

**Approved Minutes
Clean Energy Development Board
Quarterly Meeting March 4, 2020**

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

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

State Employees:

Andrew Perchlik (AP), Fund Manager, Clean Energy Development Fund, Public Service Department (PSD). Starting with item V (SEMP expansion proposal) Ed Delhagen (PSD), and Dan Edson (Department of Buildings and General Services) were also in attendance.

Members of the Public: None.

The meeting started at 1:04 with JD presiding.

I. Agenda

The draft agenda was reviewed and agreed upon.

II. Minutes

SS moved the draft minutes of the Board's 12/11/19 quarterly meeting be accept as presented. The motion was seconded by PS and passed with four voting in favor and KD and DF abstaining due to not being at the 12/11/19 meeting.

III. Fund Manager's Report

The Fund Manager gave a general update on all of CEDF's existing programs and grants, including the new bulk pellet bin incentive added to the Small Scale Renewable Energy Program (SSREIP). He reported that there have not been any incentives paid out yet but the program has signed up five pellet vendors and approved many different bin types.

AP presented a proposed change to the SSREIP, asking the Board to approve two new adders to the program. He presented the table (see below) describing the two proposed added incentives. One is for customers changing away from coal heating systems and the other would provide advanced wood heating feasibility studies for non-residential customers.

There was a general discussion with questions and answers regarding the new incentives.

Customer	Incentive	Max Additional Incentive	Total CEDF Funds Allocated	Total ARRA Funds Allocated
Residential pellet boiler or stove	Up to 50% of cost of new pellet boiler if replacing a coal stove or system	\$10,000		
Non-residential pellet or chip boiler or stove	Up to 50% of the Cost of a new AWH Systems in replacing a coal system	\$25,000	\$100,000	\$100,000
Non-residential Feasibility Studies	Up to 55% of cost for feasibility and/or engineering analysis.	\$10,000		
	Remaining 45% of incentive is customer installs AWH System	\$10,000	\$0	\$250,000

After the discussion **KJ** proposed to approve the new incentives as proposed. **PZ** Seconded the motion and it passed unanimously.

IV. FY21 Draft Budget & Program Plan Timeline/Process

There was a discussion on when the CEDF would be able to provide a draft fiscal year 2021 (FY21) budget to the Board and when the Board and the CEDF Fund Manager could meet. The Board members set their next meeting for Monday April 27, 2020 at 10:00 AM to Noon. **AP** agreed to provide a draft FY21 budget by then and to report to the Board on internal conversations with the PSD about what work the CEDF Fund Manager will be doing for the PSD, if any, in FY21.

The Board also set Wednesday June 3rd 1:00 to 3:30 as the Board meeting following the April 27th meeting. At that meeting they planned on approving the FY21 Budget and Annual Plan. **AP** agreed to send out meeting invites to the Board for these two meetings.

V. State Energy Management Program Expansion Pilot Proposal

AP gave an overview of a PSD request to use \$300,000 of CEDF-ARRA funds to support the expansion of the State Energy Management Program (SEMP) at the Vermont Department of Buildings and General Services for two years (\$150,000/yr for two years). **AP** explained the funds will help establish this new model and design a self-funding SEMP expansion that will

allow the program to offer its services to public entities outside state government, such as schools, state colleges, and municipalities.

Dan Edison gave a presentation of how SEMP works within state buildings and how BGS proposes the expansion into other public building sectors would be carried out. **Dan** explained that BGS is seeking matching funds from the Vermont Low-Income Trust for Electricity (VLITE) Board at their next meeting to be held on March 16, 2020.

There was a discussion of the proposal. Dan and Ed Delhagen provided answers to questions and provided other information as part of the Board's discussion. Some Board members expressed concerns that the lack of a focus on advanced wood heating in the proposal made the proposal unaligned with CEDF's strategic plan and stated focus and thus not something they thought the CEDF should fund. **JD** asked BGS if they could revise the proposal to emphasis advanced wood heating and assure the CEDF that the funds the CEDF provides is going to promote new advanced wood heating projects.

Dan said he could not make changes to the proposal that would meet a requirement that wood heating projects happen. He said wood heating is a priority but that the program will be responding to the customers that step forward to participate and they may or may not be good candidates for wood heating.

After further discussion **KJ** made a motion to approve the funding request as presented with two conditions:

1. That the CEDF funding only be provided to BGS if they are successful in raising the other \$300,000 they are seeking – be it from VLITE or from other sources.
2. That the 2nd year of funding (\$150,000) be conditioned upon a report from BGS on the program and the potential they find in for advanced wood heating in the audits performed and interest expressed for wood heating by potential customers (schools, towns, etc....)

DF seconded the motion. After further discussion the motion passed with five votes in favor with **JD** abstaining.

VI. Carbon Emission from Advanced Wood Heating Two Pager

Without sufficient time left in the meeting to discuss the draft two-pager that the Biomass Energy Resource Center (BERC) had created for the CEDF it was agreed that **AP** would collect comments on the draft from Board members via email and then work with BERC on a final draft that he would then make public.

--Without objection **JD** adjourned the meeting at 3:07--