



## Meeting Summary

**Agency:** DGS

Following is a summary of issues discussed at the DGS Stat on July 20, 2010. Analysis is provided by StateStat and the Governor's Delivery Unit (GDU).

### General Observations

- For this briefing, the following issues are highlighted:
  - Follow Up Items
  - Personnel Issues
  - Facilities Operation and Maintenance
  - Procurement and Logistics
  - Facilities Planning, Design and Construction

### Follow Up Items

- **Waterless Urinals Pilot Program.** A pint flush pilot program has been set up in Annapolis at the DGS Central Services building, adjacent to the pilot program for the waterless urinals.
- **Green Power.** In response to a follow up question about the price of brown power vs. green power, DGS supplied a quote from Washington Gas Energy Services (WGES) that the premium for national wind power is \$0.0025/ kWh for 2010-2011. Including Maryland's cost of \$0.10 per kWh (inclusive of commodity, transportation and capacity), the final price to the State would be ( $\$0.10 + \$0.0025 = \$0.10025$ ), which is similar to the cost for this year. The price would go toward receiving a certificate from a wind power company (out of State) that a kWh generated from wind power location (A) is allocated to a location (B) in the State of Maryland. To date the state has contracted with Solar projects a total of 26,761 kWh annually.
- During the 2010 legislative session, the O'Malley Administration successfully sponsored legislation to accelerate the state's solar RPS to put more clean energy on the grid faster, as well as successfully extending renewable energy tax credits for businesses interested in going green. The planned Clean Horizons projects have a combined capacity of 133MW as shown in the chart below. This capacity converts to .38 billion kWh/year, which is 27 percent of the state's annual energy consumption as shown in the second chart. According to DGS, the Clean Horizons projects would cover more of the state's need of renewable power including Solar for many years.
- DGS believes that the only way for the State to achieve its compliance of green energy 20% by 2022 would be in implementing the Clean Horizons power purchase agreement. Otherwise, the State will just comply



with the Renewable Portfolio Standard (RPS) through electricity purchased from its supplier of electricity, and will pay the market price at the time. During the Greenhouse Gas Subject Matter Stat meeting earlier this month, DGS related that it was having trouble with the four developers who responded to the RFP.

<b>Total Approved Renewable Energy Proposals</b>					
<b>Bidder</b>	<b>Project</b>	<b>Project Type</b>	<b>Location</b>	<b>Project Capacity (MW)</b>	<b>Annual Energy Output (MWh/yr)</b>
US Windforce	Pinnacle	wind	WV	55.2	173,542
Synergics-SBR	Roth Rock Phase II	wind	MD	10	30,605
Constellation	St. Mary's Solar	solar	MD	13	22,291
Bluewater	Rowp	Offshore Wind	DE	55	153,621
Total				133.2	380,059

<b>Breakdown of Clean Horizons</b>	
	<b>MWh/Year</b>
Total Anticipated Purchase of Green Energy	380,059
Current Overall State government Consumption	1,400,000
% of annual State government electricity purchase	27.10%

<b>Renewable Portfolio Standard- State Law</b>				
<b>Year</b>	<b>Solar</b>	<b>Other Tier I</b>	<b>Tier II</b>	<b>TOTAL</b>
2006	0.00%	1.00%	2.50%	3.50%
2007	0.00%	1.00%	2.50%	3.50%
2008	0.01%	2.00%	2.50%	4.51%
2009	0.01%	2.00%	2.50%	4.51%
2010	0.03%	3.00%	2.50%	5.53%
2011	0.05%	4.95%	2.50%	7.50%
2012	0.12%	6.38%	2.50%	9.00%
2013	0.22%	7.98%	2.50%	10.70%
2014	0.36%	9.94%	2.50%	12.80%
2015	0.50%	10.00%	2.50%	13.00%
2016	0.70%	12.00%	2.50%	15.20%
2017	0.90%	12.20%	2.50%	15.60%
2018	1.15%	14.65%	2.50%	18.30%
2019	1.40%	16.00%	0%	17.40%
2020	1.65%	16.35%	0%	18.00%
2021	1.85%	16.85%	0%	18.70%
2022	2.00%	18.00%	0%	20.00%

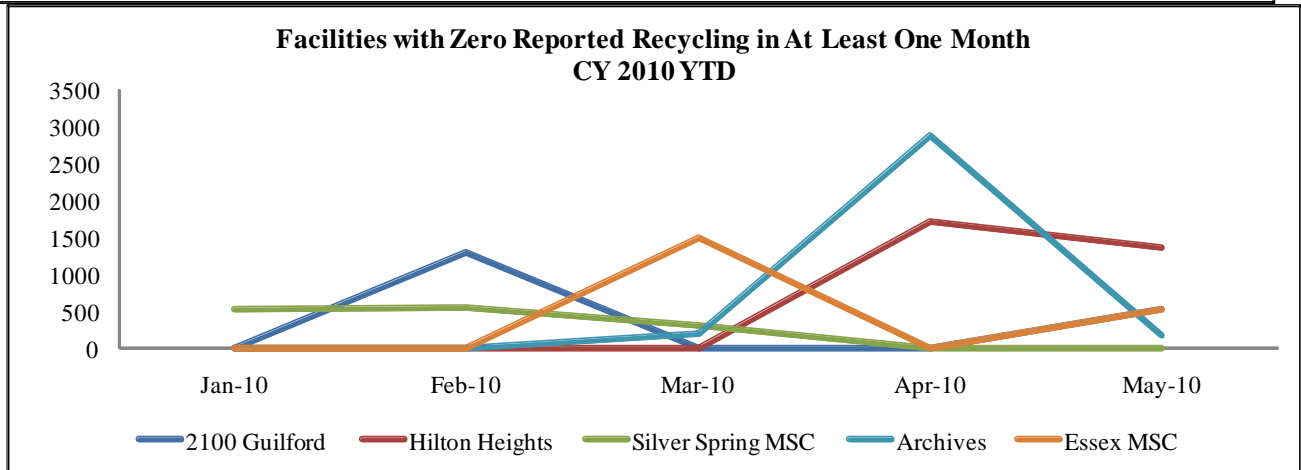
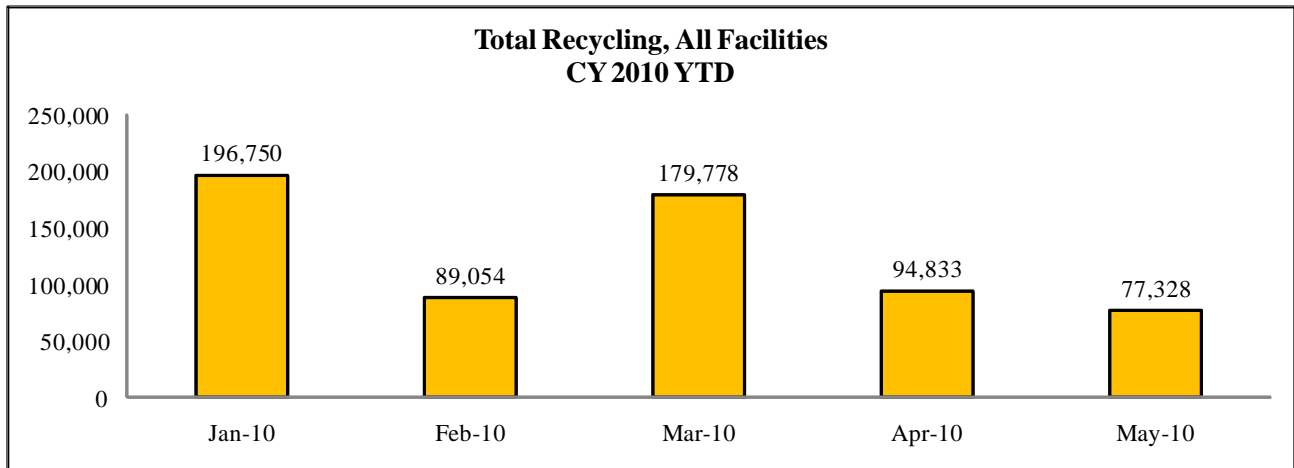
- **Green Purchasing Committee.** DGS has scheduled the first meeting of the Green Purchasing Committee for July 29, 2010. The first meeting will be organizational in nature and, therefore, will be limited to the committee members. It is anticipated that sub-committees will be established at this initial

meeting to address the major elements of the committee's purpose. Participation by others outside of the designated committee, i.e., small business, customer agencies, etc. will be determined by each sub-committee based on their needs.

- **eProcurement.** It is anticipated that delivery of the eProcurement system would be within six months from the date of award. A vendor roundtable discussion was held on July 1. Nine individuals representing six firms attended the discussion. This group was supportive of a transaction fee for enhanced capabilities. The group also discussed the existing functionality of eMaryland, what additional functionality would enhance a portal solution and other similar portals and how they compare to eMaryland. A subsequent meeting was held on July 16 in order to accommodate, to the extent possible, additional firms who were invited but did not attend the July 1 meeting.
- **Energy Contracts.** After discussion, DGS Energy and Procurement groups have ideas about including small businesses in energy efficiencies related contracts, as well as the hindrances and barriers to entry in the market. DGS is also developing a list of potential small companies able to provide energy efficiency services to participate in a working group, in addition to interested local governments. DGS Energy group, led by Hatim Jabaji, anticipates setting up a meeting regarding this within thirty (30) days.
- **DGS Energy Database** DGS is working with BithGroup Technologies and State agencies to gather and enter energy bill data into EnergyCAP software. This database will track the energy use and costs of every State agency. DGS and BithGroup are also working with State's energy providers to obtain historical and on-going energy consumption, rate and cost data. Approximately 75% of the energy bills come from the few largest electric utilities. At the previous ClimateStat meeting Governor O'Malley asked DGS to work with the Public Service Commission to get better cooperation from the regulated utility companies.
- **Government Leads by Example.** The General Assembly passed and the Governor signed the Green Maryland Act of 2010, which establishes a process for increasing green procurement by State agencies. The law takes effect October 1, 2010, but the Maryland Green Purchasing Committee it establishes is expected to begin meeting this summer under the leadership of DGS.

#### **Facility Operations and Maintenance**

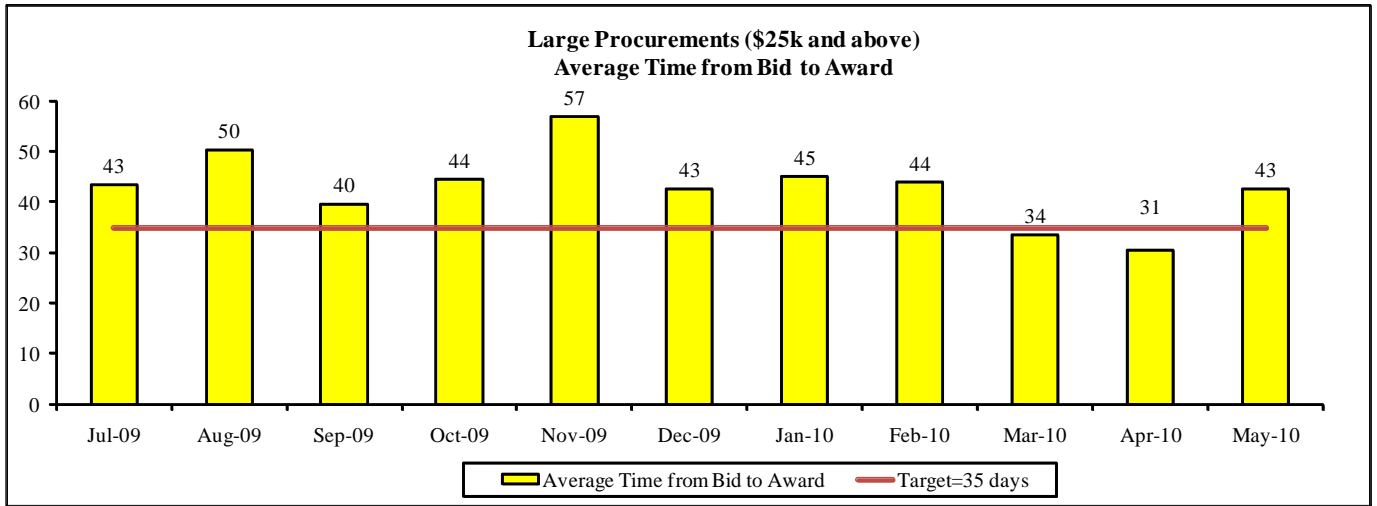
- **Recycling.** Total recycling fluctuates from month to month as shown in the chart below. In some facilities, recycling reported is zero.



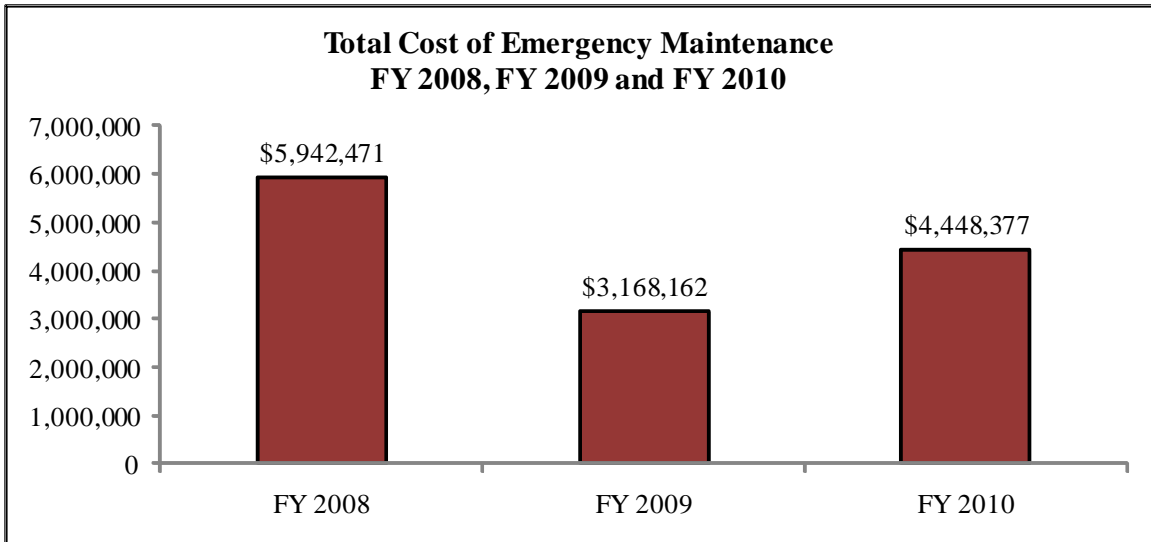
- Work Orders.** According to DLLR, the elevators at 6 St. Paul were inspected in January 2010. Work orders were written with copies given to the authorized agent for the building at the time of inspection. On July 16<sup>th</sup> 2010, DLLR noted that as soon as DGS notifies the safety inspection unit that the repairs are complete, they will schedule an inspector to perform a follow up inspection, clear the work orders and issue certificates. (The service elevator was an exception—it will require possible motor replacement and repairs will take approximately two weeks. Repair of this elevator is currently on Construction’s punch list as part of the elevator restoration project.) StateStat forwarded a copy of the work order to Sandra Rose, the Inner Harbor Region Superintendent on that day.
- On July 19<sup>th</sup>, Ms. Rose responded that all of the elevator discrepancies reported on the DLLR Safety Order Forms dated January 11 & 12, 2010 for William Donald Schaefer Tower were corrected by DGS contractor ELCON prior to the end of January 2010. A copy of the completed work order can be displayed at the panel’s request.<sup>1</sup> Although DLLR states they did not receive completion notice, DGS states that copies were forwarded to DLLR by DGS building manager Kenneth Fitch, and the contractors’ tech, Bob Mickey. DGS has been in contact with DLLR, and Mr. Fitch is returning to 6 St. Paul with the new certificates.

**Procurement and Logistics**

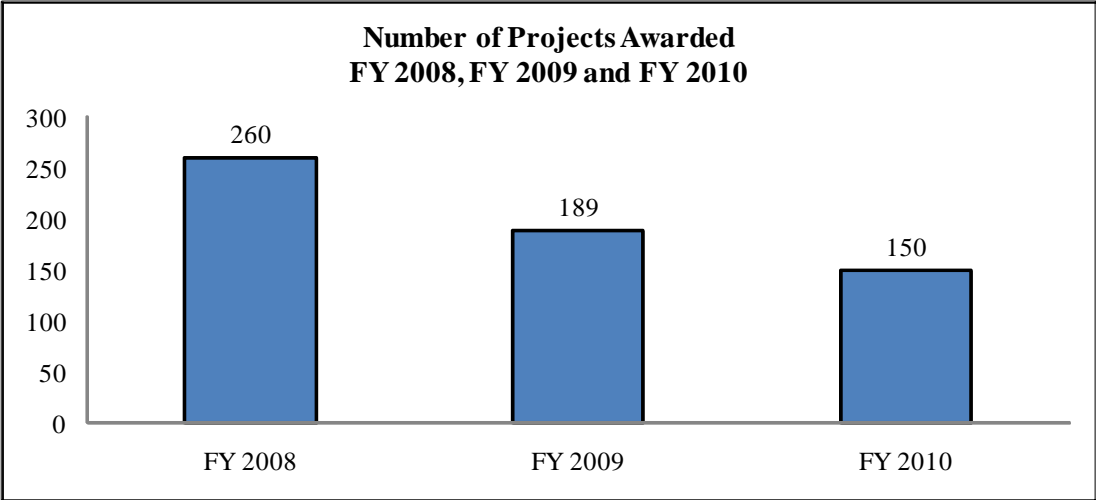
- Large Procurements.** For large procurements, the average time from bid to award increased beyond the target of 35 days in May.



**Facilities Planning, Design and Construction**



- **Number of Projects.** The total number of projects awarded decreased from FY 2008 to FY 2009 and FY 2010 due to the economic downturn.



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