

Approved minutes of the CED Board's 10-27-10 meeting

Approved MINUTES
Clean Energy Development Fund (CEDF) Board Meeting
October 27, 2010

In Attendance:

<u>Board Members</u>	Attending	Absent
Robert Dostis (RD) – Green Mountain Power		X
Sam Swanson (SS) – Pace Energy & Climate Center	X	
Jo Bradley (JB) – VT Economic Development Authority	X	
Tom Evslin (TE) –Private Citizen		X
Ellen Kahler (EK) – VT Sustainable Jobs Fund	X	
Mary Lintermann – DEW Construction	X	
Rich Sedano (RS) – Regulatory Assistance Project	X	
Mark Sinclair (MS) – Clean Energy Group		X
Jeb Spaulding (JS) – VT State Treasurer	X	
Staff		
Andrew Perchlik (AP) – CEDF Director	X	

Public Attendees for Board Meeting:

Andy Robvogal & Mark Saunders from SDK law firm.

SS chairs meeting and brings meeting to order at 1:37

I. Review of Prior Minutes (9/22/10)

- a. JS moved to approve the 9/22/10 minutes and RS seconded the motion. Vote to approve was unanimous.

II. November & December Board Meetings – review dates and agendas.

- a. The November meeting will be held on the 17th @ 1:30pm. The December meeting will be on the 15th but the meeting time was changed to 9:30 am. AP was asked to send out an email notice to the Board regarding the change in time.

III. Solar Tax Credit Items:

- a. Addison Solar EIN & Name change
AP gave a description of the request from the Addison Solar Farm to change the name and EIN for their tax credit certificate. AP explained that he had sought advice on the matter from DPS attorneys as well as the Tax Department and neither raised concerns. AP expressed his support for the request saying that there would be no change in the tax payers claiming the tax credit and that the PSB had approved the name change for the CPG. AP didn't think the Board needed to act on the issue but he was giving them the chance to act to stop him from making the change. There was discussion on the matter, but no action was taken, as none was deemed necessary.

b. Tri-land Partners Request

AP explained that Tri-land Partners made a formal request (*the letter received from Tri-land was forwarded to the Board members prior to the meeting*) for their solar farm project to be added to the solar tax credit waiting list. Tri-land's original solar tax credit application was considered ineligible because they had not filled out the form correctly, not listing any individual Vermont tax payers that would be claiming the credit. Since the decision to declare their application ineligible the CEDF had decided that a lack of individual tax payers was not sufficient grounds for declaring an application ineligible – as long as the applicant had a Vermont EIN. AP stated that he thought their application should be deemed as eligible as they did have a legal EIN number (*they had just not listed in the correct location on the application*) and adding them to the list was not going to affect the sorted order of the list for any of the companies that have received credits from the first or second round of the solar tax credits. There was a discussion of the issues and support for AP's decision to deem Tri-Land's application eligible. No action was taken as none was deemed necessary.

- c. AP explained that there was a solar tax credit application he was taking off the list because the CPG application for the project was denied by the Public Service Board. He didn't think the Board needed to act on the issue, but he wanted to run his decision by the Board to hear any concerns. There were no concerns raised.

IV. Carbon Harvest Loan Request

AP explained that Carbon Harvest Brattleboro (CHB) had requested that the term of their loan be changed from the interest payments on the loan starting six months from the date of CHB's first draw on the loan instead of six months from the closing of the loan.

VEDA had sent the CEDF a letter explaining the request and expressing support for this change. After a brief discussion EK moved to make the requested change to Carbon Harvest's loan term. RS seconded the motion and the vote to approve was unanimous.

V. Financial Updates & Other Updates

- a. AP gave an update on how grant spending is tracking with the CEDF's spending plan. AP expressed concern that despite a rapid increase in spending it will take further measures to have all the ARRA-SEP funds spent by April of 2012 as is required. After a discussion the Board asked AP that all ARRA-SEP grantees be sent a letter requesting that they submit their own spending plans to show how they will spend the grant funds before the end of their grant terms. It was discussed that some grants may have to be cancelled and the funds re-allocated to new grants if the CEDF doesn't have confidence that the projects will be able to expend the funds in a timely manner.
- b. CEDF Update.

Board members commented that there seems to be a lot of confusion regarding what is happening with the CEDF and the CEDF Programs. After a discussion the Board asked AP to draft a CEDF update letter that would be sent out to legislators and others and posted on the CEDF web site. The letter would be from the CED Board. AP agreed to have the letter drafted before the Board's November 17th meeting.

c. Economic Impact Assessment.

EK suggested that the CEDF find a way to conduct an economic impact assessment of all the CEDF funded projects since the CEDF was created. It was suggested that maybe the CEDF could work with Tom Kavet, as part of his work with the State, to conduct an analysis of the Jobs and economic benefits, as well as energy generated and greenhouse gasses avoided, of all the CEDF funded projects. AP agreed to talk with Joint Fiscal and others to see if we can work with Tom to work on this.

d. 2011 Legislative Session

What, if anything, the CEDF will do for the 2011 legislative session was brought up and discussed briefly. AP reported that work has begun on the CEDF legislative report and that a draft of the report would be available before the Board's December 15th meeting. It was decided to table discussion of the legislative session for more detailed discussion during the November and/or December Board meetings.

VI. Appropriating the final \$312,000 of the ARRA-EECBG funds

a. AP presented his recommendation to obligate the funds as follows:

- \$40,000 for the School Energy Management Program (SEMP) administered by the VT Superintendents Association
- \$40,000 for a code compliance plan for the newly developed commercial and residential building codes (this is a request from the DPS)
- \$60,000 for code compliance training and outreach efforts (this is a request from the DPS)
- \$172,000 to be used as a loan loss reserve or other credit enhancement mechanism to support the developing PACE or similar financing programs that are currently being developed. The EECBG funds do not have to be obligated until March of 2011. This gives the CED Board time to budget the \$172,000 for a financing program, but if that doesn't develop over the next couple months there would still be time to obligate the funds into the weatherization or the renewable energy incentive programs, or another program of the Board's choosing.

There was a discussion on the \$40K compliance plan and if it is really needed. Kelly Launder of the DPS was asked to come into the meeting to discuss the request for the compliance plan. Ms. Launder joined the meeting and explained the legislative need as well as the practical desire to have a compliance plan as well as training on the new codes.

There was an interest in seeing the DPS issue the compliance plan and the training as part of one solicitation.

JB moved to accept AP recommendation for the funding of SEMP (\$40,000) and DPS's code related request of \$100,000 but that the remaining \$172,000 be held until a more detailed plan can be presented by December. SS seconded the motion and the vote to approve was unanimous.

VII. Redstone Loan Request

- a. AP described the loan request from Catamount/Bolton Wind2 for \$138,000 to complete the permitting for a 1.8 mega-watt wind turbine to be placed on Bolton Mountain. Given the Board's policy on Standard Offer projects - the project has a contract in the SPEED Standard Offer program - AP thought the Board should decide if the loan request should be forwarded to VEDA for underwriting.

JS moved to send the loan application on to VEDA for underwriting. EK seconded the motion. Vote to approve was unanimous.

VIII. New Business

- a. AP gave an update of the renewable energy incentive program. He reported that the program has already reserved almost 100% of the funds and had received \$600,000 work of incentive applications in a two week period. The normal rate is about \$400,000/month.

JB left the meeting to avoid a conflict of interests during the next agenda item

IX. Revolving Loan Program – Decision on moving it to VEDA

AP described the situation on sending CEDF's revolving loan program to VEDA to have VEDA take on full administration of the loan program. RS asked if a decision was obtained on the legality of the CEDF sending the loan program to VEDA. AP reported that he had asked such an opinion but had not yet received a response from DPS council on that question.

There was a discussion on the issue and there was agreement that there was no need to make a quick decision and that a more informed decision could be made at a future Board meeting after AP had received information for DPS council on the legal question.

SS made a motion to defer the decision until next year. EK second the motion and approval was unanimous.

SS moved to close the meeting and RS seconded. Vote to adjourn was unanimous at 3:35pm.