

## **MIDWEST REGIONAL MEETING NOTES**

Mar 30-31, 2010 - Des Moines, Iowa

### **Tuesday, March 30 – 8:45 am**

**Monica Stone, Iowa Office of Energy Independence** – Welcome; filling in for Roya Stanley, director of Office of Energy Independence (not able to attend because of death in family); called to order 8:45 am; introduced Mayor of Des Moines, T.M. Franklin Cownie;

**Mayor Franklin Cownie, Des Moines** – Greetings and welcome to Des Moines; spoke about importance of energy independence, lowering our carbon footprint, clean energy, sustainability;

**Larry Bean, Midwest Regional Coordinator** – Thanks for taking time to attend; meeting is consistent with NASEO's regional coordinator initiative to provide technical assistance to states; this meeting came from states; agenda items came out of meetings with SEOs; this is first meeting of any region - first region that asked for a meeting;

We want to learn from meeting; need to know how to improve future meetings; need feedback; there is a number of resources here at this meeting, but most importantly is you, the state energy office staff; also have DOE, number of stakeholders (such as ESC, Midwest Governors, MEEA, etc.);

Thanks David Terry, Chad Woodworth, Kate Marks and Shemika Spencer of NASEO in helping with meeting arrangements; thanks to Amy Butler of Michigan SEO who is regional representative for NASEO;

Gave a brief review of the agenda - includes the importance of smart grid, ARRA update; a states roundtable is important to share success stories with other states; tomorrow, there is an energy assurance update, a very important issue (there is a meeting in Denver in April on energy assurance); 6 of 8 Midwest states have received industrial grants; green jobs session is important; and concludes with an important session on looking ahead; some states have asked for similar meetings within states with local grantees.

**Session: Regional Transmission & the Smart Grid** – Greg Watkins, moderator, IA Office of Energy Independence

**Mike Gregerson, Consultant with Great Plains Institute;** has been with Great Plains for 5 years; with Midwest Governor's Association for 3 years; he believes work SEOs doing is critical, that states and regions will show the leadership;

He asked how we can make transmission issues interesting when folks are involved in making the current load of grants work; transmission is viewed as problem *and* opportunity; the present grid started with power plants;

FERC Order 890 established equal access; subject to lot of state and federal regulation; things have changed dramatically; today's national grid is 164,000 miles of infrastructure; 750,000 MW of generating capacity from 3,000 utilities; country now has 8 regional transmission organizations and 3 interconnections - Eastern, Western and Texas (known as ERCOT);

The electric transmission grid is a national treasure neglected; it has been named the greatest engineering achievement of the 20<sup>th</sup> century; transmission investment has declined in last 15 years; national policy direction on transmission is a work in progress; there are many areas with good wind, i.e., in rural areas with sparse population; he referenced a wind siting cost tradeoff, i.e., 20% vs. 40% capacity factors - costs and tradeoffs establishing resources instate and out of state; there are challenges – aging & deteriorating infrastructure,

more dispersed sources of generation, wholesale competition among generators, complex bulk power markets, and arrival of the digital economy;

Midwest/Eastern region transmission planning efforts are underway – Midwest ISO and 5 other eastern RTO planning groups; they are looking at large scale AC & DC energy; the study concluded with New York and the Northeast pulling out; he reviewed a number of efforts over the years; and there are studies still underway – a Midwest ISO Regional Generator Outlet Study (RGOS); lots of attention recently is DOE Eastern Interconnection Planning Collaborative (EIPC) covering 38 states and 3 provinces of Canada; timeline is 3 years; DOE Eastern Interconnect State Planning Collaborative (EISPC), representatives from states (Governors, utilities, PUCs, SEOs);

Midwest ISO RGOS identified renewable energy zones; showed examples of regional planning efforts, i.e. Southwest Power Pool (SPP), Midwest Independent Systems Operators (MISO); there are some obstacles to carrying out regional transmission plans – such as cost allocation, transmission siting; siting of major transmission; siting faces major challenges; and cost allocation is complicated;

Believes a good strong regional transportation planning is allows most efficient use of electricity;

**Milind Naphade, Manager, Services for a Smarter Planet, IBM –**

Likes to say world is smaller & flatter, easier for people to connect with each other; have to realize we are competing with everyone; putting pressure on planning and use of resources; 36.8 % projected growth in worldwide energy demand by 2030; 170 billion kwh wasted each year by consumers;

A 15% reduction in peak loads could save \$70 billion;

“Leading” in a new environment shaped by 3 key factors - climate change concerns; consumer empowerment; and technology innovation;

Imperative from government and consumers alike for energy and utilities organizations to transform themselves; need to deliver power more responsibly and more efficiently; working to a smarter energy value chain;

Instrumented –

Interconnected – 1 billion strong in internet; 4 billion mobile phones worldwide;

Intelligent – can respond to changes quickly; 5% more efficient;

Transforming the grid needs to be done; with smart energy and utilities; discussed examples worldwide of new technologies being used;

Helping customers conserve energy using new tools; examples worldwide;

Reducing greenhouse gas emissions; smoothing power demand;

Having access to real time information about the flow of energy enables utilities and consumers to make smarter, more responsible choices;

Transformed grid empowers consumer and provides the energy for the sustainable future;

In 2007, more than 50% of people live in cities; today's cities facing serious global challenges – terrorism, crimes, road congestion, clean water, etc.;

IBM Smarter City Sustainability Model – hopes to deliver timely info, insights and incentives; and optimize consumption; it works across silos of consumption; the delivery model will allow for lower barrier to entry and easier on-boarding; Model will be deployed in Dubuque, IA; with replication to be tested with other cities like Fairfield, IA, and other areas in Midwest and USA; looking for other cities; first IBM Smarter City in USA will be Dubuque;

**Session – Midwestern Energy Security and Climate Stewardship Roadmap 2009** - Moderator Bob Mulqueen, IA – he reviewed Midwest Governor's Association (MGA) Midwestern Energy Security & Climate Stewardship Summit, headed by WI Governor Doyle & MN Gov Pawlenty; briefly reviewed MGA Jobs Platform Strategies report; briefly reviewed MGA Energy Infrastructure Accord report;

**David Miller, Iowa Farm Bureau** – Explained the Midwestern Energy Security & Climate Stewardship Roadmap; roadmaps that helps to delineate where Midwest states want to go;

Gave an overview of MGA Bioeconomy & Transportation Committee; policy development tasked with developing a set of policies in support of platform goals and objectives - lower carbon content, expand travel choices, support regional development & deployment of trans techniques, increase perennial biomass supply and feedstock supply logistics, fleet fuel efficiency, strategy for more efficient driving, enhance freight transportation; platform goals included deployment of low carbon fuels (to scale up over time), etc;

Biomass Supply – need to identify and support regional demonstration projects for production, harvest, transport & storage of biomass feedstocks for utilization by a variety of low carbon bioenergy technologies; additional policy recommendations – included renewable fuel standard (RFS); 71% of gas in IA is E-10 blend, 132 stations in IA offer E85 (2<sup>nd</sup> in Nation);

Midwest is hub of national rail transportation, but have been neglected in last 40-50 years; bioeconomy challenges includes fractured policy approaches, regional programs at odds with each other, ILUC penalties; attracting investment is difficult – perceived high risk and returns; summary – Midwest is uniquely positioned to respond to potential of bioenergy & biofuels, much already happening, but much more can be done;

**Stacy Paradis – Midwest Energy Efficiency Alliance (MEEA)** – goal by governors in 2007 to meet at least 2% annual energy efficiency per year of natural gas and electricity by 2015, and 2% in energy improvements every year thereafter; priority policy recommendations is 2% energy efficiency from electricity and 1.5% annual reductions from natural gas; what changes that would have to happen on regulatory side is to provide cost recovery; also building codes – adoption of residential and commercial codes that meet or exceed national model energy; public sector needs to lead by example -15% by 2015, 20% by 2020, and 25% by 2025; another piece that wasn't part of first piece was the Midwest Combined Heat & Power (CHP) forecast, group recommended it double by 2013; also smart grid collaborative; charge to develop standard in Midwest, etc; another piece is energy efficiency and job training;

**Paul Loeffelman, American Electric Power (AES), Ohio (by phone)** – yes, there is a future for coal generation; engage in CCS (carbon capture and storage) work, and transmission grid work; coal is important to states and the MGA accord; states are concern with jobs; 90 CCS plants could represent 250,000 jobs; AES is involved in active efforts of CCS; rec'd \$334 m grant for project (half of cost of project); AES in 11 states, dominated by coal; anticipate having to make changes (66% is coal, 22% is natural gas; 6% is nuclear; 6% is pumped storage/hydro/wind);

US policymaker goals: electricity is reliable and affordable, moderating electricity price increases, sustaining the engine of economic growth, increase environmental protection; the 2009 EPRI (Electric Power Research Institute) Prism included a 41% reduction in carbon in 2030 from 2005 level is technically feasible; future generation mix and electricity costs by 2050 will be totally different; there will definitely be some forms of CO<sub>2</sub> regulation coming in future;

How can reductions be achieved? - need early financing, technically developed and quickly deployed at scale, invest recovery from ratepayers, establishing enabling public policies (i.e., Carbon Capture & Storage or CCS); renewable energy with enabling transmission and use of GHG offsets to bridge the gap until CCS technologies are commercialized;

AEP doing a project (Mountaineer CCS demo project) in West Virginia; it will capture and sequester 100,000 metric tons of CO<sub>2</sub> per year, with help of a DOE grant; will be difficult to meet goals without help from states; AEP first to do project in the USA; states differ in passing carbon storage laws; offsets are important, AEP is interested in working with farming interests, PUCs, etc.; offsets can help technical transition and reducing costs; baseload generation has major role in jobs creation;

**Mike Gregerson, Consultant to Great Plains Institute** – gave an update on Midwest Governors Association (MGA) Renewable Electricity & Transmission Adequacy – MGA renewable electricity goals adopted in 2007 of 10% by 2015, 20% by 2020, 30% by 2030 (10,000 MW above current state standards); need adequate transmission capacity;

Recommendations from MGA Roadmap on Renewable Electricity; implement state Renewable Energy Standards (RES), completion of regional transmission studies, remove regulatory barriers, identification and agreement on renewable energy zones;

Midwest ISO generates 3,000 to 5,000 MW of wind each day; in final stages of approval of renewable energy zones; working with Midwest ISO how to prioritize goals; working with ISO on cost allocation;

**Bob Milqueen** – reviewed Governor Strickland's 2010 Chair's agenda for MGA, smart grid, carbon capture and storage (CCS), jobs platform;

**Lola Schoenrich, MN (Midwest Governors Association)** – comments on coal in Midwest, several coal producing states,

### Questions?

**Larry Bean** – how can CCS help enhanced oil recovery, there are lots of oil in region:

**Paul Loeffelman** – excited about working with states with CCS and enhance oil recovery; some companies would like reliable and affordable CO<sub>2</sub> being available;

**Larry Bean** – question about offshore wind potential;

**Mike Gregerson** – there is interest, but don't have good cost estimates now; in talks with manufacturers like Vestas and Siemens; offshore has more severe weather conditions (ice and wind) and maintenance challenges; technical work now going on to make improvements; most offshore going on in northern Europe now; there are issues on east coast in USA, such viewscape concerns to place further out which raises costs;

**Janet Streff** – question, notice not all had time frames, why or why not?

**Stacey Paradis** – my understanding, doesn't look like lots of states aren't going to reach EE goals;

**Dave Miller** – some progress in goals on advanced biofuels;

**Paul Loeffelman** – some goals in clean coal are challenging, have been hurt by recession; changeover is going to be little slower to cleaner plants; regulators will be reluctant to implement deployment right now; goals for 2050 is achievable;

**Question** – any comment on carbon credits?

**Dave Miller** – IA Farm Bureau was largest agriculture carbon trading program thru Chicago Climate Change; but market has collapsed, was trading for \$7.50, now 15 cents a ton; have learned a lot; thinks has lot of potential;

### **LUNCH – Doug Scott, Director, Illinois Environmental Protection Agency**

#### **Session – ARRA Update**

**Gene Runkle, EECBG Acting Director, DOE (by phone)** - Top 4 block grants. Most are energy efficiency retrofits - 1000+; energy efficiency and conservation strategy planning - 600+; energy efficiency programs for buildings – nearly 400; and traffic signals and street lighting – nearly 400;

He showed several example of local EECBG projects and showed several examples of success stories on website; types of grants \$767 million to states (180 day requirement for states to pass along 60% of their allocations to provide sub-grants to non-formula local governments in the state – unless in NEPA review); \$1,249 million to cities; \$643 million to counties; and \$55 million to tribes;

Currently have over 2,000 grantees that are obligated; have establish goals; by March 31 want grantees to have \$1 billion obligated by grantees; DOE to have made NEPA determinations on 75% of projects for which DOE has complete information; by April 30 - DOE have made NEPA determinations on 100% of the projects for which DOE has complete info; by June 30 - grantees to have \$2.5 billion in awards obligated; 2,213 grants have been awarded, grantee obligations of \$2.4 billion; grantee draw downs is \$98 million; obligated unconditional funding is \$1.07 billion;

To assistance in processing NEPA requests, have implemented a NEPA Tiger Team; also have a Technical Assistance Tiger Team; have implemented a Problem & Progress Tracking System; he showed slide of 12 activities with likely NEPA categorical exclusions;

In regard to procurement improvements – under \$10 million, grants do not need to be submitted for technical review and approval; Historical Preservation - that require SHPO (State Historical Preservation Office) determination - only require on \$10 million and above; grantees no longer need to get contracting officer approval for changes not affecting scope of services; closing the Funding Opportunity Announcement (FOA) by April 20 for those who do not apply; moving to monthly reporting;

Technical Assistance – now have regional coordinators and a solution center implemented; Peer to Peer collaboration coming soon; have a General Counsel hotline for legal questions, with goal to respond within 48 hours; (showed lists of people in each area of expertise and web pages available for information to states);

- General Counsel hotline [GChotline@hq.doe.gov](mailto:GChotline@hq.doe.gov)
  - Reporting and Management Tools [frank.norcross@ee.doe.gov](mailto:frank.norcross@ee.doe.gov)
  - NEPA Compliance [pete.yerace@emcbc.doe.gov](mailto:pete.yerace@emcbc.doe.gov)
  - Buy American Provision [benjamin.goldstein@ee.doe.gov](mailto:benjamin.goldstein@ee.doe.gov)
  - Davis Bacon Act Labor Requirements [eva.auman@hq.doe.gov](mailto:eva.auman@hq.doe.gov)
  - Financing Program Design [bret.kadison@ee.doe.gov](mailto:bret.kadison@ee.doe.gov)
  - Technical Assistance [marion.lunn@ee.doe.gov](mailto:marion.lunn@ee.doe.gov)
  - Historic Preservation Act [derek.passarelli@go.doe.gov](mailto:derek.passarelli@go.doe.gov)
  - Activity Eligibility [michael.york@ee.doe.gov](mailto:michael.york@ee.doe.gov)
  - Communicating Recovery Act Success [christopher.galm@ee.doe.gov](mailto:christopher.galm@ee.doe.gov)
  - Program Guidance [mark.johnson@ee.doe.gov](mailto:mark.johnson@ee.doe.gov)
  - Outreach and Best Practices [rima.oueid@ee.doe.gov](mailto:rима.oueid@ee.doe.gov)
- 
- **EECBG Program Home Page** <http://www.eecbg.energy.gov>
  - **EECBG Program Guidance Page** [http://www.eecbg.energy.gov/about/program\\_guidance.html](http://www.eecbg.energy.gov/about/program_guidance.html)
  - **EECBG Solution Center** <http://wip.energy.gov/solutioncenter>
  - **EECBG FAQs** <http://www.eecbg.energy.gov/about/FAQ.html>
  - **EECBG -Recovery Act Benefits Calculator**  
[http://www.eecbg.energy.gov/Downloads/ARRA\\_Benefits\\_Reporting\\_Calculator.xls](http://www.eecbg.energy.gov/Downloads/ARRA_Benefits_Reporting_Calculator.xls)
  - **EERE Recovery Act Activities** <http://www.eere.energy.gov/recovery/>
  - **Archived webcasts** <http://www.eecbg.energy.gov/solutioncenter/webcasts/default.html>

DOE having series of regional meetings on EECBG (showed list); Golden Field Office handling grants above \$2 million; Oak Ridge National Lab handling grants from \$250,000 to \$2 million; Las Vegas Office of Radio Actively handles grants under \$250,000;

### **QUESTIONS:**

**Angela Chen, IA** – what does obligated mean? i.e. Mar 30 and April 30 goals;

**Answer** -monies obligated or awarded to subgrantees, in contracts;

**Angela Chen, IA** – SHPA agreement?

**Answer** – many states have 30 day SHPO requirement; if states have not answered, is automatically approved, if SHPO answers back, then 30 day requirement does not apply;

**Marsha Boone, MO** – on Buy American, what are the requirements?

**Answer** – applies to anything dollars are being used for; some exceptions – i.e., some street lights excepted because USA doesn't have the manufacturing capacity;

**Amy Butler, MI** – in regard letters to local entities about block grants, request SEOs be notified of any letters sent;

**Answer** – several small counties and tribes haven't responded; will notify SEOs when letters are sent to local entities;

**Mark Bailey, DOE Office of Weatherization and Intergovernmental Programs (OWIP)** – gave SEP Progress and Updates ARRA – said similar technical assistance contacts are same for SEP as EECBG;

Huge opportunity, but also huge responsibility; a lifetime opportunity, could lay groundwork for public benefit funds; DOE has SEP funds of \$3.1 billion, planned leveraged \$4.7 billion; total funds \$7.8 billion; where are the dollars going? – transportation \$122 million; policy planning/energy security \$137 million; industry \$217 million; energy education \$104 million; electric power & renewable energy \$887 million; buildings \$1.6 billion;

SEP is showcase of developing clean energy economy;

Guidance update – includes recent updates on financing; Buy American; historic preservation; Davis Bacon; NEPA, and reporting;

DOE wants to apply Weatherization (WAP) Davis Bacon rates to SEP; if funds are provided to home owner, there is no Davis Bacon requirement, if dollars go to contractor, Davis Bacon does apply; Department of Labor (DOL) wage determination negotiations in progress;

On reporting – just sent out letter got approval from OMB to do monthly reporting; strongly encourage a march report of Feb activities; required for April; questions about job reporting – recovery.gov is only counting federal dollar job creation; other reporting includes leverage of jobs -

\$3.069 billion - DOE obligation

\$2.312 billion have NEPA review

\$1.182 million of state funds obligated

\$100 million of payments to states (encourage expedient costing i.e., draw downs); all states in Midwest have had “Quick Draw” telephone calls in last month; DOE wants to show states in best light;

Some other things going on in DOE -- competitive grants out in next 2 weeks (around \$28 m total – with some from Office of Electricity); new formula grants for states out last week; continuing policy work; working with ACEEE and NREL on best practices; states will find technical assistance much more robust than past; working with market transformation groups across country;

SEP assistance is available by telephone, emails, website – same as EECBG;

Looking forward to time of sharing success stories; how SEP affects citizens; doing national capacity study, trying to capture facts and figures, has national evaluation team;

**David Terry** – thanks for all work done in last year; challenge DOE to help explain good procurement processes; pay after work completed; to help explain to Vice President and White House; re: jobs can't count on capital expense jobs;

**Mark Bailey** – would be glad to count jobs on capital dollars; but have a challenge with OMB and other Federal entities; for example, obligations have been success story; yet, from chief financial officer point of view, still challenging – they look at draw-downs; is there a way to account for a cost accrual category?;

**Amy Butler, MI** – moving dollars to other funds - under 10% - is no amendment needed?;

**Mark Bailey** – call if have questions on amendments; trying to speed up amendments, a week or so response;

## **STATE ROUNDTABLE UPDATE:** *(5 states present)*

**Angela Chen, Iowa Office of Energy Independence** – couple great successes; press release from governor office, fund energy efficiency retrofit for capital complex in Des Moines, \$760k SEP dollars of \$3 million project, will save \$361,000 per year; Gov exec order, for state buildings to do energy efficiency projects; putting into additional \$10 million for state energy efficiency projects; \$3 m to state regents projects for energy efficiency; in EECBG in elementary school in southeast Iowa, hit hard by economy, \$750,000 with equal match, called them about doing more, school didn't have match program, they will do \$2.7 million project getting more dollars with another loan program; local entities has requirements for procurements, reimbursement method;

**Marsha Boone, Missouri Department of Natural Resources** – put in charge of agricultural portion of ARRA funds; last to come out the gate; block grants cost share for agriculture, from corporate operations to hobby farmer; \$5,000 cost share over 560 applications for program, set goal of 600, may exceed, deadline is April 15; notify by June 15, shortly afterward send out contracts; SEP agricultural program \$7.5 million program, had some weaknesses, revamped, hope to have contract signed by end of week, doing with Shaw; Appliance rebate program – contractor getting lots of responses; getting ready to roll out;

**Jeremy DeFiebre, Minnesota State Energy Office** – SEP – worked with building organizations, launch rebate program; majority of dollars; took some risks but paid off; other program in December; appliance rebate program had 1,250 rebates, about 950 flipped already, \$2,150 average rebate; in housing finance, rebates for income cap of \$96,500; large demand, working to add additional \$1.3 million more dollars; in 12 hours \$500,000 committed; \$3,500-3,600 range of rebates, about 2500 rebates, \$8 million in fed dollars - leveraged 3 to 1; issued RFP for commercial industrial EE program, 46 applications; estimated \$4 million in annual savings; less success with small cities, because of Davis Bacon, NEPA, Buy American, etc.; reassessing approach, whether can utilize funds;

**Dave Jenkins, Wisconsin State Energy Office** – 3 projects; goat cheese plants – they produce high strength waste water, causes water quality problems; project takes waste water and uses digester, makes fuel for generating electricity; the environment community likes; used \$800,000 from SEO, leverage \$2.5 million; project will be complete in July; also have Giga watt scale project - look at 60 small coal plants (older ones under 50 mw) to convert to biomass; have so much useful biomass in state that can use as fuel; about 150 mw of conversion to biomass from coal, may get 300 mw; energy dependent communities projects – 100 communities have endorsed 25 x 25 initiative, trying to get more dollars for program;

**Amy Butler, Michigan State Energy Office** – EECBG program - had 2,500 communities eligible; would take a broad effort to get them ready to apply; worked with counties and cities - to participate in cities programs, did seminars to prepare them; encouraged cities to work together - to submit applications together; 269 applications submitted - ended up with 129 grants selected; very excited about it; entitlement projects, MSU was doing pilot on social networking IT system; funds from SEP with \$1.2 million from Public Benefits Fund to support Michigan efficiency communication network; leverage 4-5 different programs to maximize effectiveness; put 85% of EECBG into communities program; rest of funds in street lighting program - using led and next generation induction lighting from Michigan companies; partnering with California and New York; for appliance rebate program, at 20% now - focused on rural areas (target areas that wasn't covered by utility programs);

**MO** – working on a program - Power Down - to get state employees to shut off unused lights and appliances; is anybody using social networking?;

**MI** – established green teams within each agencies, each floor, internal website;

**IA** – do states have loan programs?;

**MN** – yes, we have loan program;

**MI** – have any states run into state deadlines?; learned this morning that we have April 21 deadlines for state contracts to be put into effect (Michigan has Sept 30 fiscal year close); deadline is earlier than ever before; used to be around July 31;

**IA** – providing additional contract with engineering firms; about \$1.3 million for 3<sup>rd</sup> party measurement and verification;

**MI** – expressed concerns over monitoring, measurement and verification, etc

**Larry Bean** – measurement and verification and building codes didn't make it on agenda for this meeting; states have asked for it;

**ADJOURN at 4:25 PM**

### **WEDNESDAY, March 31, 2010 - 8:30 AM**

#### **Jeff Pillon, Energy Assurance Update, NASEO**

Energy Assurance Planning (EAP) Objectives – fund jobs to enable development and implementation of effective, energy assurance and resiliency plans, to develop in-house expertise is key element; integration of new technologies, such as smart grid, etc; revise current policies as many are out of date; building organization relationships - need good in-state relationships among different agencies and organizations;

Schedule of EAP deliverables – Management Plan was due October 2009; Workforce Development Plan was due in November 2009; Energy Supply Disruption Tracking Process, due in Aug 2010; Energy Assurance Plan due within 18 months (February 2011); Energy Assurance Exercises will be August 2011 thru March 2012 (includes intra-state and inter-state regional exercises); Close Out in August 2012 with reviews and revisions;

Working closely with DOE's Office of Electricity Delivery and Energy Reliability;

There are resources available, local guidelines, state guidelines (on NASEO website); quarterly ARRA EAP Bulletin (first was in January 2010);

Important to have good contacts, individuals in each state and other agencies, need direct line to those doing the work;

ISERnet – a private list of contact folks, sponsored by NASEO and NARUC;

What is energy assurance?; deals with all hazards; can't get too focused on individual events; comes down to two things – Energy Emergency Preparedness and Critical Infrastructure Protection;

A very difficult area - Cyber Security - threats are growing; NARUC worried about it; smart grid has potential from cyber security threats; but it also has benefits in resiliency;

Review ten actions: 1) staff should be prepared to respond to policy makers; 2) know your state's energy profile and interdependencies; 3) know geography and demographics of energy infrastructure; 4) know key government and industry contacts; 5) maintain good working relationship with private and public sector contacts; 6) be prepared to work with media; 7) know legal authorities; 8) understand how you can effectively respond; 9) maintain an alternative budget for emergencies; 10) keep your energy assurance plan up to date;

Elements of energy emergency plans – executive summary, introduction and purpose of documents, summary of state's energy used and expenditures, description of event that have caused past energy shortages, state agencies and their roles, management decision process, legal authorities, public information program, etc

Need energy efficiency response plans for three areas: natural gas, electricity, and petroleum;

Natural gas plan – description of system and infrastructure, monitoring supply and demand, managing supply and assuring essential public needs, reducing demand

Electricity plan – same basic as natural gas, need to know where ISO emergency response plans are, monitoring supply and demand, independent system operator emergency response plan summary, transmission system operator emergency plans;

Petroleum shortage plans – same basics as natural gas and electricity; managing supply and assuring essential public needs, reducing demand; petroleum is one of more difficult areas (natural gas and electricity are regulated, therefore easier to plan);

Elements of each response measure: 1) program elements, 2) coordination, 3) implementation, and 4) impact assessment;

Critical infrastructure protection plans for enhancing resiliency is important; resilience has four factors: 1) robustness, 2) resourcefulness, 3) rapid recovery, and 4) learning lessons; should read the National Infrastructure Protection Plan (NIPP); another key document is Energy Sector Specific Plan (SSP) - new plan will be out in 2010;

### **Sandy Glatt, DOE Industrial Technologies Program Update –**

Industrial sector has not gotten attention it deserved; single largest sector in economy; largest GHG emitter, user of energy; strategy is to change paradigm; typically doesn't play with public sector, difficult to work with, highly technical;

“SAVE ENERGY NOW LEADER GOAL” – drive a 25% reduction in industrial energy intensity in 10 years; heavily focused on R&D, fairly robust outreach program, grants to states and entities voluntarily agree to reduce energy intensity by 25% or more over 10 years, and receive DOE support in meeting their energy management goals;

Energy and carbon is tied together, industry worried over carbon regulations; those that sign on to pledge get assistance; get account manager designated;

Has SAVE ENERGY NOW tool box; includes tools, training, assessments, etc;

As of March 17, 2010, have 47 companies that have signed on;

Partnerships: lots of key players, Save Energy Now LEADER, Save Energy ALLY (key trade associations), states, supply chain, international collaboration, utilities, interagency coordination;

State and regional partnerships – offer a first-hand understanding of local barriers and opportunities; have 23 state partners now funded by DOE; initially had 12 states; ARRA added funding for 11 more states; in addition to funding,

We do regional collaboration – such as SE Industrial Energy Efficiency Summit (June 2008); Northwest Industrial Energy Efficiency Summit (February 2009), Midwest Industrial Energy Efficiency Summit (September 2009); 5 ARRA State Regional Awards;

Distressing about SEP in that no dollars in industrial programs; can't continue to be an ignored sector; ALLY organizations: universities, utilities, suppliers, industry associations, non-profit organizations, state organizations;

Have developed enormous amount of resources; such as ITP web pages; data indicators, activity, etc. Have developed a repository of 2,750 energy incentives, tools, and resources of commercial and industrial managers available at national, state, local levels; have regional resource handbooks; very valuable; have individual state pages on web site;

### **Jeannine La Prad, Corporation for a Skilled Workforce – Green Jobs: Training & Certification**

Her organization has been working with Midwest Governor's Association (MGA) for past year; the MGA energy security and climate stewardship platform goals was used in the development of jobs platform assessments and education training;

Midwest New Energy Jobs Platform – creating new, but also transforming existing jobs; 6 objectives – key ones: each state is clear about its assets, making sure funds are brought together, how to strengthen existing education platforms;

What is definition of clean energy economy jobs? - environmental, energy reduction, environmental and energy reduction, adding in a quality of jobs focus;

Important to have SEOs involved; strategies – focused on manufacturing, i.e., renewable energy, etc; states are facing energy, economic and workforce challenges now, reducing consumption, increasing jobs, increasing capital available, etc;

### **Rob Denison, President, Des Moines Area Community College (DMAC) -**

DMAC is part of 12 state group of community colleges; need to develop theme on regional basis and implement them; for example, 7 counties in central Iowa – known as Iowa Innovation Gateway; part of Global Midwest Community and Technical College Consortium (MWCTCC) – 250 schools in 12 states, each will list their resources; six schools have already entered into data base; <http://www.Midwestpowerskills.net>

Community colleges need to work together; have created a new Iowa energy/labor exchange for jobs in energy, will list jobs available;

Role for SEOs; quick to respond to needs, should participate in April 7 seminar; get 230 community colleges in Midwest region to complete online survey; SEOs should have power to convene groups and colleges; to talk;

**Janet Streff, Minnesota State Energy Office, Chair of State Energy Advisory Board (STEAB) –**

established 20 years ago by Congress; SEOs and others to have voice; 19 members (SEOs, WAP, land grant colleges, utilities, nonprofits, etc), charged to report annually to Secretary of Energy and Congress; to provide recommendations to Assistant Secretary of EERE; STEAB visits Labs; this is interesting times right now, with ARRA funds; set some priorities this year, one huge one – to bring EERE to scale in USA, to lay groundwork to how to move forward after ARRA; help to reshape state and local partnerships; EECBG requires a committee to be established; need to be working with other Federal agencies more; are we working closely enough with USDA and state extension services located in most counties and land grant colleges?; challenge to capture the momentum that ARRA has created; to accelerate the development of green jobs;

**David Terry, NASEO, What's next for State Energy Offices?**

Wanted to cover some NASEO things; would have done this with or without ARRA funds; important to make the reconnect of regional events; work of NASEO board in November of 2008 played a key role in getting SEP current ARRA funds; have done better job of connecting ASERTTI and NASEO resources, etc;

Programs NASEO is working on now:

**Technical Assistance** – have establish seven NASEO regional coordinators, needs are reflected back to DOE;

**Industrial Program** – funding difficult over years, in Feb brought together groups of external groups to move forward with other groups

**Energy Assurance** – good to have resources now;

**Electricity area** – helped formed Nat Council Elect Policy with NCSL, NARUC

**International program** – now the program has been limited, expect to expand program, in about 3 months

**Buildings** – NASEO has rebuilt the program, will have staff person in near future, working closely with DC groups involved in buildings codes (30% over existing codes); there will be a National Codes Conference in fall; Brian Henderson (SE Regional Coordinator) is leading effort; includes a zero energy effort; working with 17 groups on a steering committee; Kate Marks is leading effort;

**Institutional area** – long partnership with ESC, NAESCO, and Dale Hahs – president of ESC;

**Energy Star** – ongoing

NASEO is beginning to structure a renewables program - NASEO has not been as active in renewable in past;

New studies coming out – workforce development in Central Region; best practices draft paper out this summer and will be presented at fall annual meeting in September in Boston;

Jobs bill – has home star retrofit program with rebates to be handled at federal level with some state involvement; has industrial efficiency component - Combine Heat and Power and manufactured housing;

Climate Bill – not optimistic, in reality Congress will probably move on to energy; most bills have state allocation; latest draft does not have state allocation; need to have it in the program;

Energy Bill – probably won't see anything until late June; big things are Renewable Portfolio Standards (RPS) and Renewable Fuels Standard (RFS) - these two items can happen without money; wind production tax credit and ethanol tax credit both expire later this year; need to be extended;

SEP appropriations – uses PAYGO system, need to keep SEP formula funding going without competitive portion; recommendations is at \$75 million level; budgets will become more difficult because of national debt challenges; had good response with recent Senate Committee Hearings with state success stories (one page updates from each state represented on committee);

Reminded attendees the importance of NASEO Governmental Affairs calls about every 6 weeks;

**MO** – want PowerPoint presentations, (Answer: will be on NASEO website by tomorrow);

**David Terry** – suggests need of an all-states meetings, like held in past;

**Jeff Pillon** – maybe need a boot camp for new SEO directors, like NARUC does for PUC commissioners;

**Mark Bailey** – maybe DOE will have an all-states event, will follow up, and have talked to DOE staff;

**MI** – we don't have time to compile good stories with current staff overload;

**David Terry** – Jim Arwood (NASEO's SW Regional Coordinator) can help states with success stories;

**Larry Bean** – it is important to use success stories and best practices that are featured on NASEO website; Region has a regularly schedule conference call next month;

**David Terry** – expressed appreciation to Larry Bean and Chad Woodworth for their efforts in putting this meeting together;

**ADJOURN at 11:32 am**