

**DRAFT Minutes  
Clean Energy Development Board  
Special Meeting – December 9, 2021**

**In Attendance** (*Meeting held at electronically via video and in-person*)

<u>Board Members:</u>	<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**), Clean Energy Development Fund Director, Public Service Department (PSD);  
Claire McIlvennie, Planning Division, PSD; TJ Poor, Planning Division Director, PSD.

Other Attendees: NONE

The meeting started at 2:04 with **JD** presiding.

**I. Agenda & Introductions**

**JD** started the meeting with a review of the agenda and welcoming of PSD staff members present. **JD** said if members of the public arrive, they would be allowed to provide comments during or after the Board’s deliberations if they wanted.

**II. Minutes**

Board members reviewed the draft minutes of the Board’s 10/1/21 and 10/28/21 meetings. **JM** offered one typo correction on pg. 2 of the 10/1/21 minutes: “reviled” should be “revealed”. **DF** moved that the 10/1/21 minutes be adopted with the correction offered by **JM** and that the 10/28/21 minutes be accepted as presented. The vote in favor of the motion was unanimous (except for **SS** who arrived just after this vote).

**III. Public Comment**

There were no public attendees.

**IV. Discussion with TJ Poor**

**A. New Role as PSD’s Planning Director & PSD Structure.**

TJ provide some background on the PSD organization and leadership structure and that the PSD is discussing if they need the same structure as before with Directors of Planning (that also oversaw regional energy issues) and Energy Efficiency Resources. TJ said that the PSD will be hiring an economic analyst instead of hiring a new Deputy Commissioner.

Board members asked about greenhouse gas (GHG) reduction efforts and where that work is situated within the PSD. TJ responded that this was more in the Energy Efficiency Division but that going forward could be more broad-based within all the work of the PSD. Board members commented that they appreciate grounding policy decisions in sound GHG emission reduction analysis on a cost-effective bases.

**B. \$10M Community-Scale Renewable Energy Program for Low-income**

**JD** started the conversation on the Community-scale Renewable Energy Program (Program) reiterating some of the concerns the Board had expressed to the PSD in a letter regarding the PSD's proposal for the Program, and specially that solar was not aligned with Vermont's GHG reduction obligations.

TJ said he was familiar with the Board's letter/position and understands their opposition to the program design as proposed by the PSD. He said that the PSD sees the Program as primarily an energy equity program and not a climate or GHG reduction program. In that sense, he said, the PSD is seeking to continue to develop a state-wide Community-scale solar program for low-income electric customers. TJ said that the administration has proposed for the budget adjustment act of 2022 switching the \$10M of ARPA funds with State funds (as the Governor's FY'22 budget proposal included) to allow the PSD to pursue the program design they think will best meet their goals to support low-income electric customers.

Board members suggested the PSD review the Board's letter regarding a solar based program as it explains the Board's position that there are better ways to accomplish an energy equity objective of supporting low-income customers. They also said that pursuant to the Global Warming Solution Act it is irresponsible not to have a lens of cost effective GHG emissions reductions and that the idea that the PSD would use the funds for non-GHG mitigation strategies is problematic to the Board.

TJ said that the PSD is willing to work with the Board on the program design, but that the PSD is proceeding with their preferred program if they obtain State funds – as the ARPA funds wouldn't allow for the type of program design desired by the Department. He added that in the long term a solar project focused on reducing costs for low-income could allow these customers to economically switch to electricity instead of fossil fuels.

**AP** added that the Department is returning to the Governor's original proposal. The administration did not propose using the ARPA funds for the program. He added that if the administration's proposal on budget adjustment act passes then the \$10M of ARPA funds currently budgeted for the Program would be freed up, and the legislature would need to decide what to do with those available ARPA dollars.

There was discussion on the Board's desire to use the \$10M to ramp-up efforts to eliminate fossil fuels and the PSD's desire to work on getting the low-income program

community solar program going. There was agreement that they need not be mutually exclusive and that more discussions are desired.

1. **KJ** asked for clarification on why the PSD was saying ARPA could not be used for the Community Solar Program for low-income. He said there was a way to provide benefits to the households over a longer period of time and it need not be limited to the end of 2026.
  - 1.
2. **AP** said that is different than what staff at Guidehouse and the Agency of Administration were saying and that the PSD was following their guidance, and this is why the request for a swap for State funds was made.
  - 3.

#### **V. Fund Manager Update**

**AP** gave provided the following updates on CEDF activities:

- The PSD has narrowed down the applicants for the new clean energy program specialist position at the PSD to the top two. The person hired will work on the ARPA funded clean energy programs. The position is a ½ time limited-service position.
- Contract negotiations with VEIC to administer the SSREIP have been completed and the contract is now in the state's approval process.
- Update on \$5M ARPA appropriation for the Clean Energy Development Board (Board) to allocate. **AP** said that all five programs approved by the Board were formally approved by the PSD Commissioner and submitted to the Agency of Administration (AOA) for final approval and (if approved) the transfer of the funds to the PSD/CEDF for the programs. He said the PSD is waiting to get the approval on the programs from AOA. He gave updates on the five programs:
  1. Small-scale Renewable Energy Incentive Program (SSREIP). He said this program would likely start the soonest. The PSD is working with VEIC as the new SSREIP administrator (new contract pending) to design how the programs would work within the ARPA rules. He said the need to set up a system for income eligibility, and many other details.
    - Board members wanted in ensure that the new SSREIP contract and programs were being created in line with the recommendations of the CADMUS evaluation of the CEDF from a few years ago, specifically regarding data collection and database management and tracing metrics for success towards CEDF goals. **AP** said the PSD was working on this/taking the opportunity of the new contract to re-start this important aspect of program administration. He also said he'd keep the Board updated on this effort.
  2. The \$2.5M for high-poverty schools program. PSD moved cost share to 90% (from 80%) for lowest income schools, will likely be limited to repairs (might not be available for those that just want to replace functioning fossil-fuel heating systems). **AP** said he was also working to include a particulate emission monitoring program. Board members had questions about the particulate monitoring and the monitors that would be used. **DF** wanted to make sure the

sensors used were calibrated/tested to be accurate. **AP** responded with more details and agreement on the concerns raised.

3. Interest Rate-buy down for renewable heating systems. The PSD increased the budget for this program from \$100K to \$250K as \$100K was not sufficient to warrant the work to start the program. To meet ARPA rules the funds be expended by the end of 2026 the program was expanded to also include loan principal payments.
4. \$1M comprehensive whole-home clean energy program. An RFP will be released for this work once the PSD receives approval and the funds from the Agency of Admin.
5. \$250K for clean heat grants to Impacted Industries (focused on the hospitality & tourism sector small businesses). **AP** said there was no update or changes on this program.

**AP** also gave a brief update on the few remaining CEDF grants, including the Windham County grant to the Windham Regional Commission which has asked for, and was granted, a two-year extension to their existing grant. **AP** reported that they were seeking the extension to fund a wood heating system for two Brattleboro municipal buildings that is in early planning stages.

## **VI. Next Steps and Next Board Meeting**

**JD** asked the Board if they were interested in sending a letter to the Legislature regarding the \$10M of ARPA funds that was appropriated for the Community-scale Renewable Energy for Low-income Program but that the PSD is asking to be swapped-out with state funds. He said the letter would express the Board's interest in keep those funds focused on climate action.

There was a discussion of such a letter and if the Board should ask that the legislature re-appropriate the funds to the CEDF for climate action if they swap-out the funds per the PSD's request. There was not time in the meeting to draft the letter, but the Board was supportive. **JM** moved to authorize **JD** and **SS** to draft the letter to the Legislature or certain leaders/committee Chairs of the Legislature. **JD** said he and **SS** would draft the letter, working with **AP**, and send the draft to the Board members before sending to any legislators. He said if any Board members had concerns about the draft, they should contact him or **SS** directly as Board members could not discuss the letter via email without violating the open meeting law. **DF** seconded the motion and it passed unanimously.

The Board discussed holding their next meeting during the Town Meeting week break of the Vermont General Assembly the first week of March. **AP** agreed to work with the Board's co-chairs and members on scheduling the March 2022 meeting.

## **VII. Adjournment**

**JD** without objection **JD** adjourned the meeting at 4:08

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