

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

County Manager's Conference Room  
Henrico County Administration Building  
4301 East Parham Road  
November 7, 2014  
9:30 A.M.

**Approved Minutes**

*Present were board members Jerry Walker (chair), Henrico County; Susan Hafeli (vice chair), Fairfax County; G. David Baker, Fredericksburg Schools; Michael Barancewicz, Loudoun County Schools; Bill Eger; City of Alexandria; Wayne Lassiter, City of Richmond; John Morrill, Arlington County; Jim Morris, Virginia Beach Public Schools; Rick Raike, Hampton Roads Sanitation District; Tom Reinsel, Fairfax County Schools; Najib Salehi, Loudoun County; Dave Simmons, Gloucester County Schools; Jerry Spivey, City of Norfolk; and Mark Tschirhart, York County Schools.*

*Also present was VEPGA member representative and Joint Action Committee (JAC) chair Jerry Riddick, City of Norfolk.*

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

**I. Call to Order**

*Jerry Walker called the meeting to order at 9:35 a.m.*

**II. Approval of Minutes of Previous Meeting (9/19/14)**

*A motion to approve the minutes from September 19, 2014 meeting was made by Dave Simmons and seconded by Najib Salehi. The motion passed unanimously.*

**III. Additions to the Agenda**

*There were no additions to the agenda.*

**IV. Committee Updates**

**A. Policies & Procedures**

*Jerry Walker said there was no update to report.*

**B. Energy Efficiency & Conservation**

*Susan Hafeli said the EECC will meet on December 3<sup>rd</sup>. The agenda will include presentations on plug and play LED bulbs and a solar partnership program. The committee will also finalize planning for the annual meeting.*

*She asked for the board's input on the date, place, topics and a field trip. After some discussion it was decided to hold the meeting on May 7<sup>th</sup> in Virginia Beach. Potential topics include those being presented to the EECC in December; the current state of demand response within the PJM service territory; and bipolar ionization, an energy saving air handling method that purifies air. Susan mentioned the possibility of touring a 2 megawatt solar installation at a nearby naval facility. Also, mentioned was the possibility of touring the new Brock Environmental Center off Shore Drive.*

### **C. Budget & Finance**

*David Baker, referring to handouts, reported on the financial position of VEPGA in terms of current fund balance and year-to-date budget. It was noted that the income for the current fiscal year is more than \$250,000, the sum total of the annual assessment. This was because the City of Charlottesville and Charlottesville Schools rejoined VEPGA after the pro-rated assessments were distributed. For the next assessment the pro-rated amounts by jurisdiction will be a little bit lower with the addition of these old members.*

*Mike Barancewicz noted that attendance at VEPGA meetings by Charlottesville would be beneficial given their leadership in energy efficiency. It was agreed to invite Charlottesville to attend the next EECC meeting.*

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

*Jerry Walker asked if the issue raised by Larry Burkett from the City of Richmond regarding rate comparison analysis was being addressed. Specifically, the review of a 12-month period is delivered 14 months after the period ends. Jerry Riddick noted that the contract states that Dominion Virginia Power will "endeavor" to provide timely results from rate comparison analyses. Johnny Harris seems more willing to work with VEPGA members on providing the analysis, but the group doing the analysis does not. The result is that VEPGA members are left to assess their own rates.*

*It was noted that Glen Watkins, at the annual meeting, mentioned a spreadsheet tool that members could utilize to analyze their rates. Cliona Robb will follow up with Glen about the spreadsheet and send an email to Dominion Virginia Power inquiring about timely review.*

*Jerry Riddick said that the next meeting of the JAC will be December 11<sup>th</sup> by video conference. For the upcoming year Dominion Virginia Power wanted to know if VEPGA would agree to one meeting in person with other three by video conference. The reason is that once the video conference ends the regional locations continue discussions that would be beneficial for everyone to participate in. The VEPGA board agreed.*

## **V. Legal Update**

### **A. 2014 Energy Plan**

*Referring to handout, that included excerpts from the plan, Cliona Robb reported on the newly released Virginia Energy Plan. She noted several inconsistencies within the report which could be attributed to the short time-frame the Department of Mines, Minerals,*

and Energy (DMME) was given to produce. For example the oft repeated "2<sup>nd</sup> largest importer of electricity" shows up several times within the report, but then there is clarification regarding plants in West Virginia, owned by Virginia incumbent utilities, providing load to Virginia. It was also noted that the recommendations of the report are specific and concrete, particularly as it relates to increasing renewable energy production.

## **B. EPA's Proposed Clean Power Plan under Clean Air Act § 111(d)**

- **SCC Staff Report on 111(d)**

*Cliona Robb gave an overview of Virginia's SCC to the proposed rule. In contrast to the Virginia Energy Plan, this report provides clarity in regards to where Virginia gets its electricity now, and how that will be impacted in the future under the proposed rule. For example the SCC staff make the following conclusions: the rule does not take into account out of state energy sources which Virginia cannot control; it is too optimistic on the prospects of energy efficiency; Virginia is penalized for not getting credit for its nuclear assets which have no greenhouse gas emissions; additionally Virginia gets no credit for reductions in emissions from 2005 to 2012; and rates will increase under the rule.*

*John Morrill asked what is required in terms of carbon reductions by a date certain. Cliona responded that the SCC seems to be saying that the date set for meeting the interim goal is unrealistic. If given more time than Virginia will have greater flexibility to achieve.*

- **Joint Session of Commerce and Labor Committees of the Senate and House of Delegates on November 19, 2014**

*Cliona Robb noted that this meeting seems to have been scheduled in response to the release of both the energy plan and SCC staff report. It would be reasonable to expect the chairs of both committees to give direction on potential legislation for the upcoming 2015 session.*

*The board adjourned for lunch at 11:28 a.m.*

*The board reconvened at 12:06 p.m.*

## **C. DEQ/DMME Virginia Value of Solar Study**

*Cliona Robb reported that the study was submitted to the Senate Clerk on October 31<sup>st</sup>. The stakeholders, which included VEPGA, decided to submit the report in the form it existed in before the utilities resigned from the group. It remains unclear what the senate will do, if anything, with the report. It has not been posted on either the DEQ or DMME website. Joe Lerch will send a copy to the VEPGA board.*

## **D. 2014-2018 Dominion Agreement**

- **Follow up items regarding implementation (write up based on Dominion informational sessions; final replacement pages for glitches)**

*Referring to the Dominion slideshow annotated with notes by Christian and Barton, Cliona Robb reported on follow up items regarding the agreement. Additionally there are replacement pages making corrections to the terms and conditions that have been executed. A revised version will be posted on the website, along with a Frequently Asked Questions (FAQ) document being prepared by Jerry Riddick, and the sample project cost reports provided by Johnny Harris.*

- **Trends in fuel reports**

*Cliona Robb in consultation with Glenn Watkins reported that current fuel costs have VEPGA in a hole, as of September, of \$5.5 million. While this a reduced balance from a larger deficit earlier in the year, she noted that the upcoming winter season may add to it.*

*Under the current fiscal year, as well as the two previous ones, VEPGA had realized a reduction in fuel costs. Given the current state of things that trend is likely not to continue. And while it is too early to predict, VEPGA members may experience an overall rate increase due to fuel costs in the upcoming fiscal year.*

## **VI. 2015 Calendar of VEPGA meetings**

*The board reviewed dates to meet in 2015. A motion was made Rick Raike, seconded by Najib Salehi, to meet on February 6<sup>th</sup>, May 7<sup>th</sup>, August 7<sup>th</sup>, and November 6<sup>th</sup>. The motion passed unanimously. With the exception of May 7<sup>th</sup>, to coincide with the annual meeting in Virginia Beach, all the meetings will be held in Henrico.*

## **VII. Current Roster of VEPGA Members**

*Joe Lerch reported that the Town of Lovettsville joined VEPGA. Cliona Robb also reported that Glenn Watkins was working with Hampton Roads Transit in reviewing their accounts to see if they would benefit from the VEPGA rates.*

## **VIII. Adjournment**

*The meeting adjourned at 1:24 p.m.*

Respectfully submitted,



Joe Lerch  
Secretary