

**Comprehensive Energy
Management Plan Town
Hall
January 28, 2016
U.S. Bank Conference
Theater – 6:00PM – 8:00PM**

Panelists

Dr. Jennifer Cowley – Referred to as “Cowley”

R. Scott Potter – Referred to as “Potter”

Dr. Richard Dietrich – Referred to as “Dietrich”

Dr. Noah Dormady – Referred to as “Dormady”

Samuel Reed – Referred to as “Reed”

Moderator

USG Senior Delegate to the University Senate, Samuel Whipple – Referred to as “Whipple”

Transcript Scribe

USG Deputy Chief of Staff, Gerard Basalla

Start: 6:09PM

Whipple: The town hall will begin with a background of the Energy plan by Dr. Jennifer Cowley (10 minutes). 5 minutes will be given for introductions by the rest of the panel. 45 minutes will be allowed for questions. 15 minutes will be allowed for open mic.

Introductions

Cowley: Part of the project team that was formed to look into comprehensive energy management. In 2011, Students for a Sustainable Campus came to the administration to focus on energy consumption on campus. We wanted to find a partner to build level energy measures, replace lights, windows, and take other measures. Feedback from potential partners was “we can absolutely help you do that but if you’re serious about sustainability, you should take a comprehensive look at the bigger picture.” In 2012 we took a step back and looked at how we could do it (energy conservation) in a bigger way.

There are 4 pillars to represent the management plan. The first is on the energy supply side – 20% of the Columbus campus’ power comes from wind. We go to the auction market and purchase energy at the best price we can get. We want to pick the type of energy we want and choose who we want. The second is the operation of the utility. For example, we use steam to heat and water to cool buildings. Is there a partner who could teach us to be more efficient in that? The third pillar is building energy conservation measures, which would create the measures that would benefit energy consumption. With the fourth pillar, we wanted to know what else we could be doing– internships, research opportunities. This is what would be included in the affinity portion of the proposal. We started a request for qualification process. At the same time we were talking about if there were any conversations. We charged the Provost to look at the sustainability goals for the university. Sam Reed, an undergraduate representative, was a part of creating those goals. From the RFQ process, we determined that 40 companies could potentially contribute to the project. These companies formed into teams that could bring ideas. They were asked to respond to a request for information – seeking their best ideas for how they could help us in achieving sustainability goals and becoming more energy efficient. One of those goals is the reduction of our energy use by 25% over the next 10 years. We also have employees who work here and we really appreciate them. “What is your approach to dealing with them?” was a part of our evaluation process. The faculty advisory group is made up of members that are evaluating those terms on a whole host of criteria. The Council on Physical Environment was contacted to determine what social impacts could this have?

Where we are: We are in the information and fact-finding stage. We are talking to groups in the community. There are two community meetings scheduled on Feb. 4th at 10am and 1:30 pm in the Faculty Club grand lounge. The whole community is invited and attendance is encouraged if you want to continue the dialogue.

Dietrich: Professor of Accounting, Chair of the Accounting Department, Chair of the University Senate Fiscal Committee. In comparing the CEMP to parking, which he was involved in.

First, I am not a member of the administration. I might have views that disagree with people on the panel and we always discuss ideas. There are a lot of people who are engaged in this process. I am not engaged with all aspects of the process right now.

The role of Senate Fiscal in Energy Policy is inherently an organization that deals with plants, operation, and maintenance as well as getting energy to all of the buildings. How do we charge all of the campus for usage? You don't get as much space as you want without any charge at all. We have to tell this to users. The charge is based on the square footage of building space the department operates in. That's how we determine how much energy you pay for. Departments are incentivized to let people use unused space. We're always thinking about the economics and how we line that up so we use the resources for the best way to represent the overall organization.

To briefly explain the PON rate; it is a recommendation to the administration on the costs of energy for the future year and how much that demand is going to be. It's up to the unit directors to determine how we stand.

The Senate Fiscal was the first committee made aware of the initiative a few years ago, and we got an update last Tuesday. If this proceeds further we will be asked to provide our advice if the half being presented by someone is agreed or disagreed in regard to recommendation. With parking, it went to Faculty Council and Senate for discussion. I think it is at an early stage. I don't know what the proposal is yet, because there isn't one. I can speak to the process of a proposal being put forward.

Potter: Senior Energy Advisor, Energy and the Environment. I try to take a comprehensive look at how the university researches and uses energy and how the environment relates to energy. Years ago we bought energy, researched energy, in different dollars. Now we know we need to help our academic or research institution.

Dormady: First, hats off to you for being in this room. There are 60,000 students and to those of you in this room, I appreciate that you are here.

Professor at the John Glenn Policy, Energy and Environmental Economist, Worked for a number of years for the U.S. Senate under Barbara Boxer, Chair of the Environment and Public Works Committee. I've been a member of the Faculty Energy Advisory Committee for the past year and a half. If there are technical questions about the RFI or RFP let me know.

Reed: I'm the undergraduate representative on the Provost's Council on Sustainability. I'm happy to see many people that I know and don't know. I'm here to try to provide perspective from my own experience, but I have not read all of the documents concerning it.

Intro concludes at 6:27PM

Whipple: This town hall is about you. We are going to move into an open question/answer section. We ask that each audience member restricts himself or herself to one question. If everyone gets through we will work through the list again.

Q: What standards do we expect a private party to meet with respect to sustainability in order to move forward with a contract?

Potter: We would be looking for something that is as good as or better than how we currently operate. When we started the RFQ, our question was “Can you do the four pillars at our current standards or better?” In our assessment we operate above the standards on reliability. On the RFQ and RFI, it was a part of the process to develop the catalog of operating expenses. Most states measure outages by events and total outages. The 3 9's of reliability. 99.9 percent reliable. Out of every thousand hours on the system there is an hour of outage. We most regularly meet four or five nines. That's 99.99% to 99.999% reliability. It's hard to get better than five nines.

Q: What are the priorities of the university in respect to two goals you have mentioned? if you received the proposal and it achieves the sustainability goals but doesn't bring in a lump sum of money will it still be considered?

Cowley: The selection of a partner is predicated on the ability to achieve sustainability goals. If a potential partner can't help us achieve sustainability, then they aren't considered going forward. Energy is one piece of sustainability. We as a university could not achieve Carbon Neutrality with just energy alone. We discussed what we think the energy project could achieve and what this looks like in the university. This includes topics such as the food system, tree cover, and university vehicles. First and foremost, the energy goal of 25% is directly tied to our energy goals and our potential partnership. We also talked about the water goal and how we operate our steam system. Someone could come along with a proposal that could help our water goals. It could contribute in our part and whole.

Q: Has the university considered the importance energy in relation to waste?

Potter: It's more on the table if we go to the final phase and give them the opportunity to look at energy that most retail buyers could not get. Sometimes it's a capital issue, space issue, or price issue. At some campuses almost 30% of our waste is biodegradable. Some things we also looked at are heat energy from concentrated solar and wind turbines. The problem with waste is that the waste stream is inefficient.

Dietrich: There is a possibility that one or more of these proposals may pay the university for the right to come in and work with us. One aspect that we were trying to do on our own is that we have a lot of buildings that could be much more efficient than they are. It would take somewhere around \$200 million to bring our buildings up the energy standards that we would like them to be. If we can't reach that cash standard to bring them in to help our predetermined belief that we need to make our energy more efficient, we lose the possibility to make things happen that we otherwise would be precluded from doing things on our own. Would we rather take 200 million out of research/education and use it for building upgrades? A lot of academic leaders say that is not the best thing we can do. If there were an alternative that would allow us to meet the same objectives it would be important.

Cowley: There is the possibility of an up-front payment. It is too early in the process to see what that up front payment might be. It is too early, but our energy goals are first priority.

Q. As a student seeing the importance of research, energy is a huge factor. What is the possibility of putting in a biosphere or wind turbine? Do you see this as a place for internships for research paths?

Potter: I would see it as a requirement. Both of the projects from the past that did not come to fruition (a research project + working with a company) show that they have to be integrated into our academic research. With our partnership with Blue Creek Farms, we retain exclusive access to the wind turbine. Not a day goes by that I don't get calls from people at other schools asking how we get that. We get trade secret, market information. If you want to study a wind turbine give me a call and I can give you a code and let you see the performance of the temperature, what the company's bid is, and if you want to do a market study let me know. We have faculty members who have been looking for this info for years. This isn't an opportunity; it is a requirement.

Dormady: It's called affinity – how we rate and compare bidders. We are rating them on a number of metrics and from the current review we have some fantastic plans that engage in research, economic development, and teaching that showcase proposals of RFI documents from companies that not only provide internships but also job placement afterwards. Specifically leaves the university with the hope of job placement in energy. We could possibly build an energy research center at Ohio State. It would be a great opportunity for the university.

Q.) I'm wondering more about some of the proposals. How long are the plans looking to be? Obviously sustainability keeps changing; have we connected it to framework 2.0?

Cowley: Ideas range from short documents to hundreds of pages. Since they haven't decided anything, they are just asking for ideas. In the next step of the process they will be setting requirements and will ask for submissions that comply with those requirements.

Dietrich: Let's look at how we build the flexibility that we have. The Ohio State University's founders had no idea of the mission that we have today and yet we've been able to make it work by the partnership between the students, faculty, staff and the State of Ohio. We have created an enduring partnership. My wife and I made it to the end of a 50-year "parking lease" and I'm sure she didn't know what we were getting into. It's how we build an enduring partnership. We must ask the question; Is the other party sincere? Are the companies honest? When we look at if they are big corporations; That's a façade. They will have to pick successors over time and so will we. We have an enduring commitment to our mission. If there isn't a commitment to our mission I would recommend to not pass.

Dormady: We are setting what is going to happen 50 years from now. What is it going to be in 2058? We need to make sure this plan helps us meet capital replacement 50 years from now but also accelerate this with outside capital.

Q. This year there was an Arts and Sciences Survey. (Summary). 8. The idea of monetizing OSU's assess (Parking) is a good one. 76.4% of respondents strongly disagree or disagree. There is a strong faculty opposition – what do you have to say to the idea of if you're listening to the faculty or not?

Cowley: That was an anonymous survey exclusively given to Arts and Sciences. Conclusions: People have differing opinions on parking and energy.

Three types of people:

- 1.) People who are generally opposed to privatization.
- 2.) They don't have enough information at this time.
- 3.) They think we should explore new opportunities for funding without knowledge of what the question entails.

Now it is time to talk to the community. As a university community we have many questions about what privatization might mean. We don't take that opinion from November as a decision but rather a snapshot.

Dietrich: There's concern about parking everywhere. I want to do it at a price that is reasonable.

*Seconded by Dormady

Dietrich cont.: The statement that we leased our parking to others for 50 years shows that we are working our ways through the partnership. Some days it has been adversarial and other days it is great.

Q. Whipple: Privatization vs. Energy Management – Could any panelists offer any clarity between energy management and privatization and which aspects of the plan fit into each bucket?

Cowley: Parking was a simpler example. Energy is much more complex. Right now we purchase from outside parties. The one piece that would change is the people who are operating our facilities (i.e. Steam + Boiler). This piece is not yet solved. If we entered a relationship with a private partner those jobs may roll over to another partner. We want to know exactly what will happen to the employees that will be a part of this.

Potter: Management of getting heating and cooling, energy and natural gas to the campus from the natural gas pipelines from our place to the buildings is their priority. You can't go down 18th right now due to a pipe, which is what we are talking about. They do not represent the building but rather the pipe that gets to the building.

Dormady: One of the metrics of consideration are those bidders who are a part of this. We take a very serious look at ensuring if there are any individuals who are a part of this. We want to ensure there is as little displacement as possible.

Q. How much information have we received?

Reed: There are three advisory committees on this. Faculty Advisory Council is one of the only ones who have had full access to this documentation. They have been the only ones to piece through this muck. PCCS were not provided with that information. What we have right now is a snapshot of the sustainability measures. What would be fantastic is providing us more in the future. Truthfully that is crucial for us to come to a decision or even advise on this.

Dormady: The Advisory Committee has still received some redacted bids – we have not received the full bids that the RFI have provided. The dollar figure was redacted so we could look at the four other measures.

Q. We are considered a trailblazer in partnering with parking. Why are we doing this right now when we still haven't seen how this partnership will work?

Dietrich: If we waited for 50 years to decide whether parking was good or not we would lose the opportunity to see if energy is good or not. We pursue this in parallel: if we learn something along the way that will help us incorporate this better. Privatization to me means we found someone else who can meet with what we want. We should enter an agreement where we retain rights to create a longstanding enduring partnership. We need to work with a partner who we think is a really good partner. How does parking work? We have a parking problem (us) with medical center (them) as an example.

Cowley: We need to constantly look across the university to be better at everything. We are currently looking at the issue of affordability and have entered into all kinds of agreements. It is our responsibility to look at all different opportunities and we have a responsibility to explore different options.

Q. Geoff Chatas was instrumental to selling off our parking. He's worked with Duke Energy Progress and AEP Texas amongst other partners. How is this not a blatant conflict of interest?

Dietrich: I disagree that Geoff was instrumental in parking. I walked out of the meeting with University Senate and President Gordon Gee said that if the Senate hadn't passed it the plan wouldn't have gone forward. He [Chatas] had an idea that was picked up and that's how the university should operate. We take turns looking at the benefits and negatives and bring it to the Senate. There is a very active student involvement in the senate: Faculty even more than administrators or students. How do we work together to do this? I understand your view. I'm always suspicious of other people's motive but I can't fault the Senate for their judgment. That's why I trust the process.

Follow-Up Q: Does this have a conflict of interest in money?

Dietrich: There isn't a conflict of interest because of the structure.

Dormady: I raised this concern as well. One of the bidders was an attorney who works and was hired to give advice to Chatas' office and this concern was raised and is being looked into.

Q. Who or what is interested in the plan? Whose power would seem to be best served by the plan? When looking at privatization of parking, the faculty had no power...Workers who were fired had no power...so who did? The board of Trustees, Geoff Chatas (an apologist), Governor Kasich (lauding on the campaign trail) were the instrumental ones. When is Ohio State going to cut all fossil fuels from this campus? When are we going to divest from fossil fuels on this campus? Are they bidding on the contract?

Potter: Alignment of interests and conflict of interests are noted. How we buy power today is that we are a retail customer. We buy it on a public market: If we did that we would be buying from AEP Ohio. We don't buy from AEP Ohio, we get zero power from them. In a name game we do buy AEP, just not AEP Ohio. We go to AEP energy, which is a retail power. Part of what is bid into this is from who offers the power. Twenty percent of our power currently comes from the Blue Creek Wind Farm. No matter who the bidder is, our open market in a competitive bid stays the same because it benefits us and it goes with the State of Ohio.

Dietrich: I think I understand the goal that you are trying to achieve. The earth is a fragile place and I have grandchildren that will be here for a long long time. The question is one of tactics. How do we get to the world that you want this place to be? We have to have energy to run this campus. We want to find the best way to make this happen. We are trying to do what you want us to do and your tactics are different from what I think works better.

Dormady: I agree and sympathize with the concerns. We have a robust sustainability effort at the university. Geothermal facility/wind farm use is great examples. How we get to the sustainability goal in this plan is through outside funding.

Follow Up Q. – Who is bidding on the contract? – Are fossil fuel organizations worried?

Cowley: We cannot disclose the names of the corporations at this stage.

Whipple Note: “We will take one more question before open mic.”

Q. You said we look at energy by square footage. Would energy in other aspects go into the decision making? If two buildings were the same size one might have a higher energy use but it might not be sending the right pricing to that building. Is there consideration of this?

Dietrich: We have no idea if Senate Fiscal will do anything differently. If they would reduce energy disparity then it would definitely be worth considering. If some are highly energy inefficient because of their underlying academic beliefs, they change the discussion.

7:18PM – End Q/A

Enter: Open Mic

Student: I’m a 5th years studying geography. With students/staff/faculty there is an overwhelming negative response to parking privatization. We were guaranteed 8 to 10 more tenured track faculties. They actually have decreased from 2012 to 2015. I’m concerned with how we know that the same blatant disregard won’t be the same with energy commitments.

Cowley: Ohio State just hired 35 faculty members we hope to have 97 on campus by fall. So it is a bit of a disjoint and what we’ve seen is the difference between the unit choices and people on staff.

Dietrich: I’m concerned with that statement because it doesn’t look at what is helping in other areas in the university. If I look at it and say “let’s look at the overall cost vs. the privatization deal” I would agree with the increase in administration.

Student: My comment is simple: There is an overwhelming negative support of parking. So far I’ve only heard negative for energy management. It may be time to start doing what the people who you serve want you to do. It’s between multibillion-dollar corporations and the student/faculty and staff and it’s time to quit this and listen to the students.

Retired Employee: I’ve worked for this university for 35 years and have watched a land grant institution turn into a corporate nightmare. When will we as a university appreciate the assets of

this university? We neglect the very people that serve this university and the purpose by which this exists. What have we become?

Student: This has been mentioned before: There are 41 prospective companies and a potential lump sum of money. We know how businesses and companies work; they want a profit. Obviously they want to make their profit in the long term (50 years) and it must be in the long term because if some companies will pay us to work with us they must be getting a lot out of it. With a potential lump sum of money what would happen with that? I believe there are ulterior motives. I just want to make sure as a student with two majors and two minors, I want to make sure nothing is happening to me or fellow students because we have a great place and I want to make sure as they profit it's not going to hurt us. How will you ensure where the lump sum will go? Isn't this all about sustainability? What will the other avenues be? I want to make sure that these companies don't take advantage of us. They've been doing it a long time.

Cowley: It is too early to comment on the proceeds. There are conversations with some senior leaders on how might we go about how much proceeds should be used? We are actively talking about what that process would look like.

Potter: Glad to hear you plan on being here a long time. It's great to hear.

Student: We keep hearing again and again that we are exploring all the options and this is early and that is true, but I believe that this is geared towards outside corporations and capital. Why aren't we looking at our current system? This paper [handout at event] says 250 million (in response to Dietrich saying 200 million) dollars is spent. In reality the university has a lot more investments that we can be using wisely. 20% of the university's endowment is in hedge funds – hedge fund fees are 21 million dollars: 1/10 of the 250 million dollars from just that. If we are smarter with our expenses and moved slowly we could help ourselves internally. You are here in order to listen to students, so I urge that this process is democratic to the student's voices and votes (not just University Senate).

Student: To my understanding, once we hit the RFP stage there is no turning back, I would urge all of you to be more open about this process earlier rather than later. We are demanding transparency earlier rather than later. Once it seems like it is too late we won't have an understanding to explain our newly educated opinions.

Cowley: Clarification - If we have good enough ideas the next step is to draft an RFP. It's a complicated process. What do we want to do and how does our relationship operate? We have to draft it and then operate it and then the bidders would have to respond. Then we would have to decide if the deal is good. There is no specific timeline for that but I hear your point.

Student Response: The sooner the transparency the better.

Dietrich response: If the parking deal came in and it didn't come in over 400 million dollars, it definitely depends on what the parking deal looks like. There may be a chance that this will work but it has to actually look like this is a good deal for the university. Who wants to be involved in making a bad deal for the university?

Student Response: Not me and not you hopefully.

Dietrich: I agree with you. If I think this will make things worse for students I won't support it.

Reed: I would just like to say that it is really good to have dialogue and I thank you all for coming even though it's kind of tense right now. It's tense right here, and it's tense in other meetings too. There is a lot of pushback and different arguments to be made. My largest point or fear with this entire thing is, although I know everyone has the university's best interests at heart, is if we were to become a case study for how not to reach carbon neutrality. My fear is a fear that many are facing deep down. Truthfully, I don't have enough information to fully form an opinion on it but I'm fearful.

Student: You've left out a huge portion of this plan, the workers. Where are their voices throughout this whole deal? The CWA workers have reached out to organizations on campus because the administration is completely oblivious to their ideas.

Cowley: We have regular conversations with the CWA and they receive regular updates on the process. We know our employees are nervous about this process and we want them to understand the potential impacts that this process might have. This is a core communication idea. Whether the project moves forward or not we want to ensure great things for our employees.

Student: We are a public university accountable to the state of Ohio and luckily we have our opinion. Go out and vote and tell your friends to vote. 18-24 has a low turnout and hopefully that will help change the way our university works.

Student: I'm with Students for Sustainable Campus Action: I'm thankful you decided to do something like this. I wonder whether we've decided to exhaust all other possible options on this. It's a little unclear what these capital improvements would include and I would hope that it wouldn't be just what's profitable for the company but also in terms of what actually improves carbon gains and whether it makes sense. Where do we get the profits in this model? Do they come from efficiency gains or interests we have to pay them on a loan to make these upgrades? Finally, there have been some concerns expressed on the workers like if our workers tend to be someone else's gain and someone else gets fired. I don't believe there needs to be a protectionist concern that I've been hearing from other students. We need to be concerned more with the university finances and who benefits from this.

Cowley: With any energy privatization measure, if the company they wanted to change the lights we would still authorize something as small as that.

Dormady: This is my biggest concern as an economist. They will get a 10.5% return on equity and in 50 years we would have to buy that back from them. We could be slapped with a big IOU. We are actively looking to make sure that the university covers our costs.

Student: I have a comment and a question: I'm taking a lot of classes that analyzes the political nature and the environment. OSU would be placing political power that can contribute to any type of political law to the environment. Senate Bill 310 was a freeze on Ohio's clean energy standards. Question: How is this meeting going to be relayed and how is this going to be relayed to? Who is taking notes? Will this meeting end?

Reed: Our Deputy Chief of Staff, Gerard Basalla is taking notes and those will be delivered to the advisory groups.

Cowley: We are also actively taking notes. We want to be paying attention at the front and let others take them. Some of those committee members are here but these notes are for others who won't be able to attend.

End Comments 7:47

Closing Statement

****ALL Panelists thanked the audience for coming. This is excluded from this section.*

Reed: I will be writing a response to Kate Bartter, which will be my personal opinions and that there is a lot of pushback based on the social climate on campus.

Cowley: It is very important for everyone to better understand what we are talking about. There has been some concern; why haven't we talked about this more? Now we can actually talk about this and begin this dialogue if it moves forward. I've had many phone conversations and want to keep this going. Thanks to USG for all of your work putting this together.

Dietrich: I don't have a view on this yet. It has not been presented to Senate Fiscal. Your comments tonight have helped me think about issues that I might not have understood. Looking out and listening to you has shown me to appreciate being a faculty member at Ohio State.

Potter: I've been on this project for four years and I don't have a view. It's important that we look at the university and how we analyze our energy better but I don't have a view yet and I don't know if it's only a good deal if it's a bad deal. It's an exciting and unique endeavor both here and throughout the world and unfortunately it is extremely complex. There has been a lot of pushback and a lot of support. There are a lot of student/faculty groups on both sides of things.

Being for or against makes you a good Buckeye. So many people are interested in this endeavor – both negative and positive. If it hadn't been both sides it would have scared me.

Dormady: You are our future leaders. I want you to know that just like Dr. Dietrich, I don't have an opinion on this. I would state with great certainty that the members of the committee are looking at this from great objectivity. For the sake of conflict of interest, I have nothing to gain from this. I didn't have time to read to my two-year-old in the bathtub but I'm doing this because we care about the next 50 years. I plan to be here 50 years from now, and maybe I will be here, so it is my hope to shape the future of Ohio State in a very positive way, in an objective and neutral fashion. Thank you for your collaborative spirit and intelligent thought.

End Closing Statements:

Whipple: Thanks to the crowd. Thanks the panelists for their time. Whipple leaves remaining minutes for people to meet with panelists and USG members.

Gavel is tapped. The Town Hall Meeting is adjourned at 7:53 PM, Jan. 28, 2016