

**National Association of State Energy Officials  
Board of Directors Meeting  
Austin, Texas—September 14, 2003**

**Attendees:**

John Nunley, III, Chairman  
Sara Ward, Vice Chairman  
Bill Keese, Past Chairman  
Terri Adams, Treasurer  
Jeff Herholdt, Parliamentarian  
Rick Grice, Colorado  
Jim Ploger, Kansas  
Tony Usibelli, Washington  
Bill Nesmith, Oregon  
Charlie Smisson, Delaware  
Alexander Mack, Florida  
Anita Randolph, Missouri  
Sharon Tahtinen, Iowa  
Ward Lenz, Affiliates' Co-Chair  
Ken Mentzer, Affiliates' Chair

**NASEO Staff:**

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

**Opening Remarks**

John F. Nunley, III, opened the meeting and provided an overview of the Board of Directors Meeting Agenda.

**Approval of Minutes**

Mr. Nunley began the meeting ensuring all members had reviewed the draft of the June 2003 Board of Directors Meeting and requested any comments. Without comment, a motion was made by Bill Keese, Past Chair, and Rick Grice, Colorado, seconded the motion. Without discussion, the June 2003 Board Meeting Minutes were approved unanimously.

**Treasurers Report**

Terri Adams, Secretary, provided an overview of the financial highlights for the period. Ms. Adams reported that NASEO's revenues and expenses met projections for the fiscal year ending June 30, 2003.

**Nominating Committee Report**

Bill Keese, Past Chair, motioned to reappoint the current Executive Committee of the Board of Directors' for another year. Rick Grice, Colorado, seconded the motion.

### **Executive Directors Report**

Frank Bishop, Executive Director, began by telling the Board that the National Petroleum Council report, due out September 25, 2003, would include recommendations for increasing efficiency and conservation measures as a means to reduce natural gas demand.

Mr. Bishop indicated that the grant for energy emergencies should be in place on October 1, 2003, and that members should look for the development of communications protocols and resumption of the regional simulations.

Mr. Bishop said that NASEO recently signed an agreement to work with the Geothermal Heat Pump Consortium and was prepared to enter into an agreement with NAESCO to promote energy savings based performance contracting.

### **General Counsel's Report**

Jeff Genzer, General Counsel, provided an update on appropriations. He said that the Interior Appropriations bill may be taken up in the Senate. Key information regarding appropriations included such items as: (1) SEP in the House Bill, \$45 million; Senate, \$44 million; and (2) language supporting the STAC initiative, \$4 million in the House, \$5 million in the Senate. He also updated the Board on the status of Agriculture and VA HUD Appropriations.

Mr. Genzer informed the Board about NASEO's letter to Chairmen Tauzin and Domenici which supported certain provisions of the energy bill. He provided the Board with a memo outlining positions for their consideration (see Attachment A). Following are the positions on which the Board voted.

- 1) SEP, Weatherization, and LIHEAP reauthorization, EnergyStar appliance rebate program and public buildings energy efficiency program authorization. Bill Keese, Past Chair, motioned to approve.

**Vote:** Passed. Unanimous support.

- 2) (a) Oppose federal eminent domain for electric transmission siting. Bill Keese, Past Chair, motioned to approve. Tony Usibell, Washington, seconded the motion.

**Vote:** Passed. New York and Colorado abstained and Ohio voted no.

- (b) Support mandatory reliability standards with deference to regional state entities.

**Vote:** Passed. Colorado, Alabama, and New York abstained.

- (3) Renewable Fuels Standard: Tripling of use of ethanol. A separate provision would help small producers. The oxygenate standard would be eliminated. Sharon

Tahtinen, Iowa, moves to support the tripling by the earliest date, 2012, and to not address other issues such as the small producers' provision.

**Vote:** Passed. New York, California, and Colorado voted no.

(4) Vehicles: Promotion incentives for hybrid vehicles. Bill Keese, Past Chair, moves to support increased promotion of incentives for hybrid vehicles. Rick Grice seconded the motion.

**Vote:** Passed. Unanimous support

(5) Alaska Natural Gas Pipeline/ANWR. Bill Keese, Past Chair, made a motion for NASEO not to address the ANWR issue. Jim Ploger seconds

**Vote:** Not addressed.

(6) Climate Change.

**Vote:** No action.

(7) Streamlined oil and gas permitting. Rick Grice, Colorado votes in favor of streamlining oil and gas permitting on public lands as well as consolidation issue that Jeff mentioned. No second.

**Vote:** Dead.

(8) Nuclear Energy: Tax benefits for 6 new reactors and federal incentives.

**Vote:** No action.

(9&10) Clean Coal Technology and Hydrogen: Authorizations for clean coal technology. Jeff Herholdt, West Virginia, moves to accept authorizations for clean coal technology. Sara Ward, Ohio, seconds.

**Vote:** Passed. Unanimous support.

(11) Indian reservations: leases and right of way approvals.

**Vote:** No action.

(12&13) Non-RPS Renewable Energy Provisions, Taxes: Bill Keese, Past Chair, moves to support balanced funding for renewable energy, energy efficiency, hydrogen, traditional fuels and energy efficiency tax credit for new and existing homes, the latter is contained in the house bill. Terri Adams, Alabama, seconds. All in favor.

**Vote:** Passed. Unanimous support.

At the conclusion of the discussion, Tony Usibelli, Washington, suggested that the Board of Directors direct the NASEO Government Affairs Committee to submit specific and formal resolutions to the Board for approval/rejection in the future. Bill Keese and other members supported the suggestion.

**Jim Fischer, EERE Board of Directors, U.S. DOE**

Jim Fischer, member of the EERE Board of Directors, informed the Board about his efforts to learn how EERE programs can increase partnerships with land grant universities. He requested ideas, thoughts, and direction regarding how EERE can build partnerships in the higher education sector to aid EERE in formulating their sector plan.

**National Biomass State-Regional Partnership**

Jeff Herholdt, Parliamentarian, presented an update on the National Biomass State-Regional Partnership. He explained that \$3 million was put in the federal budget to continue partnership efforts. There are several groups working with DOE to reinstate multi-state funding. A project management plan is expected and will be unique for each of the five participating organizations. NASEO agreed to serve as secretariat for the partnership. Each organization will present individual workplans to DOE and another meeting is planned.

**Energy Emergency Response Update**

Jeff Pillon, Chair of the Energy Data and Energy Security Committee, suggested that as this fall marks the 30-year anniversary of the Arab Oil Embargo, NASEO should consider a “then and now” public relations piece and include energy emergency activities. There are an abundance of activities within the energy emergency sector, including early year price spikes, war in Iraq, Northeast power outage, and natural gas shortages.

Mr. Pillon also updated the board on recent cooperation with DOE. He said that Denise Swink, Acting Director of the Office of Energy Assurance (OEA), assists the Department of Homeland Security in the energy arena. On a day-to-day basis, Ms. Swink’s office wants to help prepare states for energy supply disruptions and energy emergencies.

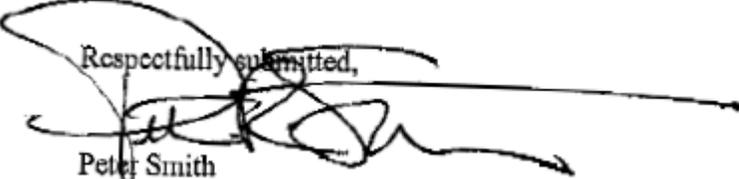
NARUC and NASEO, with NCSL, NGA, NETL, and OEA, are working on energy assurance initiatives. The organizations will implement a nationwide communication system so each state level contact in each appropriate sector is notified in the case of an energy emergency. Additionally, the organizations will develop energy assurance plan models and guidelines. Jeff Pillon explained the difference between energy assurance and energy emergency. With energy assurance, there is a move into critical infrastructure and mitigation to minimize impact of destruction. Regional exercises will be a part of this initiative, as well as the reinstatement of the Energy Emergency Information

Coordinators list, organization of outlook conferences, and enhancement of the energy assurance capabilities of the states.

Mr. Nunley then called for a closed session.

After the closed session, Mr. Nunley adjourned the meeting.

Respectfully submitted,

Respectfully submitted,  
  
Peter Smith