

**Approved Minutes
Clean Energy Development Board
Quarterly Meeting June 10, 2021**

In Attendance (*Meeting held at electronically via video and phone*)

<u>Board Members:</u>	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: None.

The meeting started at 2:08 with **SS** presiding.

I. Agenda

The draft agenda was reviewed, discussed briefly and a request was made to add an update regarding the current Board member terms and re-appointments. With that change agreed to the agenda was approved.

II. Public Comment Period

There were no members of the public in attendance.

III. Minutes

JM moved to accept the draft minutes of the Board's 03/03/21 quarterly meeting as presented. The motion was seconded by **KJ** the motion passed unanimously.

III. Board Member Update

AP provided a quick update on the CED Board members terms: three members (**JM**, **KJ**, and **DF**) will complete four-year terms at the end of June, 2021. He reported that he has informed the three appointing authorities for those Board positions (House Energy Committee Chair, Senate Energy Committee Chair, and PSD Commissioner) about the end of the terms and process for either re-appointing the existing members or appointing new members. All three members with terms expiring expressed interest in being re-appointed to a new four-year term.

IV. Briefing and discussion of 2021 Legislative Session and Appropriations

AP provided a description of the \$20 million of ARPA funds appropriated to the PSD by the Legislature in the State's fiscal year 2021 budget for "climate action". **AP** described that \$15 million of the \$20 million was directed towards the CEDF but appropriated to the PSD: \$10 million for the Affordable Community-Scale Renewable Energy Program for low income, and \$5 million to be allocated by the Clean Energy Development Board. **AP** explained the \$10 million program for low-income is to be expended consistent with the parameters of the CEDF. He reported that the \$5 million to be allocated by the Board did not come with any restrictions or guidance in how it should be allocated. **AP** said that the PSD was going to treat the \$15 million as if was appropriated to the CEDF for the purposes of how the funds would be administered, thus the CEDF should follow the CEDF statutory language in its allocations of the funds.

AP said that the other \$5 million of ARPA funds allocated to the PSD requires the PSD to present a plan for the use of the 5 million to the 2022 legislature for approval before they can spend the funds. **AP** said the PSD is treating that \$5 million as separate from the process and planning that the CEDF allocated funds will go through.

There was a brief discussion of the allocations and clarifying questions, specifically on the \$10 million low-income program. Several Board members' prior understanding was that the program was going to be a solar program and thus wanted to know if the funds could be used for any renewable energy technology. **AP** said that while the language says "renewable energy" and not solar, the program was originally proposed by the Governor as a solar program. Also, he said, that the language refers to "community-scale" and thus that would rule out singular residential systems. **AP** said that the current idea is to have a solicitation for renewable energy and in such a solicitation solar would most likely be the renewable energy source capable of being community-scale and providing a benefit to low-income Vermonters in all parts of the State. **AP** said that the PSD was in the process of designing a request for information from the public and stakeholders on preferred designs of the program.

The Board discussed sending a letter from the Board to the PSD leadership about how the CED Board is eager to work together with the PSD on the ARPA funds. The co-chairs **SS** and **JD** said they would draft the letter and send out to the other Board members before sending to the PSD leadership.

Board members discussed potential opportunities and focus areas for these funds and different groups that the CEDF/PSD should be reaching out to in formation of the program. Working with the affordable housing organizations, the CAP agencies, the Working Lands Enterprise Initiative, and other groups that represent low-income or underserved communities in Vermont were mentioned as priorities.

AP informed the Board that the PSD is investigating hiring a new staff person to work on the community renewable energy for low-income program. The PSD would use some of the \$10 million allocated for the program to cover the costs of the new staff person. The position would be a limited-service position of one or two years.

IV. Fund Manager's Report

AP went over the draft budgets developed by the PSD for the fiscal year 2022 CEDF funds and the CEDF-ARRA funds separately. He also described the combined budget for the Small-Scale Renewable Energy Program. Board members requested that the CEDF and ARRA budgets being shown together as one CEDF budget, as it is difficult to get the full picture of what the CEDF is doing when they are presented separated.

There was a brief discussion on the presented budgets and general agreement on the draft. The Board had questions on the process for approval of the FY'22 budget and how that would or wouldn't interact with the funds appropriated to the PSD but to be allocated by the CEDF.

V. Planning for Next Meetings and Tasks

There was a discussion on how the CEDF should approach the fiscal year '22 budget and the new funds appropriated to the PSD for use by the CEDF. **AP** suggested that the Board separate the three funding sources and develop a timeline and process for each one separately. The three programs are:

1. A Fiscal Year 2022 Budget and Annual Plan for the CEDF and CEDF-ARRA funds (about \$2.1 million).
2. A Community Renewable Energy Program for Low-Income Vermonters. This is \$10 million of 2020 American Rescue Plan Act (ARPA) funds appropriated by the legislature. These funds need to be spent by the end of 2024.
3. The allocation of \$5 million of ARPA funds to the PSD to be allocated by the CED Board. As ARPA funds these funds need to be expended by the end of 2024.

Given that the CEDF has current programs funded with CEDF and CEDF-ARRA dollars that need CED Board to approval to continue into fiscal year 2022, which starts on July 1, 2021 **AP** recommended to the Board that they first focus on the CEDF FY '22 budget and plan and then move to design and approve the deployment of the \$15 million of ARPA funds.

Board members discussed how to proceed. There was general support of following the process of addressing the fiscal year 2022 CEDF budget and plan first and then the ARPA funds separately. There was an interest by Board members to have clear criteria developed for how to measure success and for determining the best uses of the ARPA funds. Criteria such as equity, market development, and GHG emissions avoided per dollar spent were examples discussed.

Board members wanted a public engagement process to engage with non-traditional groups and organizations, that are not the usual groups working on energy policy, to address equity concerns.

Board members asked about federal guidance for the ARPA funds that would restrict what those funds could be used for. **AP** reported he had not yet seen any guidance on the funds or restrictions on its use other than the 2024 end date. He said he would report back to the Board on this point.

The Board asked AP to develop a proposed timeline and outline for a process that the Board could consider at its next meeting. **AP** said that the next meeting was scheduled for June 17th and there would not be sufficient time to draft the proposal and get it to the Board with time to review before that meeting. The Board members decided to move their next meeting to June 25th (10:00 AM to Noon) and asked that before then the PSD develop the narrative for the CEDF's fiscal year 2022 budget as well as a draft process and timeline for the development of the two ARPA allocations: the \$10 million Community Renewable Energy Program for Low-Income and the \$5 million to be allocated by the Board.

The Board asked that the PSD send the CEDF fiscal year '22 budget and Plan narrative out for public comment before the meeting on the 25th, with explanation that the process for the two ARPA programs will be separate and will have more time for comment and public process.

--Without objection **SS** adjourned the meeting at 4:59