

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

County Manager's Conference Room  
Henrico County Administration Building  
4301 East Parham Road  
February 8, 2013  
9:30 A.M.

**Approved Minutes**

*Present were board members Steve Sinclair, Fairfax County; David Baker, Fredericksburg Schools; Mike Barancewicz, Loudoun County Schools; Bill Eger, City of Alexandria; Matt Groff, Prince William County; Wayne Lassiter, City of Richmond; Tom Reinsel, Fairfax County Schools; Najib Salehi, Loudoun County; Dave Simmons, Gloucester County Schools; Jerry Spivey, City of Norfolk; Mark Tschirhart, Gloucester County Schools; and Jerry Walker, Henrico County.*

*Also present were VEPGA member representatives Leo Blades, City of Hampton; Susan Hafeli, Fairfax County; John Lord, Loudoun County Schools; 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 9:37 a.m.*

II. Approval of Minutes of Previous Meeting (11/2/12)

*Mr. Sinclair, Mr. Monacell, and Mr. Tschirhart noted several corrections to be made to the minutes. Mr. Simmons recommended inserting page numbers for the minutes.*

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

III. Additions to the Agenda

*There were no additions to the agenda.*

IV. Committee Updates

A. Policies & Procedures Committee

*Ms. Robb reported that there have been two meetings so far. She recommended that the committee not go in to closed session. Once actual negotiations begin closed sessions will likely be necessary.*

*Referring to Attachment C-1 (notes from 1st meeting) Ms. Robb discussed the TERF issue. Specifically, does DVP turn money right over to IRS? Jurisdictional terms & conditions are different from VEPGA thus making it hard to compare. Verizon construction standards that the SCC approved provide a model to look at. One question is whether DVP is properly applying TERF to projects. Cost estimates are another issue. One promising item is that the JAC is doing a pilot project to allow municipalities to do more of the construction work. Starting with the objectives for revising the Terms & Conditions on page one of Attachment C-1 Ms. Robb reviewed the notes with the Board.*

*Mr. Walker raised the issue of "public good" not being defined thus leaving it to DVP's interpretation. Ms. Robb said that a definition would be good but examples would be needed.*

*Mr. Baker noted that indexing of the document would be helpful.*

*Mr. Eger said that it was important to get started on letting DVP know the issues that need addressing. Ms. Robb said that the objective is to go back to Dominion with a comprehensive package.*

*In regards to indexing Mr. Blades said that you can use optical character recognition (OCR) software to search a pdf file. John Lord agreed to sample the VEPGA documents using OCR and report back with the results to both Mr. Lerch and Ms. Robb.*

*Mr. Reinsel said that two items not covered under the Terms & Conditions are billing format and how peak demand is calculated. Ms. Robb and Mr. Monacell have discussed with the Walmart energy manager about a solution to switching to a digital billing format. Ms. Robb said that Walmart outsourced to create such a format. There was a brief discussion regarding the possibility of DVP modifying their billing system. Mr. Riddick said that Dominion is looking at revamping their billing system. Their first format will come out in the 3rd quarter (reported 9 months ago at the JAC). Ms. Robb asked if it would be possible to give a write up to members. Mr. Riddick said yes and that the goal is to combine all accounts into one spot.*

*Mr. Eger asked whether VEPGA could request consumption data at a more granular level (examples: census block or zip code) for a whole jurisdiction, for the purpose of GHG monitoring and air quality compliance. Ms. Robb expected pushback for such a request because this is only a governmental account. Mr. Sinclair agreed and asked Mr. Eger to provide more information on the topic for the next board meeting.*

*Ms. Robb reviewed attachment C-2, notes from the second meeting of the Policies & Procedures Committee. The same topics were covered with the exception of a new one (p. 3); how to decide cases of a deadlock when the JAC cannot resolve an issue. Should VEPGA pursue arbitration clauses? This raised the question as to whether local governments typically have a "no arbitration" clause in contracts. In such cases how does dispute resolution get resolved? Mr. Lerch said he would confer with VML counsel to get an answer. Mr. Monacell asked if there is a clause in the contract that is popping up continually. He noted that arbitration can have costs as well.*

*Ms. Robb said that the final product is a proposed set of changes for all Terms & Conditions after probably a total of four meetings of the Policies and Procedures Committee. The third meeting will be February 28th.*

*Mr. Sinclair said that the current contract expires June 30, 2014 and that the contract negotiation team that includes Steve Sinclair, Matt Groff, and Glen Watkins will have their first meeting on April 16th.*

*Mr. Abbas gave a slide presentation on Arlington County's LED replacement program.*

*Mr. Blades asked where Arlington got the funds for LED lights. Mr. Abbas said it was a combination of federal stimulus funds and county money. He added that GE has a financing program for LED replacements.*

*Mr. Sinclair asked if DVP will be reworking the LED rates. Ms. Robb said that VEPGA can be proactive in negotiations in addressing issues of cost of service identified by JAC.*

## **B. Energy Efficiency and Conservation**

*Mr. Barancewicz gave a brief overview of topics discussed at the December EECC meeting. Al Christopher and Tommy Thompson with the Department of Mines, Minerals & Energy reported that there is plenty of QECCB money still available. The state is hoping to utilize its \$35 million in allocations to break the logjam by tying to it performance contracting.*

*Ralph Russell with eDiscovery came to talk about rate comparisons. Ms. Robb asked if part of the contract negotiations should be to bump up the number of 132 accounts. The answer was yes.*

*Ms. Robb gave a review of the Commission on Electric Utility Regulation meeting which resulted in legislation which Mr. Monacell will touch on during the general assembly report.*

*Also discussed during the December meeting were the posting of presentations on website and the topic of holding joint meetings of capital and southeastern Virginia chapters of the Association of Energy Engineers (AEE).*

*In regards to the annual meeting Mr. Barancewicz reported that both the North Anna and Surry nuclear power facilities would not be available for tours. The proposal would be to meet in Virginia Beach on May 9th at the Virginia Beach Convention Center. The meeting would coincide with the national facilities and maintenance conference which concludes the previous day. VEPGA has tentatively reserved a room – at no cost – through Lori Herrick at the convention center. The board concurred with the proposal. Mr. Lerch will research available hotels and report to Mr. Barancewicz and Mr. Sinclair. Topics for the annual meeting will include:*

- *Technical report from Mark Tschirhart on multi-variable refrigerant systems;*
- *Educational report on explanation of rates & schedules;*

- *Guest speaker – to be determined (possibilities include someone from Exxon/Mobil to discuss their 2012 Energy Outlook;*
- *Business meeting;*
- *Contract update;*
- *General Assembly update; and*
- *Tour of convention center*

*It was decided to begin the meeting a 10 am - preceded by the facility tour at 9 am – with the goal of adjourning by 3 pm. Also discussed was the possibility of touring the Renaissance Academy on the afternoon of May 8th. Mr. Barancewicz said the EECC will work on finalizing the details at their next meeting.*

*Mr Sinclair noted that Mr. Barancewicz has been serving as the EECC chair for last three years and will be stepping down after the annual meeting. Susan Hafeli has agreed to succeed. Mr. Sinclair noted that she holds degrees in economy and law, is bar certified, and worked for the Texas utility commission.*

#### C. Budget & Finance

*Referring to attachments E-1 and E-2, Mr. Baker presented the proposed budget for FY14. Mr. Baker then reviewed the draft refund memo (attachment E-3) with the board. After some discussion several amendments were made to the document. A motion to approve the budget was made by Mr. Groff and seconded by Mr. Simmons. The motion passed unanimously. A motion to approve the refund memo as amended was made by Mr. Groff and seconded by Mr. Simmons. That motion passed unanimously.*

*Mr. Lerch said he will send the memo out first followed by the refund checks. Assessments for the upcoming fiscal year will then be sent sometime in late April or early May.*

*Adjourned for lunch at 12:19 pm*

*Reconvened at 12:58 pm*

#### D. Joint Action Committee (JAC)

*Mr. Riddick noted that the December JAC meeting was cancelled due to lack of submitted agenda items. He asked if there is anything that limits the respective number of VEPGA and DVP members to the JAC. He was informed by Dominion that is was six for each. Ms. Robb said there is nothing in the master agreement that addresses this. Mr. Riddick said the question arose out of a request to do video conferencing and that Dominion was concerned that this would increase the number of participants and topics making the meetings unweildly. Mr. Monacell asked if there should be a subcommittee of the JAC to limit the number of topics. Ms. Robb suggested that it may prove helpful to have a VEPGA only side meeting to determine topics. Mr. Salehi recommended having a pre-conference planning call. Mr. Riddick agreed and Mr. Lerch said he could provide the conference line to accomodate the call. Ms. Robb asked if we should quiz the members about JAC as well as RECs and excess facilities charges.*

## V. Legal Update

### A. Amendment No. 1: 7/1/2013 riders

*Mr. Groff made a motion seconded by Mr. Simmons to enter into a closed meeting under Code of Va. § 2.2-3711(A)(7) to consult with legal counsel employed or retained by a public body regarding specific legal matters requiring the provision of legal advice by such counsel. The motion passed unanimously.*

*Mr. Groff made another motion seconded by Mr. Simmons to permit non board member VEPGA member representatives to attend, as their presence will reasonably aid the board in its consideration of the bargaining position and negotiating strategy as allowed under Code of Va. § 2.2-3712(F).*

*The board came out of executive session and took a roll call vote to certify that (i) only business matters lawfully exempted from open meeting requirements under these chapters and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed or considered in the meeting of the public body.*

#### *Roll Call*

<i>Mr. Baker</i>	<i>Aye</i>
<i>Mr. Barancewicz</i>	<i>Aye</i>
<i>Mr. Eger</i>	<i>Aye</i>
<i>Mr. Groff</i>	<i>Aye</i>
<i>Mr. Lassiter</i>	<i>Aye</i>
<i>Mr. Reinsel</i>	<i>Aye</i>
<i>Mr. Salehi</i>	<i>Aye</i>
<i>Mr. Simmons</i>	<i>Aye</i>
<i>Mr. Sinclair</i>	<i>Aye</i>
<i>Mr. Spivey</i>	<i>Aye</i>
<i>Mr. Tschirhart</i>	<i>Aye</i>
<i>Mr. Walker</i>	<i>Aye</i>

*Mr. Groff made a motion seconded by Mr. Salehi to accept the TAI recommendation of contracting for an overall 3% decrease in rates due to rider adjustments. The motion passed unanimously.*

### B. Update on Recent SCC Actions

*Mr. Monacell reported that the fuel factor and Rider T are likely to be filed in June. There was a question and short discussion on voltage control. It was noted that DVP does it at the meter, where as APCO does it further back. Mr. Monacell said that smart meters raise the issue of privacy and he referenced a bill in the general assembly to allow customers to opt of smart meters. \*

*Cliona referred to handout on the renewable energy tariff filing noting a revised schedule. She said that this raises concerns of double standards given DVP's position on solar PPAs.*

*Mr. Walker asked why would anybody do this? Ms. Robb said that she had heard that some companies would buy this because currently there is no green energy purchases available.*

#### C. General Assembly Update

*Ms. Robb referred to the handout chart on 2013 General Assembly Session Energy Bills. She explained that since the renewable portfolio standard (RPS) adder was taken away there was a need for a new vehicle to promote renewable energy. SB 1023 which allows for pilot wind and solar PPAs became this vehicle. Details of this compromise bill are detailed in the chart.*

#### VI. Financial Statements

*Mr. Lerch referred to the attachments on balance, expense and revenues.*

#### VII. VCU Energy & Sustainability Conference

*Mr. Sinclair reported on the conference where VEPGA was one of the exhibitors. Both he and Mr. Barancewicz manned the booth. Most questions related to buying renewable energy from DVP. Mr. Walker served on the conference organizing committee.*

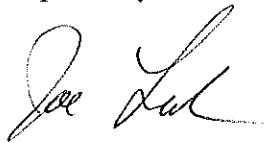
#### VIII. Current Roster of VEPGA Members

*Mr. Lerch reported that Norfolk Redevelopment & Housing Authority (NRHA) is interested in joining or rejoining VEPGA based on their current membership status. He will research whether NRHA (as well as Charlottesville and City of Fairfax) have a signed JPA.*

#### IX. Adjournment

*The meeting adjourned at 2:55 pm.*

Respectfully submitted,



Joe Lerch  
Secretary