

**Draft Minutes
Clean Energy Development Board
Quarterly Meeting July 19, 2017**

In Attendance (*Meeting held at Public Service Department, 112 State Street, Montpelier, VT*):

Board Members:	Attending	Absent
Jared Duval (JD)	X	
Janice St. Onge (JS)	X	
Sam Swanson (SS) <i>Co-Chair</i>		X
Linda McGinnis (LM) <i>Co-Chair</i>	X	
Johanna Miller (JM)	X	
Gaye Symington (GS)	X (<i>by phone</i>)	
Mark Whitworth (MW)	X	

State Employees:

Andrew Perchlik (**AP**), Fund Manager, Clean Energy Development Fund, Public Service Department (PSD)

Members of the Public: None

Meeting brought to order at 1:12 with Linda McGinnis presiding.

- I. **Agenda.** The draft agenda was discussed and agreed to.
- II. **Minutes.** The minutes of 6/20/17 had been presented to the Board via email prior to the meeting. **MW** moved to accept the minutes as presented. **JD** seconded the motion and the motion passed with four votes in favor and **JS** and **JM** abstaining.
- III. **FY 2018 Program Plan and Budget**

AP discussed the changes made to the Plan and Budget based on requests by the Board at their 6/20/17 meeting. There was discussion on the following sections and programs in the plan:

Executive Summary: Board members had questions about future funding for the CEDF and how that was being addressed in the Plan. There was a discussion about the need for CEDF funding and how this has been an ongoing discussion of the CEDF and CED Board for the last few years. Some Board members asked how they were supposed to work on or evaluate a five year strategic plan if there is not currently any new funding for the CEDF. There was a discussion on whether the CEDF should plan just for the limited funds it has now, or plan as if new annual funding will materialize. There was a brief discussion if there was a role for the Board regarding funding and if so to what extent it should be. There was not a clear consensus on this question. Board members asked if they could have a meeting with PSD leadership regarding funding or have the PSD present their CEDF funding strategy at the next CED Board meeting. Board members were not clear of how the Board

should act as advisors to the PSD Commissioner on this topic. **AP** said he would discuss this with PSD leadership.

AP reviewed with the Board the funding history and fund balances over the last few years. He explained that the CEDF has had enough funds to operate its programs since the last Entergy VY payment in 2014 of \$5.6 million, but that the current funds are projected to be spent by the end of FY18 or within the first quarter of FY19. **AP** explained the Fund does have some funds returning from outstanding ARRA and CEDF loans as borrowers pay those loans back to the CEDF. **AP** reported that these funds are projected to total about \$365,000 for FY18 and will decrease each year as the loans are paid back over the next 5 years.

Members asked for a wording change in a sentence of the executive summary regarding future funding and there was general agreement on the change so **AP** agreed to work with **GS** after the meeting on the exact wording.

Clean Energy Finance Collaborative: Board members expressed interest in seeing economic development being added to the objectives of the Collaborative. They also wanted to verify that the CEDF Fund Manager would be participating in the Collaborative's meetings and be involved in the PSD's administration of the Collaborative. **AP** said he would be doing both.

JS suggested the plan should have more about the collaborative work of the CEDF other than with other state agencies and not just in regards to the Finance Collaborative. There was a discussion on this and the many groups that the CEDF collaborates with in regards to advanced wood heating. There was general agreement amongst the Board on adding some additional wording on the Fund's collaborative efforts. **JS** and **AP** said they would work together to add specific wording on this.

There was a brief discussion on what role does/should the CEDF be playing in the climate economy work, the Climate Economy Summit/conf., the accelerator,

Small Scale Renewable Energy Incentive Program (SSREIP)

AP gave an update on the program and described the changes made to the SSREIP budget and the program design changes of:

- lowering the cap for commercial, municipal, and institutional projects to \$25,000
- not allowing projects that get CEDF funds from a CEDF Grantee as a sub-grant to also get incentives from the SSREIP, but to allow three projects that had recently applied to the SSREIP that are also receiving CEDF grants from the Windham Wood Heat Initiative to receive SSREIP incentives equal to 20% of the applied for amounts

There was a discussion on the SSREIP and the changes presented. There was general agreement on the changes but Board members were not supportive of the Fund Manager's decision to allow projects to apply for the SSREIP if they were already getting sub-grants with CEDF funds. Some didn't like that projects were told that they could apply to both programs and then after they did would be told they could only get 20% of the SSREIP incentive. **AP** agreed that it was an unfortunate situation and was precipitated by the lack of funds available.

JS moved to approve of the CEDF Annual Program Plan and Operating Budget for FY18 as presented by the PSD with the two changes discussed. **MW** seconded the motion to approve. The Motion was unanimously approved.

IV. Strategic Planning:

There was a quick discussion regarding the how the CEDF will be creating the new five year strategic plan and what specifically would be the tasks for the Board's next meeting on October 18th. There was an unanswered question on if the strategic plan should include planning for funding. This led to a renewed discussion about CEDF funding and the role of the Board and if that could be part of what is discussed with the PSD at the 10/18 meeting. Focus on who is going to own the funding piece.

There was a discussion about how the Strategic Plan should address how the CEDF should interact with other clean energy activities happening in the State, such as by the efficiency utilities, the electric utilities (specifically efforts to meet tier 3 of the Renewable Energy Standard), and others.

JD asked for more specific data on the wood heat market based on the data the CEDF is collecting in order to give the Board more complete information on this sector when drafting the strategic plan. **AP** said he could do that, and would send out some more detailed information to the Board.

JS suggested that when creating the strategic plan that if wood heating is still the chosen focus the Fund should try and estimate what the wood heating market will be like in five years to see how to best plan for the future. There was a brief discussion on if the strategic plan should look at what the next technology/clean energy sector the Fund would focus on after advanced wood heating. The question was posed if the Fund should choose a possible future focus like energy storage or if the Fund should develop metrics that would help to determine which would be the next technology to focus on.

It was suggested that the strategic plan should lay out the case that the CEDF can build renewable markets (like it did with solar PV) with low administration costs and without the need to create a new and entrenched bureaucracy.

-- With no objection the meeting was adjourned at 3:02 --