

DEED Policy Document

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Policy Statement Approved by APPA's Board of Directors

The challenge and opportunity posed by changing consumer needs and developing technologies require a concerted effort by all public power utilities to be innovative. The long-term strength of public power demands a firm commitment to research, development, and demonstration.

To help promote these objectives, the American Public Power Association shall maintain a permanent program to identify and fund research and demonstration projects of benefit to local publicly owned electric utilities and to maintain responsive and effective means for technology transfer.

Introduction

Statement of Purpose

In 1980, the American Public Power Association (APPA) established a program for the Demonstration of Energy & Efficiency Developments (DEED). The purpose of the DEED program is to sponsor and conduct activities related to energy innovation that improve efficiencies or lower costs and enhance the value of providing electricity and services to the customers of publicly owned electric utilities. The DEED program is premised on the belief that public power utilities can conduct these activities with greater success if they are undertaken collaboratively rather than individually. Such activities are to be primarily near-term in nature, to address current needs and to provide rapid transfer of knowledge.

On November 8, 2023, the DEED Board of Directors adopted a strategic plan providing a framework for the DEED policy manual provisions.

The following policies govern the DEED program and were first approved by APPA's Board of Directors on October 22, 1985, and most recently revised on June 8, 2024.

A. General

1. This policy manual sets forth the terms, policies, and guidelines for conducting the DEED program.
2. This policy manual shall be reviewed periodically, but no less than once every five (5) years, by the DEED Board of Directors, and updated as necessary, with any recommended changes to these policies requiring approval by APPA's Board of Directors.
3. Each DEED member utility shall be provided a copy of this policy manual. This manual shall also be posted on the DEED section of the APPA website.
4. Each DEED Board Member shall be provided a copy of this policy manual in conjunction with the program's procedure manual.
5. It is APPA's goal that every member shall support the DEED program.
6. DEED members must remain a member in good standing of APPA. APPA members that are up to date on their APPA dues are considered to be in good standing. If a DEED member drops its APPA membership, the utility will be unable to renew its DEED membership for the following year unless and until it becomes an APPA member in good standing.
7. Though the DEED Board has been delegated, on a revocable basis, operational control of the DEED program, APPA's Board of Directors has total and complete governing authority over DEED. APPA Board has a fiduciary responsibility to act in the best interests of APPA. The DEED Board thus acts in an advisory capacity and has no legal fiduciary responsibilities, and, therefore, DEED Board Members do not have liability insurance in their capacity as board members. APPA's Board responsibility towards DEED include review and approval of the policy manual and all changes to DEED governance structure, oversight of the DEED fund and financial structure, and, through the APPA Board Chair, ultimate approval of all DEED Board appointments.

B. DEED Board Members

1. The DEED program shall be governed, at the discretion of APPA's Board of Directors, by 13 DEED Board Members:
 - a. Eleven (11) Board Members, one from each of the 10 regions into which the APPA membership is divided, plus one at-large seat, shall be appointed to staggered, three-year terms. Appointment will be made by APPA's Board Chair following the nomination method outlined below. Full terms may be repeated once. No DEED Board Members shall serve more than two full terms, except if appointed to complete a vacated

seat with less than half the term length remaining. Reappointment shall be contingent upon at least 50 percent attendance at prior board meetings. At the discretion of APPA's Board Chair, the DEED Board Member from Region 10 may be appointed either from that region (from the U.S. territories) or from DEED's membership at large.

These 11 DEED Board Members shall be from DEED member utilities or organizations.

- i. Solicitation and nomination of DEED Board Members shall be made from the DEED membership. DEED members from the region needing representation may nominate any other person from that same region, provided they are eligible to serve on the DEED Board. Current DEED Board Members shall choose a single nominee for each region needing representation, to be presented to the APPA Board Chair for final appointment.
 - ii. All regular APPA utility, joint action agency, federal service contract and state/regional association members are eligible to serve as DEED Board Members. APPA associate members are not eligible to serve on the DEED Board.
 - iii. It is important that the DEED Board be comprised of a group of diverse individuals to best represent the membership. When evaluating candidates, the incumbent DEED Board will strive to maintain or enhance the following board characteristics:
 - Diversity of subject-matter expertise;
 - Diversity of size (e.g., large, medium, and small utilities); and
 - Diversity of member type (e.g., utilities, state associations, joint action agencies)The DEED Board shall also consider a candidate's years in public power, involvement in APPA or DEED activities, previous and current job experience, and any other qualification that demonstrate the individual's fitness to serve as a DEED Board Member. Additionally, the DEED Board shall also consider prior regional representation to assess participation from a state and utility standpoint.
- b. The chair and vice chair of APPA's Engineering & Operations Section shall also serve as DEED Board Members during their tenure as section officers. The Engineering & Operations section chair or vice chair may not serve concurrently as a regional DEED Board Member.
 - c. The DEED Board may extend a board member's term for up to one year to ensure continuity of the DEED Board and can appoint a previous DEED Board Member to complete a vacated term if less than half of a term length remains.
2. The DEED Board Members shall elect a chair and vice chair from those currently serving on the board. (The chair and vice chair may serve up to two, two-year terms, respectively.)
 3. There shall be an executive committee consisting of three (3) DEED Board Members to act on necessary issues between meetings. The members of this committee shall consist of the DEED Chair, Vice Chair, and a member appointed by the DEED Chair. Actions taken shall be reported at the next scheduled meeting of the full DEED Board.
 4. In the event that one of the 11 regional DEED Board Members resigns or the board member's member utility ceases DEED membership, the Chair of APPA's Board may

appoint a replacement for the remainder of the term. If more than half of the term remains, a replacement will be chosen following the solicitation and appointment method outlined in section B.1.a.i. to fill the remainder of the term. Once this term expires, the appointed board member may seek nominations following the methods outlined in section B.1.a.i. and, if appointed, may serve two, three-year terms.

5. If a DEED Board Member is absent from two consecutive meetings, that directorship shall be reviewed by the DEED executive committee to determine if the board member should be relieved of duties and an interim replacement appointed by the APPA board Chair, based on the recommendation of the DEED executive committee.
6. A simple majority of sitting board members shall constitute a quorum.
7. All action of the DEED Board shall be made by majority vote of a quorum of the DEED Board Members.
8. All decisions made by the DEED Board, related to the DEED program, are at the sole discretion of the DEED Board Members.

C. DEED Fund

1. Fifteen (15) percent of DEED contributions and revenues shall be withheld for administrative expenses associated with the program, including salary and administrative and general expenses for APPA staff directly responsible for administering the DEED program. APPA marketing staff and finance staff time shall not be charged to the DEED program. The remaining funds shall be known as the DEED fund. The DEED fund shall be used for DEED grants, DEED joint projects, DEED student research grants, internships, technical design projects, or other purposes consistent with the objectives of DEED, as determined by DEED Board Members.

D. DEED Board Meetings

1. The two scheduled meetings of the DEED Board shall be held: (1) in conjunction with APPA's Engineering and Operations Technical Conference, and (2) in the fall, at a meeting location to be determined by APPA's DEED program staff and DEED Board Members.
2. The DEED Board meetings are open to all DEED members. DEED members are encouraged to attend. The DEED Board may have closed executive sessions, as it deems necessary.
3. Proposers of DEED projects shall not be allowed to make personal presentations regarding their proposals. Proposers, however, are encouraged to contact any DEED Board Member(s) prior to the meeting to explain their proposals and offer background information. Calls may be made to an applicant during board meetings if a board member wishes to ask questions regarding a proposal. Proposers may remain present for any discussion of their proposal but may not be present for the vote.
4. DEED Board Members shall not be allowed to make personal presentations or vote on behalf of proposals submitted by their own organization.

5. The full minutes of the DEED Board meetings shall be kept and made available for inspection through APPA.
6. An executive summary of all DEED meetings shall be made available to all DEED members. This summary shall include an identification of DEED proposals that did not receive funding.

E. Dues

1. DEED shall be supported through dues contributions by APPA members that elect to join the DEED program.
2. DEED dues shall be reviewed at least once every five years to ensure the financial sustainability and stability of the program. All changes to DEED dues must be approved by APPA's Board of Directors.
3. DEED dues for regular members shall be:
 - a. Utilities: 20 percent of APPA invoiced dues, increasing by 5 percent annually until reaching 22 percent of APPA invoiced dues. The maximum amount of dues is \$11,500, and shall increase by \$900 annually upon APPA Board approval of this policy manual until it reaches \$16,000.
 - b. Joint action agencies: 20 percent of the combined total of all the agency's members' APPA dues (calculated for all agency members or distributors that are APPA members) up to \$20,000, increasing by \$900 annually upon APPA Board approval of this policy manual until it reaches \$24,500. There shall be an additional 10% charge, increasing by 1% per year until reaching 15%, on calculated dues exceeding this amount. Agency members or distributors that belong to APPA will qualify for DEED membership benefits with a calculated minimum of \$115.
 - c. State and regional associations: \$275, to be increased annually upon APPA Board approval of this policy manual by \$50 until it reaches \$525. Only the state or regional association joining DEED may utilize DEED benefits. The state or regional association may not share DEED reports, publications, software, videos, or other DEED membership benefits with its members. The state or regional association's members may join DEED by payment of DEED dues based on the formula in E.3.a.
 - d. Federal service contracts – Power-related agencies of the United States Government which are not owned by the Department of Energy: Shall be billed at the JAA maximum rate of \$20,000, increasing by \$900 annually upon APPA Board approval of this policy manual until it reaches \$24,500.
 - e. Federal service contracts: \$2,500. These are power-related agencies of the United States Government owned and operated by the Department of Energy. These members may not share DEED reports, publications, software, videos, or other DEED membership benefits with their distributors.
4. The following APPA members are eligible to join as DEED associate members: state or local government agencies, including cities, towns, counties, and other public agencies in

the United States and Canada that offer utility-type services (gas, water, telecom, and cable TV/Internet) but not electric service; cities, towns, counties and other public agencies in the United States and Canada that do not operate electric utilities but are looking to serve, or already serve, as aggregators to group buyers of electric or other utility service; state or local government agencies with public power oversight or regulatory responsibilities; community- or government-owned electric utilities located outside of the United States, its territories, and possessions, and Canada. Membership benefits include: access to scholarships; DEED Digest subscriptions; results from projects (reports, abstracts etc.); and member discounts on products and publications. Associate members are not eligible to apply for grants or DEED awards (Energy Innovator Award/Award of Continued Excellence) or to serve on the DEED Board. The dues for associate members are \$275.

5. Although individual and corporate members of APPA are ineligible to join DEED, they may purchase DEED project results and final reports on a case-by-case basis at the discretion of APPA's DEED program staff. They may also subscribe to the DEED Digest (see Section M).

6. Should DEED membership reach 60 percent of full APPA regular utility member participation, either on the basis of total meters served or number of participating utilities, on recommendation of the DEED Board, APPA's Board of Directors may review the inclusion of DEED membership dues in general APPA regular utility member dues.

F. Responsibilities of APPA's DEED Program Staff

The day-to-day administration of the DEED program shall be the responsibility of APPA's DEED program staff. APPA's DEED program staff shall keep the DEED Board Members and DEED membership informed, as appropriate, about DEED program activities.

G. General Requirements for DEED-Sponsored Projects

1. DEED-sponsored projects are understood to include DEED grants and DEED joint projects. The requirements in this section apply to all DEED-sponsored projects.
2. Approval of DEED-sponsored projects is the responsibility of the DEED Board. All DEED-funded projects shall be governed by a contract. The DEED Board may amend any proposal or contract for the benefit of the DEED program.
3. A general requirement of a DEED-sponsored project shall be APPA's retention of full rights and/or intellectual property to any inventions or products resulting from efforts while conducting the project. This requirement may be waived or modified by APPA's DEED program staff.
4. No more than 25 percent of the total award for the DEED-sponsored project may be provided to an award recipient at the inception of the project. APPA's DEED program staff may increase this amount up to a total of 50 percent if appropriate. In all instances, 25 percent of award amount shall be withheld by APPA until project completion.
5. The DEED Board Members shall have the discretion to increase project funding by up to

15 percent of the award amount, if the award recipient demonstrates a need for additional funds.

6. A utility receiving an award must have the contract signed by a duly authorized representative of the utility.

7. Projects may be terminated if:

a. The project schedule slips by more than six (6) months and a request for an extension has not been submitted and approved by APPA's DEED program staff.

b. A final report and abstract have not been received within six (6) months of the project's scheduled completion.

c. A project awarded is not inaugurated within six (6) months without satisfactory explanation.

d. A utility cancels its DEED membership while the project is active.

8. The DEED Board shall have sole responsibility for termination of DEED-funded projects.

H. Grants

1. DEED grants are intended for demonstration or early commercialization projects at DEED member utilities that would improve efficiencies, lower costs, or add service or value in the provision of electricity or energy services to the customers of publicly owned electric utilities. DEED grants may also be used for applied research to early-demonstration projects with longer-term potential either to improve efficiencies or lower costs in the provision of energy services to the customers of publicly owned electric utilities, to be conducted by any organization under the guidance and sponsorship of a DEED regular member utility.

2. Proposals for DEED grants may be submitted only by DEED regular members that have been DEED members for at least six months prior to grant submission.

3. Proposals for DEED grants exceeding \$125,000 must be approved by APPA's Board of Directors upon approval by the DEED Board Members.

I. Scholarships

1. DEED scholarships are intended to increase students' awareness of career opportunities in public power, the utility industry, and provide host DEED members with assistance. DEED scholarships also support working students interested in transitioning to technical careers, especially those in short supply and high demand in public power.

2. Students must be attending school in the United States US territories, or Canada.

3. Applicants must be accepted or enrolled in an appropriately accredited post-secondary school, such as a vocational school, community college, two- or four-year college, university, or graduate school to be eligible to apply.

4. The DEED Board shall have sole responsibility for approval of DEED scholarships. Awards shall be considered twice annually.
5. Relatives of the current DEED Board Members serving on the DEED Board and APPA staff may not apply for DEED scholarships.

J. DEED Student Internships

1. The goal of this scholarship is to support students interested in gaining hands-on experience working as an intern in the utility industry. The student will work on various energy-related projects and activities for the host DEED member organization.
2. Student internships are limited to \$4,000 and may be split among students collaborating on a single project.
3. Internships include travel expenses of up to an additional \$1,000 for students to attend an APPA conference or APPA-approved conference (i.e., APPA member state association or joint action agency conference) of their choice within 12 months of completing their scholarship. APPA's DEED program staff must approve student travel arrangements and APPA will reimburse up to \$1,000 for approved expenses.

K. Lineworker and Technical Educational Scholarship

1. The goal of this scholarship is to support students entering technical careers that are in short supply and in high demand by public power utilities.
2. The amount of this scholarship is \$2,000 to be paid directly to the educational institution where the student is enrolled to cover expenses.
3. The educational scholarship is targeted for high school seniors, students in trade school, community college/two-year college, and undergraduate baccalaureate programs or intending to enroll in one of these programs. Graduate students may not apply for educational scholarships.
4. The applicant must be a student during the time frame of the scholarship.

L. Energy Innovator Awards (EIA)

1. The Energy Innovator Award honors utilities who are DEED members that have developed or applied creative techniques and technologies to improve the efficient delivery of energy services in their communities through the implementation of new projects and programs. Awards recognize creativity, resource efficiency, benefits to consumers, transferability, and project scope in relation to utility size.
2. Associate members are ineligible to be considered for the Energy Innovator Award.

M. DEED Digest

As a benefit of DEED membership, each member will have access to DEED news on a regular basis, including the DEED Digest at no charge.

N. DEED Products

1. Any material or product resulting from a DEED-sponsored project that is offered for sale or for a fee constitutes a DEED product.
2. APPA's DEED program staff shall price DEED products appropriately.
3. All net revenues from DEED products shall be added to the DEED fund.

O. Accounting Policies

1. The accounting and handling of funds shall be administered by APPA.
2. No monies may be awarded in excess of what is currently available in the DEED fund.
3. Funds on hand shall be invested in accordance with established APPA investment policy.
4. The DEED accounts shall be audited as part of APPA's annual audit by an independent firm of certified public accountants.
5. Disbursements from the fund shall be made only upon submission of a written request by APPA staff only in compliance with the procedures outlined in the DEED procedure manual
6. Funds received and disbursed by DEED shall be accounted for in a manner consistent with generally accepted accounting procedures.
7. An annual financial report shall be made available to all DEED members.

