

Approved MINUTES
Clean Energy Development Fund (CEDF) Board Meeting
December 16, 2009

In Attendance:

<u>Board Members</u>	Attending	Absent
<u>Robert Dostis (RD) – Green Mountain Power</u>	X	
<u>Sam Swanson (SS) – Pace Law School</u>	X	
<u>David Blittersdorf (BD) – Earth Turbines</u>		X
<u>Jo Bradley (JB) – VT Economic Development Authority</u>	X	
<u>Tom Evslyn (TE) – VT Chief Technology Officer</u>	X	
<u>Ellen Kahler (EK) – VT Sustainable Jobs Fund</u>	X	
<u>Rich Sedano (RS) – Regulatory Assistance Project</u>	X	
<u>Mark Sinclair (MS) – Clean Energy Group</u>	X	
<u>Jeb Spaulding (JS) – VT State Treasurer</u>	X	
<u>Staff</u>		
<u>Andrew Perchlik (AP) – CEDF Director</u>	X	
<u>Diane Reynolds – DPS</u>	X	

Meeting was chaired by RD who brought the meeting to order at 1:04

Discussions:

I. Minutes

- a. Minutes from the 11-23-09 meeting were reviewed. RS moved to accept the minutes as presented, 2ed by TE. There was no discussion and the motion passed unanimously on a voice vote.

II. Director's Report

- a. AP gave a report on the Livingston grant – they want a hearing before the board regarding the grant they received through the small scale incentive program. After a discussion about time constraints at board meetings and the purpose of public bi-monthly meetings, AP was directed to invite Livingston to bring their issue to the January public comment period.
- b. AP gave an update on status of his signing authority, that DPS staff attorney says AP may sign for the Board as long as for items approved by the Board and if under his signature it says “on behalf of the CEDF Board”.
- c. AP gave an update on the EECBG RFP: received 325 proposals for a total request of over \$13 million and that it’s been a lot of work for the staff.
- d. AP told board that SPEED facilitator John Spencer contacted him regarding the possibility of a CEDF loan for administrative expenses to tide the SPEED program over until projects in the SPEED program come on line.
- e. AP informed the Board that travel reimbursement and per diem sheets (which were distributed to the Board) may be submitted to him and he will process them for payment.
- f. AP conveyed the full 2010 schedule of monthly CEDF board meetings. AP requested two date changes (Jan. & March) and board approved the new schedule with the changes to the January and March meetings. (AP Will send out meeting request using Outlook)

- g. AP told board he would be attending CESA meeting in California in Feb (ME)
- h. AP recommended that the CEDB approve VEEP's (VT Energy Education Program) request for \$17,280 from ARRA funds. In the past few years VEEP has received between \$12,000 and \$20,000 from the DPS SEP program. Discussion ensued about whether education fit meeting ARRA criteria, and that if \$17k was necessary if last year they received \$12k, RS moved to give \$17,280 from CEDF funds instead of ARRA funds, EK 2ed, motion passed with TE voting no.
- i. AP reported that the Small Scale Incentive Program ran out of money but that an amendment giving them another \$225,000 has been drafted to carry them through until a contract is signed in response to the RFP. The administration of the incentive program went out to bid and proposals are due back Jan. 8th, 2010. AP hoped the Board can approve new contract at their January Board meeting. There was some discussion on how long a delay might last with signing a new contract especially if it is with a new contractor.

III. Regional Planning Commission (RPC) presentation: (Peter Gregory from Two Rivers Ottauquechee, Deb Harris from the Northwest RPC, and Jim Matteau from the Windham RPC).

- a. Peter and the others explained what the RPC are and what they do and how the PRCs could work with the CEDF Board to meet shared goals.
- b. The Board welcomed ways to improve coordination between the CEDF grants and the RPCs and the regional development plans. The Board said they would welcome recommendations from the RPC's on how best to do this.

IV. Strategic Planning (facilitated by Stephanie Lahar)

- a. Stephanie went over the synthesis of the CEDF goals created at the November Board meeting. The Board thought the synthesis was good/close to what they all thought the goals of the Board should be.
- b. Stephanie went over the proposed timeline to get to a strategic plan to the Board at their May 26th meeting. MS offered to provide Strategic Plan's from other states, particularly the ones he found to be the best.
- c. It was agreed to have staff, and Stephanie as a contractor, to take the goals developed and apply them to the existing CEDF strategic plan. In addition, staff would add measureable criteria to use in evaluating proposals.
- d. Stephanie agreed to give a proposal to the Board, or the Board co-chairs and AP, for her continued work on the CEDF strategic plan.

V. January 2010 RFP for the CEDF Competitive Grant Program.

- a. There was a discussion on the project categories and selection criteria that will be used for the January 2010 grant RFP.
- b. It was observed that the new goals established are not reflected in the existing RFP selection criteria. AP was directed to create new selection criteria based on the new goals.

VI. DOE Loan Guarantee Program

- a. JB presented information on DOE's loan guarantee program and on conversations she has had with DOE regarding the program. VEDA is likely going to participate in the program and she suggested that VEDA and CEDF jointly apply to be part of the program. There was

agreement that participating in the program could be beneficial and JB said she would like to proceed with an application which is due before the next CECF Board meeting. EK moved that CEDF join with VEDA to apply to become participants in the DOE's loan guarantee program. JB 2ed the motion and it passed unanimously.

VII. Carbon Harvest Loan Request

- a. Marie Dussault from VEDA gave a five min. presentation on the proposal and VEDA's analysis and recommendation. The VEDA Board did approve a loan to Carbon Harvest for the same project, contingent on Carbon Harvest securing additional financing.
- b. Don McCormick, owner of Carbon Harvest, presented his project and his loan request as: shovel-ready, viable, in permitting process, high quality staff, innovative, high greenhouse gas mitigation, but that he was not able to secure conventional bank financing.
- c. There were questions and discussion about Standard Offer projects (and this Carbon Harvest project is in the Standard Offer queue) and their need for incentives and general questions about the project and its need for a CEDF loan.
- d. There was a discussion on the process for a reconsideration of a loan, as this loan was considered at the Board's November meeting. It was agreed that they would proceed with the consideration of this loan request.
- e. After further discussion on the merits and drawbacks of the loan request JS moved to approve the CEDF loan, EK 2nd, after further discussion the motion passed with TE & MS voting against the motion. AP clarified that the Board's prior condition (that was set when the loan request was sent to VEDA for underwriting) that Carbon Harvest forfeit their grant award for their Randolph project (which is stalled) carries forward to this loan request. The Board agreed that the condition still applies.

VIII. Town Norwich Request for Additional Funds

- a. The Town of Norwich made a request for an additional \$100K for their community PV project, for which they received an award of \$150K in the last round. AP recommended increasing their award to \$220k (+\$70K) which is what they would get from the incentive program under the new formula. AP further recommended that funding for this project come from AARA funds and not state CEDF funds as is currently the case. JB moved that the project's award be increased by \$70,000 and that the funds come from federal AARA dollars. TE 2ed, and after further discussion the motion passed unanimously.

IX. Public Serving Institutions (PSI) RFP

- a. AP presented his recommendation on the PSI program as follows:
 - **Eligible Entities:** State government buildings, non-profit private and public colleges and universities, and hospitals. Towns, k-12 schools, and other government entities will not be eligible (except if funded with re-allocated VTA funds)
 - **Eligible Activities:** Thermal energy efficiency and renewable energy projects.
 - **Grants and Loans:** program would offer both but an entity could only apply for one or the other. Loans would be made through VEDA.
 - **Maximum Awards:** \$500,000 for loans and \$250,000 for grants.
 - **Minimum Awards:** \$100,000 for loans and \$75,000 for grants.
 - **Cost Share:** 10% for loans and 50% for grants, except for State buildings where there would not be a set cost share.

- b. The discussion of the PSI program flowed into the next agenda item re-allocating the \$2million from the VTA wind turbine project.

X. Reallocation of the \$2million budgeted for the Vermont Telecom Authority (VTA)

- a. Discussed merits of reallocating to state building projects or to some of the projects that applied to the EECBG-municipality RFP. The benefits of state building projects was discussed as were the benefits of funding some of the municipal projects that have already applied to the EECBG program (for which there is not adequate funding).
- b. There was discussion on if the Board should wait until the VTA Board had a chance to meet and discuss this. It was decided that there was not time to wait until the next CEDF Board meeting to make this decision.
- c. Discussion focused on moving the \$2 million to the PSI program with \$1 million of that going to the projects that applied for the EECBG program and \$1 million to State Government through an MOU with the Department Buildings and General Services.
- d. JS made a motion to approve AP's recommendation (as outlined above in IX. a., and in a memo from 12/14/09) and to use \$1million of the "VTA" funds to grant to town projects that had recently applied to the EECBG local government program RFP. MS seconded and after discussion the motion passed unanimously.
- e. After further discussion about the remaining \$1million and the need for a new motion that encompassed the full \$2million JS moved to move the VTA \$2 million into the PSI program and within the PSI program to dedicate \$1 million to state buildings and \$1 million to town and school projects that applied to the EECBG RFP. TE 2ed the motion. After discussion the motion passed with MS voting no.

XI. Solar Tax Credit

- a. There was discussion on the possibility that if the photovoltaic projects (or just a portion of them) that are in the Standard Offer queue get built and make use of the VT solar tax credit then the CEDF will be totally drained of funds. If all the solar projects use the tax credit the liability to the CEDF would be aprox. \$18 million. The Board discussed if they should send a letter to the legislature and if so if it should request that they take a certain action or just alerting them to the situation.
- b. After discussion the Board directed AP to draft a letter and circulate to the Board. The letter would suggest to the legislature that they change the solar tax credit so that it would not be available to projects that take the Standard Offer contract.

XII. Adjournment

- a. The meeting adjourned at 4:33.