

CONSERVATION ADVISORY COMMISSION
MINUTES

December 14, 2021

MEETING CONVENED: 7:00 p.m. GoToMeeting

MEMBERS PRESENT: Chair Sheila Smith, Beth Chajes, Helga Huntley, Andrew O'Donnell, John Mateyko (arrived 7:07 p.m.), MaryClare Matsumoto, Jean Hedrich

STAFF: Jeff Martindale, Chief Purchasing & Personnel Officer
Jayme Gravell, Chief Communications Officer
Joe Spadafino, Director of Parks & Recreation
Tara Schiano, Deputy City Secretary

Ms. Smith called the meeting to order at 7:00 p.m.

1. APPROVAL OF MINUTES FROM OCTOBER 12 AND NOVEMBER 9, 2021:

MOTION BY MS. MATSUMOTO, SECONDED BY MR. O'DONNELL: TO APPROVE THE OCTOBER 12, 2021 MINUTES.

MOTION PASSED. VOTE 6 TO 0.

AYE: HUNTLEY, HEDRICH, CHAJES, O'DONNELL, SMITH, MATSUMOTO.

NAY: 0.

ABSENT: MATEYKO.

MOTION BY MS. HEDRICH, SECONDED BY MS. MATSUMOTO: TO APPROVE THE NOVEMBER 9, 2021 MINUTES.

MOTION PASSED. VOTE 6 TO 0.

AYE: HUNTLEY, HEDRICH, CHAJES, O'DONNELL, SMITH, MATSUMOTO.

NAY: 0.

ABSENT: MATEYKO.

2. PUBLIC COMMENT:

There was no public comment.

3. PROPOSED FUNDING OF RESIDENT TREE GIVEAWAY PROGRAM 2022 – JOE SPADAFINO

Mr. Spadafino revealed that the Parks & Recreation Department had been discussing a Resident Tree Giveaway Program for a year. He spoke with Mr. Suchanec who, when he first joined Council, expressed interest in helping the City's tree canopy. Mr. Spadafino explained that the goal of the tree giveaway was to increase the tree canopy on residential property and help the environment. He assured that the program would also include an educational component, proper tree care, and planting

instructions and recipients would be encouraged to post photos of their trees' progress on the City's Facebook page. He continued that registration would be similar to other Park programs and staff would be able to email participants reminders to water during drought conditions. He informed that residents could register for two trees or shrubs per household and there would be one giveaway in spring and one in the fall. The fall giveaway would be for individuals who had diseased, dying, or structurally damaged trees removed from their property during the year and would include about 40 trees. He explained that the fall giveaway would allow residents with damaged trees time to apply for the program.

Mr. Spadafino informed that the intent was to have 160 #3 trees available, which were container trees that were four or five feet in height. He believed residents would have difficulty transporting larger trees. He shared a sample of native plantings for consideration: October Glory Maple, American Beech, American Plum, Shadblow Serviceberry, Chokeberry, White Oak, and Yellowwood. Whatever trees or shrubs were chosen, staff would provide pictures and information on how large they would grow. He spoke to a town in Arkansas that had great success with a similar program and learned that shrubs were included as options for residents with a smaller lot. He revealed that the plantings ranged from \$40-\$60, not including the delivery from the nursery, and staff would also include a small bag of mulch. He noted that Tom Zaleski, the Parks Superintendent, was still researching pricing and selections with other nurseries. The plantings would be available for pick up on a Saturday morning in April and October.

On behalf of the Parks & Recreation Department, Mr. Spadafino requested \$10,000 from the Commission to sponsor the initiative with the intent to use \$9,000 for plant materials and \$1,000 for mulch and other potential supplies, if necessary. Any funding leftover from the spring giveaway would be put towards the fall initiative. He admitted that staff encountered some issues with plant material inventory and cautioned that there could be some issues in 2022, in which case the order should be placed by the end of January for a delivery date in April.

Ms. Smith opened the table to questions from the Commission.

Mr. O'Donnell thanked Mr. Spadafino for the briefing and shared his support. He thought the initiative ticked many of the boxes for the CAC. He asked how staff would distribute the information and ensure that the trees would be available on an equal basis. He asked if there would be waiting list or if the distribution would be first come, first served. Mr. Spadafino replied that the Department had a registration software system for recreation programs and staff would set the program up in a similar manner. Each tree would have its own registration number and staff would go through the roster to ensure that no one received more than 2 plantings. Staff would also inform participants of their assigned pick-up window so that the morning would be organized. Mr. O'Donnell asked if interested residents would sign up on the website and Mr. Spadafino confirmed and explained that once staff got a confirmation on the order, they wanted to begin registration by the end of January or early February.

Ms. Hedrich was enthusiastic about the program and thought that pushing oaks as far as native plantings was extremely beneficial to wildlife. Mr. Spadafino noted that the list included white oak, but the bacterial leaf scorch was wiping out some of the oak family. He reiterated that he wanted the Commission's assistance with the giveaway and determining what plants would be selected for distribution.

Ms. Matsumoto was pleased with the program and asked if anyone could sign up. Mr. Spadafino repeated that anyone who was a resident could sign up: the registration program could determine residency when applicants entered their addresses. He continued that the fall giveaway would be for

those who lost trees through disease. Ms. Matsumoto was concerned with the amount of Japanese Barberry plants though out the City. She preferred that there be a list of plants that the Commission preferred to be removed and replaced and asked if the request was too cumbersome. Mr. Spadafino suggested that staff could include the request on some of the educational information that would be sent to registrants because some people did not realize they had invasive trees on their properties. He thought it could be possible to encourage resident to replace the invasives with the giveaways. Ms. Smith added that the Japanese Barberry were now banned by the State and could not be sold in Delaware. She agreed that they were a huge problem and informed that many native plant books now suggested plant substitutions to provide people with choices. She thought it was possible for the Commission to provide compact information for interested parties and suggested having an educational table during the plant pick up where participants could receive information on how to plant trees and invasive species from UD volunteers. Mr. Spadafino agreed that participants would be interested in more information.

Dr. Huntley thanked Mr. Spadafino for the presentation and thought the program was interesting. She asked if staff had ever conducted a similar program. Mr. Spadafino confirmed that staff held a tree giveaway as part of reforestation efforts at Redd Park, but the proposal would be the City's first standalone program to be promoted individually. He repeated that he spoke to other communities that had great success with similar initiatives. Dr. Huntley asked if the trees in the previous efforts were as big or smaller. Mr. Spadafino recalled that some were 3 or 4 feet tall, but Ms. Smith only recalled the bare roots that came in buckets to Redd Park. Mr. Spadafino said that the trees were in #1 containers or around a gallon. Ms. Smith asked if they were given away at City Hall and Mr. Spadafino corrected that around 50 were given away at the reservoir.

Dr. Huntley asked why staff decided upon a tree giveaway versus planting the trees on City property. Mr. Spadafino explained that staff wanted to encourage urban reforestation as well as reforestation on parkland. He shared that the City recently received a \$10,000 grant from Delmarva Power and City staff would soon meet again with UD to assist with the program. The grant was for a reforestation initiative throughout the City's parks, open spaces, and forested areas to help combat the losses due to the Emerald Ash Borer. Dr. Huntley noted that the City was active in both initiatives and Mr. Spadafino confirmed and explained that the Delmarva grant would include more whips to be planted throughout the City. Dr. Huntley asked if there would be a requirement by the recipients to maintain the trees. Mr. Spadafino confirmed that staff would provide information on proper maintenance and would follow up with reminders during drought conditions by email. He repeated that staff would encourage individuals to post pictures of their trees' progress on Facebook as well as a picture of the initial planting. Dr. Huntley asked if staff planned to offer consultation as to what tree would be best for a resident's yard and suggested it could be done in cooperation with the UD extension service or Master Gardeners. Mr. Spadafino agreed that not everyone would be familiar with the tree species and reiterated that he wanted to provide recipients with information on the size of the trees at maturity and proper planting area; he believed the Cooperative Extension might be able to assist. Dr. Huntley understood that registration would be through the Rec Program's registration system and asked how the recipients would be chosen if the participants exceeded the number of available trees. Mr. Spadafino replied that it would be on a first come-first served basis, just as was with camp registration. He confessed that he hoped the scenario would be an issue so that staff could purchase more trees for the giveaway through the waiting list or return to the CAC for additional funding for a fall planting giveaway where spring recipients would not be eligible. Dr. Huntley asked if staff planned on having a wait list and Mr. Spadafino confirmed. He noted that if registration was full, interested parties could choose to join the waiting list, and added that if any trees were not picked up on Saturday, the list would be opened up to those waiting for a weekday pickup. Dr. Huntley suggested that if the interest created a waiting list, recipients would only receive one planting

so more people could be served. Mr. Spadafino reiterated that the proposal was an outline of the program and staff would adjust parameters according to the number of participants. Dr. Huntley suggested that people be allowed to sign up for up to two plants but decrease it based on interest. Mr. Spadafino was hesitant to remove something if a person had already registered. Dr. Huntley was hopeful that residents would participate to make an improvement in the City's urban forest. She thanked Mr. Spadafino for the presentation.

Ms. Chajes asked if Mr. Spadafino's thought on the program was connected to the Tree for Every Delawarean Program recently announced by the Governor. Mr. Spadafino said no and explained he spoke to Delaware Forestry about the Governor's program on a separate level. He was unsure if the program was funded by the Forestry Service and thought it was meant to encourage everyone to plant. He continued that the Governor's program would be whips and noted that Maryland was also pushing a similar initiative which was why whips would be scarce in 2022. Ms. Chajes said that the program was inviting people to plant and register their own trees. She thought that part of the public education program would be to explain that participants could have the opportunity to contribute to the million trees being planted in the State and encourage them to register their trees on the State's site. Ms. Chajes asked how staff would decide which species or type of plant each participant would receive. Mr. Spadafino reiterated that the program was first come/first served. Ms. Chajes asked if participants would choose plants during sign-up and Mr. Spadafino confirmed.

Mr. Mateyko asked if it was possible to create a priority list for people wanting to replace an invasive tree with another. Mr. Spadafino repeated that the fall giveaway would be set up for dying or diseased trees and thought it would be difficult to incorporate Mr. Mateyko's suggestion in the first go-around but suggested it could be a possibility for future endeavors. He reiterated that staff could encourage residents to replace invasive species with a giveaway tree, but it would be difficult to create a priority list.

Ms. Smith emphasized her support for the initiative and any similar measures. She shared that she wrote her December article on City trees and the loss of tree canopy. She noted that trees were of particular importance in the efforts towards reducing the impacts of climate change and that a shady street meant that more people were willing to walk rather than drive. Trees also reduced home energy costs. At the end of her article, she mentioned the Governor's program and asked that readers investigate the program for themselves and consider what trees could be planted on April 15, Arbor Day. She thought that Mr. Spadafino's program could be linked to Arbor Day as well. Mr. Spadafino confirmed the giveaway would be sometime in April but reminded that the City also held a student clean-up day around the same time. Ms. Smith reminded that Newark was a Tree City, a designation from the Arbor Day Foundation based on certain criteria, one of which was an annual tree giveaway. She noted that the City had been a Tree City for 20 years and thought the giveaway should be a repeated effort on the City's part. She asked Mr. Spadafino if he had spoken to Keisha Broadskill and he confirmed. She shared that Ms. Broadskill was familiar with Tree Stewards, who she thought could offer some help regarding education and planting. Ms. Smith received her own training during COVID but was unable to work with Mr. Coleman to celebrate Arbor Day at West Park Elementary or Downe's Elementary. She shared that the City planted a tree every year in either school and reminded that as a Tree City, Newark was required to hold an Arbor Day tree planting and celebration. She wanted to plant more trees instead of single, sporadic plantings. She asked Mr. Spadafino how the \$10,000 would be spent. Mr. Spadafino replied that the spring event would be larger with 160 trees based on current market prices and repeated that the fall event would be directed towards residents with diseased or damaged trees. He noted that if funding was made available, staff could add more trees to the giveaway as well. Ms. Smith preferred to use natural mulch from leaves and

asked that the City have the mulch available during the giveaway for residents to utilize. She wanted to teach proper mulching techniques and educate that volcano mulching was not good practice. She reiterated her support for the program and offered her insight. She wanted to promote keystone plants and offered her reference materials from the Delaware Native Plant Society, of which she would encourage the Native Species Commission to distribute to municipalities. She offered to work on a list of keystone plants and emphasized that oaks were the best for insects and noted that Swamp White were not seriously impacted.

MOTION BY DR. HUNTLEY, SECONDED BY MS. MATSUMOTO: THAT THE CONSERVATION ADVISORY COMMISSION ALLOCATE \$10,000 OF THE CAC'S 2022 BUDGET TO SUPPORT THE PARKS AND REC TREE GIVEAWAY PROGRAM AS OUTLINED BY DIRECTOR SPADAFINO.

MOTION PASSED. VOTE 7 TO 0.

AYE: HUNTLEY, HEDRICH, CHAJES, MATEYKO, O'DONNELL, SMITH, MATSUMOTO.

NAY: 0.

Mr. Martindale stated that he would create a purchase order against the CAC's budget line for the program. Mr. Spadafino thanked the Commission for their support.

4. EFFICIENCY SMART UPDATE

Tom Coyle, Director of Account Management at Efficiency Smart, introduced Scott Lynch, Delaware Municipal Electric Company (DEMEC). Mr. Lynch informed that Efficiency Smart had been active for the last three years and the contract was set to end in March 2022, so it was necessary to obtain authorization to reenroll the City into the program. The intent of the presentation was to illustrate its highlights with the hope to have a recommendation to present to Council for the direction that the CAC thought the program should go in the future.

Mr. Lynch explained that DEMEC was the wholesale provider of electricity to the City and the other seven municipality electric systems throughout the State. DEMEC was created in 1979 and had been primarily providing bulk energy services during the majority of that time. He explained that DEMEC would go to the market and use economies of scale to bring better cost savings to its members. He reiterated that DEMEC provided bulk savings and bulk programmatic activities to its members and Efficiency Smart was only one example. He noted that in the last year, four of Efficiency Smart's seven members, committed to another three-year term and the City was now eligible to re-sign.

Mr. Coyle explained that Efficiency Smart was an energy efficiency program that worked on behalf of the City and provided information to customers on helping to understand electrical or energy usage and how to control them by using incentives. The program calculated the energy savings and emphasized that the contract was a performance contract so there were guarantees on the ability for Efficiency Smart to perform goals. He added there was an independent third party that annually reviewed every project, confirmed the math, and provided a report to DEMEC ensuring the calculations were correct. He noted that the realization rate was 99% last year and any savings set along the way were adjusted so the verified savings were true.

Mr. Coyle reminded that the City was set to finish its first three-year contract at the end of March 2022, but the program had been active for 11 years, and active in Delaware for three and a half. He had

been with the program for ten years and lived in northeast Ohio, but the program had two full-time staff in Delaware: Account Manager Carolyn Dehorty, who lived outside of Newark, and Energy/Technical Consultant Sasha Miafodzyeu, who lived near Lewes. In response to Newark joining DEMEC, the company increased the incentives for heat pump installation, which would remain a focus in the future. DEMEC also offered electric bill advice so any residential customer with concerns over high bills would be transferred from the City's Electric Department to the program to determine possible solutions. He added that the program also partnered with Catholic Charities to distribute funds from the City to customers who also received conversational advice and tips, such as the opportunity to buy LED light bulbs for \$0.99 from National 5 & 10. He continued that the program had extensive home energy rebates for new appliances, smart thermostats, dehumidifiers, heat pumps, and heat pump water heaters. He shared that there was also an online store with lighting, thermostats, dehumidifiers, and air purifiers which required no additional paperwork. The group often partnered with local community agencies but had been limited with face-to-face interaction during COVID; when it was possible to participate, Ms. Dehorty was in attendance.

After Efficiency Smart rolled out, the program introduced appliance recycling although the City already had an existing large item pick up. To recycle appliances, residents would contact Efficiency Smart for pick up and environmental disposal of appliances such as refrigerators, freezers, air conditioner, or dehumidifier, and receive a \$50 rebate. The program coordinated with the City and helped to clear a backlog. Mr. Coyle shared that the program provided technical services for business customers to help identify ways to save either through finding a proposal or contractor. He emphasized that the group did not sell any products and existed to make sure that projects were qualified with standards. He continued that COVID created the need to assist small businesses so the program focused efforts to assist small businesses in lowering energy costs. If a company used a Delaware-based electrician or supplier and goods were not purchasing online or using big box retail, then the program increased the incentive to try to offset additional costs and promote small businesses helping other small businesses.

Ms. Smith requested a run-down on how many Newarkers took advantage of the program over the last three years. Mr. Coyle replied that the numbers were tracked in a monthly report that was sent to the City and shared that through last month, there were 672 completed residential transactions ranging from LED and thermostat purchases, recycling appliances, and partaking in electric bill advice. He shared that the program also offered a home energy assessment in the form of an online home energy audit to be completed by owners and renters to the best of their abilities. Ms. Smith asked if the 672 transactions were over a three-year period and Mr. Coyle confirmed.

Mr. Coyle explained that Efficiency Smart was a hands-on program and preferred to interact on a more personal level to be a resource for information on its program and others. He noted that Efficiency Smart handled electric but was aware of other programs to assist with weatherization and similar concerns. He continued that the program wanted customers to feel good about the City and its utility and also provide a positive experience for its customers. He anticipated that the program would seek more opportunities to partner with other local non-profits. He explained that he lived in a college town and found that resources existed in a university town that did not exist in other places, so he wanted to utilize them.

Mr. Coyle noted that the utility focus of the program worked with all customer classes and emphasized that the cheapest form of power was the one that did not have to be used. He continued that as people began to buy more renewable energy and begin strategic electrification with heat pumps, heat pump water heaters, and EV car charger installations, the intent was to get as much off the grid as possible

using energy efficiency to make room for the load growth without having to buy into more power supplies. He shared that the economic side of the program also served as tool for a community in retaining businesses for expansion and growing existing businesses. He shared that there was a community in Ohio that used Efficiency Smart as well as another program where if a customer used more energy, then breaks were provided. One customer asked how it was possible to promote using no power while another program promoted the use of more power. Mr. Coyle explained that the intent was for customers to use power smartly and for businesses to remain stable and grow to hire more people in the community by lowering operating costs.

Mr. Coyle noted that when the old hospital in Milford, Delaware closed, the intent was to repurpose the hospital into a rehabilitation facility and wellness campus. When the building was first taken over, it was discovered that all of the automation systems were designed for an operating hospital and generated huge gas and electric bills when the building was unoccupied. Milford City officials requested Efficiency Smart's assistance who then met with the mechanical contractor to systematically determine what needed to be off or turned down. As a result, Milford saved \$30,000 a month and Efficiency Smart now provided incentives for the build out as more phases were added to the project. The scenario was submitted by DEMEC as a case study in the Department of Natural Resources (DNREC) annual report. He also emphasized the program's expertise in determining what an empty building had and what it needed for energy efficiency in any future occupation.

Mr. Coyle reiterated that the program wanted to avoid the need to build more energy infrastructure and emphasized that energy efficiency was the cheapest form of power supply; it was cheaper to incentivize people to use less energy than to go to the market to buy more power. He reminded that the program partnered with National 5 & 10 and shared a quote from Cindi Brooks, co-owner:

We love partnering with Efficiency Smart to provide our customers with affordable, energy-saving LEDs. We were able to donate 100% of our proceeds from these lightbulb sales to purchase supplies for the Newark Police Department's new PAL trailer. It has been a win-win opportunity for us, our customers, and our community.

Mr. Coyle explained that Efficiency Smart paid for the bulbs and the retailers were permitted to make the profit so, from the start date, National 5 & 10 intended that any profits would be donated but kept quiet about their decisions. He hoped that more companies would follow suit or use the profits to invest in their own stores.

Mr. Coyle presented a slide of where the program was projected to end. He reminded that the contract was a performance contract which meant that for the money that DEMEC was paying for the program at the Basic Performance, for each of the three years of the program, there was 0.25% reduction in the load for the City based on the wholesale sales numbers. The three-year goal was 3,306-megawatt hours (MWh) and the final projections were 110% of the goal for 3,644 MWh and 26,273 metric tons of CO₂e. He revealed the avoided costs to the system exceeded \$1.8 million. He shared that a catalyst to reach 110% was the City's Seiberlich Trane project and noted that the group would inspect the work done to date the following day and provide the City a check prior to yearend with the final details to be finished upon completion. The goals were guaranteed at 70% and Mr. Coyle confirmed that the program never failed to hit 70% and, over the last two or three contract cycles, he doubted that the result was less than 100% anywhere. Dr. Huntley asked for clarification on the guarantee and what would happen if it was not met. Mr. Coyle replied that his employer, Vermont Energy Investment Corporation (VEIC), who ran the program on behalf of DEMEC and American Municipal Power, issued the guarantee so if a result was 50%

instead of 70%, VEIC would pay for the calculated shortfall relative to what was paid into the program but reiterated that VEIC had never needed to write a check. Dr. Huntley asked if it was a refund of the fee and Mr. Coyle confirmed that the contract was paid for by DEMEC and reminded that the result was already at 70% for the current three-year contract.

Ms. Smith asked if the City requested assistance for projects as large as the old Milford Hospital. Mr. Coyle confirmed that when the City began installing LED streetlights, Efficiency Smart performed third-party verification savings calculations for the City as a precursor and to emphasize its capabilities. He noted that prior to the Seiberlich Trane project, Efficiency Smart performed technical walk-throughs of the Police Station, City Hall, and other buildings, focusing on HVAC, and provided a report for the City to use as a baseline to begin conversations. He shared that Tim Sterns, a senior energy consultant, once worked for ESCO and was familiar with the proper investigative questions, and provided assistance prior to the City sending the project out to bid. Ms. Smith asked if the City used Efficiency Smart as the initial consultant or one consultant on the HVAC renovation. Mr. Coyle was unsure if there was another consultant and did not want to overstate. Ms. Smith was curious how directly connected the City was with Efficiency Smart regarding cost savings. Mr. Coyle explained that the walk-through was completed early on as a technical challenge to discern how an old mechanical system would work in the building and what the options would be. He emphasized that service would remain available as the City grew for any businesses or residential customers. Ms. Smith asked if the program was on track to meet its goal and Mr. Coyle repeated the program was on track to meet 110%.

Ms. Matsumoto asked if any developers used the program's services for new apartment buildings in the City. Mr. Coyle informed the Commission that all projects were confidential, and he could not discuss the actions of a private company but was able to say that one of the first things that Mr. Coleman and Mr. Del Grande asked of Efficiency Smart was to partake in a meeting with local landlords throughout the City to explain the program and various ways they could help. He confirmed that his group had interactions with most of the landlords over the last three years and provided incentives and technical help. Because Efficiency Smart now had a new local account manager, the initiative would be reintroduced. He noted that some landlords were uninterested in improving their building envelope because they did not pay the electric bill and would not receive a return on investment. He informed that once COVID was under control, Efficiency Smart would once again offer technical walkthroughs and assist with seeking available funds through the State or Grants. Dr. Huntley asked about the new large commercial properties on the STAR Campus. Mr. Coyle confirmed but admitted a challenge with COVID had been the inability to meet face-to-face.

Mr. Coyle continued with the presentation and explained that for the last three years, all eight communities were in Basic Performance which was a 0.25% load reduction for each of the three years. He noted that the City could now participate in an option for a 0.50% load reduction that would carry a summer peak kW or peak demand goal as well. Each of the goals would carry the 70% guarantee. He reiterated that the Basic Performance option would be similar to the current option: the goal would be 3,161 MWh. If the City elected for the High-Performance option, the difference in cost was \$632,213 for three years, the energy savings goal would double, and a summer kW goal would be included. He noted that because MWh savings were doubling, the carbon reduction was also doubling, and the avoided costs would increase by nearly half. He explained that the total additional cost was \$0.0005/kWh that the City would charge to make up the difference in order to double the goal. Ms. Smith asked if the cost was passed on to the electric customer. Mr. Coyle confirmed and explained that 100% of the cost for most communities in the Efficiency Smart program were paid for in the electric rate. He informed that utility-based programs in Maryland, New Jersey, and Pennsylvania were paid for out of the electric rate, but

DEMEC was structured differently, which Mr. Lynch would explain.

Mr. Coyle reiterated that the first four Delaware communities that subscribed to the program had all renewed their contract; three stayed at Basic but Milford upgraded to High-Performance to create more impact and charged the difference in the electric rate. Mr. Lynch interjected that the Basic Performance was the level that was set for all DEMEC members, and the cost was rolled into the cost of the power supply because it was the lowest cost of power supply for the members. He emphasized that DEMEC did not restrict its members from contributing more to gain additional carbon savings and goals which was why it was offered as an option to the City. Mr. Coyle pointed that the program would start April 1st because the current contract ran through March 31st.

Dr. Huntley referred to the earlier scenario where the program encouraged people to save energy in some places while also encouraging people to electrify in others. She assumed that overall, the City was not using 3,000 MWh less in electricity and wanted to know how the savings were calculated if some places were increased and others were decreased. Mr. Coyle explained that if an existing factory upgraded its old lighting to LED, the math for energy savings was simple because the numbers of lights, wattage, and usage would be known. He agreed that long term, with the desire for strategic electrification versus using fossil fuels, there would be more and then postured that a factory could do a large project and save 300 MWhs in one project. Once the project paid itself off, the savings could allow the factory to add a machine, line, or hire more people, which meant that more energy would be consumed. He shared that it was untrue that the program was reducing the ability to sell electrons and, even if the statement was completely true, the loss would be minute in the load, and more room was made through electrification. He emphasized that the intent was to have people use more energy but the right kind of energy at the right time.

Dr. Huntley thanked Mr. Coyle for the clarification and asked if the avoided costs were those from all of the different parties. Mr. Coyle replied that avoided costs were a savings from a system cost: the cost of transmission that was no longer needed, the cost of the capacity, what was being charged on peak days to delivery power on the grid, and energy savings. He explained that customer savings were reported differently in the monthly report and, as of three weeks ago, the lifetime customer savings contract to date in the City was just over \$3.7 million. He explained that the avoided cost numbers were not annual and were based on the life of the measurement and depended on the type of product. He explained that a streetlight affected capacity differently than an inside light because the LED streetlights were not on in the middle of the day in the summer during peak time. Dr. Huntley noted that the avoided savings did not include the customer savings, they were costs that DEMEC saved. Mr. Coyle explained that the City was saving in its electric system and reiterated that the period was around a decade.

Ms. Smith asked Mr. Coyle to repeat the calculations for avoided costs aside from cost of transmission. Mr. Coyle replied capacity or peak days and the cost of the energy to the system. Mr. Lynch explained that the objective of some of the programs like Efficiency Smart, was for DEMEC to provide the lowest cost power possible through efficiency. If DEMEC could avoid purchasing power from the grid on days and times when it was expensive, the savings could be passed on to the customers. Mr. Coyle explained that five years ago, the group returned to the members in the program and asked how the program could be shaped to help and match needs. The members were concerned about transmission and capacity and asked the group to determine a solution, which they did. Another initiative Efficiency Smart intended to roll out over the next five years was how to incentivize strategic electrification and encourage people to install heat pumps, heat pump water heaters, and other household appliances that did not use fossil fuels. He shared that the program would likely promote heat pumps the most.

Dr. Huntley said that she was starting to understand the differences between the elements but was still unclear on the difference from the customer's point of view if the City opted for the High-Performance option. Mr. Coyle explained there would be no difference between the programs because both contained the customer facing opportunities and initiatives. The High-Performance included a higher goal which meant more savings and greenhouse gas savings. Dr. Huntley asked how the greater savings were achieved. Mr. Coyle reiterated that it was a performance contract and required control because it was not cost effective for everyone to get to 200% of the goal. When communities reached over 115%, it was not budgeted. He continued that in some communities, it was not necessary to add maximums because of COVID, but it was acknowledged that Newark would get between 100% and 120%. Sometimes, small communities required maximums because everyone was done at once and they could then decide whether they wanted to provide additional incentives, but Efficiency Smart still provided technical help; the difference was that of a bigger challenge. He reminded that of the 27 communities currently in Efficiency Smart, most were in High-Performance which had been the only option for the first two three-year contract periods. The Basic Performance was created because DEMEC wanted an easier option for communities to try and Mr. Coyle explained that some communities were almost 100% residential and would never be able to hit a higher goal. Dr. Huntley said that the response was not clear, and he continued that both options were the same effort, but the first three-year community, regardless of the size, was a ramp up and the third year saw the most growth because of word of mouth. He credited the City with doing an amazing job of utilizing social media, but it took a while for brand recognition. Dr. Huntley asked if the incentives would stop if the community was heading to 150% of the goal. Mr. Coyle confirmed that if the goal was trending that way, he would have a conversation with Mr. Coleman and DEMEC and lay out alternative options but still offer technical help.

Mr. Lynch explained that the items would be addressed if and when they occurred. He confirmed that the attempt was to achieve an excess of 100% but the goal was not to overachieve. They wanted to make sure they were mindful of cost and of the performance requested. He shared that DEMEC worked well with Efficiency Smart to make sure that the funds DEMEC and the City paid were used responsibly.

Ms. Smith asked if there were more people working on the energy savings for all of the different aspects of the work. Mr. Coyle repeated that there were eight communities in Delaware but two staff members were responsible to cover everything in the communities. He referred to Milford and explained that they doubled their energy savings goal and now had a summer kW goal which meant that parking lot light projects had less value to Efficiency Smart, which did not mean they were not incentivized, they just paid less because they were not on in the summer. As such, the team had to do more work but if all eight communities opted for Higher-Performance, the two employees were more than capable of handling the workload. He revealed the account managers ideally had 7 or 8 at High-Performance and performed all of the communications, attended events, interacted with all retailers and large organizations.

Ms. Smith asked Mr. Martindale for insight on how important the program was to the City. Mr. Martindale understood that the program was still growing, and it was difficult to navigate through the ESCO project on top of COVID. He suggested reaching out to Mr. Del Grande and confirmed that Mr. Coleman and Mr. Del Grande regularly met with Mr. Coyle and Mr. Lynch because they understood the magnitude of programs and how they fit into the Sustainability Plan. Mr. Coyle agreed that the concept was not easy to understand.

Mr. Mateyko agreed that no one conceived to reduce energy loads ten years ago at the rate that was currently being discussed. He thought it was problematic that the shift was from the aged paradigm

of energy efficiency to dramatic reductions in carbon in order to survive. He noted the City had already decarbonized its energy supply but wanted Efficiency Smart to explain the range of carbon reductions between the Basic and High options and how to communicate with each other if the City wanted to make large carbon reductions. Mr. Coyle asked for further clarification and Mr. Mateyko pointed to the earlier comments of installing maximums for goals and said that 110% and 120% was the sweet spot. Mr. Coyle replied it was not a question of being a sweet spot, it was contractual language in a performance contract that DEMEC and City were paying the contractors to achieve a set, predetermined goal. Mr. Mateyko asked if there was a third option where the City could determine what type of carbon reduction range it wanted. Mr. Coyle replied that the option was not currently available but had been considered in the past with no interest. He explained it would take upwards of a year to develop because four sets of lawyers would be involved as well as all of the parties, to determine a reasonable amount and what it would cost. He shared that VEIC ran the District of Columbia's sustainable energy utility, had run Efficiency Vermont for over 20 years, and consulted on decarbonization all over the US. He continued that Overland, Ohio, had been in the program for 11 years and had a climate action plan and recently formed a committee to determine gaps when it came to vulnerable populations. The account manager responsible for Overland sat on the committee which meant that the program was a voice with the college and other members of the community to lend expertise. He emphasized that he worked for a company whose goal was decarbonizing the world; he would be able to help the City find separately funded programs that would help the City achieve its goals from a climate standpoint. Mr. Lynch pointed that the program had carbon reduction options and was one component of the City's overall carbon reduction plan; it was not meant to be an all-in-one option. He repeated the program's success and achievements and wanted the City to consider between the two options with the listed metrics. He repeated Mr. Coyle's comment that the program should only be considered as one component of what could be a greater objective. Mr. Coyle shared that Overland was a much smaller community with a smaller load than the City's but currently had an electric supply of just over 80% renewable purchases, not in renewable energy certificates (RECs) and paper. Overland then paid for RECs to get to 100%. He expected Overland to remain aggressive in the program and noted that as more people switched to electric from fossil fuels, more room would be created so there were no infrastructure costs on the back end.

Ms. Smith wanted to make a proposal that the Commission first consider whether the City should remain in the program and then vote on the option.

Dr. Huntley had an additional question for Mr. Lynch and wanted a discussion before a vote. Dr. Huntley continued that from the City's perspective, there was zero cost for the Basic Performance program because it was already included in the DEMEC membership, and there was a significant incremental cost for the High-Performance plan. She asked for the cost of Basic Performance that DEMEC paid in order to supply it to Newark. Mr. Coyle replied that the three-year cost that DEMEC paid for the Basic plan was \$1.137 million. The three-year cost for the High-Performance energy focus was \$1.77 million. He calculated that Basic cost was about \$0.90 per MWh of the sales and High-Performance was \$1.40. DEMEC would cover \$0.90, and the City would pick up the next \$0.50 to double the goal. Dr. Huntley noted the second half of the higher goal was cheaper than the first. Mr. Coyle confirmed and explained that in terms of straight benefit cost ratio, for doubling the goal based on the incremental cost, the benefit cost ratio was 2.9:1 because DEMEC picked up the majority of the program cost.

Ms. Smith opened the table for conversation to determine if the Commission would recommend that Council renew the contract for three years and if the Commission would recommend the High-Performance option. She believed that reducing carbon was the goal and she assumed that with the High-Performance option, the City would come to Efficiency Smart for greater involvement in reducing carbon

across the City. Mr. Coyle agreed that the push was to have residents install the proper appliances from the start. Ms. Smith thought it was valuable because of the rate that the City was growing.

Mr. O'Donnell supported the High-Performance option and used Efficiency Smart with great success. He considered that an investment of \$600,000 for a \$3.3 million return was a no-brainer and the best option was High-Performance with a massive reduction in carbon. He shared that he planned on replacing his gas water heater with a heat pump and using the rebate as soon as possible. He pointed to a recent discussion on Next Door where a resident was asking their neighborhood to install gas lines for gas heaters to go from oil to gas. He interjected and informed that there were \$750 rebates for cold weather heat pumps and asked that the option be considered. He asked if there was a plan to present an Ultra-High-Performance option to incorporate EV chargers and high-use rates. Mr. Coyle replied that there were many programs throughout the State for EV charging stations, and it was difficult to determine how EVs were energy efficient given that the program was an energy efficiency program. He clarified that EV charging stations were not currently incentivized but were a topic of discussion. He added that the group was also trying to get factories to switch to electric forklifts.

Mr. Mateyko thought that opting for the High-Performance level meant immediate attention. He was looking for more information of the overall system that would be handled. He believed that everyone came to the Commission to offer a service that was predicated on efficiency but not getting to 0% or 45% carbon emissions in 8 years. He wanted to have the emissions reduction plan available to determine where the City was suggested to go. He emphasized that the issue was the City had to leapfrog above all of the other technologies and regimes. He was hesitant to send false signals to Council and customers about best practices. He emphasized the need to get to 0% in 18 years and everything was a change in how the City conducted business. He noted that the Commission was being asked to give a recommendation that Council lock into an approach and he did not feel that there was enough information to make a decision that evening. He supported the High-Performance level in order to have the approach of having something in play. He did not want to send the wrong signal to the Mayor and community by locking into something mediocre; he wanted good leadership and vision. He wanted more data.

Ms. Smith repeated Mr. Coyle's statement that the program was one piece in the City's efforts and did not mean that more could not be done. She believed the City was trying to do more and everyone understood Mr. Mateyko's concerns the Commission had been trying to do anything possible over the last 35 or 40 years. She agreed with his comments about leadership and education and reiterated that the program was for three years and would reduce carbon emissions. She reiterated Dr. Huntley's statement that the City's carbon reductions were not limited to the program.

Ms. Hedrich agreed that more carbon reduction was always better, and she supported the High-Performance option. She also agreed with Dr. Huntley about what it would look like for agents to put forth more effort to get the City to High-Performance. If she was on Council, she would want to understand what the City was paying for and how the agents would get the City to a higher performance. Mr. Coyle interjected that the limitation of the contractual goal at the Basic Level was that it had to be reined in and if the City had been at High-Performance from the beginning, it would have been in the position to get to 6,500 MWh in a three-year period. He reiterated that in the last 11 years, the goal had been to get to the annual half percent. He shared that the 12 communities that had been in the program for 11 years were at a minimum of 5.5% load reduction through the program if they only achieved the 0.5% every year. Mr. Lynch confirmed there were still plenty of opportunities for improvements because Newark had only been involved in the basic option for three years and now understood that the results were achievable.

Efficiency Smart was confident that the City could do well in the High-Performance option and the goals could be achieved without adding staff because of the resources that would be in place. He continued that efficiency was still relatively new in the State and DEMEC was the first to offer a massive energy efficiency program to the utility. He assured the City would achieve High-Performance because there of the number of resources and manpower.

Ms. Matsumoto supported the Basic Performance and was trying to determine how to craft the recommendation. She wanted a summary of exactly why the Commission would want the recommendation and if the City could include it in the budget. She also wanted to know if the charges went to the electric customers, then how much more would customers see. She knew that it was necessary to reduce carbon but thought the cost factor could be an issue with the City's budget. She would likely vote for the High-Performance if there was a vote that evening but could not determine the language for the recommendation. Mr. Coyle explained that if an average house used 1,000 kWh per month (12,000 kWh per year), the \$6 increase per year would pay for itself if the residents replaced two lights with \$0.99 LEDs to recover the cost over the next ten years. Ms. Smith agreed that people needed incentives to reduce usage and it was not difficult to do because the Commission members all took measures to decrease their own impacts to the environment.

Mr. Mateyko interjected that if the goal was to lower carbon, then it was not necessarily logical that a top priority was to push efficiency if the fuel source of the grid was already decarbonized. He believed the focus on priority items to reduce carbon was different now that the City's grid had been decarbonized and it was not necessarily the Commission's top priority because not enough data was available. He argued that the measures were tentative based on little information. Ms. Smith informed that there had been two engineers on the Commission at one point, one was an electrical engineer, when the program was first approved. She emphasized that the engineers had an excellent understanding of how the pieces worked together.

Dr. Huntley clarified that the City's grid had not been decarbonized and even if that was the case, energy efficiency was still a really important goal because the whole energy grid across the entire world was connected; if the City could receive all of its energy from wind and save more than it used to, Pennsylvania could stop depending on coal. She reiterated that efficiency had been and would be important as the push to electrification progressed. She pointed that there needed to be enough supply to refute those who claimed that fossil fuels were a necessity because energy needs could not be met with renewable energy only. She was a strong believer in energy efficiency measures. She wanted to understand if the program would achieve the goals and to understand if investing more money was a cost-effective way of achieving energy use reduction and carbon reduction. She credited Mr. Coyle and Mr. Lynch for convincing her that the program was valuable to the City and said that she was completely convinced by how cheap the additional reductions were relative to the whole cost of the program. She supported the High-Performance option. She agreed with Ms. Matsumoto that it could be unclear to most people, including Council and the general public, and asked for the timeline and if the topic could be addressed at the January meeting with a draft recommendation. Mr. Coyle replied that the contract ended on the end of March, but he was unsure of Council's schedule to cover discussion, debate, and adoption. Ms. Schiano offered to speak to Ms. Bensley regarding the agenda schedule. Mr. O'Donnell suggested a vote to move forward with one of the three options and then write a more formal vote for the next month and Ms. Smith agreed. Dr. Huntley interjected that if the Commission was not comfortable with the justification, then there should not be a vote that evening. Rather, the Commission should draft a motion and vote in January to allow two months for Council to act before the contract ended in March. Ms. Schiano asked if the Commission was confident that a recommendation would be ready in January. Ms.

Smith confirmed.

Mr. Mateyko asked if it was possible to receive an energy efficiency report a few days before the January meeting. Mr. Coyle asked if Mr. Mateyko was asking about an internal City report. Mr. Mateyko wanted the report currently underway by AECOM. Ms. Smith clarified that Mr. Mateyko was speaking about the greenhouse gas emissions report and wondered if it was possible to receive a preliminary report; she would reach out to Mr. Athey. Dr. Huntley reiterated Mr. Mateyko's desire to have the information a week prior to the January meeting. Ms. Smith asked Mr. Mateyko for the purpose of having the report early. Mr. Mateyko thought the report could help the members determine which option was better. Ms. Smith shared an update from Mr. Athey that AECOM received most of the data and needed to prepare the inventory. He explained there were still outstanding items and the group had difficulty with some emission sources, mostly external to the City. They hoped to have the data in hand by the end of December to provide preliminary reporting in the early part of the new year. Ms. Smith thought it was fair to request that the information be available to help understand if the outstanding data would be useful. She would send the request that evening. She continued that it seemed that most members supported the Basic Option but the High-Performance was more appealing due to the carbon reductions. She assumed that there would be advances that could expand what Efficiency Smart could do for the City. She clarified that the vote was postponed until the Commission could receive more information.

Mr. Coyle pointed that the presentation included his and Mr. Lynch's contact information. Ms. Smith thanked the men for their presentation.

5. ANNUAL REPORT UPDATE

Ms. Smith noted that Ms. Chajes and Ms. Hedrich both had to leave the meeting early. She asked if it was possible for everyone to provide a draft of their portion of the annual report of a paragraph. Ms. Matsumoto informed that she sent her draft earlier in the month. Ms. Smith asked that everyone submit drafts for the January meeting and informed that she sent everyone a copy of her recent article.

6. MONTHLY CONSERVATION ARTICLE WITH THE NEWARK POST

- December - City Trees – Sheila Smith
- January – Carbon Pricing – Beth Chajes
- February – Stormwater Management – Helga Huntley
- March - WasteWell/Food Recycling – John Mateyko
- April - Eastern Box Turtle Habitat Conservation – Jean Hedrich

7. NEXT MEETING – JANUARY 11, 2022

MOTION BY MR. O'DONNELL, SECONDED MS. MATSUMOTO: TO ADJOURN THE MEETING.

The meeting adjourned at 9:27 pm.

Nichol Scheld
Administrative Professional I

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