

Approved MINUTES
Clean Energy Development Fund (CEDF) Board Meeting
September 22, 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) – Chief Technology Officer, State of Vermont	X	
Ellen Kahler (EK) – VT Sustainable Jobs Fund	X(<i>for part of meeting</i>)	
Rich Sedano (RS) – Regulatory Assistance Project	X	
Mark Sinclair (MS) – Clean Energy Group	X(<i>on phone</i>)	
Jeb Spaulding (JS) – VT State Treasurer	X	
Mary Lintermann – DEW Construction		X
Staff		
Andrew Perchlik (AP) – CEDF Director	X	

Public Attendees for Board Meeting:

Steve Tofel, ReKnew Energy; Matt Levin, Vermonters for a Clean Environment; Luke Snelling, Energize Vermont.

SS chairs meeting and brings meeting to order at **1:30**

RD left the room to avoid a conflict of interest for the minutes of meetings that dealt with solar tax credits and Solemate socks' request that related to the solar tax credits.

I. Review of Minutes (8/25 and 8/17/10)

8/17/10 Minutes. After requests to correct a couple of typos **SS** moved to approve the minutes. The motion was seconded by **TE**. There was a brief discussion of why the Board members affiliations are listed in the minutes and if that was something that should continue, but no action was taken on the matter. The motion was approved with a unanimous vote.

8/24/10 Minutes. **JS** moved to approve the minutes. The motion was seconded by **SS** and was approved with a unanimous vote.

II. Request from Solemate Socks

Steve Tofel from ReKnew Energy Systems explained Solmate Socks request to access the renewable energy incentive program even though they have already built their PV system. They have also applied for the solar tax credit and they built their PV system after applying for the tax credit but before the CEDF announced who would receive the tax credits (they did not receive a reservation).

SS moved to allow solar projects built between July 15th and September 30th, 2010 that had applied for a tax credit to access the CEDF funded renewable energy incentive program. However, any project that receives an incentive reservation would be removed from the tax credit queue. **RS** seconded the motion. The motion passed unanimously.

RD returned to the meeting.

III. Final Obligation of ARRA Funds.

AP gave an update that it looks like the CEDF will meet DOE's goal of obligating 100% of the ARRA funds and spending 20%.

One way in which the funds were obligated was with the creation of a revolving loan fund. At the August meeting the Board had raised the possibility of moving all the loan funds to VEDA, who then would administer the revolving loan fund. There was a brief discussion about the pros and cons of moving the funds to VEDA. There was some concerns raised about the CED Board's authority to give the loan funds to VEDA and that legislative action may be required. **AP** was advised to obtain advice on the legality of moving the loan fund to VEDA. The Board decided that time at this meeting would not allow for a full discussion and thus the decision on this matter was tabled pending the review of legal authority of the Board to shift this responsibility to VEDA.

AP explained there was an error on the spreadsheets handed out at the August meeting regarding the \$ amount of EECBG funds that were not yet obligated. **AP** said the correct number was \$312,100. **AP** also explained that that EECBG funds did not have the same September deadline for being 100% obligated as the SEP funds did and thus the Board could re-consider their August motion to move the unobligated EECBG funds into the renewable incentive program.

AP suggested that the unobligated funds could be used for:

- School Energy Management Program at \$40,000
- Energy Code Compliance Program at \$40,000
- \$232,100 to the all Fuels/Thermal Efficiency contract the CEDF already has in place for low-income weatherization projects.

JS moved to change unobligated EECBG funds from \$342,000, to \$312,100. **SS** seconded the motion and the vote to approve was unanimous. The Board decided that they wanted more information from **AP** on his suggestions as well as information from VEIC regarding the potential benefits of using some of these funds to support the "smart grid" effort.

IV. RE Incentive Program

AP reviewed the renewable energy incentive program quarterly results and outlined several of the recent changes and policy questions:

1. PV had reserved over 50% of the total incentives available. The 50% point was a trigger for the CED Board to review the program and decide if changes should be made

to the program to limit one technology taking too much of the incentive dollars. The Board decided not to make any changes.

2. Changes: PV has reached the second tier of 750kW of installed capacity (1.5MW) and thus the following changes to the incentive amounts were made:

- Systems up to 10kW = \$ 1.00/watt (was \$1.25)
- Systems 10 to 60kW = \$.75/watt (no change)
- Systems 60 to 150kW=\$.50/watt(no change except that on October 15th there will be a new 60kW cap for ground mounts and 100kW for roof mounts).

3. The "Special Customer" (non-profits) tier has reached its first tier of installed capacity of 250kW, thus that incentive will be reduced as follows:

- Up to 10kW =\$2.50/watt (was \$3.00)
- 10 to 60kW = \$1.50/watt (was \$2.)
- 60 to 150kW=\$1.00/watt (no change except that on October 15th there will be a new 60kW cap for ground mounts and 100kW for roof mounts.

After reviewing the report from the incentive program administrator there was a discussion about the solar thermal (solar hot water) program and why that incentive was low as a % of system costs compared with PV and wind.

SS made a motion to give **AP** the authority to develop a new solar thermal incentive working with VEIC to bring solar thermal in line with PV incentive, on a % of total cost basis. **TE** seconded the motion. The motion passed 6-0-1 with **EK** (who arrived during the discussion) abstaining.

V. Leasing Companies and the RE Incentive Program

AP described situation and introduced Peter Adamczyk from VEIC. Peter talked about the leasing programs and his recommendation to allow TPO (third party ownership) into the incentive program.

There was a discussion on the pros and cons of TPO and the issue of the funds in the incentive program going so quickly.

MS left the meeting.

RS left the meeting temporarily.

JS moved to accept VEIC's recommendation to allow TPO/leasing arrangements into the incentive program, **RD** seconded the motion.

After further discussion the vote was 4 to 1 with **TE** voting no (**RS** was not in the meeting at the time).

SS made a motion to allow TPO/leasing for solar thermal projects only. **TE** seconded. During discussion **JS** moved to table the motion. **TE** seconded. Vote to table was unanimous.

The Board returned to this issue later in the meeting immediately following the Board action on the Georgia Mountain loan. See XIII below.

VI. Burke Mountain Loan Request

Sandy Croft and Steve Greenfield of VEDA gave a presentation of the Burke loan request (\$500,000 for the installation of a 100kW turbine), and the VEDA underwriting analysis.

SS move to accept the VEDA recommendation to grant the loan for \$500,000 with \$100,000 of the loan interest only monthly at 2% fixed with the principle due thirteen months after commissioning of the turbine and \$400,000 at 2% with a seven year term. **JS** seconded the motion. After a brief discussion the vote was unanimous.

VII. Georgia Mtn Loan request

Bill Roberts and Steve Greenfield from VEDA gave presentation of Georgia Mountain Wind's loan request for \$750,000 and VEDA's underwriting analysis.

After preliminary discussion **JS** moved to go into executive session to discuss proprietary information (financial) of the project. **TE** seconded the motion. In executive discussion the project finances, including the projects proposed power purchase contract was discussed.

The Board came out of executive session.

TE left the meeting.

RS returned to the meeting.

JS made a motion to approve the loan to the project of \$750,000 but with the payables taken out of the proposed budget and a portion of the down payment of the turbines added to the budget. In addition the loan would be subject to an approved and acceptable PPA being in place. **EK** seconded the motion.

Vote was unanimous in favor.

XIII. Leasing Companies and the RE Incentive Program

SS returned to the tabled motion that he had made earlier in the meeting regarding leasing/TPO participating in the incentive program. **SS** moved to amend his motion to allow all technologies (not just solar thermal) to use leasing/TPO arrangements for the incentive program but only for residential and "special-category" customers. **JS** seconded the motion. The Amendment of the motion passed unanimously.

The vote on the underlining motion to allow leasing/TPO was approved unanimously.

VIII. The Board went into executive session to discuss personnel matters. **AP** left the meeting.

Meeting adjourned at 4:45