

Minutes
Clean Energy Development (CED) Board Meeting
December 14, 2011

In Attendance:

Board Members	Attending	Absent
Elizabeth Catlin (EC) - Blue Wealth Management		X
Sam Swanson (SS) – Pace Energy & Climate Center	by phone	
Jo Bradley (JB) – VT Economic Development Authority		X
Jen Hollar (JH) – VT Dept of Commerce & Economic Development		X
Patty Richards (PR) – La Capra Associates	X	
Gaye Symington (GS) - High Meadows Fund	X	
Will Wiquist (WW) – Green Mountain Club	X	

Other Attendees:

Elizabeth Miller (SH) – Commissioner, Dept. of Public Service
Andrew Perchlik (AP) – Director Clean Energy Development Fund, Dept. of Public Service
Matthew Walker (MW) – Dept. of Public Service

Meeting brought to order at 1:10 with Gaye Symington and Andrew Perchlik presiding over the meeting.

I. Reviewed and Voted on 9/13/11 Meeting Minutes

- a. PR motioned to accept the minutes subject to substituting “Richford Health Center” for the “Indoor Recreation Center of Orleans County (IROC)”. SS seconded the motion. The motion passed unanimously.

II. Discussed Meeting Agenda

III. Fund Manager Report

- a. Andrew Perchlik updated the Board and reviewed the following documents:
 - i. CEDF Statement of Revenues, Expenditures and Changes in Fund Balance for FY 2011 Period Ended November 30, 2011
 - ii. CEDF FY11 Fund Balance Statement November 30, 2011
 - iii. Fund Balance Projections for Fiscal Years 2012-2016 (July 1, 2011 to June 30, 2016)
 - iv. Entergy Vermont Yankee Payments as of 12/8/2011

IV. ARRA Funding Update

- a. Andrew Perchlik updated the Board regarding the positive results of the audit of the ARRA SEP and EECBG spending in FY2011. AP reported that the audit did find two issues related to processes: one related to how awardees were reporting the start of construction per Davis Bacon regulations, and the other regarding how the SEP loan program was verifying whether loan recipients were on the federal Excluded Parties List before dispersing funds.
- b. There was a discussion on how the remaining ARRA funds will be expended before the end of the ARRA grant terms (April 30, 2010 for SEP and September 20, 2012 for EECBG). AP reported that awardees are on schedule to have all SEP funds spent by April 30th. AP also reported that the DPS is developing a contingency plan in case there are any remaining funds not expended. Any such remaining funds would be placed in either the revolving loan fund or in a separate loan loss reserve fund.

V. CED Board Role Discussion

- a. Commissioner Miller facilitated a discussion on the role of the CED Board (beyond its statutory requirements) with a focus on what the DPS's desires were for the Board, and what the wishes of the Board were in terms of how involved it wants to be in CEDF work products, including: the Strategic Plan, funding options, the Annual Plan and the Annual Report.
 - i. *Annual Report* – There was a discussion on how the DPS would produce the Annual Report, which would cover the prior fiscal year, while the Board would review the report and provide feedback.
 - ii. *Annual Plan* – The discussion focused on how the DPS would produce the Annual Plan, which would cover the upcoming fiscal year, while the Board would review the plan and make suggestions.
 - iii. *Strategic Plan* – There was more detailed discussion on what the DPS and Board members wish the Board's involvement in the Strategic Plan to be. It was agreed that the Board will be more involved in terms of this particular CEDF work product. The Board also discussed:
 - The scope of the strategic plan, which should at minimum address the Board's plan for maintaining and developing existing funds, but should also plan out the next five years of strategic action as well as a longer strategic vision for the next 20 years
 - The goal of having the strategic plan completed by Board's June meeting of 2012.
 - That program design(s) would be part of the strategic plan
 - How to do strategic planning without getting into details that might educate the new Board members on the issues. There was agreement that the Board should not be involved in reviewing specific projects. However, the Board members wanted to see examples of past proposals and how proposals were selected for funding. AP agreed to send to the Board members a grant solicitation packet from latest CEDF grant round, which will include grant proposals, staff recommendations, and final results.
 - The general structure of the strategic plan
 - The work plan/schedule - with a focus on being able to sufficiently complete the plan by June 2011 by utilizing monthly phone calls, and/or additional meetings or sub-group meetings. AP also agreed to send out a monthly email update on CEDF actions and issues.
 - a. The Board agreed to a monthly phone call to happen the second Wednesday of each month at 12:30, starting January 11th, 2012.
- b. The Board also discussed what its overall role may be with respect to providing information and or advocating (on behalf of the CEDF) in the spirit of a third party.

VI. Loan Program

- a. The Board reviewed the current status of the loan program, and discussed the possibility of having the CEDF staff provide an analysis of options for ARRA revolving and CEDF loan funds, such as a loan loss fund rather than loaning directly. It was agreed that staff would present several options and a recommendation for the use of the loan funds to the Board before their March 2012 meeting. The Board also discussed:
 - i. The balance of the loan program, and current status of the loans, and the status of the one remaining application from IROC.
 - ii. What the estimated payments (returning to the CEDF) will be, and when those payments are expected
 - iii. Closing the loan program indefinitely (due to limited funds) while holding payments as they return in order for the Board to adequately review how to best leverage these limited funds. It was agreed that the loan program should be officially and publicly closed and a notice/update on the CEDF website should be made to clarify that the program is closed indefinitely.

VII. Small Scale Renewable Energy Incentive Program

- a. The Board reviewed and discussed the 2012 design proposal from VEIC. The following topics were discussed:
 - i. The consideration of addressing (in the strategic plan) the statutory language related to the rebate program
 - ii. The “energy efficiency adder” incentive as presented in the proposal, and whether to move forward with a softer entry to adding an energy efficiency component to the program
 - iii. The status of program finances in relation to the proposed quarterly budget with a focus on ensuring that program funds last the duration of the 2012 program year
 - iv. The lapse in program service between ARRA and state funding, and approving a new program design, and how to thoroughly (but expeditiously) adopt a new design.
 - v. Setting a meeting in late January at which the Board could vote on a new proposed incentive design after the required 30 day notice period has passed. A meeting was thus scheduled for January 25, 2012 at 12:30 for the Board to discuss and vote on a new 2012 small scale renewable energy incentive program design as proposed by the DPS. AP said he would send out the DPS’ proposed program changes to the Board before 12/26/2011.

Meeting adjourned at 3:07pm