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ARRA IMPLEMENTATION OF STATE ENERGY PROGRAM
(SEP) AND ENERGY EFFICIENCY CONSERVATION
BLOCK GRANT PROGRAM MEETING
617 North 3rd Street
Baton Rouge, Louisiana 10801

* * * * *

The Meeting of **ARRA**, taken in connection with the above captioned matter at the Lasalle Building, 617 North 3rd Street, Labelle Room, Baton Rouge, Louisiana 70801 on Friday, August 14, 2009, beginning at 9:45 a.m.

Reported by:

Tara Torres-Blank
Certified Court Reporter
Certificate Number 22012

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A P P E A R A N C E S

LORI LEBLANC	T. MICHAEL FRENCH
PAULA RIDGEWAY	HAROLD JUSTICE
LOUIS McARTHUR	KAREN LEWIS
DIANA BROWN	DAVID McGEE
RENITA HOPKINS	BRAD HARRIS
TANGULAR JONES	KAREN BROWN
JIM SHAMBURGER	JOHNNY LEGGETT
JAY GUILLOT	NEDRA DAVIS
JULIE ARDINARIO	DONALD MOSELY
CHRIS PELLEGRIN	CHRIS YOUNG
LISA HENDERSON-DAVIS	HAROLD SMITH
BRANT RICHARD	JOHN SNOW
JERRY MICELLE	SAM MARTIN
SCOTT KIRKPATRICK	TROY CARTER
TONY LASKA	PAUL WEST
MICHAEL PACK	JEFF HEATON
MORGAN WAFSON	DERRELL COHOON
KENNY FERACHILER	RON CRUM
KIM CARVER	ERROL GEORGE
KRISTINE SHANER	GREG PALMER
JULIE HARNS	DUANE COWART
JOHN WILLIAMS	GERRY DUSZINSKI
WILL WILLIAMS	JIMMY JOHNSTON
DALE PENNINGTON	TODD BARLOW

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MS. LEBLANC:

But to begin, we're going to have Karen Lewis. She's heading up our Contracts and Grants Department here at DNR. And she's going to open up the meeting.

MS. LEWIS:

My name is Karen Lewis, I'm the Contracts and Grants Management Director. My role is to administer the RFP that has gone out with the revised practice of the State of Louisiana and to assure that the process is competitive and that the Program Manager may contract with the best possible company for the services that they need.

And there was a couple of things I wanted to remind you of. You have a handout that we have talked about, it's the written questions and answers that we have received already. And there are quite a few of them and I have answered the questions. She's walking in right

1 now handing them out.

2 And we just ask, if you get a
3 chance to look over them, but you
4 cannot repeat any of these
5 questions, you know, so that we
6 would be able to answer as many
7 questions that we have not received
8 on there. But if you do leave here
9 today and you have a question that
10 later on, if you come up with, the
11 deadline for written questions and
12 answers is Monday, August 17th at
13 3:00 p.m.

14 You may specific questions up
15 until that day. And a big list of
16 the written questions and answers
17 will be posted on the website as
18 soon as possible. Sometime next
19 week. It depends on how many more
20 questions we receive. And the next
21 thing I'd like to say is that this
22 conference is being recorded by a
23 Court Reporter, and a transcript of
24 this conference will be posted on
25 our website next week. We're hoping

1 by Wednesday.

2 So therefore, with the Court
3 Reporter, if you have any questions,
4 we're going to ask you to come up to
5 the mic and state your name clearly,
6 so that the Court Reporter will have
7 this Record when she transcribes.

8 And my role for the rest of this
9 conference will be able to answer
10 any administrative questions with
11 the RFP. So I'll turn things over
12 to Ms. Lori LeBlanc.

13 **MS. LEBLANC:**

14 Thanks, Karen. Once again, that
15 you so much and good morning, and I
16 thank you for coming out today. As
17 I mentioned earlier, this is an
18 opportunity for you all, who if
19 you've already, I'm sure, read the
20 RFP, and this is your time to answer
21 -- to ask the questions and get all
22 your questions answered.

23 So I'm going to be as brief as
24 possible. All I want to do today is
25 give you a brief overview of who we

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are, the Technology Assessment Division/The State Energy Office, who we are, what we do, and where we've been over the last eight months, and how we got to where we are today.

The attendance sheets will be on the transcript. The question was, "Can we make copies of the attendance sheets?" And Karen answered, "It will be part of the transcript." As I mentioned, I just want to give an overview of our structure and how this works within the Department of Natural Resources. Within the Office of Secretary we have a Technology Assessment Division and the State Energy Office.

The admission of this division is to promote and encourage the exploration, production and conservation and efficient use of energy and natural resources in order to improve the environment,

1 enhance economic development and
2 insure a better quality of life for
3 this and future generations.

4 Essentially, the State Energy
5 Office is a federally funded
6 program. It's funded annually by
7 the Department of Energy. And we
8 also have some additional PB
9 interval funds that we use to
10 implement programs. So these
11 programs are primarily energy
12 efficiency, energy conservation,
13 renewable energy and alternative
14 fuels and transportation programs.

15 This is an office that's already
16 in place. It already receives
17 funding from the Department of
18 Energy, and now economic stimulus is
19 providing us with a whole lot more
20 additional funds to do a lot more
21 with the programs that we have in
22 place and implement some of the
23 additional programs as you can see
24 in the RFP.

25 And I'll be talking little bit

1 about it today. Some of which you
2 probably know of. HERO is one of
3 our most popular programs. That's
4 the Home Energy Rebate Option that
5 provides a rebate to homeowners that
6 want make energy efficiency
7 improvements to their homes. That's
8 one of the more popular.

9 We do building code training.
10 We do solar demonstrations. We have
11 a clean cities program. So those
12 are a few of the programs that are
13 operated within the State Energy
14 Office. And just to give you an
15 overview of, you know, how we got
16 here, and who's been involved in
17 this whole Economic Stimulus Program
18 within DNR.

19 It's been a tremendous effort by
20 the staff, as well as the leadership
21 team, and if we have a leadership
22 team, and outline some of the people
23 here and who we are, and what our
24 role is. Of course, I already
25 mentioned my role. I've been tasked

1 to be the Economic Stimulus
2 Director. I'm fortunate, as I've
3 mentioned, I have a great team. We
4 have great staff.

5 They've done a tremendous job of
6 pulling all of this together in a
7 very short amount of time. Mike
8 French, as many of you I'm sure
9 know, is our Director of our
10 Technology Assessment Division. He
11 is the Director and he's been here
12 for 29 years now. And Bill Delmar
13 is the Assistant Director for
14 Technology Assessment Division.
15 Unfortunately, Bill is not here
16 today. Or I should say,
17 fortunately, he's on vacation, so.
18 Lucky for him. So Bill is the
19 Assistant Director and he's not here
20 today.

21 Paula Ridgeway, is sitting to my
22 left and he's the Federal Energy
23 Section Supervisor. She oversees
24 the federal energy programs that we
25 have in place and has been

1 tremendously involved in
2 coordinating a lot of this effort.

3 And then, Patrick Curez, who I
4 don't think is here today, he's
5 Public Information Officer for the
6 department. And he's been involved
7 in a lot of the public outreach
8 efforts thus far, and bringing all
9 that together. And then finally,
10 we're in the process of getting an
11 Internal Program/Fiscal Audit
12 Manager onboard, that's really going
13 to help us internally, make sure
14 that we are compiling with all of
15 the rules, and requirements and
16 regulations and perform that audit
17 function on an internal basis.

18 We should have this position
19 setup and in place within about a
20 week or so. So in about a week or
21 so we'll have somebody internally.

22 I want to let you know that this
23 is a team that's been working on
24 this, you know, this effort. I can
25 only think of it as effort. This

1 team is not going away.

2 We will still be actively
3 engaged and involved. I would
4 imagine we're going to have regular
5 meetings with the contractor to
6 offer direction and to offer
7 guidance. So I don't want you to
8 think that we are disbanding the
9 entire Economic Stimulus Team that
10 we have on board right now.

11 We realize it's a tremendous
12 effort and we will continue to be
13 involved in the program. I want to
14 give you an overview of the two
15 biggest programs that are part of
16 our Economic Stimulus Plan or
17 Program.

18 There are several items that you
19 probably know that there are several
20 components of the ARRA. It's a
21 huge, huge bill with a huge act.
22 And energy, just alone, had a lot of
23 components. And DNR, actually
24 worked on five different grant
25 applications. But the two that I'm

1 talking about today are the only two
2 that are part of this RFP.

3 And that's why these are the
4 only two that I have up here, and I
5 want to mention to you. The first
6 of which is a state energy program,
7 Louisiana Share. And all this is in
8 the RFP, but we're just reiterating
9 it. And my purpose here to day, let
10 me just say, the purpose is not to
11 -- I'm not going to go through the
12 whole RFP and everything that's in
13 the RFP. I'm just giving you a
14 broad overview.

15 So the first component is the
16 State Energy Program. It's
17 \$71,694,000, that's Louisiana's
18 Share. There is a guidance document
19 that I encourage you to read, if you
20 have not already read, and that's
21 listed up here. That's the
22 DEFOA0000052. So that's the
23 guidance document and I encourage
24 you to read it.

25 It's available on our website.

1 And this is the guidance document
2 that we've been going by for this
3 entire process. Our second program
4 is Energy Efficiency and
5 Conservation Block Grant Program.
6 And once again, there's a guidance
7 document for this program. These
8 are guidance documents that are
9 issued by the Department of Energy.

10 These came out in March and
11 they're going to -- These are the
12 documents that have offered us
13 basically the guidance on how to go
14 ahead and submit our plans to DOE.
15 And then also, all the reporting and
16 metrics and what not are included,
17 once again, on the website.

18 Now, the Block Grant Program is
19 one in which the top 10 cities and
20 the top 10 parishes by population,
21 are getting a direct allocation from
22 DOE. We were allocated about \$13.8
23 million, will come through DNR State
24 Energy Office for the purposes of
25 allocating that funding out to

1 eligible cities and towns, villages
2 and parishes that did not get a
3 direct allocation from the
4 Department of Energy.

5 Just to give you a little
6 overview of where we've been and how
7 we got to where we are today, and
8 the process that we got to where we
9 are today. First of all, let's go
10 back all the way to December of last
11 year.

12 We were actually asked by
13 Governor Jindal to start putting
14 together an economical stimulus
15 ideas and a plan for the departments
16 and it's going to go to the
17 Governor, and then it made it's way
18 on up to President elect Obama's
19 transition team.

20 So this really goes back to last
21 December, since we started working
22 on putting the pieces together of
23 what we thought was going to be part
24 of our Economic Stimulus Program.

25 In February of this year, we had

1 the opportunity, Mike French and I
2 went to the NASEO, which is the
3 National Association of State Energy
4 Offices. We went to the NASEO
5 conference in Washington, D.C. It
6 was actually a week or two weeks
7 before the Act was signed, and it
8 gave us a tremendous opportunity to
9 work with the Department of Energy
10 and other state energy offices to
11 kind of get some preliminary
12 guidance, even before the Act was
13 signed.

14 And to get some ideas of how
15 close we were going to be, going
16 about spending the money, the plans,
17 the programs and how we're going to
18 go about implementing the programs.
19 And also, you know, one of the
20 highlighted things that we learned
21 about is the importance of the
22 monitoring and verification
23 component that is not part of this
24 RFP, and I'm going to talk about
25 that in a few minutes.

1 But you know, these are the
2 things that we were able to get out
3 of the interacting with DOE and some
4 of these other state energy offices.

5 And of course, in February about
6 two after we came back, I think it
7 was about February 19th that the Act
8 was actually signed into place. And
9 then it was a mad scramble for
10 everybody to read through that
11 enormous Act and figure out exactly
12 what was in it and what it meant for
13 Louisiana.

14 And then finally, in March, we
15 were waiting and waiting, and
16 finally in March the Department of
17 Energy released the guidelines for
18 the State Energy Program and for the
19 Energy Efficiency and Conservation
20 Block Grant Program. So the
21 guidelines came out in March.

22 It was about that time that we
23 hired our initial contractor so they
24 could work with us closely on staff,
25 to help us put the pieces together.

1 You-all probably know him, his name
2 is Wade Byrd and he is with us
3 today. He helped us put together
4 all the ideas and the concepts for
5 these plans that went into the State
6 Energy Program and the Block Grant
7 Program.

8 And finally, in April I consider
9 that to be our very robust public
10 outreach month. We spent a lot of
11 time in April engaging state holders
12 and having a lot of workshops and
13 meetings, and getting a lot of input
14 on what we wanted to see in our
15 plan.

16 So we had various non-profit
17 groups, other state agencies, and
18 trade associations in the private
19 sector. So I considered April to be
20 our outreach month. And that was
21 all in the anticipation for finally
22 submitting in May we submitted our
23 final State Energy Program Plan to
24 the Department of Energy.

25 And that's basically the grant

1 application for the \$70,000,000
2 Economic Stimulus Program. Then in
3 June we finally submitted our Energy
4 Efficiency and Conservation Block
5 Grant strategy to DOE. And in July
6 we received, just a few weeks ago,
7 we received approval of a DOE State
8 Energy Program Plan. So we do have
9 approval of that one.

10 Also, in July, we issued this
11 request for proposals. So that came
12 out the end of July. And as of
13 right now, we are waiting on
14 approval of our Block Grant
15 strategy. We submitted the strategy
16 of our funding and how we're going
17 to allocate that funding to
18 parishes. We are awaiting approval.
19 We expect approval any day now.

20 They have asked us a few
21 questions that they needed to ask
22 us, but just based on some
23 conversations, we believe that that
24 approval will be coming any day now.

25 And as far as today we're

1 hosting our RFP conference and then
2 finally, the deadline for the RFP is
3 August 31st. So what's next, you
4 know, I'll show you where we've been
5 and how we go to where we are, and
6 what's next.

7 The most important part of
8 what's next is implementation, and
9 actually executing these programs.
10 And that's why you're here today in
11 order to get those questions
12 answered regarding the RFP. But
13 it's not just about implementation.
14 It's about making sure that we get
15 these programs implemented as
16 effectively and sufficiently as
17 possible, while ensuring that
18 maximum amount of transparency.

19 And we've all heard those words
20 and that's a key component of
21 economic stimulus. And so that's
22 what you all are here about today,
23 is the RFP. And it's RFP Number
24 2033-10-01, and this comes straight
25 out of the RFP. We are seeking

1 proposals from a professional turn-
2 key consulting firm, to assist in
3 implementation of the 2009 State
4 Energy Program and Energy Efficiency
5 and Block Grant Program.

6 We submitted to DOE, and if
7 you've read through the RFP you can
8 see what we submitted, we submitted
9 a very comprehensive broad-based
10 program.

11 The devil's going to be in the
12 details. And that is what we
13 anticipate and hope that a
14 contractor can help us develop and
15 implement some of the details of the
16 programs that have not yet been
17 developed.

18 We're seeking the input and
19 guidance from a contractor on how
20 best to execute some of these
21 programs recognizing that, you know,
22 we try not to change. We try not to
23 change things as we go along. We
24 try to keep things consistent.
25 However, we've come to find out, in

1 this entire economic stimulus
2 process, that it's very dynamic.

3 The DOE, you know, continues to
4 offer guidance in doing things, and
5 they do things differently. So we
6 have had to basically be agents of
7 change and adapt to the things that
8 DOE is telling us and guiding us on.
9 The components, I want to go over
10 real quick, it's all in the RFP, but
11 I want to make it clear, what we
12 submitted to the Department of
13 Energy in our State Energy Program,
14 has several components.

15 The ones that are included in
16 this RFP are specifically, these
17 five. We have a "Lead by Example
18 with State Building Retrofits,"
19 which is approximately, \$25.7
20 million. Now, these dollar amounts
21 you see up here are the programmatic
22 funds. These are the funds that
23 will be spent on the actual
24 programs. For implementing the
25 programs for, are actually going to

1 the programs, and not the
2 administrative expense.

3 Second, we have a residential
4 and commercial buildings expense
5 which is about \$15 million. This
6 covers transportation lighting
7 efficiency and alternative fuels,
8 which includes, it's a grant
9 process. That's the CNG Grant
10 Process, and that's a \$9.8 million
11 program.

12 The Renewable Energy Grant Fund,
13 that's another grant fund similar to
14 the transportation. That's another
15 \$9.8 million. And finally, the
16 Energy Star Appliance Rebate Program
17 is \$2.6 million. And then also in
18 the RFP is the Energy Efficiency and
19 Conservation Block Grant Program,
20 which is \$13.1 million.

21 The SEP components that are not
22 in the RFP -- There were two
23 components that were submitted to
24 DOE as part of our plan, but they
25 will be handled separately and apart

1 from this RFP. And that's the
2 public outreach, the training and
3 the education component, as well as
4 the monitoring and verification.

5 And we'll have another
6 contractor working on the monitoring
7 and verification component as well.
8 And that comes to my conclusion, The
9 very important deadline, submittal
10 of your questions is due, and Karen
11 already mentioned it, August 17th by
12 3:00 p.m., your questions are due.
13 And we'll make every effort to
14 answer those as quickly as possible.

15 It depends on how -- We can't
16 give you a firm deadline because it
17 just depends how many questions we
18 get and how much time it takes to
19 answer them. And then, of course,
20 RFP submittal is August 31, 2009.
21 And I'm going to go ahead and hand
22 it over to Mike French, our
23 Director.

24 He's going to facilitate the
25 question and answer period. And,

1 like I said, this is your
2 opportunity to get your questions
3 answered. And I thank you again for
4 coming and good luck.

5 **MR. FRENCH:**

6 Thank Lori. We're going to ask
7 that when you have questions that
8 you come up to the microphone,
9 because we want all the questions
10 and answers on the recording for the
11 transcript. So if you do have
12 questions, don't be embarrassed to
13 come on up.

14 I would like to make a few
15 little backgrounds to add to the
16 presentation Lori made. When we
17 received all of this money on short
18 notice. As you know, money started
19 falling out a sky just six months
20 ago. Prior to that, we had no idea
21 that this kind of money was going to
22 be -- this thing was going to be
23 going this fast and spitting it out
24 in our direction.

25 So we're receiving \$90 plus

1 million dollars, which is 20 times
2 our annual expenditures at this
3 division. 20 times. And we have
4 three years in which to spend the
5 money, and we've had only a few
6 months in which to come up with some
7 kind plan to spend this. So this is
8 quite a challenge.

9 This is new territory for us.
10 We're kind of hoping that we've got
11 some good ideas down and that the
12 direction we go is a good direction
13 and that things work out well. What
14 we realized was that, and also we
15 were not allowed to have any staff.
16 So we were having to do what we're
17 going to do with no existing staff.
18 In fact, we're actually reducing
19 staff. So the only way to implement
20 this master program was to go
21 outside to contractors.

22 And we said, "Well, we need to
23 go to a turn-key project contractor,
24 who could be the master contractor
25 and who has a diverse, an

1 organization that has diverse
2 capabilities and supplements their
3 employees with as many
4 subcontractors as needed.

5 So we're looking to you to
6 present to us a proposal that
7 contains everything in this RFP. If
8 you don't have any expertise within
9 your own company, then it's
10 perfectly desirable to subcontract
11 whatever components you need to
12 supplement your company's
13 capabilities with. Whatever package
14 you put together, capabilities, will
15 be evaluated as a whole package.

16 And we're not looking for
17 partial proposals. We need, as we
18 already stated, we need an entire
19 RFP address in one proposal, however
20 you wish to staff it. We don't have
21 all the answers. We have our ideas
22 down in this RFP, but we leave a lot
23 to be defined and coordinated by the
24 proposals.

25 So we're looking to you for your

1 ideas. For your creative and
2 innovative concepts to approach the
3 solutions to what we're seeking to
4 obtain. So as I said, we don't have
5 any answers. We don't have the
6 capability to do all this stuff.
7 That's why we're looking to you to
8 guide this. And we know that
9 there's expertise out there to far
10 exceed where we can bring to the
11 table.

12 So when the proposals are
13 reviewed, we will be looking at your
14 capabilities, at your photos, at
15 your concept, your ideas, the
16 innovative approach you take and so
17 forth. So all of that will be taken
18 into account upon how we choose the
19 successful proposal.

20 We have a lot of questions, I'm
21 sure you have questions. Hopefully,
22 a lot of those are addressed in that
23 handout that we gave you. You can
24 read that at your leisure.
25 Hopefully, you have a chance in

1 which to scan them today, and maybe
2 you've found that some of the
3 questions you needed to ask, the
4 answer's already there. As we
5 stated, the questions that are asked
6 today will be in the transcript, and
7 we'll be posting that on our
8 website, as well as are been mailed
9 to the --

10 **MS. RIDGEWAY:**

11 -- to Karen Lewis on Monday. Is
12 the deadline.

13 **MR. FRENCH:**

14 Monday. So any questions you
15 have --

16 **AUDIENCE MEMBER:**

17 Well, what I was asking was, are
18 you going to hand out these
19 transcripts to the attendees?

20 **MS. RIDGEWAY:**

21 No, it'll be on the website.

22 **MR. FRENCH:**

23 So go to the website, which is
24 -- We have a stimulus website, which
25 is <http://> you can leave the www

1 out, and just louisiana.dnr -- I'm
2 sorry. It's
3 dnr.louisiana.gov/stimulus. And so
4 that's dnr.louisiana.gov/stimulus.
5 And we will have -- we have links
6 there to an immense amount of
7 information pertaining to ARRA, as
8 well as departments on our program.

9 If you have any questions you do
10 not ask today, or don't get answered
11 today, or you don't want to ask
12 today, you can submit them to Karen
13 Lewis, Office of Contracts office by
14 Monday afternoon. And once they've
15 all been assembled, the entire set
16 of questions and answers will be
17 available on the website.

18 We may not be able to answer
19 your questions today, or some of
20 your questions. The questions we
21 cannot answer today, we will answer
22 in writing and it will be posted on
23 the website with the regular
24 responses. So whatever we cannot
25 address today, we will address by

1 the time it's posted on the website.
2 So hopefully, we can answer most, if
3 not all of the questions today. I
4 have a staff up here.

5 I don't have all the answers
6 myself, even for the answers we do
7 have. So I have a selection of a
8 section of our staff here today.
9 The ones at the front table here are
10 at the front table because they will
11 probably be answering most of your
12 questions.

13 Paula Ridgeway, has already been
14 introduced to you, Buddy Justice,
15 and Louis McArthur. And at this
16 front row up here, we have
17 additional staff. We have Tangular
18 Jones and we have Wade Byrd. Wade
19 Byrd is the contractor that Paula
20 mentioned. Wade is our only
21 contractor that so far to help us
22 bring some expertise involving some
23 of these programs we have. Brad
24 Harris and we have David McGee and
25 we have Brian Grouch.

1 And then holding things together
2 back there in the back we have Diane
3 Brown. Diane is the glue that holds
4 us together. So I believe -- you
5 have any comments you want to make,
6 Paula?

7 **MS. RIDGEWAY:**

8 No, I think that is -- I think
9 you've got it pretty much covered.

10 **MR. FRENCH:**

11 Okay. Well, now we'll open up
12 the floor to your questions. Come
13 on now. Maybe you don't want to
14 reveal them to your competition, is
15 that the deal? This is going to be
16 a really short meeting. Or we just
17 ran through everything so well,
18 there's no possible things left to
19 ask, is that what it is?

20 **MR. COWART:**

21 Is the August 31th deadline going
22 to remain firm for the RFP's?

23 **MR. FRENCH:**

24 Is the August 31th deadline going
25 to remain firm for the RFP's? We

1 had planned on making that firm.

2 Yes.

3 **THE COURT REPORTER:**

4 I didn't get his name. Could
5 you state your name first, please?

6 **MR. COWART:**

7 Duane Cowart.

8 **MR. FRENCH:**

9 Duane Cowart?

10 **MR. COWART:**

11 Cowart.

12 **MR. FRENCH:**

13 Cowart. Duane Cowart.

14 **MS. LEBLANC:**

15 Just to also respond to that, if
16 there are any changes, it will be
17 posted on our website.

18 **MR. DUSZINSKI:**

19 Gerry Duszinski with
20 Fenstermaker. I had one question
21 and you've answered it, but I wanted
22 just to be clear on what the intent
23 was. The FTE's that will be working
24 within DNR, are they going to be
25 housed within the building, or given

1 space, or how are you-all planning
2 on doing that?

3 **MS. RIDGEWAY:**

4 Yes and yes.

5 **MR. DUSZINSKI:**

6 So you-all have space,
7 equipment?

8 **MS. RIDGEWAY:**

9 Right.

10 **MR. DUSZINSKI:**

11 Okay. Thank you.

12 **MR. WEST:**

13 Paul West, Chester Engineers.
14 Is there any other dollars that
15 maybe requested that may come in
16 addition to the program? If so,
17 will there be a cutoff period where
18 we would know that it would be
19 added? For instance, is there any
20 other grants outside, you know, I'm
21 just interested in --

22 **MS. RIDGEWAY:**

23 So you're asking if there are
24 going to be additional grant funds
25 that are going to become available?

1 **MR. WEST:**

2 Yes.

3 **MS. RIDGEWAY:**

4 Not within this RFP. Quite
5 possibly. Everyday is a new day.

6 **MR. FRENCH:**

7 What was your affiliation?

8 **MR. WEST:**

9 Private group and I represent
10 Solex.

11 **MR. FRENCH:**

12 A private group representing
13 Solex, for the Record.

14 **MR. HEATON:**

15 My name is Jeff Heaton. Don't
16 mean to be so -- I'm with Providence
17 Engineering. I don't mean to be so
18 blunt, but my basic question is:
19 You-all have specified about how
20 much money you were going to spend
21 on this. And looking into the
22 details and asking for innovation,
23 basically, it seems like not enough
24 money.

25 Is there any chance or room for

1 negotiation for proposers that are
2 going to come in higher than what
3 you've specified in the RFP?

4 **MR. FRENCH:**

5 No, the money is fixed.

6 **MR. HEATON:**

7 So the 6.55 percent, that's it?

8 **MR. FRENCH:**

9 6.55 percent?

10 **MR. HEATON:**

11 Yes. This would be for the fees
12 for the contractor, means that you-
13 all have specified 6.55 percent, is
14 my understanding. It's my
15 understanding that the statute of
16 legislation and grant allows for
17 more, but you reserved some for
18 expenses in-house. If proposers
19 come in higher than 6.55 percent, is
20 that a possibility or not?

21 **MR. FRENCH:**

22 No, it's not. Because all of
23 the money is basically allocated.
24 And so there is no, we don't have
25 any leftover to shift around like

1 that.

2 So unless more money falls out
3 of the sky, and the president
4 supplements this with something
5 other than that, we don't anticipate
6 having more funds to have to spread
7 around or anything. The only thing
8 that may happen is that in the
9 course of the execution of the
10 contract, if some program winds up
11 not performing well and it's decided
12 to shift money around at that point,
13 but as far as to answer your
14 question, no.

15 **MR. CRUM:**

16 Mr. French, Ron Crum with URS
17 Corporation. Each of the program
18 areas you have certain metrics.
19 7,000,000 BTU's or, you know, 5,000
20 of this or 7,000 this. Will the
21 contractor be held -- How, you
22 answered this question in part, but
23 I was a little fuzzy. I'm wondering
24 if you could just elaborate on it.

25 If the metric is 7,000,000 BTU's

1 and at the end of the project you're
2 at 6,000,000 or 5,000,000 BTU's, how
3 does that affect the contractor?

4 **MR. FRENCH:**

5 Which programs are you referring
6 to?

7 **MR. CRUM:**

8 All of them have certain metrics
9 that seem to be, you know, this is
10 how we're going to judge the pack,
11 so I wasn't really referring to any
12 particular program.

13 **MR. FRENCH:**

14 Okay, general.

15 **MS. RIDGEWAY:**

16 I may can answer that. I think
17 a lot of what we had to do was
18 really do a lot of guesstimating.
19 When we put those metrics together
20 we used benchmarking from EPA before
21 DOE even had any guidance for how to
22 come up with metrics that we've had
23 include, like for example, jobs.
24 Which we've never had to do that
25 before. We've done BTU's before,

1 we're more familiar with that.

2 So I think that we could look at
3 some of the programs, and based on
4 how they are performing, then we
5 could probably work with DOE on
6 making those adjustments within our
7 reporting requirements during the
8 three-year period.

9 **MR. FRENCH:**

10 Basically, DOE has proposed some
11 mandates on us, and then what's not
12 fixed for each individual project,
13 we're on an overall mandate we have
14 to meet. So there's likely to be
15 some flexibility, particularly from
16 project to project or program to
17 program, as long as we are -- as we
18 can demonstrate we have made a
19 significant effort in complying with
20 the overall goal.

21 And if you have a question,
22 could you come up to the mic?

23 **MR. CRUM:**

24 You used an example --

25 **MR. FRENCH:**

1 Would you come up to the mic?

2 **MR. CRUM:**

3 In the CNG refuel inspection,
4 you have a card, I don't remember
5 the number, let's say it's 10.
6 Let's say we do a great job of
7 marketing that program, but we
8 still, at the end of the program
9 only have five. Is that the
10 contractors fault?

11 Is there any fault that will
12 come back to the contractor, as long
13 as they've done a great job in
14 getting out there, getting the word
15 out and so forth? Same thing with,
16 where you have a metric on the
17 number of traffic signals that need
18 to be -- that ought to be
19 retrofitted under this program. If
20 you're half of that number, is that
21 the contractor's fault?

22 **MS. RIDGEWAY:**

23 There's been instances before
24 where we've worked with DOE, as far
25 as issues that we've had with the

1 program, where it's a work in
2 progress. When we put forth a
3 program, we don't know exactly how
4 everything is going to go or just
5 because you say, "We're going to put
6 CNG out there," and everyone's just
7 going to come.

8 So we have been able to
9 negotiate with them in the past and
10 try to revise those metrics. And
11 now aerofoams are a bit different
12 then what we've been accustomed to,
13 and that's what has got us on our
14 toes, so to speak. Because they do
15 want to see these metrics. They are
16 really emphasizing those.

17 But I do think that they
18 understand. They've been doing this
19 for years, just as we have. And
20 they would, definitely, if we had
21 some issues and things that came up,
22 then we can probably alter the
23 program somewhat to where we are
24 still making a huge amount of
25 progress, but it might have to be

1 tweaked someway.

2 **MR. FRENCH:**

3 Having said that, do you know
4 that you've done everything
5 reasonably possible and it's just
6 not the participation coming forth,
7 that's beyond your control, then we
8 would definitely work with DOE and
9 would probably be able to address
10 that issue.

11 **MR. CRUM:**

12 Thank you.

13 **MS. LEBLANC:**

14 A question earlier that came up
15 regarding the percent, 6.55 percent
16 -- I'm not sure who asked it, but
17 6.55 percent versus the 10 percent.
18 I want to make it clear that the
19 remainder of the 10 percent is not
20 coming to DNR. We, I don't have all
21 the numbers in front of me right
22 now. But I will tell you that
23 certain portion of that
24 administrative expense is also going
25 to be the monitoring and

1 verification.

2 And we have administrative funds
3 that will be used for that within
4 SEP, as well as the Block Grant that
5 will go to monitoring and
6 verification. Me, I believe, I'm
7 looking at my numbers here, I
8 believe we made a decision that
9 within SEP only 8 percent of it
10 would go to administrative expenses,
11 as opposed to 10 percent.

12 So within the 8 percent, we have
13 some for this RFP. And then we have
14 some for internal, and then we have
15 some for monitoring and
16 verification.

17 **MR. WILLIAMS:**

18 Thank you, sir. My name is John
19 Williams and I'm with HDR. I'd like
20 to know if you could tell us more
21 about your plans to screen funding
22 proposals or screen out funding
23 applications and establish
24 priorities for allocating the funds?

25 I think this will be

1 particularly important and relative
2 to the Alternative Energy Program,
3 the Alternative Fuel Program, the
4 Alternative Energy Program and the
5 EECBG programs.

6 **MS. RIDGEWAY:**

7 That sounds like a Mike question
8 to me. He's talking about when they
9 submit RFP's or put the solicitation
10 together, how we will review and
11 evaluate.

12 **MR. FRENCH:**

13 On the Alternative Energy
14 prepare of the Grant Package, and
15 the Transportation prepared a Grant
16 Package. Those we will be duelly
17 working with the contractor to --
18 the contractor would help with the
19 details. But we'll be coordinating
20 with you, as to forest fires to what
21 class selection we'll be looking
22 for.

23 And we will make that known when
24 the RFP's go out. So the contractor
25 will be issuing the RFP's on our

1 behalf. And that would be to find
2 selection criteria, such as the
3 approach, the cost effectiveness,
4 the use of funds.

5 So there would be a set of
6 criteria that will be defined,
7 whether we'll be using, or having to
8 use to randomly select and review
9 the proposals. And then when we
10 select your recommendations through
11 us to formally view.

12 On the energy, the EECGB, the
13 Block Grant, would be very similar,
14 except that those are not prepared
15 funds. Those are funds that the
16 individual parishes and cities get.
17 And so they get the money whether --
18 and that's not the question, they
19 will get the money. As long as they
20 submit a similar proposal.

21 So we will have to review those
22 proposals according to the list and
23 the guidelines that DOE gives us, as
24 far as to what is appropriate for
25 the projects. And as long as they

1 meet the DOE requirements for what
2 kinds of projects, and what
3 thresholds are saying that, cost
4 effectiveness, they have to be in
5 order to be awarded.

6 So they're not -- They won't be
7 competing and their won't be
8 fighting. The evaluator goes into
9 the slammer to evaluate the
10 proposal.

11 **MR. WILLIAMS:**

12 But will it be open to a
13 refinement in those criteria for
14 discussion? You already told me in
15 the other two categories for sure.

16 **MR. FRENCH:**

17 Well, in fact I was giving you
18 the general guidance on the other
19 categories. So this will be working
20 with the contractor to develop a
21 specific evaluation criteria. We
22 have not predefined that. I'll just
23 give you general principles we'll be
24 looking at using.

25 **MR. WILLIAMS:**

1 Okay. Thank you.

2 **MR. SMITH:**

3 I'm Harold Smith with Michael
4 Baker Corporation. And I may know
5 the answer to this, but I just want
6 to get a verification. When you add
7 up all the eight programs, and end
8 up with \$76,000,000, and I can see
9 in the Program 1 is not part of the
10 \$50,000,000. Now, the next part of
11 that question is, the 6.55 percent,
12 does it apply to Program 1 with
13 \$25,000,000? And if so, then the
14 fee then runs out to be about
15 \$5,000,000.

16 Next question -- Part of that
17 question is, the FTE's. Are the
18 FTE's part of the cost of the FTE or
19 it being --

20 **MS. RIDGEWAY:**

21 Yes. The FDA's are included as
22 part of that percentage. The
23 funding that you mentioned, the
24 \$25,000,000, that would be straight
25 from DNR to facility planning. So

1 there would be no funding that would
2 be going through the contractor, per
3 se.

4 **MR. SMITH:**

5 Okay. That's all. Thank you,
6 very much.

7 **MR. FRENCH:**

8 These are good questions. I'm
9 sure there's a few more. One thing
10 that I want to point out is, because
11 of the accountability that the
12 president's administration and the
13 Department of Energy are holding us
14 to, is that it has to complete
15 visibility and accountability for
16 all of the money spent. And we're
17 going to be, as Lori mentioned
18 earlier, hiring a separate
19 accountability contractor, who will
20 be responsible for overseeing that
21 we are in DNR compliance. A result
22 is very fair federal compliance
23 requirements.

24 We're already going to have the
25 Department of Energy, Inspector

1 General's Office in our offices for
2 two weeks, in the next couple of
3 weeks, already evaluating what we've
4 done so far.

5 Our methods, our procedures,
6 what we're attempting to do and so
7 forth. So we'll be inspecting the
8 GAO, the DOE Inspector General, the
9 Legislative Auditor's Office. A
10 multitude of oversight entities to
11 do overseeing and inspecting the
12 flow of money.

13 So we will be asking the
14 contractor to work closely with us
15 in developing a complete
16 accountability procedures and
17 records, that will be in compliance
18 with all of these departments. So
19 keep that in mind. This is going to
20 probably have the most oversighting
21 and visibility of any government run
22 endeavor.

23 **MR. SMITH:**

24 Oh, I do have one more. Harold
25 Smith with Michael Baker. The 6.55

1 percent for each program, assuming
2 one program, you don't spend all the
3 money on, and another program you
4 need more money for. The bottom
5 line figure remains the same, can
6 you transfer funds from one program
7 to the other?

8 **MS. RIDGEWAY:**

9 I suppose that would have depend
10 on which program it is, because
11 those are actually two different
12 grants. So we would have to, if
13 it's within the SEP components, the
14 State Energy Program component,
15 which is the majority of those
16 funds, we do have that within our
17 grant, that if we see program areas
18 aren't working or whatnot, or we
19 have to rearrange, we do have that
20 ability to be able to send an
21 amendment to DOE.

22 Right now, we have been hanging
23 on by the fingernails, quite
24 frankly. And so when even when we
25 put this RFP together at this time,

1 we're still receiving guidance
2 everyday. And in fact, we've
3 received another notice of
4 \$4,000,000 for an Energy Star
5 appliance rebate. That's not even
6 included in this.

7 So it's almost like working with
8 a moving target. And I'm sorry, I
9 did not address that when you had
10 asked about additional funding. So
11 I do think that there's going to be
12 an opportunity that DOE is going to
13 have to allow states to step back
14 and say, "What's working, what's
15 going on?" Because they're really
16 being tasked to spend this money by
17 the administration, and to make it
18 work.

19 So I think they will, you know,
20 work with us and the team that we
21 put together to try to get funds out
22 to people and make us more energy
23 efficient.

24 **MR. SMITH:**

25 Okay. I think I heard you say

1 that each one of the programs are
2 independent, but you will work with
3 the contractor, assuming that one of
4 the programs is running short of
5 money and the other one has an over
6 abundance of funding, you will work
7 with the program.

8 **MS. RIDGEWAY:**

9 That's right. We don't want it
10 sitting on the books.

11 **MR. SMITH:**

12 Right. Okay. Thank you, very
13 much.

14 **MR. FRENCH:**

15 And I want to say, remember that
16 his assessment to be a real partner
17 with us. This is going to be a
18 team. You'll be the main
19 implementor on the team. And so
20 we're looking at this as to being a
21 cooperative teamwork project
22 process.

23 And maybe working more closely
24 with you because if you went on a
25 typical turn-key contract, because a

1 lot of this is evolving as we speak.
2 The rules come out of DOE. If any
3 money becomes available, they change
4 the rules, they add to the rules,
5 whatever. So we understand that
6 this is beyond our control and
7 beyond your control, so whatever
8 changes come down the pipe, that are
9 not what we anticipated, we're going
10 to be as flexible as we can in
11 working with you and working with
12 DOE to make sure that it works out
13 right.

14 And so this is a learning
15 process, actually for everyone. DOE
16 has never -- DOE themselves is
17 overwhelmed with the assignment that
18 they have to push all this money out
19 to 50 states and through all the
20 other myriad programs. If you look
21 at our website, we have a "Other
22 Information," section on there. And
23 one of those other information's is
24 the Congressional Research Service,
25 CRS report. All summarizing it's

1 about 28 pages long. And it
2 summarizes all of the ARRA energy
3 grants, the programs that have come
4 out. 28 pages about a paragraph or
5 two each, are each of those energy
6 ARRA programs.

7 So we're getting here with SEP
8 is one of those programs. The Block
9 Grant Program is another program.
10 There's zillions of others. And DOE
11 is overwhelmed with trying to push
12 all of those out. And this is only
13 energy. There's all of the non-
14 energy ARRA programs. I mean there
15 has to be for all the trillions of
16 dollars to be spent. So at any
17 rate, DOE is in the learning
18 process. They are adjusting as they
19 go. We're adjusting as they go.
20 And as we go, we'll be working with
21 that mind set with you.

22 Anything else? Yes, sir?

23 **MR. CRUM:**

24 Ron Crum, URS Corporation. Mr.
25 French, you're asking us to use the

1 24102. And you're asking us -- And
2 the 24102, I think, limits you to 10
3 projects. And we've got, what is
4 it, six program areas? And so we
5 won't be able to give you but one
6 program that we've done, one or one
7 and a half project samples that we
8 may have done, and you're going to
9 be judging the companies submittal
10 on program area one, based on one
11 project summary. And on program
12 area two based on one project
13 summary.

14 So if we're limited to 10
15 project summaries, is there any
16 flexibility there?

17 **MR. FRENCH:**

18 Good question. I would say add
19 supplemental benefits as you deem
20 appropriate.

21 **MS. DAVIS:**

22 Lisa Davis with Winrock
23 International. We're interested in
24 working on some of the re-grant
25 opportunities. And I see that

1 invoicing comes after the fact. Is
2 there any possibility to negotiate
3 with a funding when it asks for
4 advance funding for some of those
5 opportunities? Other states are
6 doing that, by the way.

7 **MS. RIDGEWAY:**

8 Right. I know that there have
9 been others that have asked for up-
10 front costs or whatnot. We haven't
11 yet. We haven't got that far yet.
12 So are you talking about
13 specifically, like on the Energy
14 Efficiency Conservation Block Grant
15 funding?

16 **MS. DAVIS:**

17 Yes.

18 **MS. RIDGEWAY:**

19 What states are doing that?

20 **MS. DAVIS:**

21 Missouri's doing that for sure.
22 Our organization's actually going to
23 implement Arkansas. But they're
24 doing, cutting their checks
25 themselves, so they're not doing

1 that.

2 **MS. RIDGEWAY:**

3 Right. Yeah, and that is
4 actually one of the problem areas
5 that we know that parishes would
6 have, with having this up-front cost
7 and be on a reimbursement basis. So
8 we just haven't got that far yet, as
9 to try to figure out exactly how we
10 can go about doing that. But it
11 would require approval.

12 **MS. DAVIS:**

13 Thank you.

14 **MR. FRENCH:**

15 This is your chance. It's easy
16 to ask while you're here because you
17 get immediate feedback.

18 **MR. RICHARD:**

19 Brant Richard, Stanley
20 Consultants. Is Program 1 still
21 part of the -- it's not part of the
22 fee? Do we still have to address
23 that one as part of our
24 requirements?

25 **MS. RIDGEWAY:**

1 Basically, it's going to be a
2 new random of understanding between
3 DNR and facility planning. And what
4 we want the contractor to do is to
5 sort of oversee what projects are
6 implemented and ensure that the
7 reporting requirements. And just
8 facilitating the energy saved, the
9 BTU's saved, and what other metrics
10 that we have with that particular
11 category. Lewis do you have
12 anything to add to that or no?

13 **MR. McARTHUR:**

14 No. Spot on, other than I just
15 remind you that you're an extension
16 of our office. You're providing
17 manpower. And just the ability to
18 interface with the universities and
19 facility planning is going to be a
20 great value to us.

21 So that would involve
22 coordinating with bid specs to make
23 sure that the bid specs are actually
24 going to meet the outcomes that
25 we've told DOE that we would

1 achieve. And just to answer any of
2 those questions so that when the
3 project's complete and we go to have
4 our M and V coordinator come
5 measure, that the outcomes were what
6 we were intended to being.

7 **MS. RIDGEWAY:**

8 That would be probably the
9 easiest component of this entire
10 process, you know? Because they've
11 done projects before. They know
12 what area saving projects they can
13 do. And so we're finding that the
14 only thing that would be really, I
15 think, the biggest component of
16 that, would be just reporting back
17 to DOE what we've done.

18 **MR. RICHARD:**

19 And each one of these programs,
20 I mean, does -- you-all are looking
21 to us to give you-all our approach,
22 as far as, we want one person to be
23 responsible between these programs,
24 or have a program manager which, sub
25 project managers under each one of

1 these? It's really up to us how
2 many people we want to put on it,
3 it's up to us; is that right?

4 **MS. RIDGEWAY:**

5 That's correct. And we're
6 looking forward to see what you have
7 to say.

8 **MR. RICHARD:**

9 With the exception of the five
10 FTE's, I guess? That was stated in
11 the proposal.

12 **MS. RIDGEWAY:**

13 Correct. Now, those positions
14 would be within the office to help
15 with some of the things that would
16 be implemented, like the home energy
17 rebate option and cutting the
18 checks, and whatnot. It would just
19 be in the office, so they're right
20 there clicking and helping with the
21 state bureaucracy and getting things
22 in the system.

23 **MR. RICHARD:**

24 All right. Thank you.

25 **MR. SMITH:**

1 In regards to the five FTE's and
2 other separate programs, the funding
3 of the five FTE's, would they be
4 spread across all the programs or
5 would they be paid for out of one
6 program?

7 **MS. LEBLANC:**

8 It's all out of the
9 administrative expenses for the
10 entire program. For SEP and Block
11 Grant. It's all within the
12 administrative expenses. The 6.55
13 percent is, you know, it's on Page 1
14 of the RFP. At 6.55 percent per
15 \$50,701,333.

16 **MR. SMITH:**

17 I have that. Harold Smith with
18 Michael Baker Corporation.

19 **MR. FRENCH:**

20 Going once. Going twice. Sold.
21 All right. Those were some very,
22 very excellent questions. We
23 appreciate your interest. We hope
24 that you'll be so interested that
25 you submit some outstanding

1 proposals here.

2 The more outstanding proposals
3 we have to choose from, the better
4 the chance to progress, the harder
5 it is, but it's a good problem to
6 have. We know that there's a lot of
7 things building out there. We are
8 anxious to utilize some of that
9 talent that you have. Okay. Well,
10 thank you very much. Remember, if
11 there's any written questions that
12 you have remaining, I'll need them
13 by 3:00 p.m. on Monday.

14 **MS. RIDGEWAY:**

15 And we will try to have those
16 out by Wednesday morning. Because,
17 I need to take a couple of days off.

18 (The Meeting was concluded at 10:40 a.m.)

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R E P O R T E R ' S P A G E

1
2 I, Tara Torres-Blank, Certified
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