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MINUTES
Clean Energy Development Fund Special Feed-in Tariff Meeting
September 4, 2009
8:00 a.m. – 10:00 a.m.

In Attendance:

Robert Dostis, Green Mountain Power
Sam Swanson, Pace Law School
Jo Bradley, VEDA
Jeb Spaulding, VT State Treasurer
Mark Sinclair, Clean Energy Group
Ellen Kahler, VSJF
David Blittersdorf, Earth Turbines
Tom Evslin, Office of Economic Stimulus &
Recovery

Staff
Anne Margolis, DPS

Other
Riley Allen, PSB
John Becker, DPS
Dave Lamont, DPS
Alex MacLane, Office of President of the
Senate Pro-Tempore
Bill Basa, Northern Power Systems

Discussion Items:

**I. Discussion of whether CEDF should fund projects taking the Feed-In Tariff
(Discussion)**

- The Board discussed issues including:
 1. Whether the Legislature was making any assumptions about inclusion of CEDF grants/incentives in the cost of projects when it set Feed-In Tariff rates;
 2. The need to tell the Public Service Board that we're working on a policy toward awarding funds to Feed-In Tariff projects;
 3. The need to make a policy decision before the next grant round.
- Also discussed was the conflict between the fact that CEDF funding is an incentive and should be considered as such in rate-setting, but that fact hobbles the flexibility of CEDF in that we either need to fund every project (even projects that we would not otherwise fund) that takes the FIT or we fund no projects that take the FIT, as a matter of fairness. Looking at the nuances begs the question, "under what circumstances, if any, will we give grants to projects that take the FIT?"
- Because of the approaching deadline for rate-setting (Sept. 15), the Board decided that this meeting should focus on setting up a process for a more formal decision in advance of the January 15 rate-setting deadline. That process should consist of (1) telling the PSB that the CEDB has not made any policy decisions regarding the FIT, but that we have existing criteria by which we decide to fund projects, and that we have a history they can review; and

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that we will be taking public input and then striving to create a policy by early November, that we will then communicate to the PSB.

- Mark Sinclair moved to develop a submittal to the PSB that lays out:
 1. What our current approach is to discretionary grants & loans
 2. That it is clear that not all FIT projects will be getting our grants
 3. That over the next few months, we will be looking at and evaluating our current policies regarding projects getting CEDF funding if they are also getting the FIT so as to complement and not duplicate that programDavid Blittersdorf seconded the motion. Discussion ensued.
- Tom Evslin moved to have the co-chairs and Anne draft a letter to the PSB addressing all three points as laid out by Mark Sinclair, making the point that the PSB can't assume projects will get both FIT and CEDF funding, and that the CEDB will examine the issue going forward. Motion passed unanimously.
- Riley Allen said the PSB will need the letter by Sept. 11th. Anne will draft the letter for the Board to review. The subject will be mentioned at the October 28th special public board meeting.
- The Board discussed how this brings up major policy questions, including: do we need a "standard model" to run our projects through? Do we indeed have a "but-for" criterion? Is our role to incent innovation, or to be used for baseline renewable energy projects?

II. Public Comment Period

- Bill Basa said it is critical to recognize that the legislation discusses "reasonably available" incentives, and that it's important that the PSB knows that CEDF grants are not available to all projects.

Meeting adjourned at 10:00 a.m.