

**DRAFT Minutes
Clean Energy Development Board
Quarterly Meeting December 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). Ed Delhagen (**ED**), Clean Energy Finance & Program Manager, Public Service Department

Members of the Public:

None.

The meeting started with **SS** presiding at 2:07.

I. **Agenda.** The draft agenda was reviewed and agreed upon.

II. **Minutes.**

The draft minutes of the Board's 9/19/18 quarterly meeting were considered. There was discussion about follow-up on some of the items discussed at the 9/19 meeting. It was decided those would be discussed after the minutes were approved. **JD** moved to accept the minutes as presented. The motion was seconded by **KJ** and passed unanimously.

The minutes from the Board's special meeting & public hearing on 10/19/18 were considered. There was a discussion about follow-up from the 10/19 meeting and what the Board/CEDF would do with the comments received. **KJ** moved to accept the minutes as presented. **JD** seconded the motion and the motion passed with four votes in favor and three abstentions from **GS**, **DF**, and **JS** who were not at the 10/19 meeting.

III. **Follow-up from 9/19/18 Meeting Discussion on Wood Emissions.**

Board members talked about the presentation and discussion on wood heat at the 9/19/18 meeting and the CEDF's plan for next steps and reactions. **GS** and other Board members expressed concern about the health impact of wood emissions that were presented and wanted to know that the CEDF was taking the health impacts into account in program design and that the CEDF was in contact with the Divisions of Air Quality and others, like Lisa Rector, that presented at the meeting. **AP** reported

he was in contact with Air Quality and had spoken with Lisa. **DF** wanted to know if other emissions from wood were being measured and reported by the CEDF. He wanted to see wood heating incentives combined with thermal efficiency measures and more accounting of the particulate emission savings of the stove change-outs and of the overall air emissions reductions from wood heating. **SS** wanted to see the CEDF prepare an environmental assessment or a balanced analysis of wood heating so that the Board could consider proposed wood heating programs with better information on how the CEDF was dealing with the environmental impacts of wood heating.

KJ and other Board members consider the reduction of CO₂ and other emissions from replacing fossil fuels with wood heating, combined with the fact that overall particulate emissions in VT are lower, provided a compelling reason for the CEDF to continue its support of advanced wood heating—especially so considering the local economic development benefits of local wood heating. **AP** said he would reach back out to Lisa Rector of NESCAUM for further recommendations on wood stove and boiler incentive program design so that the CEDF could continue to support wood heating with program design that addresses the health impacts of wood combustion emissions.

Board members also had a general discussion regarding funding for the CEDF. They discussed who should advocate for future funding of the CEDF if the current Administration is not, and what the role of the CED Board is in advocating for the CEDF. **GS** questioned the value of being on the Board if funding is running out and the Administration is looking to power-down the CEDF and not advocate for more funding. **DF** spoke to the value he sees of the CED Board.

JD spoke of the need of the evaluation/metrics of CEDF successes to be able to advocate for more funding, and that it is the role of the Board to educate the public about the Fund. He also spoke of the Working Lands Enterprise Board (WLEB) and how that WLEB doesn't advocate for its funding but the Working Lands Enterprise Coalition does advocate for the funding for the WLEB. **JD** said the CEDF's programs are essential to the growth of the advanced wood heating market in Vermont. He wanted it recorded that at the 10/19 public hearing representatives of the advanced wood heating sector testified that the CEDF programs have been, and are, essential to the growth of advanced wood heating in Vermont and that without the CEDF incentives installations would likely drop by ~80%.

IV. Fund Manager's Report.

AP provided information on CEDF's current grants and programs and financial expenditures and revenue for the Fund for the last quarter. There was a discussion of the grant to Kingdom Pellet for \$250,000. **AP** reported that Kingdom Pellets has said they need to change the scope of the grant from building a new pellet mill in Lunenburg to some sort of bulk pellet loading facility. The grant has been extended to October of 2019 but **AP** said he was expecting a written request to change the scope of the grant by the end of the calendar year but hadn't received anything yet. There was a discussion on the merits of keeping such a large grant open and if the funds might be better used to build more demand for pellets instead.

ED gave an update on the CEDF Evaluation contract with Cadmus reporting that the contract has been stuck in bureaucratic review for many weeks and thus Cadmus had not yet started the evaluation. Board members were disappointed to hear this news as they had been told by **AP** that the evaluation was to be completed in time to provide information to the legislature, which they

thought was of critical importance for securing funding for the CEDF. There was a discussion about the delay in the evaluation and if the CEDF could create a short document that lists the CEDF's successes promoting advanced wood heating. Board members wanted the CEDF to create a document that told the story of CEDF's positive impact on the wood heating market and how much potential for future growth in the sector there still was. **AP** said the CEDF had the data it was just a question of putting it together in a presentable way with some narrative. He thought he/the CEDF could have that done by the end of January. **AP** agreed to work on such a document and that he would send to the Board for their review before making public.

AP outlined the agreement he had made with the PSD related to simultaneously working for the PSD and serving in the General Assembly. He explained that he will be working on Mondays for the PSD as the Fund Manager of the CEDF and on Tuesday through Friday he would be working as an elected member of the General Assembly. During week he would check and respond to CEDF/PSD related email as he is able. **AP** explained that the PSD will assign CEDF tasks to PSD staff during the legislative session, for example **ED** will be administrating all the current grants and programs that **AP** was handling.

V. 2018 Fiscal Year Legislative Report.

AP handed out a draft of the fiscal year 2018 report and asked Board members to send in any comments or edits they have on the report.

VI. Planning for the Next Meeting.

Board members agreed to hold the next Board meeting on Wednesday March 6, 2019 from 2:00 to 4:00, which is early for the quarterly meeting but is a time that **AP** could attend as it is a break in the legislative session.

-- Without Objection **SS** adjourned the meeting at 4:03 --

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-- With no objection the meeting was adjourned by **SS** at 3:04 --

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