

**Virginia Energy Purchasing Governmental Association  
(VEPGA)**

County Manager's Conference Room  
Henrico County Administration Building  
4301 East Parham Road  
August 24, 2012  
9:30 A.M.

**Approved Minutes**

*Present were board members Steve Sinclair, Fairfax County; Mike Barancewicz, Loudoun County Schools; Jim Morris, Virginia Beach Schools; Rick Raike, Hampton Roads Sanitation District; Tom Reinsel, Fairfax County Schools; Dave Simmons, Gloucester County Schools; Jerry Spivey, City of Norfolk; Mark Tschirhart, York County Schools; and Jerry Walker, Henrico County.*

*Also present were VEPGA member representatives Shahid Abbas, Arlington County; Jeannine Altavilla, Arlington County; Leo Blades, City of Hampton; Paul Braese, Chesterfield County; Mike Collins, Arlington County; Sheila Farmer, Loudoun Water Authority; Phuong Le, Fairfax County; John Morrill, Arlington County; and Jerry Riddick, City of Norfolk*

*Also present were VEPGA counsel Louis Monacell and Cliona Robb with Christian & Barton and VEPGA Secretary/Treasurer Joe Lerch with the Virginia Municipal League.*

I. Call to Order

*Mr. Sinclair called the meeting to order at 9:44 a.m.*

II. Approval of Minutes of Previous Meeting (2/24/12)

*A motion to approve the minutes was made by Mr. Simmons and seconded by Mr. Morris. The motion passed unanimously.*

III. Additions to the Agenda

*Mr. Monacell reported that he would give an update on a couple legislative items after Item F – Fuel Factor Audit.*

IV. Election of Officers

*Mr. Raike made a motion to elect Joe Lerch as Treasurer and Secretary for FY 13. Mr. Morris seconded the motion and it passed unanimously.*

*Mr. Barancewicz made a motion to elect Matt Groff as Vice Chair for FY 13. Mr. Spivey seconded the motion and it passed unanimously.*

*Mr. Barancewicz made a motion to elect Steve Sinclair as Chair for FY 13. Mr. Walker seconded the motion and it passed unanimously.*

V. Committee Updates

Joint Action Committee (JAC) – Mr. Riddick Reporting  
*Presentations from the last meeting are now posted on the VEPGA website.*

*Dominion has a new offering for street lighting poles. The black version should be available September 1st and the surcharges for color will go away. Northern Virginia localities are experiencing problems with Rate 102 (traffic signals). Dominion is denying the rate for signals saying "intersection up ahead", pedestrian signal lights, and traffic. They are charging at rates 100 and 110 instead. In order to qualify for Rate 102 they would have to run through traffic signal cabinet, with the exception that photo red detection would not qualify.*

*The next meeting of the JAC is scheduled for September 13.*

Finance – Mr. Lerch reporting for Mr. Baker  
*The financial statements were presented (attachment B).*

*A discussion was continued from the previous meeting on the proposed refund or credit to members for the \$125,000 refund due to the more than adequate fund balance. The question was raised on how to communicate to members regarding the refund.*

*Mr. Simmons recommended to give it back as a one-time refund and explain that it was due to an increase in membership.*

*Both Mr. Morris and Mr. Barancewicz preferred a credit versus issuing a check*

*In regard to attributing it to an increase membership Mr. Reinsel said that was only a part of it.*

*Mr. Morrill asked if members are disgruntled and whether a refund was necessary.*

*Mr. Simmons said that if we continue to have a large fund balance then a reduction in assessments should be explored. In response Mr. Barancewicz asked if it was possible to hold on to a fund balance and reduce assessments.*

*A motion was made by Mr. Simmons, seconded by Mr. Morris to have the Finance Committee prepare a refund proposal to member localities and consider a permanent reduction in assessments.*

*Mr. Monacell said that annual benefits exceed costs and that Christian & Barton could come up with a factor to include in a letter. Mr. Sinclair agreed and said that once drafted the letter should be distributed to the board for review.*

Energy Efficiency and Conservation Committee (EECC) – Mr. Barancewicz reporting

*The plan is to schedule three meetings with the first being tentatively for September 10th to include WebEx capability. Meeting topics will include annual meeting topics, energy assurance and Loudoun's response to the "derecho", and a VEPGA master account inquiry.*

Policies & Procedures

*Mr. Sinclair asked if the committee should be convened in order to get started earlier on negotiations. Ms. Robb said that it made sense to get started earlier on negotiating the terms and conditions. Both Mr. Raike and Mr. Collins said they would be willing to participate. Ms. Robb said that the Commonwealth's terms & conditions would be worth examining. Mr. Sinclair asked Ms. Robb to prepare an agenda for the committee to meet sometime mid-October, a week or so after Governor's energy conference..*

## VI. Legal Update

### A. RFP for Consulting Contract(s)

*Mr. Monacell referred to the handout titled "8/24/2012 notes on draft VEPGA RFP for Consulting Services" noting that a selections committee has not been identified yet. Mr. Sinclair said that he and Mr. Groff will serve on the committee and asked for volunteers. Both Mr. Raike and Mr. Reinsel agreed to serve on the committee which will meet sometime in mid-October.*

*Mr. Barancewicz asked if VEPGA could contract services with a consultant for the annual meeting. Mr. Sinclair said yes noting that GDS came in 2007 and is available.*

*An electronic copy of the direct solicitation to vendors from Christian & Barton will be provided to the selection committee for review.*

### B. REC Fixed Price Offer for Rider GC-M

*Mr. Monacell referred to the handout titled "8/24/2012 notes on proposed REC pricing for Rider G-CM".*

*Mr. Barancewicz said that it is a struggle to pay anything extra for energy and that he likes the current description for newer installations versus proposed.*

*Mr. Morrill said that green-e certified energy is more restrictive than the state definition and that Arlington is participating in current Rider-G to a healthy extent. As Arlington considers increasing their purchase they would be interested in paying a higher premium from Virginia sources.*

*Mr. Barancewicz said that Dominion Virginia Power will give you source location if you ask.*

*Ms. Robb said that Dominion might be would be willing to offer a regional price.*

*A motion was made by Mr. Simmons and seconded by Walker to approve the price and inquire for other price options for regional or Virginia only. The motion passed unanimously and the issue was referred to the EECC.*

### C. TERF issues

*Mr. Walker said that Dominion Virginia Power gave him a TERF decision tree chart after having to pay TERF for moving a transformer because of change in address due to adding a turn lane required by VDOT.*

*Mr. Riddick said that legal counsel with Dominion Virginia Power is going to prepare a chart on when TERF applies.*

*Mr. Abbas said that Arlington has a difference in opinion on rate 102. In response Mr. Riddick said that the JAC will make an announcement at their next meeting on how this particular issue will be resolved.*

#### D. Possible changes in Virginia Law Regarding Right to Purchase Renewable Energy via PPAs

*Ms. Robb referred to a handout - letter from Secure Futures to Bill Murray of Dominion Virginia Power on tax-exempt entities in Utah that can use PPAs. She also noted that the potential for a green energy tariff could possibly change the whole discussion.*

#### E. Applying New Excesses Facilities Charges to Existing Accounts

*Mr. Reinsel reported to Christian & Barton the Mount Vernon High School routine audit that resulted in the application of new charges. Mr. Monacell wondered if this a practice that Dominion will be employing to minimal bill accounts. Is this a unilateral action to charge for facilities?*

*Mr. Braese said this is a great opportunity to bring value to membership by doing an alert.*

*There was a consensus to alert the membership via email. Christian & Barton will draft the alert.*

*Adjourned for lunch at 12:03 p.m.*

*Reconvened at 12:36 p.m.*

#### F. Fuel Factor Audit

*Mr. Monacell reported that Technical Associates does an annual audit of fuel costs that Dominion Virginia Power collects. Technical Associates has focused on two issues: (1) allowances for use during construction (AFUDC); and (2) line loss analysis.*

*Mr. Reinsel asked if there will be a new rider in the fall. Mr. Monacell said that Dominion will file to the SCC for a rider for the Brunswick County plant.*

#### G. Other Items - Additions to the Agenda

*Mr. Monacell reported that First Energy Futures is offering a 7-year deal in Ohio to aggregate of local governments on behalf of citizens to purchase at 12 cents per kWh. He noted that VEPGA pays on average 8 cents per kWh.*

*He also reported that the Attorney General will be studying re-regulation. He sent out a questionnaire to those that participated in Dominion Virginia Power rate cases. The board by consensus directed Christian & Barton to draft a letter from Mr. Sinclair to the Attorney General to include a copy of the VEPGA pamphlet on re-regulation.*

#### H. Request by Third Parties for VEPGA Information

*It was decided VEPGA counsel will handle FOIA request from the Sierra Club on emembers currently participating in Dominion Green Power program. It was noed that VEPGA does not keep such information and that requests should be made directly to individual members.*

*Clean Energy Solutions (working for Virginia DMME) is gathering information and wants VEPGA Master Account data (currently 4 or 5 members, 250 accounts). Al Christopher wants the password to access for information. Mr. Barancewicz said that what we may consider is that DMME join and in that sense access information. He will contact Mr. Al Christopher with DMME to discuss in further detail.*

#### VII. Financial Statements

*Mr. Sinclair noted that this item was already covered under committee updates.*

#### VIII. Current Roster of VEPGA Members

*Mr. Lerch reported that a number of signatories to the Joint Powers Agreement (JPA) have lapsed their membership through non-payment. Two more recent members, Herndon and Goochland County Schools, have yet to sign the JPA. They will be contacted to execute the agreement.*

#### IX. Energy Managers Workgroup

*This item was postponed since Ms. Herrick was not present to discuss.*

#### X. Governor's Energy Conference – October 2-4, 2012

#### XI. VCU Energy & Sustainability Conference – January 30-31, 2013

*The board by consensus agreed to be exhibitors for both conferences.*

#### XII. Adjournment

*The meeting adjourned at 1:51 p.m.*

Respectfully submitted,



Joe Lerch  
Secretary