

Finance, Regulatory, and Energy Generation Breakout Session Minutes

- **Introductions** - 2:15–2:35
- **Overview of the Session** – 2:35–2:40 - Cara – Bridge high level goals and get boots on the ground to accomplish our goals.
- **Agenda** – Jack – 2:40–2:50 - 5 topics that emerged as top priorities from the March meeting.
 - Retention of Energy Savings
 - Revolving Fund for ECM Projects
 - Legislation to Expand Self-Performance of EPC's
 - Strengthen HB 1292
 - Template for Third Party Solar Thermal Power Purchase Agreements
- **Team Tasks** – Cara – 2:50–2:55
 - Refine the Issues
 - Develop the tasks necessary to complete the tasks
 - Assign responsibility for the tasks
 - Develop a list of deliverables
 - Establish milestones, activities and dates
 - Provide a clear roadmap for the year
 - Commit to executing the tasks
- **Break into 5 Subgroups** – 2:55
- **Reconvene to Full Finance, Regulatory and Energy Generation group** – 4:45 – Group leaders discuss goals, deliverables, tasks, and timeline. (See Prospectus Pinups July12 2013.xlsx for sub-group notes)
- **Wrap-up** – Miriam – 4:55–5:00 – Team leaders need to delegate actions and continue the dialogue. Provide group regular updates. Report activities and accomplishments at the mid-year meeting and Appalachian Energy Summit 2014. **ACTION, ACTION, ACTION!**

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Appalachian Energy Summit 2013
July 18, 2013

Finance and Regulatory Working Group Prospectus

Initiative : Retention of Energy Savings

Type: Financial
Title: Retention of Energy Savings for Re-investment
Goal Statement:

Modify the existing budgetary process to incentivize campuses to invest campus resources in energy conservation measures that produce savings or avoided costs which can then be re-invested to obtain more savings. Evaluate multiple options and develop a budgetary proposal that can be advanced at the system level.

Summary Description:

Evaluate existing budgetary policies regarding purchased utilities. Develop understanding of utility budget issues across all UNC campuses. Develop options for modifications to policy that will balance needs for control and management with the desire to incentivize campuses to conserve energy and water. Evaluate system wide approaches that have a long term and lasting benefit. Allow the flexibility of use of savings to maintain ECM's so they are sustainable and continue to provide savings over time.

Working Group Subcommittee Assigned:

Working Group Subcommittee Leader:

Action Items:	Title:	Description:	Person Responsible:	Timeline: (Start/Finish)
Item #1		Evaluate the components of the current policy and procedures		
Item #2		Evaluate budget processes at each campus		
Item #3		Develop stakeholder issues from campus, GA, OSBM, perspectives		
Item #4		Develop Options and analyze potential benefits		
Item #5		Proposal for modifications		

Deliverables:	Description:	Milestones/Tasks:	Person Responsible:	Timeline: (Start/Finish)
Deliverable #1				
Deliverable #2				
Deliverable #3				
Deliverable #4				
Deliverable #5				

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Initiative : Revolving Fund for ECM Projects

Type: Financial

Goal Statement: Create a financial mechanism to fund smaller <\$500k energy conservation measures that will be selected based on criteria and merits. Provide a framework for management and guidelines for its use. Provide all program parameters in the form of a proposal to be presented to GA/BOG for approval and financing.

Summary Description: Development of a financial mechanism to allow the funding of campus ECM's that will pay back the first cost and allow funding to be re-deployed. Establish guidelines for program administration, selection of projects, evaluation and award, reporting, and repayment from savings. Suggest and evaluate means of capitalizing the revolving fund. Provide examples where this is in place and working in state government. Create a proposal document to be vetted to the administration and stakeholders.

Working Group Subcommittee Assigned:

Working Group Subcommittee Leader: Phillip Jones

Action Items:	Title:	Description:	Person Responsible:	Timeline: (Start/Finish)
Item #1	Overview	Develop background information and case studies and talking points.	James, assistants, Chris	Mid-October
Item #2	Overall system or individual campus	Define scale of revolving fund, do other campuses have	Jorge, Phil	9/15/13
Item #3	Funding mechanism	Identification of funding source or funding mechanism	Erin, campus CFOs	9/30/13
Item #4a	Submission guidelines	Create guidelines for submission, evaluation, and award of funding to campus ECM's.	Tom, Chris	10/15/2013
Item #4b	Administrative guidelines	Create guidelines for administration of the program including management structure, develop financial processes to track and report on ECM's	Tom, Chris	11/15/2013
Item #5	Comprehensive Proposal	Develop a comprehensive proposal describing the program and its benefits.	Owen	12/15/2013
Item #6				

Deliverables:	Description:	Milestones/Tasks:	Person Responsible:	Timeline: (Start/Finish)
Deliverable #1	Case studies with background and talking points	Identify case studies, conduct interviews/research, summarize info to ??		
Deliverable #2	System wide, campus wide, both/hybrid, formula based, competition based, multiple funds, single fund			
Deliverable #3				
Deliverable #4				
Deliverable #5				

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Initiative : Legislation to Expand Self-Performance of EPC's

Type: Regulatory
Self Performance of Energy
Title: Performance Contracts

Goal Statement: Modify the EPC Statute(s) GS 143.64.17 and/or related financing Statute GS 142-60 through 70 to allow self performance of EPC's by an expanded number of qualified institutions.

Summary Description: Create a draft bill to be included on the GA Legislative Agenda for the 2014 short session. Identify a sponsor for the bill. Create talking points to support the bill. Develop supporters in the BOG that can lobby for the bill.

Working Group Subcommittee Assigned:
Working Group Subcommittee Leader:

Action Items:	Title:	Description:	Person Responsible:	Timeline: (Start/Finish)
Item #1		Draft the bill language	Kevin McNaughton, Len Hoey	7/19/13 - 8/30/13
Item #2		Include on the UNC Legislative Agenda	Jeff Hightower, Kevin McNaughton	8/30/13 - 10/30/13
Item #3		Create supporting documents and talking points	Mike O'Conner	10/30/13 - 1/1/14
Item #4		Identify a bill sponsor in the legislature	GA	5/15/14 - 7/1/14
Item #5		Engage select BOG members to lobby for the bill.	Charlie P., Kevin McNaughton	3/1/14 - 3/30/14

Deliverables:	Description:	Milestones/Tasks:	Person Responsible:	Timeline: (Start/Finish)
Deliverable #1	Rename the Initiative or bill	Gather the group for discussion or conference call	Kevin M. , Len H.	7/17/13 - 8/30/13
Deliverable #2	Build advocacy with other stake holders SCO, OSBM, Energy Office, other state agencies	Divide stake holders among sub-committee	Sub-committee, Bill Bagnell	1/1/14 - 1/31/14
Deliverable #3	Draft the bill language		Len H.	7/31/2013
Deliverable #4	Phone conference call to vet ideas within the sub-committee		David Todd	8/10/13 - 8/30/13
Deliverable #5	Presentation to BOG	Get the BOG schedule, develop presentation	Kevin M., sub-committee	3/1/14 - 3/30/14
Deliverable #6	Report on NCSU phytotron project	Draft by 11/1/13, Final by 12/31/13	Kevin M., sub-committee	10/1/13 - 12/31/13

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Finance and Regulatory Working Group Prospectus

Initiative : Strengthen HB 1292

Type: Regulatory
Title: Strengthening HB 1292

Goal Statement: Modify the existing statute to ease the access to funds, remove unwarranted restrictions, stabilize the annual level of funding, and increase the amount of funding available for reinvestment in energy conservation measures. Codify 100% of savings be utilized for future ECMs (60%) and PP operational costs.

Summary Description: Examine the components of the current statute and draft modifications that can be included in a bill. Draft the bill and provide documentation and talking points. Submit for inclusion in the UNC legislative agenda. In conjunction with SEO and OSBM, develop the processes to manage the annual cycle.

Working Group Subcommittee Assigned: Zach Abegunrin, Steve Martin, Harold Seegars
Working Group Subcommittee Leader: Zach Abegunrin

Action Items:	Title:	Description:	Person Responsible:	Timeline: (Start/Finish)
Item #1	Evaluation	Evaluate the components of the current statute	Zach	
Item #2	Education	Educate university leadership to potential opportunities afforded by HB 1292 (CFO & Budget Office)	Harold	
Item #3	Modification	Develop modifications and a draft bill	Zach	
Item #4	Documentation	Develop documentation and talking points to support and substantiate revisions to HB 1292	Steve	
?		Develop processes for annual cycle management	?	
Item #5		Negotiations with SEO and OSBM	Steve	

Deliverables:	Description:	Milestones/Tasks:	Person Responsible:	Timeline: (Start/Finish)
Deliverable #1	List of HB 1292 language to modify	List developed and submitted to sub-committee and gov. council, gen. council review time/revisions	Zach/Harold	Dec. 2013
Deliverable #2	Establish educational conference with univ. leadership (CFO & budget)	Establish dates, training personnel and list of participants	Harold	Jan. 2014
Deliverable #3	Produce draft bill	Submit draft to sub-committee and GA for review	Zach	Feb. 2014
Deliverable #4	Document confirming return on investment strengthening case for maximizing 100% investment	Review/revise existing doc for ECM carry forward reporting, revised doc to sub-committee for review	Steve	Dec. 2013
Deliverable #5	MOU between UNC schools and SEO/OSEN	Memo developed and submitted to gen. council and sub-committee for review	Steve	Jun-14

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Initiative : Template for Third Party Solar Thermal Power Purchase Agreements

Type: Financial
Third Party Power Purchase

Title: Agreements

Goal Statement: Create and vet (investors, campuses, vendors), and market, a template agreement, including leases, that could be utilized by campuses, with minimal modifications, to promote renewable projects by third parties.

Summary Description: Complete the work that has been started and finalize the agreement template through negotiations with the AG's office and GA. Look for opportunities for solar PV template documents. Finalize property lease documents with State Property. Roll out the template. Provide training to campus personnel. Develop a method of reporting on progress and successes.

Working Group Subcommittee Assigned:

Working Group Subcommittee Leader: John Pierce

Action Items:	Title:	Description:	Person Responsible:	Timeline: (Start/Finish)
Item #1		Modify the current template & instructions & training materials	John Pierce/UNC-Asheville	10/31/2013
Item #2		Vet with AG's Office, State Property, and with GA Counsel, investors, vendors, and all campuses	Miriam Tripp	10/15/2013
Item #3		Presentations to UNC system, internal webinar	All, Michael, Liz, Ged	
Item #4		Identify Projects, campuses with e-resistance H2O heating	UNC GA	Jan. 30, 2014
Item #5		UNC GA rfp	UNC GA	Feb. 2,2014

Deliverables:	Description:	Milestones/Tasks:	Person Responsible:	Timeline: (Start/Finish)
Deliverable #1	Chang GATS, 6,7,8 below	1. UNC Asheville review (6,7,8 below), 2. business review, 3. UNC Asheville revises agreement 4. AG/GA review	1. John, 2. John, 3. John, 4. Miriam	1. Sept., 2. Oct. 15, 3. Oct. 31, 4. Dec. 31
Deliverable #2				