

**DRAFT Minutes**  
**Clean Energy Development Board**  
**Quarterly Meeting December 11, 2019**

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

| <b>Board Members:</b>                     | <b>Attending</b> | <b>Absent</b> |
|---|------------------|---------------|
| Kate Desrochers ( <b>KD</b> )             |                  | X             |
| Jared Duval ( <b>JD</b> ) <i>Co-Chair</i> | X                |               |
| David Farnsworth ( <b>DF</b> )            |                  | X             |
| Ken Jones ( <b>KJ</b> )                   | X                |               |
| Sam Swanson ( <b>SS</b> ) <i>Co-Chair</i> | X                |               |
| Johanna Miller ( <b>JM</b> )              | X                |               |
| Paul Zabriskie ( <b>PZ</b> )              | 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 1:04 with **SS** presiding.

**I. Agenda**

The draft agenda was reviewed and agreed upon.

**II. Minutes**

The draft minutes of the Board's 09/18/19 quarterly meeting was tabled by the presiding co-chair to give members a chance to re-read the minutes. Later in the meeting **JD** moved to accept the minutes as presented. The motion was seconded by **SS** and passed unanimously.

**III. Fund Manager's Report**

The Fund Manager gave a general update on all of CEDF's existing programs and grants. He also presented a CEDF financial report for fiscal year 2020 (FY20) through October. There was discussion regarding the Small-scale Renewable Energy Incentive Program (SSREIP) and the ending of the wood stove change-out incentive. **AP** said that with Efficiency Vermont also offering a state-wide stove incentive program including an increased incentive for change-outs the CEDF decided to end its change-out program.

**AP** presented a new pilot incentive to be added to the SSREIP that would provide up to \$3,000 for bulk pellet bins that could be used by those with pellet stoves to avoid pellet bags. The Board approved up to \$300,000 of CEDF-ARRA funds to be used for the pilot incentive program within the SSREIP that would provide up to 85% or \$3,000 for bulk pellet bins.

**AP** presented an idea for a potential incentive adder for the SSREIP pellet boiler incentives for those VT homes or businesses changing-out coal heating systems for a pellet system. Board

members expressed interest in the idea and asked **AP** to present an incentive design and budget for such an ‘adder’ to the SSREIP at the Board’s next meeting.

**AP** reported that the CEDF would not be administering a federal Forest Service grant issued to VT Department Forest, Parks, and Recreation (FPR). The FY20 budget and Annual Plan had funds from this grant in the SSREIP, but the incentives will be administered by FPR instead. CEDF will still provide \$65K of incentives (through the SSREIP) for cash match of the grant.

**AP** provided an update on the bulk pellet and dry chip infrastructure grant invitations the CEDF sent out based on the Letters of Interest received.

#### **IV. CEDF Annual Report to the Legislature**

**AP** gave an overview of the CEDF’s draft report to the VT Legislature covering Fiscal Year 2019 and asked that any comments and suggestions be sent to him by the following week. Specifically, **AP** pointed out the section of the report that address the administrative expenses of the CEDF. In the report the PSD informs the Legislature that, starting in FY21, staff time spent designing and delivering programs would no longer be categorized as administration expenses.

**AP** explained this is important as the CEDF statutory language limits the PSD’s use of CEDF funds for administrative expenses to five percent of CEDF’s annual appropriation. With smaller annual appropriations anticipated the PSD will not meet the 5% cap if all staff time continued to be considered administrative. There was a general discussion and support by the Board on this approach to administrative expenses. The Board said they expect more details on this in the fiscal year 2021 budget proposal the PSD will submit to the Board in 2020.

#### **V. Other Items**

The Board expressed their interest and desire to see the CEDF/PSD issue a press release and announcement of the results of CADMUS’ CEDF evaluation.

The Board also wanted to encourage the PSD to consider the future of the CEDF in the Act 62 proceedings at the Public Utilities Commission. The Board thinks there is a valuable role for the CEDF in the future framework of VT clean energy developments being discussed regarding Efficiency Vermont and the distribution utilities. In addition, the Board sees a role for the CEDF as the PSD works with other State Agencies on air quality, wood heating, working lands, and housing given the important clean energy components of these issues.

#### **VI. Planning for the Next Meeting**

The Board discussed future meetings and decided their next quarterly meeting would be held on March 4, 2020 at 1:00 to 3:30 at the PSD’s Giga conference room. The Board asked that the CEDF have a report on the CADMUS evaluation recommendations for each budget item and to highlight opportunities going forward.

--Without objection **SS** adjourned the meeting at 2:45--