

CED Board Meeting: 06/15/22

Approved Minutes

Location: ***Remote – MS Teams and at the PSD’s Offices in the Giga Conf. Room.***

In Attendance:

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

State Employees:

Andrew Perchlik (**AP**), Clean Energy Development Fund Director, Public Service Department (PSD);
Christopher Heine (**CH**) Clean Energy Program Specialist, PSD

Other Attendees: Chris Campany of the Windham Regional Commission attended the first part of the meeting.

Meeting Started at 1:00 pm with **SS** presiding.

Agenda Review

The draft agenda was reviewed and adopted without objection.

Announcements

There were no announcements.

Public Comment

There were no public comments.

Past Meeting Minutes

The draft minutes from the Board’s 5/18/2022 meeting were reviewed. **KJ** moved to accept the minutes as presented. **DF** seconded the motion and it passed unanimously.

FY22 Program Updates

A. Windham Regional Commission (WRC) Grants.

Chris Campany, Executive Director of the WRC gave an update on two possible sub-grants. Mr. Campany explained the WRC is waiting on to see if the projects will go forward or not. One is to the Town of Brattleboro for an advanced wood heating plant for a Town building that is likely going to be renovated into new affordable housing by the Windsor and Windham Housing Trust and the Town Library that is next door. The other is to the Greater Rockingham Area Service (GRAS) in Rockingham in Bellows Falls that is

looking to convert their building to advanced wood heating. Mr. Campany said that WRJ is holding grant funds for these two projects due to the potential community benefit and alignment with the CEDF grant's goals to lower fossil fuel use in buildings by switching to advanced wood heating. He said they anticipated needing another 6 to 12 months before they will know if the two projects will proceed or not. If the projects do go forward, they would need an additional 12 months (or more) to complete the projects and expend the CEDF grant funds.

B. Funds (\$14K) for Solar Developer Training of Solar Developers

DF reported he had investigated this and spoken with Ed McNamara at the Vermont Agency of Natural Resources (ANR). He reported that ANR staff is trying to move it forward with a set of trainings to be presented by Renewable Energy Vermont, but that the contract is held up at the Public Service Dept. pending legal review. **DF** presented a different idea to ANR for recorded environmental permitting training videos, but ANR said they wanted to try and get the program they have currently developed regarding waste management at solar developments to be offered to solar developers.

There was a general discussion about the trainings, the requirement that ANR is consulted on how the money gets spent, and the surprising amount of time that the CEDF and CED Board has spent on a \$14K project over the years since the funds were given to the CEDF by an Order of the Public Utilities Commission. **AP** reported the CEDF has a contract written and agreed to with Renewable Energy Vermont to offer trainings and he is working with the PSD and ANR to get the contract executed, but that it has run into problems.

Presentation of Draft Fiscal Year 2023 Budget and Program Plan

A. **AP** gave an overview of the PSD's proposal for the 2023 fiscal year (FY23) budget for the CEDF and CEDF-ARRA funds. He first went over the financial results of fiscal year 2022 and then described the draft proposal for fiscal year 2023 expenditures and estimated revenue.

B. Estimated Revenue

AP explained the only revenue projected for FY23 is from interest on CEDF's cash balances (estimated to be \$2,000 for the year) and repayment of the remaining loan. He said that the CEDF has two remaining loans, one with CEDF funds to Purpose Energy that will pay the CEDF about \$13K of principal and interest payments over the next 12 months, and a second loan of ARRA funds to the City of Montpelier that as a 1% interest only payment term which goes to VEDA to service the loan and thus there is no revenue from that loan. **AP** said he has met with the city, and they do not expect to be able to pay any principle back to the CEDF on their \$750K loan before 2032, at the earliest.

C. Program Expenditures

AP presented the proposed expenditures of the CEDF for FY23. He went over a handout of the proposed expenditures that showed the programs approved in fiscal year 2022 carrying forward into FY23 except for one proposed program that would be budgeted \$150,000 of

CEDF funds that would be used to provide grants up to \$50,000 for public serving institutions that are installing advanced wood heating projects.

D. Discussion

AP and **CH** provided details and answered question on the new program as well as the status of the 2022 programs that would carry over into FY23. There was a short discussion of the proposed FY23 budget with no objections identified. **AP** explained that the PSD will finalize its proposal for FY23 and that the Board would need to vote on that proposal at a future warned meeting of the Board.

ARPA Funds

AP and **CH** provided updates on the \$5M of ARPA funded programs that are not part of the CEDF budget (they are PSD funds) but that the CED Board allocates spending for.

Regarding the Comprehensive Whole Home Energy Program **AP** explained that the PSD was proposing that the Board move \$1 million of ARPA funding that was allocated for the Comprehensive Whole Home Energy Program to the High-Poverty Schools Program. They explained there are several other programs with over \$80M in ARPA funds dedicated to low- and moderate-income households that would be doing the same type of measures as the CEDF program would. In addition, the legislature appropriated an additional \$20 million to the PSD to make electrical panel upgrades in these homes. The school program is different in that no other funding was allocated for energy projects at schools. **CH** said that the RFP issued for the High-Poverty School Program received requests of over \$5 million, and the program has only \$2.75 million allocated to it. **AP** said that adding the \$1 million to the program would allow the CEDF to issue a new RFP alerting schools to this funding availability in the hopes of finding more schools interested in switching to advanced wood heat.

Discussion

There was a general discussion on the Whole Home and High Poverty School programs. After the discussion **KJ** made a motion to approve the PSD's proposal to move \$1M to the High Poverty School HVAC Grant Program from the Whole Home Energy Program. **PZ** seconded the motion and it passed unanimously.

Discussion of Greenhouse Gas Emissions of Advanced Wood Heating

KJ explained why he wanted the Board to discuss the topic and went over what he had learned from his research into the topic. He went over some of the slides in a presentation from Adam Sherman that he had sent to the Board prior to the meeting. He said that much of the discussion on GHG emissions from wood energy were polemic with one side saying burning of wood is worse than burning coal and the other side saying the GHG emissions are effectively zero. He thought there was a middle ground that showed that the emissions were not zero but that they had a net impact of lowering GHG emissions compared to fossil fuels over time when looking at the regional forested area and impact on forest practices. He also said there was more work and discussion to be had on the topic and that he wanted the CED Board to take a leadership role on the topic.

Other Board members expressed their views and questions on the issue and were interested in continuing the discussion and working to present an analysis of the GHG emissions of wood that would be helpful to the Vermont Climate Council and others working on energy and GHG emissions. Board members agreed that starting with what questions they would like to see answered would be a productive way to set the parameters of what it is they hoped to achieve and proceed on the issue.

KJ agreed to spend more time researching the issue and to come up with a list of questions that he would send to **AP** and **AP** could circulate to the Board and others. **KJ** suggested at their next meeting they could spend more time on the topic and invite others to the meeting to help answer the identified questions.

Next meeting of the CED Board

The Board discussed when to hold their next meeting and decided on July 13, 2022, at 1-3pm remotely and in-person at the PSD's offices. **AP** agreed to work with **KJ** on the GHG and wood energy emission questions and seeking out those that could help provide answers.

Without objection the meeting was adjourned by **SS** at 3:01

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