Vitola made a presentation on Milford and Seaford AMI projects. He noted that installs are moving along in both communities with an issue in data translation being reported in Milford. Other than that, the deployments are moving along.

Energy Efficiency Program Funding Recommendation

Due to issues experienced by the membership, Mr. McCullar undertook the drafting of a memo proposing a refund to all members of the funds collected by DEMEC in 2018 to fund the Energy Efficiency Program. Should it be accepted, the current recommendation is to pay for the program out of non-member revenues, resulting in a relief of the burden of the cost to the membership but will still allow participation of all. The budget already allows for this program. With DEMEC funding the program entirely, no effect will be included in the wholesale billing rates of the membership. Once the initial three-year contract term has passed, an evaluation will be undertaken to decide if the program is cost effective and should continue. Mr. McCullar reminded the members that this decision does not mandate participation.

Upon motion made by Newark to approve the Energy Efficiency Program Funding Recommendation, seconded by Seaford, the motion passed unanimously.

Light Up Navajo:

Ms. Schlichting spoke on the Light Up Navajo initiative currently being undertaken by APPA and the Navajo Tribal Utility Authority (NTUA). Ms. Schlichting reminded the members of the presentation at the Annual Dinner in September of 2018 by Mr. Walter Haase, General Manager of NTUA. Mr. Haase presented an overview of this national initiative to bring mutual aid to a service territory in which a vast number of inhabitants have no access to electricity. After Mr. Haase's presentation, Milford received a donation from Senator Simpson to support involvement in the initiative. Currently, APPA is formalizing processes. Given the interest expressed by the membership, should we seek to allocate funding for this initiative?

Ms. Patone expressed her support of the initiative, but noted that without a formalized policy regarding DEMEC participation in charitable endeavors, each member cannot justify participation to their councils/boards. While this endeavor can be toted as mutual aid, or even training, there is no set in stone procedure to allow the membership to defend participation. Agreement with Ms. Patone was expressed all around. Mr. Gary Stulir, Director representing Smyrna, agreed with Ms. Patone but also noted that should DEMEC not participate, the Town of Smyrna is determined to offer assistance on their own.

Ms. Mary Ellen DeBenedictis, Director representing Clayton, inquired of the timeframe. Ms. Schlichting noted that at this time, APPA is hoping to organize crews of four who will volunteer for one week. Crew will arrive on Saturday, they will be briefed and then be in the field until they leave the following Saturday.

Mr. Coleman asked if supervisors would be needed. Ms. Schlichting indicated that the intention is for each crew to include one member of NTUA who will serve in the supervisory capacity. Journeymen are currently considered desirable volunteers. She did note however that this is a pilot program and is subject to change. If all goes well, it will most likely become an annual endeavor. Mr. Gordon asked if DEMEC would coordinate the transportation and such of volunteers from the membership to which Ms. Schlichting replied that should DEMEC participate, we would be happy to handle the coordination.

Mr. Coleman inquired about needed equipment. Per Ms. Schlichting, utilities in the area will lend large equipment such as bucket trucks. Other more personal items such as safety gear would be brought by the volunteers. Ms. DeBenedictis expressed concern about the conditions under which the volunteers would be working. Mr. Gordon, having originally come from the area, assured Ms. DeBenedictis that professionally the volunteers would be exposed to what they are accustomed to at home; however, the living conditions would be quite different.

Mr. Norenberg noted that he has considered seeking private donations to assist Milford in achieving participation, noting that the desire to help is strong. If suppliers and vendors of the city are willing to donate, it would drastically decrease the out-of-pocket expense.

Ms. Mitchell asked why the state government has not stepped in to help those in need. Mr. Gordon informed her that the area is designated Federal land and has been virtually entirely ignored by the Federal Government.

Further discussion was had pertaining to DEMEC's involvement in mutual aid efforts and it was widely expressed that presence has been lacking. This was cited as a further reason for participation.

Ms. Mitchell asked if this is the only area being considered for this sort of assistance or if others exist throughout the United States. Ms. Schlichting noted that at this time the focus will be the Navajo Nation. Mr. Coleman asked why solar is not being considered as an option. Mr. McCullar shared that while that does seem to be the most obvious solution, the implementation would be far more costly than running the lines as proposed. Ms. Mitchell asked where the current generation was coming from to which Mr. McCullar replied the generation is currently from a large coal-fired plant and hydroelectric resources.

It was determined by the board that once a charitable donations policy had been presented and approved, participation in this endeavor would be revisited.

Training / Education:

Ms. Schlichting reported on the following training and education offerings:

IT Roundtable –

Ms. Schlichting stated that the session was well attended and would be the first of several. She noted that feedback received indicated that AMI and what IT should consider behind the scenes was a desirable topic for a future meeting. She noted that recent members who have undertaken an AMI conversion would be excellent resources.

Ms. Patone noted that she very much enjoyed the meeting and expressed gratitude to Ms. Schlichting and Ms. Jennifer Coulbourne, IT System Administrator for organizing the event. She indicated that the inclusion of the State of Delaware and Diamond Technologies provided a wealth of knowledge. Ms. Patone also noted the MSC New Castle is taking full advantage of the training opportunities offered through the State of Delaware, of which she had previously been unaware. Ms. Schlichting took a moment to explain to the members that the State of Delaware does offer a number of free training sessions in IT and Cybersecurity.

CDCC Mixer –

DEMEC will be hosting the Central Delaware Chamber of Commerce (CDCC) monthly mixer on November 28th. This is a great opportunity to get the message out to more people about what DEMEC does. Mr. McCullar is scheduled to speak. Also, a shuttle tour of the Beasley Power Plant and Smyrna Solar Facility will be available for those who sign up in advance. All members are encouraged to attend.

DEMEC Holiday Open House –

The annual DEMEC Holiday Open House will be held on Tuesday, December 4th immediately following the board meeting. Ms. Schlichting invited the members to join the DEMEC staff and other guest to celebrate this time of year.

Customer Service Program, Session 4 of 4: Technology –

The final session of the Customer Service Certificate program will be held on Tuesday, January 29th.

Customer Service Program: Second Round –

Ms. Schlichting informed the members that a number of requests have been made to bring the Customer Service Certificate Program back in-house for a second round. Ms. Kendra Friel, Administrative Assistant and Training/Events Coordinator, reached out to the membership with a survey and presented her results in the provided document. Per Ms. Friel's research, member participation is projected to be right at the number of participants necessary to make hosting of the program cost effective. Given how close the results are, Ms. Friel will resend the survey in the hope of attaining more commitments, further ensuring the cost effectiveness of hosting the program.

Ms. Patone asked if a certificate was available for this program to which Ms. Schlichting replied yes, contingent on participation in all four classes and the successful completion of other requirements. Given that some certificate seekers may have missed a session originally, the hosting of this program again will allow them to pick up any missed sessions. Ms. Schlichting

agreed. Also, given the quality of the information provided, Ms. Schlichting recommended that a wide array of staff be considered for attendance.

Holiday Educational Table –

Ms. Schlichting informed the board that the display items for the Holiday Educational Table were available for pick up as they leave.

Communications Update

Ms. Heather Contant, Communications Specialist noted that all but the Town of Smyrna, MSC of New Castle and Town of Clayton can expect to find their display items when they leave as she coordinates the setup of all displays for these communities.

Ms. Contant also noted that the new website is moving along. Upon receipt of final approval from Clayton and Dover, the new site will be ready to go live.

It was also reported that during the Customer Connections Conference held annually by APPA, which Ms. Contant attended, DEMEC was recognized for the work being undertaken during Public Power Week. Ms. Sue Kelly, CEO of APPA recognized DEMEC during her speech at breakfast one morning and the communications team for APPA used DEMEC Public Power Week billboards as examples of how to express how you are “community powered” during one of the breakout sessions. National recognition of the work we do is growing and encouraging.

Ms. Contant offered to answer questions; none were posed.

Ms. Schlichting noted that APPA has approached DEMEC with the possibility of teaching a session such as this at the next APPA National Conference.

Green Energy Program Status Report:

Renewable Energy Tracking –

Mr. Lynch thanked the members for completing the survey of installations in each community citing that this data will better allow DEMEC to monitor as each community as they approach their net metering cap.

Lights on Seaford Strong Campaign –

Ms. Greene shared one of three videos of news coverage centering on the Lights on Seaford Strong Campaign, this particular video from WBOC. This campaign, which has also been undertaken in Dover, installs LED lighting on the front, back and side porches on homes in poorly lit areas in order to deter crime. Ms. Greene plans to meet with the organizers next week to discuss their preliminary numbers to see if she can get energy savings credits to apply towards the statewide goal. The campaign is a partnership between DEMEC and Seaford utilizing the Green Energy Fund. The Sustainable Energy Utility (SEU) is paying for half of the cost as well. The lights are being installed by The Help Initiative.

Ms. Greene also met with the Sussex Habitat executive director. Her hope is to schedule other stakeholder events including other community based groups, such as the Boy Scouts, for future installations. Ms. Greene also reported that during this undertaking, abandoned and vacant properties were identified and fitted with solar battery powered lighting to further deter crime in these areas.

Ms. Schlichting inquired if Ms. Greene would suggest that other Green Energy Fund participants seek to take part in the campaign. Ms. Greene indicated that was her intention and offered to provide any necessary information to interested parties.

Customer Sited Generation Policies – none.

Energy Efficiency Advisory Council (EEAC) – none.

Energy Efficiency Program Update –

Ms. Greene reported that between October 30th and November 2nd, she and Mr. Tom Coyle, Account Manager with Efficiency Smart, visited multiple locations in the four participating communities. In Seaford, Trinity Logistics and Century Seals were visited to speak about looping demand response in with their energy efficiency. In Milford they attended a chamber of commerce breakfast with Mr. Norenberg and then met with the city library to discuss a lighting upgrade. The Milford School District, Senior Center and Hospice were also visited. Lifecycle, the retail partner offering discounted pricing on LED lights at a local retailer, posted a wonderful video on Facebook which DEMEC has shared. The video gives a great overview of the bulbs. Ms. Greene invited the board to view the video at their convenience.

In New Castle, Ms. Greene and Mr. Coyne visited with the Historical Society to discuss a lighting buy down. In Clayton they also visited a number of businesses for the same purpose. Ms. DeBenedictis recommended a number of other local businesses which could be approached as well. Ms. Greene ensured Ms. DeBenedictis that she would reach out to each. With these visits complete, the three year Energy Efficiency Program goals are nearly 40% complete.

Ms. Greene also noted that she is working with Efficiency Smart to update the Energy Efficiency dashboard to make it more user friendly.

Ms. Greene concluded her report and extended the invitation to the other communities who are currently not participating in the program to join, stating that she would be very happy to speak with them at their convenience.

Demand Response Update –

Mr. Lynch noted that a successful summer was had and that starting in January, the membership can expect DEMEC to reach out once again asking for approval to be providers in each community.

BUSINESS FROM THE FLOOR

Mr. Coleman revisited the net metering conversation specifically regarding authority at a local level to set requirement. He presented the option that Mr. Max Walton, Legal Counsel for DEMEC, review member town ordinances and make suggestions to allow each community to act preemptively. Ms. Patone agreed, noting that the inclusion of these recommendations in both ordinances and the tariff would be a worthwhile pursuit and would provide extra strength. Ms. Schlichting agreed to look into the request. Ms. Mitchell raised the option of covering the issue in the bond covenant as well.

Mr. Coleman made a request that DEMEC provide training on rate setting, cost of service and best practices. Mr. McCullar assured him DEMEC would repeat the classes.

EXECUTIVE SESSION

The Board went into executive session at 11:39 p.m. upon motion by Newark seconded by MSC of New Castle to discuss the following:

- a. To discuss personnel actions, strategic business and commercial generation operations, dispatch, negotiations and planning.

The Board ended the executive session and returned to regular session at 12:01 a.m. No action was taken.

NEXT MEETING DATES

The following meeting dates were set:

- Tuesday, January 15, 2019 – 10:00 a.m.
- Tuesday, February 19, 2019 – 10:00 a.m.
- Tuesday, March 19, 2019 – 10:00 a.m.

ADJOURNMENT

Upon motion by Dover, seconded by Newark, the Board Meeting adjourned at 12:02 p.m.