

**Approved Minutes
Clean Energy Development Board
Special Meeting June 27, 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-via phone	
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). Rachel Bowanko, Intern, PSD

Members of the Public: None

Meeting brought to order at 1:09 with Co-chair Jared Duval presiding.

- I. **Agenda.** The draft agenda as presented by **AP** was discussed and agreed to without objection.
- II. **Minutes.** The minutes of 4/18/18 had been presented to the Board via email prior to the meeting. **KJ** moved to accept the minutes as presented with the one additional spelling correction that was identified by **JD**, **SS** seconded the motion and the motion passed 4-0-1. **JS** abstained from the vote because she was not at the 4/18 meeting.
- III. **Fund Manager's Report and FY19 Draft Budget Discussions**
 - a. **AP** provided a financial report of the CEDF for the months of April and May, as well as year-to-date totals for revenue and expenses of the Fund.
 - b. **AP** gave an update of the legislative session regarding the CEDF. He reported that the \$500K that was to be transferred out of the CEDF was amended to nullify the transfer if the State ended fiscal year 2018 in the black (which **AP** said it will). He also reported on the \$453,000 of CEDF funds that were transferred to the general fund over 5 years ago for the solar business tax credits. These funds will be returned to the CEDF by transferring \$253,000 to the CEDF from the general fund, and by transferring \$200,000 from the general fund to the Department of Environmental Conservation (DEC) for a wood stove change-out program, which **AP** said would very likely come to the PSD/CEDF for the CEDF to administer through the Small Scale Renewable Energy Program. He reported that the CEDF shall use \$200K of the \$253K allocation for the

CEDF's obligation in Act 194 to cover up to \$200,000 of lost revenue to the Education fund due to Act 194's three-year sales tax exemption for advanced wood heating systems.

- c. There was a discussion about the wood stove change-out program that the CEDF is proposing as part of its FY19 budget and plan. The Legislature allocated \$200K (to DEC) for stove change-outs, and the PSD is proposing \$200,000 of CEDF funds, for a total of \$400K for stove change-outs. Board members expressed their continued concerns about emissions from wood stoves and wanted more assurances that the CEDF was addressing this issue adequately. Board members discussed the need to dedicate an hour at a Board meeting to discuss the greenhouse gas and particulate emission issues of wood combustion. Members remembered that this was going to be part of an earlier Board meeting, but that was moved to a future, undetermined, Board meeting. There was agreement that this was still desirable and agreed to add it to the agenda for the next meeting on July 18th. **AP** agreed to work with the Co-chairs on bringing in experts to the next meeting to discuss the issue.
 - i. Board members expressed their interest in the design of the stove change-out program. They wanted to see the details of the program before it was finalized. **AP** said he could have that to them before their July 18th meeting. **AP** said that DEC staff said they were interested in allowing propane or gas stoves to be part of the change-out program. Board members said they wanted the program to only allow wood (pellet or cord) stoves to be eligible (old wood stoves shouldn't be changed out for propane or natural gas stoves). **JD** made a motion that, consistent with 30 V.S.A. § 8015 the CEDF cannot use CEDF incentive monies or administrative funds/time on stove change-outs that install fossil fuel heating systems. **SS** second the motion and it passed unanimously.
 - ii. Board members also expressed their interest in the incentives for changing-out to a pellet stoves being higher than for cord wood stoves, as a way to promote pellet stoves which burn cleaner than cord wood stoves.
- d. **AP** provided general updates on all of CEDF's existing programs. Part of the program updates include a description of the request for proposals that the CEDF has issued for a contractor to conduct an evaluation of the CEDF's wood heating programs. There was keen interest in the evaluation details. Board members wanted to see the scope of work of the evaluation and be consulted before the contract with the selected evaluator is finalized.
- e. There was a discussion about the Clean Energy Finance Collaborative and if it will continue into fiscal year 2019, the Clean Energy Finance Report, and CEDF's funding/involvement in these efforts. **AP** explained the CEDF funded the contract for the VT Clean Energy Finance Report, which is a three-year effort to track clean energy finance activity in Vermont. **AP** also reported that the PSD is talking about moving onto the next phase of the Collaborative, which is engaging specific Collaborative members in getting new clean energy finance programs, which were identified by the Collaborative as priorities, operational.
- f. There was a discussion on the CEDF's budget and activities for fiscal year 2020 and what the PSD's plans are to power-down but preserve the CEDF during FY 2019 and beyond. Board members wanted to know if that would start in 2019 and what it would look like. **AP** said that he has been asked by the PSD to draft a proposed plan to power down, yet

preserve, the CEDF. He said he plans on submitting a draft plan to PSD leadership in October.

IV. Next Meeting

- a.** There was a discussion on the Board's meeting schedule for the remainder of 2018 and the schedule for getting the FY19 Budget and Plan approved. It was decided that the scheduled quarterly meeting on July 18th would be held to vote on the CEDF's proposed FY19 Budget and Plan, as well as to discuss wood heat emissions. Then the Board would change its quarterly meeting from October to September (on the 19th – the 3rd Wednesday) and then every three months from after September on the 3rd Wednesday (December 2018, then March, June, September, December of 2019).

-- With no objection the meeting was adjourned by **JD** at 3:05 --