

**Approved Minutes
Clean Energy Development Board
Quarterly Meeting September 19, 2018**

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

Board Members:	Attending	Absent
Jared Duval (JD) <i>Co-Chair</i>	X	
David Farnsworth (DF)	X	
Ken Jones (KJ)	X	
Janice St. Onge (JS)	X	
Sam Swanson (SS) <i>Co-Chair</i>	X	
Johanna Miller (JM)	X	
Gaye Symington (GS)	X	

State Employees:

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

Members of the Public: None (until item II)

The meeting was brought to order at 1:02 with Co-chair Jared Duval presiding.

- I. **Agenda.** The draft agenda as warned and presented by **AP** was discussed and agreed upon.
- II. **Minutes.** The minutes of 7/18/18 had been presented to the Board prior to the meeting. **SS** moved to accept the minutes as presented. **DF** seconded the motion and the motion passed with six votes in favor and **GS** abstaining as she was not present at the 7/18/18 meeting.
- III. **Fund Manager's Report**
AP provided an overview of the CEDF's financial report of revenue and expenses for July and August. **AP** gave an overview of CEDF's current programs and the ongoing grants/activities of select CEDF grantees.

AP explained that he has been developing a plan for managing CEDF if he, as the Fund Manager, needs to take a leave of absence in January, 2019. There were questions from the Board members about how the Fund would be managed if **AP** wasn't managing the day-to-day operations of the Fund. The Board asked for a listing of the management tasks and which PSD staff would manage these tasks for the Fund in **AP**'s absence. Board members expressed concern that the PSD staff would be too busy to pick up the additional tasks of managing the CEDF.

AP said that he was currently planning on proposing to work 10hrs/week for the CEDF/PSD starting the second week of January 2019, if he is elected in November. Board members expressed support for having **AP** continue to be the Fund Manager if he is elected, but they did see the

potential for conflicts of interest to arise if was also serving in the General Assembly. They suggested to AP that the CED Board and its members be a resource to the PSD in the management of the Fund and to advocate/speak for the Fund if AP is not able to, due to a conflict of interests.

The Board asked to be kept informed on the PSD's plans for the administration of the Fund and suggested AP provided a report on this issue at their December 19, 2018 meeting.

AP reported that the low-income wood stove change-out program in Rutland was going well and expending funds quicker than expected. The CEDF may propose to amend the grant award with NeighborWorks of Western Vermont with additional CEDF-ARRA funds to expand the program to other areas of the State. He said he would bring a proposal for the Board's consideration to their December 19th meeting.

AP reported that the \$250K grant to Kingdom Pellet in support of a new pellet mill in the NEK will have to be canceled or amended. **AP** reported that he is waiting on a proposal from Kingdom Pellet for amendments to the grant agreement. As the changes to the grant will likely be substantial **AP** said he will bring the amendment to the Board for their review and approval at their December 19th meeting.

IV. PSD Proposed Budget and Annual Plan for Fiscal Year 2019 (FY19)

AP reported that the CEDF did not receiving any public comments on the FY19 Budget & Plan. There was a short discussion on the plan and interest in talking specifically about the evaluation called for in the Plan. **SS** moved that the FY19 Plan and Budget be approved as presented. **JM** seconded the motion and the motion passed unanimously.

V. CEDF Evaluation

Board members had several suggested edits and clarifying questions on the draft scope of work sent to the Board prior to the meeting. **AP** said he would make the suggested changes to the Scope of Work in the contract with Cadmus and that if Board members had further edits or comments on the scope of work they could send them to him before the end of Friday, September 21, 2018.

VI. Next Meeting

There was a discussion about having a special meeting/hearing of the CED Board at Renewable Energy Vermont's Annual Conference on October 18 or 19, 2018. There was support for this idea as the best way to get input from interested stakeholders. **AP** said he would contact Renewable Energy Vermont (REV) and communicate with the CED Board Co-Chairs on the best time and day.

Board members said they wanted to hear from stakeholders on the future of the CEDF, possible funding ideas for the Fund, the role of the CED Board, and specifically on CEDF's focus on advanced wood heating and questions like what targets should CEDF being trying to reach or what does that sector need for market transformation and/or to lower the cost of advanced wood heating systems?

VII. Wood Heating and Emissions Presentations and Discussion

The Board heard presentations on wood heating and VT's forests, PM and other dangerous emissions from wood combustion, and on CO2 emissions released by wood heating and CO2 accounting. Ed Delhagen from the PSD joined the meeting to observe. During the presentations

Gail Stevenson of the International Cryosphere Climate Initiative (ICCI)/BurnRight Vermont entered to observe.

Three short presentations were given:

1. Michael Snyder, Commissioner of the Vermont Department of Forest and Parks. Michael spoke about Vermont's forests, forest health, tree harvesting, and the role of wood heating in managing Vermont's forests to remain as forests.
2. Lisa Rector, Policy and Program Director at the Northeast States for Coordinated Air Use Management (**NESCAUM**). Lisa presented on the particulate and other emissions from wood combustion that are serious health concerns. She said that she didn't think wood heating could be increased at the same time emissions could be decreased.
3. Adam Sherman of the Biomass Energy Resource Center. Adam spoke about CO2 emissions and the biogenic carbon cycle differs from the carbon cycle of CO2 embedded in fossil fuels, and how harvesting trees/timber/wood for heating sustainably is key to a low-carbon footprint of wood heating. He also discussed the value of replacing the old wood stoves with high emissions with cleaner stoves and how that allows for changing our oil boilers with advanced pellet boilers – advancing wood heating while lowering overall emissions.

There was discussion about where the emissions savings due to wood stove change-outs are happening is important in relation to where the increased emissions are happening due to the installation of new pellet stoves or boilers that are replacing fossil fuels.

There was an extended discussion amongst the Board members and the panelists about wood heating, forests, and emissions. The discussion ended with a discussion on how the CEDF (or others) can balance public health concerns regarding emissions with the public benefits of how wood heating supports forests, and with the CEDF's goal of increased local renewable energy generation.

-- With no objection the meeting was adjourned by **JD** at 4:35 --

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