

**Approved Minutes
Clean Energy Development Board
Special Meeting - July 02, 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:

Chase Whiting, Conservation Law Foundation
Kit Price, Renewable Energy Vermont

The meeting started at 9:04 with **JD** presiding.

I. Agenda

The draft agenda was reviewed and discussed briefly. Without any changes recommended the agenda was approved.

II. Public Comment Period

Members of the public did not have comments at this time, but the Board agreed to allow members of the public to provide comments during the meeting and/or at the end if they had any. **AP** used this time to update the Board that the following two re-appointments to the Board had been made: David Farnsworth, re-appointed by PSD Commissioner June Tierney; and Johanna Miller, re-appointed by House Energy Committee Chair Representative Tim Briglin.

III. Minutes

SS moved to accept the draft minutes of the Board's 06/10/21 quarterly meeting as presented by the PSD. The motion was seconded by **KD** and the motion passed unanimously except for an abstention by **PZ** who did not attend the 6/10/2021 meeting.

IV. Proposed Fiscal Year 2022 Plan and Budget for CEDEF

AP reported that, in addition to a couple typos, there had been three changes to the PSD's proposed fiscal year 2022 Plan from the version presented at the Board's last meeting. He reported

that no changes were made to the budget or allocation of funds. He reported the three changes were:

1. In the Executive Summary section clarifying that there would be a separate document/plan for the American Rescue Plan Act (ARPA) funds and provided a timeline for that plan to be developed.
2. In the description of the Small-Scale Renewable Energy Program, additional language on the timeline for when the request for proposals would be released for the administration of the program.
3. In the description of the Clean Energy Industry Survey additional language about working with other state agencies and plans for making better use of the data the Survey produces for state policy making.

There was a general discussion of the proposed Plan and the Budget. Board members clarified that while the CEDF Fiscal Year 2022 Plan did not address the ARPA funds appropriated to the PSD to be appropriated by the CED Board and consistent with the parameters of the CEDF the CED Board expects a separate public process and plans to be proposed by the PSD and approved by the Board before any decisions are made by the PSD regarding these ARPA funds.

With this clarification of the ARPA funds, **KJ** moved to approve the CEDF fiscal year 2022 Plan and Budget as proposed by the PSD. **PZ** provided a second to the motion which passed unanimously.

V. Draft Plan for the Affordable Community-Scale Renewable Energy Program

AP gave an overview of a draft request for information (RFI) the PSD had prepared for the \$10 million Affordable Community-Scale Renewable Energy Program (Program) for low-income. He explained the Program is required by newly passed Vermont legislation. He described the draft goals and metrics for success of the Program as proposed by the PSD, as well as a straw proposal for the Program that is in the RFI.

Board members expressed several concerns with the proposed RFI and the straw proposal for the program design. **SS** raised several objections to the straw proposal, including: that it only focused on renewable energy electrical generation; that it did not make greenhouse gas (GHG) emission reduction a high enough priority – and thus would only result in marginal GHG reduction benefits; and that it would allow the sale of any renewable energy credits, which he argued would lessen the environmental benefits of the Program and to the low-income participants.

PZ offered that while renewable electricity projects don't reduce the most GHGs compared to other projects, a program that lowers the cost of electricity for low-income customers can make electric powered options to off-set fossil fuel use for heating and transportation economically viable options, and thus should be considered when designing the Program. **KD** agreed that if the Program can lower electricity costs to make the operating cost of a heat pump more feasible that would be desirable. She suggested, and others agreed, that the RFI should be clear on what Program features and goals are non-negotiable. For example, can the Program design include individual home heating projects, or does the term "community-scale" require larger projects?

Board members had a general discussion on the legislative language and purpose of the Program and offered ideas that they'd like to see addressed in the Program design, such as: how the program could be scalable to increase its impact, connect to non-fossil fuel home heating projects (including weatherization), improving the electric grid to allow for more renewable electricity and reliability, ensuring that the Program is effective on a \$-spent-per-ton-of-GHG-reduced ratio, how to partner with affordable housing organizations on new and existing buildings, and how to design the Program to increase equity and inclusiveness.

Board members asked that the PSD revise the RFI to deemphasize the straw proposal and clarify that the straw proposal is only a draft and that different Program designs are not only possible but that such ideas are welcome and encouraged. They also asked that the RFI make clearer that comments are also being requested on the draft Program's goals and metrics for success.

There was a discussion about how the Program, as well as the additional \$5 million of ARPA funds the CED Board will allocate, will be coordinated with the work of the Climate Council and their Climate Action Plan and the Comprehensive Energy Plan (CEP) being drafted by the PSD. **AP** responded that the PSD is actively engaged in the work of the Climate Council and in coordinating the Climate Action Plan and the CEP.

Members discussed the need to balance competing goals of the Program and the need to address which of the goals and metrics are most important.

Chase Whiting of CLF offered comments on the importance on the accounting of GHG savings. He advised that a project's life cycle GHG emissions be accounted for as well as any externalities.

The Board asked **AP** if the PSD could have a new draft of the RFI before their next meeting, which they agreed would be on July 12th at 3:30. **AP** agreed to have a new draft before then and said he'd try and get it to them by Thursday July 8th.

VI. Plan for ARPA Funds to be Allocated by the Board

AP reported that the focus has been on the CEDF fiscal year 2022 Plan and the RFI for the Community-scale Program and that there was not a drafted proposal for the public process for the \$5 million the Board needs to allocate.

The Board suggested that the PSD issue one RFI that address both the Community-Scale program as well as seeks ideas for the allocation of the \$5 million. There was support for this idea on the Board and from **AP**.

There was also the suggestion that given the CEDF's strategic focus on advanced wood heating the CEDF should specifically work to engage stakeholders in the Vermont wood heating market sector. **AP** agreed and committed to setting up a meeting with wood heating stakeholders as a group and will also ask for their individual comments on the allocation of the ARPA dollars to mature the advanced wood heating market in Vermont.

--Without objection **JD** adjourned the meeting at 11:05