

**Approved Minutes
Clean Energy Development Board
Quarterly Meeting September 18, 2019**

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

Board Members:	Attending	Absent
Kate Desrochers (KD)	X	
Jared Duval (JD) <i>Co-Chair</i>	X	
David Farnsworth (DF)		X
Ken Jones (KJ)	X	
Sam Swanson (SS) <i>Co-Chair</i>	X	
Johanna Miller (JM)	X	
Paul Zabriskie (PZ)	X	

State Employees:

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

Members of the Public:

There were no members of the public present.

The meeting started at 1:05 with **JD** presiding.

I. Agenda

The draft agenda was reviewed and agreed upon.

II. Minutes

The draft minutes of the Board's 07/18/19 quarterly meeting was considered. **KJ** moved to accept the minutes as presented. The motion was seconded by **SS** and passed with all in favor except an abstention from **JM**.

III. Fund Manager's Report

AP gave an update of CEDF and CEDF-ARRA fund activities for the first two months of fiscal year (FY) 2020, as well as updated financials from the end of FY 2019. **AP** provided hand-outs on the ARRA and CEDF finances. **AP** gave information on funds available including \$365,000 of revolving CEDF-ARRA loan fund monies that are at VT Economic Development Agency (VEDA), who administers all CEDF and ARRA loans. **AP** reported that these are additional funds not previously reported as available funds and that the CEDF will request these funds from VEDA in next fiscal quarter, as which point they will be available to the CEDF.

AP provided an update on the efforts at expanding the State Energy Management Program (SEMP) to include municipal buildings. He wanted to let the Board know that if funds are

secured from the Vermont Low-income Trust for Electricity (VLITE) to expand the SEMP model there will likely be a proposal from the CEDF/PSD to use CEDF-ARRA funds in support of the project. Board members suggested that their support would be contingent on the project being aligned with the CEDF's strategic goal to build the advanced wood heating market in Vermont.

AP provided an update of the wood and pellet stove change-outs as well as the pellet boiler installations through the SSREI Program. **AP** asked for the Board's approval to set an end date for the wood stove change-out program and he suggested the end of the calendar year. Board members suggested that a December 31 end date could be problematic for participants due to proximity to holidays and thus an early or later date would be preferable. After a brief discussion it was agreed that the CEDF would end the Wood Stove Change-out incentive on December 15, 2019.

AP also reported that the Vermont Department of Forest, Parks and Recreation requested the CEDF's involvement in a federal USDA grant application to provide advanced wood heating analysis and feasibility studies to Vermont C&I entities. The request was for the CEDF to provide \$5,000 of matching funds for the \$100K grant. **AP** reminded the Board that in FY 2020 and the last two years the CEDF provided \$10,000 to the Department of Forest, Parks, and Recreation to fund their Wood Energy Coordinator position that has been successful in getting federal grants. **AP** suggested that by the time the USDA awards this grant (if it is granted) and the program gets set up the CEDF funds could be spent in FY 2021 and thus could be part of the Board's review of a proposed FY 2021 budget. There was agreement that the CEDF could pledge the \$5,000 for the project, but that a formal approval wasn't needed at this time as it would be addressed as part of the FY 2021 budget proposal.

AP requested the Board's approval for a \$5,000 incentive payment to be made through the CEDF's Small Scale Renewable Energy Incentive Program (SSREIP) to Lamoille Housing Partnership and Vermod Inc. to repair solar arrays on low-income Vermod houses in Hardwick. **AP** said this would be made as a low-income solar incentive, even though that incentive program ended. A motion was made by **KJ** to conditionally allow a \$5,000 incentive payment via the SSREIP for the Lamoille Housing Partnership to obtain 22 new solar PV modules to replace those that broke. The condition on the incentive payment is that Vermod (the installer of the solar systems) provide the CEDF a report and analysis on the electricity usage and generation data to date on all the Vermod homes that have received funding from the CEDF for solar PV arrays. The motion was second by **KD**. The vote in favor was unanimous.

AP reported he was looking into training and apprenticeships for workers in the wood/pellet stoves sector. **AP** said that stove shops and chimney sweeps are having a difficult time hiring and expanding to meet demand. He suggested that if the CEDF, EVT, and others continue to promote wood heating stoves the CEDF should work with EVT and others on providing more training/workforce development opportunities for the companies in this sector.

AP reported that the CEDF will release a request for proposals for grants to build Vermont's bulk pellet and semi-dry chip supply. The solicitation will offer grants up to a total of the \$350,000 approved in the FY 2020 budget. He said the original plan was to release the solicitation in September, but he is now estimating it will be released in October.

AP explained that his plan, as discussed at the Board's last meeting, was to have a new bulk-pellet bin incentive for the SSREIP developed for the Board to review at this meeting, but he did not have it ready. He asked for the Board's approval to develop the details of the program and then send that to the Board via email giving them the opportunity to object or offer comments before it is implemented. This would allow the CEDF to get the program started before the CED Board's next meeting in December. Board members had a few questions about the incentive and gave their general support to this plan as long as they would have an opportunity to review the details and provide comments before the incentive was finalized and rolled-out.

IV. Maintaining the CEDF Memo

AP gave some background on the memo that was sent to the members prior to the meeting. He explained that it was drafted for the PSD Commissioner and not to the CED Board. **AP** explained that the memo should be considered a draft as the Commissioner had not responded regarding the recommendations in the memo, except to say that she was interested to hear from the Board regarding their thoughts.

There was a general discussion of the memo. Board members expressed interest in the memo addressing the issue of a lack of CEDF funding and that overall the memo's tone was that there wouldn't be future funding. The memo's recommendation on addressing the statutory restriction of 5% spending on administration was accepted by the Board as needed and they suggested that the CEDF/PSD draft the specific language that would be needed to address that administrative need. They also suggested that the PSD get clarification from the Legislature on what personnel costs are defined as administrative expenses as they thought the PSD didn't need to include staff costs that was programmatic.

The Board was not supportive of the memo's suggestion that the PSD should be allowed to use CEDF funds to pay the Fund Manager to work on PSD clean energy tasks, without input and approval from the Board on the specifics. Board members suggested that if there were not sufficient CEDF tasks for the CEDF Fund Manager then the PSD should list what clean energy work the PSD would assign to the Fund Manager as part of the PSD's FY 2021 budget proposal for the Board. The Board didn't think there should be a blanket use of CEDF funds for PSD staff, including the CEDF Fund Manager, to work on PSD activities.

Board members discussed their interest on acting in support of CEDF funding/the future of the CEDF as a Board and/or individually as CED Board members. No decision was made to act as a Board, but several Board members said they would talk with legislators and other stakeholders about the future of the CEDF to raise the awareness of the need to provide funding for the CEDF with the idea that something could be developed in time for the 2020 legislative session.

Even if the PSD does not advocate for CEDF funding, the Board members wanted the PSD to be prepared to advocate for the statutory change to “fix” the language that limits the PSD to 5% of allocated funds for administration.

The ACT 62 proceedings were discussed as a possible venue to discuss what the future role of the CEDF might be. It was suggested that as the State is discussing what work the efficiency and electric distribution utilities will do to promote renewable energy that the role of the CEDF should be part of that discussion since it overlaps with the purpose and goals of the CEDF. Some Board members were concerned about bringing the future of the CEDF into that proceeding without further thinking, preparation, and discussion with other stakeholders.

There was a discussion about the Board holding a public hearing to solicit ideas and a broader public discussion on funding of the CEDF. **JM** suggested this could be done in conjunction with the REV annual conference in a few weeks, like was done last year, and is required in the CEDF statute. Others liked the idea of a public hearing but suggested such a meeting should rather be part of the December Board meeting instead. It was pointed out that while there are lots of clean energy advocates at the REV conference there is a lot going on and the Board may be more successful in getting both written and in-person testimony if the public hearing was separate from the conf. and was announced with more lead time, as the REV conference is only a few weeks away.

V. Cadmus evaluation report

Board members gave their first impressions of the draft report and some committed to sending in written comments. Board members were concerned that the report would not have all the components that were required in the contract. Overall they expressed concern that the report lacked analysis and was mostly a recitation of the numbers from their survey – and that some of survey responses were not statistically sufficient enough to include in the findings. They suggested that the PSD not pay any more invoices until they received a report that was satisfactory and met all the requirements of the contract.

VI. Planning for the Next Meeting

Board members discussed future meetings and decided to not to schedule any special meetings before their next scheduled quarterly meeting to be held on December 11, 2019 at 1:00pm at the PSD’s Giga conference room.

Without objection **JD** adjourned the meeting at 3:16

--