

**Approved Minutes
Clean Energy Development Board
Special Meeting June 20, 2017**

In Attendance (*Meeting held at Public Service Department, 112 State Street, Montpelier, VT*):

Board Members:	Attending	Absent
Jared Duval (JD)	X	
Janice St. Onge (JS)		X
Sam Swanson (SS) <i>Co-Chair</i>	X	
Linda McGinnis (LM) <i>Co-Chair</i>	X	
Johanna Miller (JM)		X
Gaye Symington (GS)	X (<i>by phone</i>)	
Mark Whitworth (MW)	X (<i>by phone</i>)	

State Employees:

Andrew Perchlik (**AP**), Fund Manager, Clean Energy Development Fund, Public Service Department (PSD)

Members of the Public: Norm Etkind, School Energy Management Program.

Meeting brought to order at 3:04 with Sam Swanson presiding.

- I. **Agenda.** The draft agenda was discussed and public comment period was added to the agenda given that there was a member of the public present interested in providing comments to the Board.

- II. **Minutes.** The minutes of 4/19/17 were reviewed. **AP** pointed out that the minutes presented were revised based on comments received from Board members via email. There were two typos corrected and one sentence was re-written to more clearly express the desire expressed by the Board of the value to gather data from stove retailers on what their sales were the year(s) prior to the stove change-out program to better analyze the program data. **SS** moved to accept the minutes as presented with revisions, **JD** seconded the motion and it passed unanimously.

The minutes of 5/18/17 were presented and **SS** moved to accept them as presented. **LM** seconded the motion and it passed unanimously.

- III. **Manager's Report.** **AP** gave an overview of the current programs and CEDF's financial report for the fiscal year through May. **AP** reported that grant reimbursements were lower than projected and that the Fund would end the year having expended roughly \$1.2 Million in FY 2017 that ends June 30, 2017. He explained that this will result in more funds being carried over into FY18 than was projected and is listed in the FY 18 draft budget. The projection was \$4.2 million and he reported that actuals will be closer to \$4.6 million.

AP reported that incentives and grants for the larger pellet and chip systems are picking up with hundreds of thousands of dollars being reserved for projects at schools, towns, and public serving institutions. He reported that despite continued low fossil fuel prices there are public institutions that want to make the long term investment in advanced/local wood heat if there is a substantial CEDF incentive available. The ability of the CEDF to allow for long lead times with the advanced wood heating grants also plays an important role in the public institutions that have a long development processes for capital improvements like heating systems.

There was also a discussion on how the CEDF is accounting for CO₂ savings for any of the advanced wood heating projects supported with CEDF funds. It was suggested that this be dealt with in the CEDF's upcoming five year plan. **AP** said that he has been in contact with others on this point and will incorporate into the drafting and discussions of the 5 year plan.

Board members had questions about evaluations of CEDF programs, including the separate Windham County programs. **AP** said that there will be an evaluation of all the CEDF's advanced wood heating efforts to date, including the programs funded with the earmarked Windham County Funds, such as the Windham Wood Heat Initiative.

IV. **FY 2018 Program Plan and Budget**

a. Public, in-person Comment

Norm Etkind from the School Energy Management Program (SEMP) of the Vermont Superintendents Association provided written and spoken comments on the FY18 Plan and Budget. The comments included a proposal for the CEDF to provide supportive funding for SEMP of \$45,000. Mr. Etkind described the SEMP and the work they do that aligns with the goals of the CEDF. Board members had questions about SEMP and there was a general discussion about SEMP and the energy efficiency and renewable energy upgrades needed in Vermont schools.

b. Public comments submitted

AP referenced the public comments received on the FY18 plan, including late comments received the morning of the meeting. Board members had general questions and discussion and asked that **AP** respond to the commenters thanking them for their comments.

c. Latest Draft Based on Public and Board Member's Comments

There was a discussion of the changes made since the last draft with specific discussion regarding the administration and program management section of the budget. Board members expressed concern about the way the PSD proposed to cover staff and administration expenses related to the CEDF. Instead of having the CEDF budget an amount for general program management for PSD staff other than the Fund Manager, they requested the budget be revised to have CEDF funds allocated to specific CEDF programs. The Board thought it would be better, and more aligned with the original purpose of the CEDF, if funds were budgeted for approved projects or programs instead of for staff time. The CED Board, in their role as advisors to, and overseers of, the CEDF are willing to evaluate programs and projects but does not want to be evaluating PSD employee's work.

The Board members saw the funding of these PSD run programs as one year funds to support specific outcomes of these two specific programs and funding for FY18 does not mean there will be funding for these programs in FY19.

The Board asked **AP** to revise the FY18 Budget to include funds for the two specific projects that the PSD requested funds for (Clean Energy Finance Collaborative and the Clean Energy Storage Project) and reduce the funds for general “program management” that was to help cover the wages of the PSD staff working on those CEDF projects.

There was a discussion on the SSREI Program and **AP** described the proposal to include an incentive for wood pellet fired sap evaporators for sugaring. The Fund had received comments asking for such an incentive that would help to encourage Vermont sugar makers to convert to wood pellets or chips from cord wood or oil. Board members were supportive of this additional incentive and asked that the program be compatible with the US Dept. of Agriculture’s Renewable Energy for America Program that also could fund pellet evaporators. Board members also asked to see if such projects would be eligible for Tier III RECs as part of the Renewable Energy Standard requirement for electric utilities.

AP asked for permission to start to offer the pellet incentive prior to the Board’s voting to approve the FY18 Budget and Plan at their next (July 19th) meeting. The Board approved this approach.

There was a discussion of the specific unsolicited request for funds from SEMP as well as the other request that came in with public comments on the FY18 Plan. The other request was for \$400,000 for a low-income high performance home solar PV incentive. The Board decided not to adjust the draft FY18 budget to fund either of these two requests but they were appreciative of the comments and of the work the two entities were doing to advanced renewable energy.

-- With no objection the meeting was adjourned at 5:08 --