

Clean Energy Development Board

Meeting on 06/12/2024

Approved Minutes

In Attendance (Meeting held at electronically via video and in-person at PSD's Offices in Giga Conf. Room))

<u>Board Members:</u>	Attending	Absent
<u>Cara Robechek (CR) Chair</u>	X	
<u>David Farnsworth (DF)</u>	X	
<u>Ken Jones (KJ)</u>	X	
<u>Sam Swanson (SS)</u>	X	
<u>Johanna Miller (JM)</u>	X	
<u>Paul Zabriskie (PZ) Co-Chair</u>	X	

State Employees:

Andrew Perchlik (**AP**), Clean Energy Development Fund Director, Public Service Department (PSD); Christopher Heine (**CH**) Clean Energy Program Specialist, PSD; Melissa Bailey (**MB**) State Energy Office (SEO) Director

Other Attendees:

None

CR called the meeting to order at 1:03 PM

I. The Board Reviewed the Agenda as presented and made no changes.

II. Discuss and Vote on Prior Draft Minutes

SS moved to accept the draft minutes of the 05/22/24 meeting as presented. DF seconded the motion, and it passed unanimously with the exception of PZ who abstained.

III. Draft Fiscal Year 2025 Budget and Annual Plan

AP said that **SS** and **CR** offered some typo corrections and a couple of changes to the language in the Plan and that the PSD adopted these changes in the final draft. The one substantive change was deleting the language about filling any vacancies to the CED Board. As there has been a vacancy for over a year the language about what would happen if there was a vacancy is no longer likely accurate and it was not needed.

There was a general discussion about the proportion of funds that go to administration/staff and that as the funds run down the administration expenses as a percentage will be outside of a normal or recommended range. **AP** reported

that more of his time as the Fund Manager will be working on PSD programs not funded with CEDF funds.

KJ moves to accept the FY 2025 Plan & Budget as presented at the meeting. PZ seconded the motion and the motion passed unanimously.

IV. State Energy Office (SEO) and CEDF Structure

MB introduced herself to the Board as the new director of the SEO. She explained that in January the PSD Commissioner established the SEO to have a Division at the PSD focused on state and federal funding/incoming grants to the PSD. She reported that the CEDF was moved from the Planning Division to the SEO Division as it was a better fit for the SEO in that the CEDF has years of experience working with grants and contracts, issuing grant solicitations, and awarding funds. KJ said he would like to see the integration of the CEDF and the SEO and would like the CED Board to get updates on the SEO more broadly as programs and SEO actions progress. **MB** said she was happy to provide those updates and appreciated the input and feedback from the Board.

V. Montpelier Loan and District Heating System

AP reported on his meeting with city staff where they discussed the repayment of the \$750,000 loan. **AP** presented CEDF's idea that the city start making principal payments to the CEDF and that the CEDF place those payments into a special fund that would be used to provide grants to building owners to interconnect with the city's district heating system. **AP** reported that the city was open and receptive to the idea after they were told there was no option to convert the loan into a grant. He said the city agreed that they need to pay back the loan and that the viability of the district heating system will likely depend on getting new customers to interconnect/participate as customers

KJ said he has been working as a city resident and member of its Energy Committee on the expansion of the system and finding ways to improve the financial viability of the system. He said he sees their rate structure as broken and in need of change for new customers to hook up to the system. **DF** asked if CEDF's restructuring of the loan be contingent upon a change to their rate structure? There was a general discussion of how the CEDF could require this as part of the loan restructuring. There was support for requiring the city to address the system's rates before providing the benefit of the restructured financing that would provide grants to new customers of the system. **KJ** and **AP** said they will speak with the city and each other and follow up with the Board at the next meeting.

VI. CEDF Program Updates

AP said that incentives for pellet heating systems have slowed significantly and reports from the installers participating in the Advanced Wood Heating Incentive say customer inquiries have dropped considerably. He said the CEDF was going to increase marketing efforts for the income-qualified adder to pellet boilers in Windham County.

AP reported that the incentive for 100% biofuel for heating continues but uptake is slow – both in numbers and dollars per incentive. The program still has about \$60K of ARPA funds for biodiesel incentives.

KJ mentioned that if the Clean Heat Standard goes into effect there would be Clean Heat Credits that the CEDF would like have ownership of due to the incentives the CEDF has provided for pellet heating systems. These credits might be able to be sold and could provide some funding for the CEDF in the future.

Next Meeting Discussion

The Board discussed different options for their next meeting and decided on October 23rd at 1:00 PM

Adjournment

Without objection **CR** adjourned the meeting at 1:49 PM.