

**Approved Minutes
Clean Energy Development Board
Quarterly Meeting - July 10, 2013**

In Attendance:

Board Members:	Attending	Absent
Elizabeth Catlin	X <i>(by phone, left at 2:00)</i>	
Sam Swanson	X	
Jo Bradley		X
Alex Ibey	X <i>(by phone)</i>	
Gaye Symington	X	

State Employees:

Christopher Recchia, Commissioner – Public Service Department (PSD)
Andrew Perchlik, Manager - Clean Energy Development Fund, PSD
Alex DePillis – Agency of Agriculture

Members of the Public:

Matt Levin, Vermonters for a Clean Environment
Jim Hartman, Clean Energy Collective *(by phone)*
Julie Bellino, Renewable Energy Vermont *(by phone)*
Jim Ashley, Green Mtn. Geothermal
Duane Peterson, SunCommon
James Moore, SunCommon
Mike Raker, Agricultural Energy Consultants *(arrived at 1:53)*
Johanna Miller, VT Natural Resource Council *(arrived at 2:45)*

Materials Presented: Draft agenda, draft minutes from the Board’s 4/8/13, and 6/19/13 meetings, proposed changes to the Small Scale Renewable Energy Incentive (SSREI) program, Proposed FY 2014 Annual Program Plan and Budget, CEDF financial report as of 6/30/13.

Minutes

Meeting brought to order at 1:05 with Andrew Perchlik presiding.

- I. **Agenda:** The agenda was discussed and was agreed to as presented accept to move the discussion of the Small Scale Renewable Energy Incentive Program (SSREIP) to come before the discussion of the proposed fiscal year 2014 Annual Plan and Budget.
- II. **Minutes:** The draft minutes from the 4/08/13 meeting were reviewed and Swanson moved that the minutes be approved. Symington seconded the motion and it was approved unanimously.

The draft minutes from the 6/19/13 special meeting were reviewed and Ibey moved that the minutes be approved. Symington seconded the motion and it was approved unanimously.

III. Proposed Changes to the SSREI Program: There was discussion on the proposed changes as proposed by the PSD. Perchlik explained that there was an error in the proposed changes document. He said the second sentence of the 4th numbered change - related to leased systems continuing to have a cap - should be removed as there is no such cap on leased systems.

Perchlik also suggested that the PSD would like the Board to consider adding the requirement that all solar hot water systems install a BTU meter. After a brief discussion on the matter the Board members expressed support for the intent of the recommendation but asked the PSD to provide more details on the cost, system integration, and value of the data of this recommendation.

Perchlik also suggested that the SSREIP should no longer offer incentives for space heating systems. He explained that the program does currently allow for such systems in select cases. Because the Fund's resources are now very limited, and because there are continuing concerns about the efficiency of these systems, he recommended they be removed from the SSREIP. After brief discussion Board members expressed support for this change.

There was a discussion of the proposal to add community solar projects to the SSREIP. There was agreement that it would be best to set aside the funds for community solar projects to be awarded via a competitive solicitation instead of through the SSREIP. The PSD agreed to develop the program details and include the Board members and stakeholders in the development of the community solar program.

Discussion turned to the description of the SSREIP in the Annual Plan. Swanson wanted minutes to reflect that intent of the Board is not to eliminate the SSREIP but to leave it open to changes to incentive levels and new technologies. There was agreement that the Board supported the SSREIP as a valuable tool for the development of many RE technologies. It was agreed that the sentence in the Annual Plan saying that it was likely that funds for the SSREIP would be eliminated (page 4, second paragraph) be changed to more accurately express the views of the Board. Symington submitted suggested language for the change and it was agreed that this should be part of the Board's discussion on the Annual Plan later in the meeting.

There was a Board question about the SSREIP application form and the public suggestion that it be changed to an on-line form. Perchlik explained he had looked into this and that it looked feasible to improve the web site and create an on-line form within the current administrative budget for the SSREIP. There was a public comment that any new on-line

forms not create problems for those already submitting applications electronically. Perchlik agreed that stakeholders would be consulted before changes to the application process were made.

Perchlik responded to a Board question on the incentive levels in neighboring states with data on the PV incentives in those states, which were at higher levels than current SSREIP incentives or what the PSD was proposing.

- A. **Public comments:** Comments were heard from Jim Hartman, James Moore, James Ashley, and Duane Peterson.
- B. Board discussion (with some further public comments from the above) centered on the SSREIP cap on the amount of incentives any one reserving company can have reserved for customers at any one time. There was support to change the cap rule in response to the comments received about the problems it caused but there was not a clear consensus on this issue. It was suggested that if the program was close to running out of funds than the reservation cap could be removed.
- C. Swanson moved that the proposed changes to the SSREIP as proposed by the PSD on 7/5/13 be approved with the following changes:
 - a. Eliminate #6 adding a new SSREIP category for community solar projects
 - b. Change #4 by eliminating the second sentence
 - c. Add a prohibition of incentives for solar thermal space heating systems
 - d. Eliminate the reservation cap once the amount of funds available for reservations is below \$150,000 with no additional guaranteed funding becoming available.

Symington seconded the motion and it was approved unanimously

IV. Proposed Annual Program Plan and Budget for Fiscal Year 2014: There was a discussion of the proposed Plan and Budget as submitted by the PSD. As is was agreed that incentives to support community solar projects would not be part of the SSREIP the Board and PSD discussed how to fund a community solar program separate from the SSREIP without taking funds from the SSREIP. There were suggestions to allocate \$250,000 for community solar projects and suggestions that these funds be deducted from the Clean Heat Community Challenge and Farm Energy Initiative programs.

- A. **Public/Additional Comments:** Alex Depillis and Mike Raker provided comments on the Plan and Budget, specifically in relation to methane digesters. Anne Margolis provided an explanation and detail on the PSD's proposal for \$50,000 included in the budget.
- B. The Board agreed to vote on the budget and Annual Plan separately. Symington made a motion to approve the fiscal year 2014 budget as proposed by the PSD with the following changes:

- a. Lower the small-scale incentive program budget by \$100,000 to \$1.4 million
- b. Lower the Clean Heat Community Challenge budget by 100,000 by \$50,000 to \$555,000
- c. Lower the Farm Energy Initiative to \$350,000
- d. Add \$250,000 for a Community Solar Program

The motion was seconded by Swanson and was approved unanimously

C. Swanson moved to approve fiscal year 2014 Annual Program Plan as proposed in the PSD's July 5, 2013 draft with the following changes:

- a. On page four in replace the second paragraph with the following:
"The CEDF will continue to make adjustments to the program design and administration based on market developments. CEDF believes the level of incentive provided as of October 1 will enable the program to last the current fiscal year. In the spring the PSD and CEDF will reevaluate whether funding levels and program evaluation results support continuation of the incentives. To ensure funding for solar hot water systems \$250,000 of the SSREIP budget will be reserved exclusively for solar hot water incentives."
- b. Add to the new programs section a description of the Community Solar Program
- c. Replace the proposed 2014 budget with the budget as approved by the Board

Symington seconded the motion and it was approved unanimously.

- V. **CED Board Vice-Chair:** It was discussed that the CED Board does not have a vice-chair now that Patty Richards has resigned. Symington nominated Swanson to serve as the vice-chair of CED Board. Swanson accepted the nomination and there was unanimous support to have Swanson serve as the CED Board vice-chair.

With no objection the meeting was adjourned at 3:16