

**National Association of State Energy Officials  
Board of Directors Meeting  
Washington, DC – June 18, 2003**

**NASEO Board Members:**

John F. Nunley, III, Chairman  
Sara Ward, Vice Chairman  
Peter Smith, Secretary  
Jeff Herholdt, Parliamentarian (via telephone)  
Janice McClenaghan, Rhode Island (via telephone)  
Jim Ploger, Kansas  
Rick Grice, Colorado  
Elizabeth Robertson, Georgia  
Charlie Smisson, Delaware  
Sharon Tahtinen, Iowa  
Tony Usibelli, Washington  
Alexander Mack, Florida  
Anita Randolph, Missouri  
Chuck Clinton, District of Columbia  
Mike Clark, District of Columbia  
Ken Mentzer, Affiliates' Chairman  
Ward Lenz, Affiliates' Co-Chairman

**NASEO Staff:**

Frank Bishop, Executive Director  
David Terry, Managing Director  
Jeff Genzer, General Counsel  
Donna Brown, Controller  
Michelle New, Senior Associate  
Kate Burke, Program Associate

**Opening Remarks**

John Nunley, Chairman, opened the meeting and provided an overview of the Board Meeting Agenda.

**Approval of Minutes**

Mr. Nunley began the meeting inquiring whether members had reviewed the draft minutes from the February 2003 Board Meeting and requested any comments. Without comment, a motion was made by Tony Usibelli, Washington, and seconded by Sharon Tahtinen, Iowa, to approve the minutes. Without discussion, the minutes were approved unanimously.

**Treasurer's Report and Presentation of FY'03-04 Budget**

Donna Brown, Controller, presented the treasurer's report and the FY'03-04 budget. Ms. Brown reported that NASEO revenues were slightly below budget, but net projected income was in line with expectations.

**General Counsel's Report**

Jeff Genzer, General Counsel, announced that the House Interior Subcommittee completed mark-up on their funding bill for FY'04. Mr. Genzer said that the State Energy Program (SEP) received approximately the same \$45 million funding level as this year. The Weatherization Assistance Program also received approximately the same \$225 million level as this year. In the case of SEP, this was almost \$6.2 million above the Administration's request, though for Weatherization it was \$63 million below the request (the SEP/Weatherization total of \$270

million is approximately \$2 million above FY'03 final levels, because of a .65% cut at the end of last year's elongated appropriations cycle).

Mr. Genzer indicated that overall, the energy conservation accounts received \$879.5 million, as opposed to the FY'03 levels of \$891.8 million and the President's request of \$875.8 million. Of special interest to the state energy offices were a number of positive events, apart from the flat funding for SEP and Weatherization. Most of the cuts proposed by DOE in deployment programs were eliminated: 1) Rebuild America was \$2 million above the request; 2) Clean Cities was \$4 million above the request; and 3) Inventions & Innovations was \$1.5 million above the request. This should allow full funding of SEP Special Projects at the \$19 million level in FY'04, equal to the '03 levels. The Industries of the Future (specific) was increased by \$23.8 million above the request and the Industries of the Future (crosscutting) was increased \$9.8 million above the request. This was only a partial restoration of funding.

The State Technology Advancement Collaborative (STAC) did extremely well in the appropriations bill. The Subcommittee earmarked \$5 million for the Cooperative State RDD&D activity and \$5 million for the Science Initiative, for a total of \$10 million. The specific report language is as follows: "The State Technologies Advancement Collaborative, a cooperative program between the States and the Department of Energy, should be continued. The \$5,000,000 provided for cooperative programs with States and \$5,000,000 for the energy efficiency science initiative should be supplemented with other program funds where the States and the Department agree that this collaborative will effectively leverage program funds and reduce bureaucratic delay. One example of such a program is the Rebuild America program. The Department should report to the Committee no later than January 15, 2004, on what programs will be included as part of the collaborative in fiscal year 2004." This is obviously a very strong signal of support for the program.

Mr. Genzer also discussed the status of the comprehensive energy bill, with final Senate action possible before the Senate departs in August.

In addition, Mr. Genzer said that a meeting on financing of environmental control technologies for central station power plants would be held in July. The meeting, hosted by NARUC, will be conducted jointly with EPA, NASEO, ECOS, and others. He indicated that limited travel stipends were available for state energy offices.

Finally, Mr. Genzer updated the board on meetings staff had held with DOE, EPA, NGA, and others.

### **STAC Update**

Bob Kripowicz, STAC Program Director, updated the board on the progress of the STAC initiative. The draft Request for Proposals (RFP) was distributed on June 5 for comment. The RFP is scheduled for release in early July 2003.

### **Former State Energy Office Directors**

Three former State Energy Directors joined the board for lunch. Ed Pinero, Office of the Federal Environmental Executive; Tobin Harvey, DOE; and Sam Reid, DOT, previously held energy

office director positions in Pennsylvania, Texas, and Rhode Island, respectively. Each updated the board on their current appointed positions.

### **Cooperation with the States**

John Sullivan and Richard Moorer of DOE attended the board meeting to provide an update on EERE activities. Mr. Sullivan indicated that procurement activities were being consolidated to the Golden Field Office. Messers Moorer and Sullivan continued with an open discussion of the STAC initiative and other issues.

### **Liquefied Natural Gas - LNG**

Shirley Neff, Senior Advisor at Goldwyn International Strategies and former economist for the U.S. Senate Energy and Natural Resources Committee, discussed the need for more LNG support at the state level. Ms. Neff encouraged members to provide input in the LNG discussions in their states.

### **Biomass Partnership Plan**

Kathy Baskin, Southern States Energy Board, and Rick Handley, Coalition of Northeastern Governors, reviewed the biomass partnership plan. The partnership, comprising states, regional host organizations, NASEO, the DOE's Office of Biomass Programs, and DOE Regional Offices, will allow for better coordination between various state entities.

### **NAESCO/NASEO MOU**

Terri Singer, NAESCO Executive Director, presented the NAESCO/NASEO memorandum of understanding (MOU). The MOU initiates an agreement between NAESCO and NASEO to promote technical, commercial, public policy, and intellectual exchange. The MOU will be sent to board members for review. After some discussion, the board suggested that Jim Ploger, Kansas, and Ms. Singer discuss ways that NAESCO and ESC might coordinate on issues of common interest.

### **Issues Agenda**

Sara Ward, NASEO Vice Chairman, reviewed the development process for NASEO's 2004-2006 Issues Agenda. The NASEO committees will be actively engaged in the development of the upcoming Issues Agenda, scheduled for release in February 2004.

### **SEP, Weatherization, and Intergovernmental Programs**

John Millhone and Mark Bailey commended NASEO on the success of the SEP Metrics which defined a better, more descriptive way to assess the State Energy Program. Mr. Millhone went on to say that the SEP Special Projects proposals have been received and look very strong. Announcement of the winners is scheduled for July 2003.

### **EERE Update**

As natural gas supplies are at historically low levels, David Garman, Assistant Secretary of the EERE, inquired as to what DOE might do to address this issue. The board promised him a set of NASEO recommendations to mitigate the potential natural gas supply crunch.

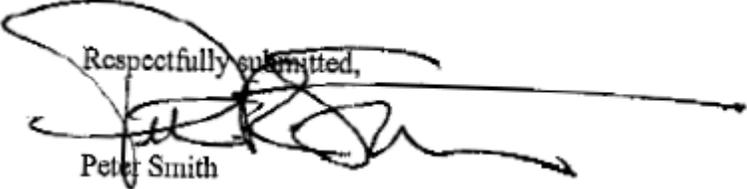
Mr. Genzer suggested the need for a systematic discussion regarding the research and development and demonstration and deployment issue with Mr. Garman.

Mr. Nunley expressed to Mr. Millhone the board's desire to organize an SEP meeting that would mirror the DOE's former All States Meeting.

Mr. Nunley then adjourned the meeting.

Respectfully submitted,

Peter Smith

A large, stylized handwritten signature in black ink, appearing to be 'Peter Smith', is written over the typed name. The signature is highly cursive and extends significantly to the right, crossing the 'Respectfully submitted,' line.