

CED Board Meeting: 05/17/23

DRAFT Minutes

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

<u>Board Members:</u>	<u>Attending</u>	<u>Absent</u>
Kate Desrochers (KD)		X
Cara Robeck (CR) <i>Vice-Chair</i>	X	
David Farnsworth (DF)	X	
Ken Jones (KJ)		X
Sam Swanson (SS) <i>Chair</i>	X	
Johanna Miller (JM)	X	
Paul Zabriskie (PZ)		X

State Employees:

Andrew Perchlik (**AP**), Clean Energy Development Fund Director, Public Service Department (PSD); Christopher Heine (**CH**) Clean Energy Program Specialist, PSD

Other Attendees: There were no other attendees.

Meeting called to order by SS at 1:17

- I. Review Agenda** – Board members reviewed and agreed to the draft agenda as presented.
- II. Discussion & vote on draft minutes of the 03/08/23 meeting** - No changes were offered. **JM** moved that the draft minutes be approved as presented. **CR** second the motion and approval was unanimous.
- III. Public Comment Time** – No public present
- IV. BGS Grant Agreement** – Discussion and possible vote on extension of the 2021 MOU between the CEDF and the Department of Buildings and General Services. **AP** explained that the MOU is for \$300K of ARRA funds for BGS to hire staff to expand the State Energy Management Program (SEMP) municipalities. He also said that the MOU expires at the end of June of 2023. **AP** explained that the MOU is for two one-year periods with a review after one year, but that the one-year review never happened and that only about \$30K has been paid to BGS as of April 1.

There was a general discussion regarding the SEMP expansion and the fact that in 2022 the Legislature provided funding for the SEMP expansion. Board members also discussed the need for funds to operate CEDF's incentive programs. **AP** reminded the Board that BGS did submit a request to extend the MOU to June of 2024. Based on the discussion **AP** suggested that he could propose to BGS that the MOU be extended for one year, as they requested, but only for a maximum \$150K. This would free up \$150K needed to keep the SSREI Program running in FY24. **DF**

The Board members agreed that this was a reasonable proposal and asked AP to suggest this to BGS and report back at the Board's June meeting.

V. Updates on CEDF, ARRA, & ARPA Programs, Grants, & Loan.

AP gave a brief update on the following CEDF's programs:

- SSREI Program. AP explained that the ARPA funded incentives for wood stove change-outs was oversubscribed if all the reservation and queued projects come through. He said that the wood-stove change out program could use ~\$650,000 of the \$875,000 total reserved for the SSREIP. This would leave the biodiesel incentive program short of funds. AP said he was looking for ways to fund the biodiesel incentive with at least \$100K, counting the \$29K in incentives paid out so far. There was general discussion about the SSREIP amongst the Board and clarifying questions asked of AP.
- Windham Regional Commission Grant – still has a couple years and over \$300K to grant out.
- The \$150k grant program for public serving institutions to install advanced wood heating systems was never set up. AP said that perhaps this should be shifted to the general SSREIP in FY24 instead. He said the PSD's FY24 budget proposal would address this.
- The AWH Baseline Update Report was running behind schedule but is expected to be complete in June.
- Clean Energy Industry Report (CEIR). AP said that the national collected data part of the report was done but that there was a VT specific survey of the wood energy sector still to be completed. CR asked if Board members had or would have an opportunity to suggest certain questions be included in that survey. AP said generally yes, but that at this point it was too late for this year's survey. JM asked for clarity on the wood heat baseline report and the CEIR and asked if the data in the reports will help the PSD and PUC with the Clean Heat Standard Potential Study. AP said he thought it would.
- CEDF only has one remaining CEDF funded loan with Purpose Energy and one remaining ARRA funded loan with the City of Montpelier. The loan with Purpose Energy was moved to a market rate from the original 2% rate and thus the CEDF is earning a bit more on that loan. The City of Montpelier continues to only pay the interest only on their loan. AP said he hopes this summer a new arrangement can be reached with DOE and the City that would allow the City to pay the loan principal back through investments in new hook-ups to the district heating system.

VI. Discussion - JM asked for an update on the TDI Clean Power Link transmission project and the competing Twin States project. AP provided a brief update on the federal DOE GRIP transmission funding that if awarded to one of these projects would allow the projects to be built. JM asked if the Twin State project would provide funding to the CEDF like TDI's \$5M/yr? AP said it would depend on negotiations with the State as part of the permitting process.

- a. CR asked if there is going to be any additional work by the CEDF or PSD on the collection of cost data for wood fuels in Vermont? She said that was a gap in data related to VT's thermal energy use. AP confirmed that it is a problem but that there is no plan to try and collect this data. He said he

hopes that the VT Dept. of Forest, Parks, and Recreation will collect data with new staff that they are hiring that will have a focus on wood energy.

VII. Legislative Session Review – AP gave an overview of two legislative items that passed that will impact the CEDF:

Board Sunset bill – The bill will sunset the CED Board in 2027 – Board chair testified before House and senate committees to advocate for an extension to 2027 (original bill had a sunset date in 2025) to give more time to see if the TDI project will be built, as that would provide funding for the CEDF. Both committees were supportive of the extension and made the change to 2027.

SHARE Program – The State Budget as passed by the Legislature allocated \$2M for the program to fund advanced wood heating system repairs and installations in schools. The funding was appropriated to the Public Service Department.

VIII. Schedule Next meeting(s) in June and July in preparation for FY2024 Plan and Budget

The Board members agreed to have **AP** schedule a meeting in June between the 8th and 16th, and a July meeting the week of July 5th. The July meeting may not be needed if the FY24 Budget and Plan can be approved at the June Meeting.

-Without objection SS adjourned the meeting at 2:04 PM-