

DELAWARE EEAC

Energy Efficiency
Advisory Council

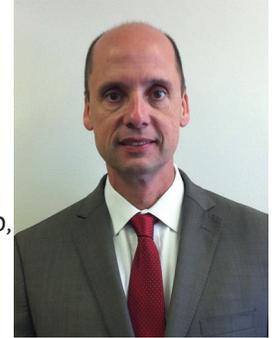
2018 Annual Report



Letter from the Chair

Dear Delawareans,

On behalf of the Delaware Energy Efficiency Advisory Council (“EEAC” or “Council”), I am pleased to present this 2018 Annual Report of the EEAC. In 2018, the fourth year the Council has been in operation, the Council made positive strides in fulfilling the EEAC’s mission of assisting program administrators with developing energy efficiency programs in Delaware. This year, all non-regulated¹ affected energy providers elected to develop, implement and fund energy efficiency and peak demand reduction programs. In collaboration with program administrators including the Delaware Sustainable Energy Utility (DESEU) and the Department of Natural Resources and Environmental Control (DNREC), Delaware has truly begun to establish an infrastructure to deliver energy efficiency resources across the state.



I would also like to highlight that the Council witnessed Delaware pass legislation that supports the development of an innovative commercial energy efficiency financing tool called property assessed clean energy (“PACE”) financing. We commend the leadership of Governor John Carney, Senator Harris McDowell, and Senator Trey Paradee for supporting the legislation. This tool contributes to the work of the EEAC by opening additional pathways for commercial businesses in Delaware to make energy efficiency upgrades.

This report contains a summary of the activities of the EEAC over the past year including work in the areas of evaluation, measurement, and verification (“EM&V”), low-income program development, and the consideration of new opportunities for program enhancements. The report also provides individual updates for each program administrator that implemented programs in 2018. It includes their progress towards energy savings targets and program results and updates. Delmarva Power’s proposal is still pending approval from the Commission, with resolution expected in 2019.

In 2019, the Council will focus its efforts on updating a 2014 analysis of energy efficiency potential in Delaware. The results of the potential analysis will inform the three-year energy efficiency savings targets, which will be set for 2020-2022. We look forward to continuing to work together to improve Delaware’s energy efficiency in the year to come.

Sincerely,

A handwritten signature in blue ink that reads "Robert Underwood". The signature is fluid and cursive, written over a light blue horizontal line.

Robert Underwood

DNREC – Energy Program Administrator
EEAC – Chair

¹ Not regulated by the Delaware Public Service Commission

Introduction

Since 2014, the Delaware Energy Efficiency Advisory Council (EEAC) has been working as a collaborative panel of representatives to support the development of energy efficiency programs that increase energy efficiency, reduce energy usage, and lower consumer energy costs across the state. One of the primary tasks of the Council is to assist Delaware's electric and natural gas utilities and program administrators with developing and deploying energy efficiency programs that are cost-effective, reliable, and achievable. The 2018 EEAC Annual Report highlights the actions of the Council and participating program administrators over the past year and documents the State's progress towards the implementation of energy efficiency programs for all Delawareans.

Council Mission Statement

The EEAC's mission is to assist affected energy providers in the development of energy efficiency, energy conservation, peak demand reduction, and emission-reducing fuel switching programs for all customer classes. These programs and financing mechanisms aim to be cost-effective, reliable, and feasible, and include evaluation, measurement, and verification of energy savings. The Council shall collaborate with the Public Service Commission staff and the Public Advocate to recommend candidate programs for three-year portfolios to be approved by the Public Service Commission or the appropriate governing body. For more information and to follow the work of the Council, visit: <https://dnrec.alpha.delaware.gov/climate-coastal-energy/efficiency/energy-efficiency-advisory-council>.



2018 Program Summary

Energy Efficiency Performance Outcomes

2018 energy efficiency savings equivalent to:

Approximately **1,400 homes** powered for a year through electric savings



Over **1,440 homes** heated for a year through gas savings



Over **15,400 metric tons** of carbon dioxide avoided each year, the equivalent of taking **3,200 cars** off the road.



Progress Towards Energy Savings Targets

In 2016, the EEAC established three-year non-binding energy savings targets. 2018 represents year two of the three-year goals. Figure 1 shows the electric program savings to date compared to planned savings and the statewide target. These savings represent preliminary (unevaluated) results.

Figure 2 presents similar information from gas program savings.

Figure 1. 2018 Net Electric Savings*

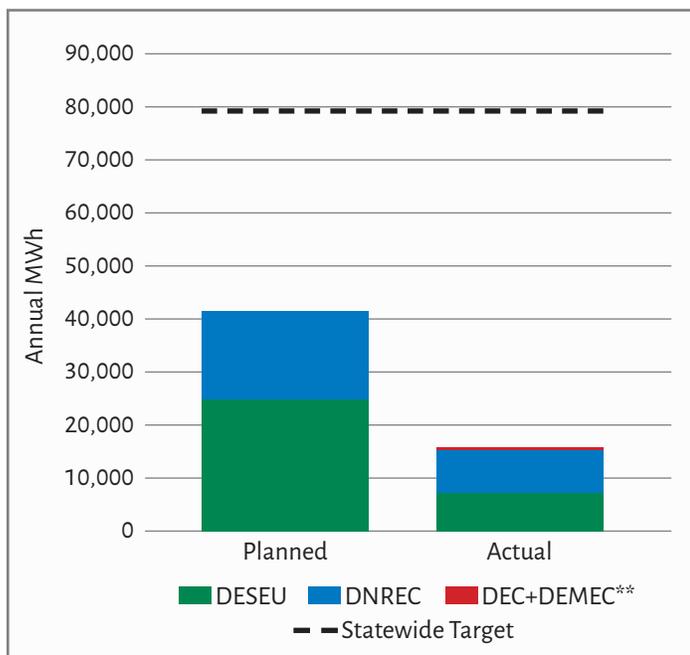
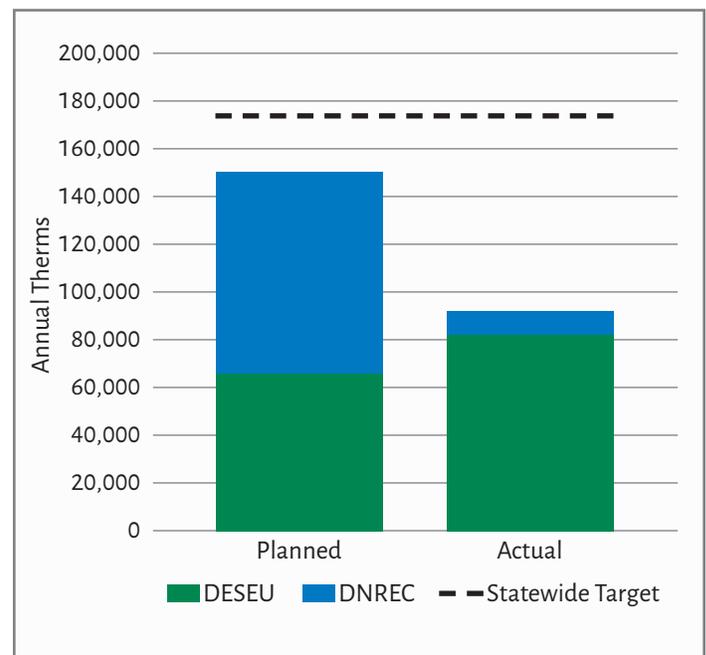


Figure 2. 2018 Net Gas Savings*



* For preliminary results, net savings were calculated using net-to-gross ratios as approved by the EEAC EM&V Committee

** Actual results for the Delaware Electric Cooperative (DEC) and the Delaware Municipal Electric Corporation (DEMEC) were combined due to the scale of the chart. DEC did not present a plan to the Council for 2018. The planned 2018 savings for DEMEC are not visible due to the scale of the chart.

* For preliminary results, net savings were calculated using net-to-gross ratios as approved by the EEAC EM&V Committee

Program Results and Updates

DNREC DIVISION OF CLIMATE, COASTAL, & ENERGY

The DNREC Division of Climate, Coastal, & Energy (DCCE) supports energy efficiency and conservation programs that help reduce energy use and impact on the State's environment and public health. In 2018, the Division's energy efficiency efforts included the Energy Efficiency Investment Fund (EEIF), Energy Efficiency Industrial (E2I) program and the Weatherization Assistance Program (WAP).

All three programs contributed to reducing the production of harmful greenhouse gasses, lowered energy costs, and improved the value and comfort of homes and businesses in Delaware.

The table below presents preliminary results of DNREC's progress towards achieving its energy savings targets. In late 2018, DNREC hired an EM&V contractor to evaluate its program results and a report will be completed in 2019.

Table 1. 2018 DNREC Performance Metrics

Annual Electric Energy Savings (MWh)	8,558
Annual Electric Demand Savings (kW)*	3,169
Annual Natural Gas Savings (MMBtu)	10,521
Program Spending (Millions)	\$3.8
Benefits (Millions)**	\$10.3

* Estimated using the kw/kWh ratios of similar programs.

** Calculated using avoided costs approved by the EEAC and estimated average measure life by program type.

Weatherization Assistance Program

Program Description

The Weatherization Assistance Program (WAP) was created to "reduce energy costs for low-income² Delaware households by increasing the energy efficiency of their homes."³ In Delaware, WAP has been available to low-income residents since 1976. The current offering is administered by DNREC's Division of Climate, Coastal, and Energy and implemented by Catholic Charities – Diocese of Wilmington and the Energy Coordinating Agency (ECA). The program provides energy efficiency, weatherization, ventilation, and other health and safety measures to eligible residents. DNREC administers WAP as a Grantee of the U.S. Department of Energy's WAP and the U. S. Department of Health and Human Services Low-Income Home Energy Assistance Program (LIHEAP). Other sources of funding include Regional Greenhouse Gas Initiative (RGGI) proceeds and contributions from Delmarva Power and Light.

² Services are available to households with income at or below 200% of federal poverty income guidelines.

³ Definition provided by the DCCE WAP homepage (<https://dnrec.alpha.delaware.gov/climate-coastal-energy/sustainable-communities/weatherization/>).



CASE STUDY

WEATHERIZATION ASSISTANCE PROGRAM

The Need

A recent WAP participant had twice experienced gas leaks from her propane furnace, which were detected by people who happened to stop by to see her. She is legally blind, lives alone, and has no sense of smell. She became frightened of using the furnace and began to heat her home entirely with electric space heaters. Her electric bills were very high from using electric space heaters, and the home was still drafty and uncomfortable.

The Solution

WAP does not allow replacement of furnaces that are functioning, so they called on a partnership with the Delaware Electric Cooperative (DEC) to replace the furnace with an electric system. Besides receiving a new electric heating system from DEC, the WAP services included attic and mobile home belly insulation, duct sealing, LED bulbs, bath fan replacement, and 796 cubic feet per minute (CFM) of general air sealing. The client received peace of mind that her life and home were no longer at risk with the propane furnace, the electric heating system was much more efficient than space heaters, and the draftiness of the home had been resolved.

The client is quoted as saying, **"I received about a 1/3 reduction in my electric bill. Everything else they [WAP] had done was really good and I am very satisfied with the work done and I am more comfortable."** The client's satisfaction with the comfort of her home and reduced energy costs is why WAP does this work and the peace-of-mind that this special client received is immeasurable.

Table 2. 2018 WAP Performance Metrics

Annual Electric Energy Savings (MWh)	955
Annual Electric Demand Savings (kW)*	371
Annual Natural Gas Savings (MMBtu)	4,947
Program Spending (Millions)	\$2.7
Benefits (Millions)**	\$1.7
Participants (# of households)	235

* Estimated using the kw/kWh ratios of similar programs.

** Calculated using avoided costs approved by the EEAC and estimated average measure life by program type.

Additional 2018 Results and Program Changes

In 2018, DNREC brought on another subgrantee to focus on providing services to New Castle County.

With this new subgrantee fully operational in 2019, DNREC's focus will be to increase production to meet their goal of weatherizing 400 homes.

Other 2018 program highlights included:

- Providing Mobile Homes weatherization training to 30 new WAP employees/contractors.
- Bringing on a contracted employee as the State Program Monitor, who helps to meet the requirements for updating the Program Standards and advancing the Program energy modeling.

Centre Ice Rink, Delaware State Fair, Harrington, DE



Energy Efficiency Investment Fund

Program Description

The Energy Efficiency Investment Fund (EEIF) provides financial incentives to Delaware businesses, local governments, and non-profits to make building technology upgrades that result in energy, peak demand, and operating cost savings. The program includes both prescriptive incentives designed to reduce paperwork and administrative costs for common efficiency measures and a custom incentives pathway that supports more complex and comprehensive projects. EEIF is funded by the Delaware Public Utility Tax and one-time allocations from the Delmarva Pepco-Exelon merger settlement and the Regional Greenhouse Gas Initiative (RGGI). In 2018, the EEIF program achieved slightly higher electric savings compared to 2017 and more than tripled the achieved gas savings. Additionally, the DESEU provided approximately \$200,000 to fund EEIF projects for non-profit organizations. The DESEU funds resulted in 18 project applications and over 920,000 MWh and 4,800 MMBtu of energy savings.

Table 3. 2018 EEIF Performance Metrics

Annual Electric Energy Savings (MWh)	7,603
Annual Electric Demand Savings (kW)*	2,798
Annual Natural Gas Savings (MMBtu)	5,574
Program Spending (Millions)	\$1.1
Benefits (Millions)**	\$8.6
Participants (# of businesses)	85

* Estimated using the kw/kWh ratios of similar programs.

** Calculated using avoided costs approved by the EEAC and estimated average measure life by program type.

Program Results and Updates

Energy Efficiency Industrial

Program Description

The Energy Efficiency Industrial (E2I) program is designed to encourage non-standard energy efficiency upgrades and is available to Delmarva Power and Light customers whose annual consumption is greater than 10,000 MWh and/or 95,000 MMBtu annually. E2I is geared towards a comprehensive full-facility upgrade that maximizes energy savings and cost effectiveness. E2I allows for unique and creative solutions to complex, large-scale projects. Although the potential savings from each E2I project are large, the number of customers eligible to participate in the program are small. For this reason, savings are likely to vary widely from year to year.

In late 2018, an Energy Efficiency Industrial (E2I) Program application was preapproved for \$6.2M. The preapproval was for the re-life project at the Messer (formerly known as Linde) facility in Claymont, Delaware. The Messer facility is an air separation plant that uses large compressors to separate atmospheric air into marketable products such as nitrogen, oxygen and argon. The facility is energy intensive with electric costs representing approximately 60% of their operational costs. Messer is investing approximately \$100M into their facility with an estimated 30-40 years of service life for the new equipment. The project is currently underway with an estimated completion date of late 2019.

This pre-approval award represents approximately 6% of the total project cost and will result in annual savings of 30,322 MWh of electricity and 20,281 MMBtu of natural gas. In addition, it will reduce electric demand (commonly referred to as peak demand) by over 3.7MW.

The award will be paid after the project is complete, paid invoices are submitted, final screening is completed and a post installation site visit is conducted.



DELAWARE SUSTAINABLE ENERGY UTILITY

The Delaware Sustainable Energy Utility (DESEU) was created in 2007 by the state of Delaware to foster a sustainable energy future. The DESEU serves as a one-stop resource to residents and businesses by offering numerous programs through its Energize Delaware initiative.

In 2018, the DESEU helped nearly 1,400 Delaware utility customers save money through energy efficiency.

The DESEU is primarily funded through the Regional Green House Gas Initiative (RGGI), but leverages multiple sources of funding such as tax-exempt bonds and leases, fees and interest on financing, and fees for services.

Table 4. 2018 DESEU Performance Metrics

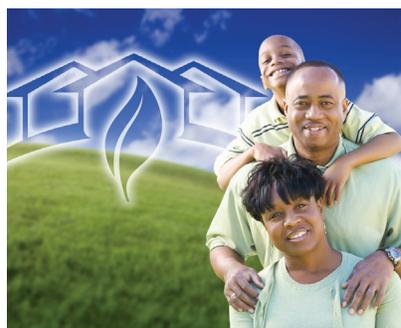
Annual Electric Energy Savings (MWh)	7,476
Annual Electric Demand Savings (kW)*	2,537
Annual Natural Gas Savings (MMBtu)	81,498
Program Spending (Millions)	\$14.7
Benefits (Millions)**	\$12.5
Participants (# businesses, organizations, or households)	1,398

* Estimated using the kw/kWh ratios of similar programs.

** Calculated using avoided costs approved by the EEAC and estimated average measure life by program type.

Home Performance with Energy Star

One of the DESEU's most successful programs in 2018 was Home Performance with ENERGY STAR (HPwES), which offers a whole-house approach to improve energy efficiency in single-family homes. Eligible Delaware property owners can receive a Home Performance Audit for just \$100 as well as several energy-saving items at no additional cost, such as efficient light bulbs, efficient-flow showerheads, faucet aerators, pipe insulation, and smart power strips. In addition, customer can receive financial incentives for installing more comprehensive efficiency measures such as insulation, air sealing, and equipment upgrades. The DESEU also offers a companion program, Assisted Home Performance with ENERGY STAR Program (Assisted HPwES), which provides a comprehensive home energy audit and energy efficiency upgrades



offered at significantly reduced costs to income-qualified Delaware property owners and renters. In 2018, the program achieved more than 150% of its savings goal and served over 1,200 households.

Additional 2018 Results and Program Changes

Savings results from DESEU's numerous other programs are listed in Table 5 below. Please note, savings may not precisely add up due to rounding. In 2018, the Performance Contracting Program achieved the most electric savings of the DESEU's programs. The program, directed at schools, universities, municipalities, hospitals and other institutions, provides a comprehensive approach to assess energy use and to implement energy and water efficiency improvement projects by providing contractual and financing mechanisms to execute the upgrades with minimal financial risk. In 2018, the program helped 3 state agencies and school districts save over 2,600 MWh.

Table 5. 2018 DESEU Savings by Program

	Annual Electric Energy Savings (MWh)	Annual Electric Demand Savings (kW)*	Annual Natural Gas Savings (MMBtu)
Commercial & Industrial	5,282	2,013	79,741
Energy Assessments for Non-Profits	20	7	76
Faith Efficiencies Partnership	7	3	-
Farm Program	12	72	786
Pathways to Green Schools	50	19	-
Performance Contracting	2,614	962	62,075
Revolving Loan Fund	2,579	949	16,803
Residential	2,194	559	1,758
HPwES Program	2,174	554	1,758
Lewes BPW HPwES**	20	5	-

* Estimated using the kw/kWh ratios of similar programs.

** Program funded by Lewes Public Works Board and implemented by DESEU.



Highlights from other programs included:

- Identified over \$500,000 in annual potential energy savings for nonprofit customers
- Audited 6 school and identified \$268,000 dollars in potential annual energy savings.
- Audited 5 Houses of Worship and identified \$11,750 in potential annual energy savings.
- Helped 64 farms identify energy reduction measures in 2018.
- Audited 7 multi-family housing provider audits and identified \$81,000 in potential annual energy savings.
- Assisted 101 families to prepare for weatherization

For more information about DESEU's portfolio of efficiency and sustainable energy programs, please visit its website at www.energizedelaware.com.



Program Results and Updates



CASE STUDY

ENERGIZE DELAWARE FARM PROGRAM

The Need

Agriculture is an important industry to Delaware's economy. It can often be energy-intensive and helping farms reduce energy use and costs can ensure that farming businesses and families continue to grow and thrive in the state.

The Solution

The Energize Delaware Farm Program provides a comprehensive approach to help Delaware's farmers reduce their energy costs through energy efficiency improvements and renewable energy. EnSave, the Program Implementer, works with the farmer to create customized road maps for installing energy efficiency improvements on the farm. Through the program, Covenant Farm improved the energy efficiency of their poultry houses by repairing ceilings and adding blown-in insulation and upgrading and installing spray foam wall insulation and air sealing to the structures. The farm received incentives to install these energy efficiency measures and already had an assessment completed by NRCS (Natural Resources Conservation Service) prior to the launch of the Farm Program. Covenant Farm was also able to participate in the DESEU's low-interest loan program to receive financing for this project. EnSave was instrumental in assisting with the completion of the application documents for both programs. The DESEU was able to process the loan in a timely manner so that the projects were able to be installed between poultry flocks, which is a key factor when working in this agricultural sector.

Savings Summary

- **Total project cost:** \$27,325
- **Incentive payment and /or financing:** Incentive: \$10,930 and Low Interest Loan from DESEU Low-Interest Loan Program.
- **Annual energy savings:** 1,870 gallons of propane/171 MMBtu
- **Annual cost savings:** \$5,987

Our family has been part of Delaware's agricultural community since the 1950's and needed to upgrade our farm to stay competitive. The Energize Delaware Farm Program has helped us by providing us the technical advice and financing we needed to improve the insulation and air sealing on our poultry houses. We have a vested interest in remaining poultry growers, not just financially, but because our roots are deep in this area's agricultural community and the desire of my heart is to see the next generation of our family love it as I and the previous generations have.

– Lou Ann Rieley, Covenant Farm



DELAWARE ELECTRIC COOPERATIVE

Delaware Electric Cooperative (DEC) is a member-owned electric distribution company serving 90,000 members in Kent and Sussex County, Delaware. DEC implements several efficiency programs for residential, commercial, and agricultural customers. The programs typically provide prescriptive incentives for a short list of qualifying measures and equipment types. Much of the program activity to date has been in lighting, but programs to promote geothermal heat pumps and heat pump water heaters have also been successful.

Table 6. 2018 DEC Performance Metrics

Annual Electric Energy Savings (MWh)	356
Annual Electric Demand Savings (kW)	40,426
Annual Natural Gas Savings (MMBtu)	-
Program Spending (Millions)	\$0.4
Benefits (Millions)*	\$4.5
Measures installed	3,653

* Calculated using avoided costs approved by the EEAC and estimated average measure life by program type



CASE STUDY

BEAT THE PEAK PROGRAM

The Need

Delaware Electric Cooperative customer Richard Osbourne was in the market to purchase both a new car and a replacement thermostat, he was looking for the extra motivation to move forward financially on these advanced technologies.

The Solution

Richard Osbourne was excited to discover that his electric utility was offering a way for him to embrace two technologies that are at the forefront of the utility innovation curve, electric vehicle charging and “smart” thermostats. DEC’s EV Beat the Peak program was a major factor in Mr. Osbourne’s decision to move forward with the purchase of a Nissan Leaf. Richard was also tired of his old mercury thermostat, and was delighted to hear about the incentive for purchase of a Nest thermostat and enrollment in the rush hour rewards program.

The nice thing about the charger is that it sends a reminder to my phone to plug in at night. For the Nest, I love that I can raise or lower temperature or see it, or on vacation we can preheat or precool before we return home.

— Richard Osbourne, Beat the Peak participant

Additional 2018 Results and Program Changes

In 2018, DEC successfully piloted two new initiatives of the Beat the Peak program, which are designed to reduce peak energy use. Through the Electric Vehicle (EV) Program, EV owners can receive a one-time \$200 billing credit and additional \$5 monthly billing credit for not using their EV chargers during Beat the Peak alerts. DEC also partnered with NEST’s Rush Hour Rewards program to provide incentives for allowing DEC to adjust participating customers’ NEST thermostats a few degrees during summer Beat the Peak alerts. Customers who sign up for the program receive a \$100 credit on their electric bills. Starting in 2019, customers will also receive a \$5 monthly billing credit from June through September.

Program Results and Updates

DELAWARE MUNICIPAL ELECTRIC CORPORATION

The Delaware Municipal Electric Corporation (DEMEC) was incorporated in 1979 as a public corporation constituted as a Joint Action Agency and a wholesale electric utility. DEMEC represents and serves the nine municipal electric distribution utilities located in the State of Delaware. Collectively, they serve over 135,000 residents and businesses in their communities. In 2018, DEMEC launched its Efficiency Smart program. The program offers several options to help participating communities and their residential and business customers use less energy and save money through technical assistance and financial incentives.

Table 7. 2018 DEMEC Performance Metrics

Annual Electric Energy Savings (MWh)	95
Annual Electric Demand Savings (kW)	30
Annual Natural Gas Savings (MMBtu)	-
Program Spending (Millions)	\$1.4
Benefits (Millions)*	\$2.2
Measures installed	1,278

* Calculated using avoided costs approved by the EEAC and estimated average measure life by program type

Additional 2018 Results and Program Changes

In 2018, DEMEC partnered with local small business owners to distribute LED bulbs for \$0.99. The local businesses keep 100% of the profits and the initiative has been proven to generate new customer foot traffic through the advertising done by the municipality. Between October and December 2018, over 780 bulbs were sold within the four participating communities.

DEMEC and its nine members also work with residential and commercial electric customers to reduce energy consumption during peak energy usage times through DEMEC's Power Savers demand response program. Peak periods generally occur when the weather is at its most extreme and many customers are using either their air conditioners in the summer during extremely hot temperatures, or heaters during the winter in extreme cold temperatures. During peak energy times, purchasing wholesale power is at its highest prices which costs everyone more money. By cutting back on the amount of wholesale power purchased during these peak, high-priced periods, DEMEC can reduce utilities' wholesale power costs, which can then be passed through to customers in the form of lower electric bills.

On days that large increases in electric usage are expected, DEMEC will encourage customers to voluntarily avoid activities that will increase their use by issuing "Power Saver Alerts" on their Facebook page. Simple efforts like changing the thermostat 2-3 degrees,

waiting to run the washer/dryer, and turning off unnecessary lights can help DEMEC avoid the extra kilowatts needed that day. DEMEC also partners with large key account customers to shed load during peak periods. Demand Response key account customers are those customers that generally have large electric load usage during peak periods. Having these partners reduce load during peak periods can have a big impact on saving the community money and as an incentive, the regional grid and DEMEC provide incentives. These efforts prevent a higher peak for all customers, saving electricity and money.

In 2018, the DEMEC Demand Response program enrolled ~16.5 MW of load. When tested DEMEC participants overachieved resulting in ~19.5 MW of load shed. Coupled with additional load management events throughout the program year, DEMEC saved ~20.4 MWh.

REGULATED UTILITIES

In addition to presenting program plans to the EEAC, Delaware's two regulated utilities, Delmarva Power & Light, and Chesapeake Utilities, must seek approval from the Delaware Public Service Commission (PSC) to run energy efficiency programs. Delmarva's first 3-year program plan was accepted by the Council in 2017 and filed with the PSC. The Plan is still under consideration by the PSC and is pending approval. Although Chesapeake is committed to providing cost-effective efficiency programs, they have not proposed any energy efficiency programs to date. Chesapeake is expected to proceed with program planning after the resolution of Delmarva's filing with the Public Service Commission.

Energy efficiency education event held at the Nanticoke Senior Center. Pictured left to right Bill Bennett, City of Seaford Director of Electric; Trisha Newcomer, City of Seaford Director of Economic Development and Community Relations; Nanticoke Senior Center member raffle winner; Tim Stearns, Efficiency Smart Senior Energy Consultant; Emily Greene, DEMEC Energy Services Manager.





CASE STUDY

EFFICIENCY SMART PROGRAM

The Need

Many times, customers have a hard time making the switch to LED lighting due to the higher upfront cost. To make energy efficiency more available and attainable to all customers, DEMEC created an initiative to sell high-quality, Energy Star certified LED bulbs at a locally owned small business in each of the four member communities participating in the program. This initiative was designed not only to help residential customers become more energy efficient but also to educate the business owners on the advantages of energy efficiency for them. Staying true to DEMEC's focus on community, the program partnered with local small businesses to bring new customers to their stores and provide additional resources to increase education on energy efficiency for both home and business.

The Solution

Through DEMEC's Energy Efficiency Program, Efficiency Smart, a variety of LED bulbs were provided to locally-owned small business partners as part of a \$0.99 Buy-Down Program. Small business partners included a bike shop, natural foods store, hobby store, and historical center. Customers could choose from three different wattage LEDs (9, 11, and 15), sold for \$0.99 each with 100% of the profit going to the local business. In just the last three

months of 2018, a total of 782 LED bulbs were sold to residential customers in the DEMEC member communities of New Castle, Clayton, Milford, and Seaford. This program brought increased awareness of the benefits of LED lighting and how easy energy efficiency can be, both to the customers and the small business partners.

When we were approached by DEMEC and the City of Milford to host their \$0.99 LED buy-down initiative with their Efficiency Smart program, we knew it would mesh perfectly with our sustainable-living lifestyle. We encourage our customers to reduce carbon emissions by choosing to ride a bike rather than drive a car. Since LEDs help people save energy and reduce their carbon footprint, we knew this would resonate with our customers. The LEDs provided were a great quality and price and generated a ton of foot traffic from both current and new customers. We saw customers making a special trip to our store just for these bulbs! The program was created so that we received 100% of the profits from the LED sales and customers received energy and cost savings. I'd call that a win-win for everyone.

– Ben Jones and Jennifer Rowan
Owners – Lifecycle (a bicycle shop in Milford, DE)

Council Background and Activities

Legislative Background

The Energy Conservation and Efficiency Act, which passed in 2009, designated energy efficiency as a priority energy resource and created Energy Efficiency Resource Standards (EERS) requiring a reduction in energy use through energy efficiency and conservation measures. In 2014, the Delaware General Assembly passed legislation that greatly expanded the state's commitment to and investment in energy efficiency for all utility customers. Title 29 §8059 of the Delaware Code enables all of Delaware's energy providers to offer cost-effective energy efficiency programs to their customers in collaboration with the Delaware Sustainable Energy Utility. The legislation specified that programs should utilize private financing and allowance proceeds from the Regional Greenhouse Gas Initiative as the preferred sources of program financing prior to funds recovered from ratepayers. It also requires that regulations be promulgated specifying how energy savings should be measured and verified. The legislation also created



the Energy Efficiency Advisory Council (EEAC, or Council), which is composed of a variety of energy efficiency stakeholders appointed by the Cabinet Secretary of the Department of Natural Resources and Environmental Control (DNREC).

Council Committee Updates

The Council includes two permanent subcommittees. The membership of both includes, at a minimum, a representative from each program administrator, DNREC, and the Council's consultants. Other members of the Council may join either subcommittee. The sections below summarize the activities of these committees in 2018.

EM&V Committee

The Evaluation, Measurement and Verification ("EM&V") Committee works to address aspects of planning, managing, overseeing, and reporting of all EM&V activities in Delaware. In addition to ensuring that public spending on efficiency is prudent and cost-effective, EM&V also informs program design improvements and guides future investment decisions. Committee participants include energy efficiency program administrators, Council members, and community stakeholders.

2018 committee highlights include:

- Updated and re-promulgated EM&V regulations
- Completed an EM&V Guidance document
- Program administrators with active energy efficiency programs fulfilled their obligations of providing the Council with performance snapshot reports
- Updated the Mid-Atlantic Technical Reference Manual
- Provided guidance on the DESEU's second third-party evaluation, which is underway

In 2019, the EM&V Committee will focus on ensuring that all program administrators with active energy efficiency programs are fulfilling their regulatory-based EM&V obligations, supporting the update of the 2014 study of potential for energy savings in

Delaware, and helping the Council determine appropriate three-year energy savings targets.

Low Income Committee

The Low-Income Committee was created in 2016 to support all Delaware low-income energy efficiency programs and initiatives by providing feedback and guidance on the development and implementation of cost-effective program offerings. The Committee is made up of Council members, state agencies, community action agencies, community-based organizations, faith-based organizations, and community foundations.

2018 committee highlights include:

- Educating committee members about the low-income energy burden of Delaware
- Learning low-income program best practices from around the country
- Assessing the needs and opportunities for low-income energy efficiency programs in Delaware
- Discussed the skills and training needed to support the energy efficiency workforce of Delaware

For 2019, the committee will primarily focus on supporting Delmarva Power's deployment of \$4 million in Exelon merger funds designated to the creation of low-income energy efficiency programs.

Council Members

Rob Underwood (Chairperson)

*Department of Natural Resources
and Environmental Control*

Emily Greene

*Delaware Municipal Electric Corporation
Affected Utility Provider*

Charles Kistler

*HELP Initiative
Low-income sector*

Cassandra T. Marshall

*Quaker Hill Neighborhood Association
Residential Sector*

Harris B. McDowell, III

*Delaware State Senate
Delaware Sustainable Energy Utility*

Kelly McKeown

*Delaware Manufacturing Extension Partnership
Commercial Sector*

Glenn A. Moore

*Delmarva Power & Light
Affected Utility Provider*

Mark Nielson

*Delaware Electric Cooperative
Affected Utility Provider*

M.Q. Riding

*Chesapeake Utilities
Affected Utility Provider*

Alan Rogers

*Delaware Energy Users Group
Manufacturing Sector*

Joseph Schorah*

Delaware Sustainable Energy Utility

Vacant

Agricultural Sector

Vacant

Environmental Sector



* As Executive Director of DESEU, Tony DePrima has been given the proxy of one of the DESEU Council members on an "as needed" basis. Dr. DePrima has also been a key contributor to the EEAC throughout 2018