

**Draft Minutes
Clean Energy Development Board
Quarterly Meeting January 17, 2018**

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

Board Members:	Attending	Absent
Jared Duval (JD) <i>Co-Chair</i>	X	
David Farnsworth (DF)	X	
Ken Jones (KJ)	X	
Janice St. Onge (JS)	X	
Sam Swanson (SS) <i>Co-Chair</i>	X	
Johanna Miller (JM)	X	
Gaye Symington (GS)	X	

State Employees:

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

Members of the Public: David Frank, SunWood Biomass Systems.

Meeting brought to order at 1:02 with Co-chair Jared Duval presiding.

- I. **Agenda.** The draft agenda presented by **AP** was discussed and agreed to without objection.
- II. **Minutes.** The minutes of 10/18/17 had been presented to the Board via email prior to the meeting. **JD** suggested edits to the first paragraph of agenda item VI of the minutes. Board members read the proposed amended paragraph and after a brief discussion **SS** moved to accept the minutes as revised by **JD**. **JS** seconded the motion. The motion passed unanimously.
- III. **Board Member Introduction - David Farnsworth,** Being **DF**'s first Board meeting since being appointed to the Board by PSD Commissioner June Tierney David and the other members of the Board introduced themselves.
- IV. **Manager's Report.** **AP** gave an overview of the Fund's finances and activities since the last Board meeting. The financial report included an explanation of the \$270,000 that the CEDF received as two grants funds from Green Mountain Power's (GMP) via their 2017 Nuclear Energy Insurance Liability funds. **AP** reported that these funds will be used for two sub-grants, one as part of a CEDF grant to Neighborworks of Western Vermont for a low-income wood stove change-out and weatherization program and the other to an entity to be determined for a low-income solar program for GMP customers participating in the energy assistance program. There was a brief discussion about these programs and the GMP grants. In particular **GS** expressed concern about the particulate emissions from wood stoves and didn't want CEDF funding to promote wood stoves. There was a

discussion on the emissions from different wood burning appliances and how this issue should be addressed through CEDF programs. There was general support of the idea proposed by **JD** to have at the next CED Board meeting an hour dedicated to a discussion about wood heat emissions with invited experts on the issue.

AP gave an update on the \$7,400 that became available from the Small Scale Renewable Energy Incentive Program's (SSREIP) low-income solar PV incentives. He reported that the CEDF issued a RFP for the funds to entities that had used SSREIP incentives for low-income solar PV projects in the past. He reported that they received several proposals and that Vermod was chosen as the recipient. **AP** said that Vermod will use is to install a PV systems on the roof of a new Vermod home for a low-income customer.

AP provided information on the SSREIP for the last quarter of 2017 and for the 2017 calendar year. He noted that reservations for pellet boilers were up considerably from prior years, but that installations remained flat. There was a brief discussion on the program's results and available funds for the remainder of fiscal year 2018. **AP** reported on preliminary discussions on collaboration that CEDF was having with Efficiency Vermont (EVT) regarding incentives for pellet boilers/furnaces now that EVT was also offering incentives for larger/custom pellet heating projects that were also applying for CEDF incentives. He explained that EVT expressed interest in having the CEDF transfer CEDF's SSREIP incentive reservations to EVT. EVT would then pay for these incentives as if they were EVT projects. Board members had questions about how this would work and if CEDF would be compensated for the administrative costs incurred working on the SSREIP incentive reservations that would be transferred. Board members liked the idea of CEDF being able to better leverage the EVT program and incentives, especially with CEDF's limited funds to provide incentives for the larger pellet heating projects.

As David Frank was at the meeting **JD** asked the Board if it was any objection to having Mr. Frank provide comments to the Board about CEDF's and EVT's pellet boiler incentives. Hearing no objection Mr. Frank was asked to provide comments. He gave an overview of his appreciation of the CEDF incentive program and the quality control that the SSREIP offers. He had concerns about CEDF exiting the commercial market and leaving the commercial incentives only to EVT. He said that he would like to see EVT and CEDF combined their two separate residential incentive programs. After further discussion on the topic **AP** said the CEDF and PSD were still in the midst of discussing the issue and that he would come back to the Board with more details, and possibly a proposal, regarding CEDF's commercial/custom pellet boiler incentives at their next meeting.

Board members asked **AP** about the ~\$450,000 of CEDF funds transferred to the General Fund for solar tax credits that the Tax Department had previously informed the CEDF were in excess of the solar credits taken, and that would possibly be returned to the CEDF. **AP** said the PSD's inquiry into these funds had not yet resulted in a definite answer as to the status of the funds or if they would be returned to the CEDF. **AP** said that that the funds might have been spent from the State's General Fund in a prior year fiscal year, but that it was not clear if that was the case or the significance, if it was true. The Board discussed the CEDF solar tax credit funds situation and what they could do about it. They discussed sending a letter to the PSD Commissioner requesting action regarding the CEDF funds that the Board thought should be returned to the CEDF. **SS** moved that **KJ** draft a letter to the PSD Commissioner requesting that she take the steps necessary to have the CEDF funds, that were transferred to the general fund in excess of what was needed to cover the

solar tax credits claimed, returned to the CEDF. **DF** seconded the motion. In discussion on the motion **KJ** agreed to draft the letter and send to **AP** who would then send it out to the Board for any comments, edits, or concerns before delivering the letter to the Commissioner. The vote on the motion was unanimous in favor. **AP** reminded the Board that they could not discuss the letter as a Board via email without being in violation of the open meeting law.

AP gave an update on the two food waste to farm digester grants that both ended with funds remaining. He requested that the Board approve transferring \$13,000 from those two closed farm energy grants to a new farm energy grant solicitation for farm based compost heat recovery projects. There were a few clarifying questions and discussion on the proposal. **KJ** moved to approve the request and **JM** second the motion. The motion passed unanimously.

AP gave an update on the Small-Scale Renewable Energy Incentive Program (SSREIP). **KJ** requested that data from wood heating projects be in MMBtu and not just in kWh. **AP** requested that the Board approve the transfer of \$46,968 from the SSREIP's solar hot water incentive, which ended in December 2017 with \$46,568 remaining, and \$400 from the SSREIP's low-income solar PV incentive, to the SSREIP's advanced wood heat incentive. After a short discussion **KJ** moved to approve the requested intra-program transfer of \$46,968 to the advanced wood heat incentive. **SS** second the motion. The motion passed unanimously.

- V. **Five Year Strategic Plan.** **AP** gave an overview of the draft five year strategic plan provide to the Board prior to the meeting. There were questions about the strategic plan and discussion about the level of strategic planning the CEDF needed at this point given that the CEDF has no funding source and over 80% of current funds are obligated under current grants and contracts.

Board members discussed that the strategic plan needed to be more pointed in the fact that the CEDF had successfully deployed funds over its eleven year history but that without any new funding the CEDF will not need to make any funding decisions. Thus, there was a discussion on the need for a full five-year strategic plan. **AP** pointed out that the Statute requires that the PSD create a 5-year strategic plan.

There was discussion and general agreement that the draft plan as submitted was not really a strategic plan. **AP** agreed and said that given the funding situation the CEDF drafted a plan that was more of document of the strategic vision of the CEDF. Board members discussed that if that was the case then the plan should include a cover letter explaining that due to the lack of funding for the CEDF a detailed 5-year strategic plan was moot.

Board members suggested that the plan be amended to include an introduction or cover letter that explains the five-year strategic plan is intentionally abbreviated due to the lack of funding and that the CEDF would revise the strategic plan when (if) new funding for the CEDF is secured. Discussion centered on the priority to find funding for the CEDF instead of working to develop a five-year plan and how the CEDF and CED Board should or should not advocate for funding.

There was a discussion about the need to assemble and releasing data on the successes of the CEDF and the need to be able to provide a clear argument for the role of the Fund and why it should be funded.

AP agreed he'd create some sort of new introduction or cover letter for the strategic plan that would focus on the need for CEDF funding and explain the value of the CEDF. He said that he would work with leadership of the PSD on such a document to make sure it aligns with PSD priorities

- VI. **Scheduling Next meeting.** There was a brief discussion on the need for a special meeting before the regular quarterly meeting in April. Board members agreed that a short meeting in February just to address the strategic plan and CEDF funding would be warranted. **AP** agreed to work with the Board co-chairs to see if they could schedule a time in February that would work for all the Board members.

-- With no objection the meeting was adjourned at 3:03 --

DRAFT