

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, January 26, 2009**

A regular meeting of the **Renewable Energy Investments Board hereinafter referred to as “the Connecticut Clean Energy Fund Board”** (the “Board”) was held on January 26, 2009, at the office of the Connecticut Clean Energy Fund, 200 Corporate Place, Rocky Hill, CT.

1. Call to Order: Noting the presence of a quorum, Tim Bowles, Chairperson of the Board, called the meeting to order at 12:12 p.m. Board members participating: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; Tim Bowles; Scott DeVico, Emergency Management and Homeland Security (by phone); Norma Glover; Alan Greene (by phone); Mary Healey, Office of Consumer Counsel; Kevin Hennessy; Bob Maddox; John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen (by phone); Jerry Peters (by phone); Jessie Stratton and Patricia Wrice.

Staff and Adjunct Staff Attending: George Bellas, Lise Dondy, Keith Frame; David Goldberg; Dale Hedman, Peter Longo, Paul Michaud, Shelly Mondo, Charlie Moret, Chelsey Sarnecky; Emily Smith (by phone), and Bob Wall.

Public Attending: Richard Steeves, Office of Consumer Counsel; Daniel Donovan, Plainfield Renewable Energy, LLC; Mike Whiting, Plainfield Renewable Energy, LLC; John Pomerlean, Plainfield Renewable Energy, LLC; John Revey; and Henry Link, EnviroEnergy.

2. Public Comments:

Mr. Donovan from Plainfield Renewable Energy LLC reviewed his request for a loan from CCEF in the amount of \$2,500,000 for the Plainfield Renewable Energy Project, a 37.5-megawatt wood-fueled, low emissions advanced biomass gasification plant located in Plainfield that received predevelopment funding under Project 150 in December 19, 2005. Plainfield Renewable Energy LLC is a joint venture between Decker Energy International, Inc., and NuPower LLC. Mr. Donovan discussed the status of the project and the reason for the request for a bridge loan. He asked that the Board consider the request as soon as possible and to consider loan terms similar to the loan provided under the predevelopment program.

Mr. Bowles stated that the Executive Committee had a preliminary discussion about the correspondence received from Mr. Donovan and this issue will be discussed by the Board later on the agenda.

3. Approval of Minutes: Mr. Bowles asked the Board members to consider the minutes of the December 22, 2008 meeting.

Upon a motion made by Ms. Glover, seconded by Ms. Muradian, the Board voted in favor of adopting the minutes from the December 22, 2008 regular meeting as presented (Mr. Hennessey abstained from the vote).

4. Chairman's Report: Mr. Bowles mentioned that the Board was asked to consider a draft statement in support of the Connecticut Clean Energy Fund ("CCEF") several months ago. He mentioned that a letter with accomplishments of CCEF was recently sent to legislators. Mr. Bowles encouraged the Board members to contact their respective appointing authorities and advocate for CCEF and its programs. As a result of many CCEF supporters, Mr. Bowles mentioned that the \$10,000,000 originally recommended to be transferred from CCEF to the State's General Fund is no longer in the Deficit Mitigation Plan. Mr. Bowles stated that he, on behalf of the Board, will continue to take a strong position to emphasize the importance of renewable energy on the economic prosperity of the state.

Mr. Bowles gave a brief overview of the most recent Energy and Technology Committee meeting. He mentioned that the focus of the meeting was about the Connecticut Academy of Science and Engineering ("CASE") report on how other states promote and increase the use and supply of renewable and clean energy.

5. President's Report: Ms. Dondy reported on the Clean Energy States Alliance ("CESA") State Leadership in Clean Energy Awards ceremony held in Washington, D.C. CCEF was one of five states to receive an award, and CCEF received an award for the Clean Energy Communities Program. She discussed some of the contacts made at the conference and the potential federal funding for renewable energy and energy efficiency programs. Ms. Dondy mentioned that a list of "shovel/roof ready" projects has been forwarded to the Governor. The quarterly report on the status of projects and programs was distributed to the Board members. Ms. Dondy stated that CCEF has over 1,000 projects either approved or competed—approximately 902 small solar projects and approximately 152 On-Site Distributed Generation projects. She mentioned that projects will continue to be approved based on the funding availability. The Clean Energy Communities Award program will be held at the New Haven Lawn Club on March 3, 2009, and the Timex Ribbon Cutting ceremony will be held on February 5, 2009 in Middlebury. Board members were encouraged to attend the events. Mr. Bowles mentioned that efforts are being coordinated with the Connecticut Energy Efficiency Fund to ensure energy efficiency measures are being taken for buildings that receive grant funds from CCEF.

6. Projects Committee Report:

Mr. Peters, Chairperson of the Projects Committee, provided the Projects Committee report. At the January 15, 2009 meeting, the Projects Committee approved four projects, which include one hydro and three photovoltaic projects.

Attorney Michaud reviewed the revised resolution authorizing funding for the 360 State Street Fuel Cell project in New Haven. The resolution adopted by the Projects Committee at the July 17, 2008 approved funding contingent on the Department of Public Utility Control ruling favorably on allowing sub-metering at 360 Main Street New Haven. The revised resolution broadens CCEF's authorization to fund the project. Mr. Steeves mentioned some of the issues that the Office of Consumer Counsel has with sub-metering and existing laws.

Upon a motion made by Ms. Glover, seconded by Mr. Maddox, the Board voted unanimously in favor of adopting the following resolution regarding the fuel cell for 360 State Street, New Haven:

RESOLVED:

- (1) that the 360 State Street Fuel Cell Project, a 400 kW Fuel Cell system to be installed at the facility located at 360 State Street, New Haven, Connecticut ("Project"), has been determined by the Connecticut Clean Energy Fund Board ("CCEF Board") to be consistent with and in the furtherance of the Comprehensive Plan, and that a grant be approved to fund said Project in an amount not to exceed \$985,000 ("Grant"), and that said Grant is contingent upon sufficient funds being available to the CCEF for the purpose of funding renewable energy projects under the CCEF's On-Site Renewable Distributed Generation Program or other CCEF installed capacity programs;
- (2) that the instant resolution supersedes the resolution adopted by the CCEF Projects Committee on July 17, 2008;
- (3) that if sufficient funds are available to fund the Project, then Peter Longo, President and Executive Director of Connecticut Innovations, Inc. ("CI"), Lise Dondy, Vice President of CI and President of the Connecticut Clean Energy Fund ("CCEF"), or any other duly authorized officer of CI, is authorized to execute and deliver for, and on behalf of the CCEF, not later than March 30, 2009, any legal instrument necessary to effectuate such grant on such terms and conditions as he or she shall deem to be in the best interests of the CCEF, in conformance with the wishes of the Connecticut Clean Energy Fund Board, and in conformance with Section VI of the operating procedures of the Connecticut Clean Energy Fund Board. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; and
- (4) that the proper officers be and hereby are severally authorized and empowered to do any and all acts and execute and deliver any and all other documents as they shall deem necessary and desirable to effectuate the above-mentioned legal instrument.

7. Finance Committee Report and Financial Report:

Mr. Mengacci, Chairperson of the Finance Committee, provided the Finance Committee report. He mentioned that the committee reviewed the second quarter fiscal year 2009 actual to budget financial analysis. A memorandum from Mr. Bellas highlights the comparison of actual results to the budget. Mr. Mengacci mentioned that Mr. Bellas also provided a projected CCEF cash flow and commitment analysis for the remainder of the year, and the Finance Committee unanimously recommends that future project commitments should not be made beyond projected cash available after deducting operating expenses through the end of the current fiscal year. The Board reviewed the cash flow projection summary schedule. The report will be updated monthly.

Mr. Mengacci explained that the Finance Committee also reviewed the short-term investment activity of CCEF and voted to authorize the transfer of investments from the short-term money market account investing in U.S. government obligations into the Connecticut State Treasurer's Short-Term Investment Fund and to then participate in the Certificates of Deposit Account Registry Service program.

8. Recommended Funding Priorities:

Based on the projection of available cash through the end of the fiscal year, the Board reviewed staff's recommendation on funding priorities. It was noted that staff does not recommend funding any new programs because of budget uncertainties. The Board discussed the desire to make a good faith effort to fund those projects that have commitments and approvals. Mr. Hedman mentioned that all resolutions now indicate that funding is contingent upon availability, and documents will not be executed unless CCEF has sufficient funding.

Mr. Olsen expressed his support for the request made for \$2,500,000 of funding for the Plainfield Renewable Energy biomass project in Plainfield. He noted that the project is on the Governor's list of "shovel ready" projects and explained how the project could help to stimulate the economy in Connecticut. Mr. Bowles explained that the Executive Committee had a lengthy discussion about the request from Mr. Donovan. After further discussion, Mr. Bowles recommended that staff seek additional preliminary facts regarding the request, including information on how the request would affect CCEF other programs, projects and funding priorities. Attorney Michaud explained that the applicant may need to seek a declaratory ruling from the Department of Public Utility Control ("DPUC") to ensure that there are no violations of the Project 150 competitive solicitation process. Staff should report back to the Board with any additional information at the February meeting. Ms. Dondy explained that since the request for funding does not fall under any of CCEF's existing programs, the Board would have to vote favorably by a 2/3 majority of those present to consider the request as a strategic selection award in accordance with CCEF's Operating Procedures.

Discussion ensued on how to proceed with the proposed funding priorities presented by staff for the remainder of the fiscal year. A suggestion was made to include more funding for the residential solar program. In light of the request from the Plainfield Renewable Energy project and consideration of additional funding for the solar residential program, staff will revisit revised funding priorities at the February meeting.

9. Approval for High Performance School ISE Contract Year 2:

Mr. Wall discussed the recommendation to extend the current contract with the Eastern Connecticut State University, Institute of Sustainable Energy ("ISE") as Circuit Rider for the High Performance Schools Program for a second year. He explained some of the tasks that ISE has performed over the last year as Circuit Rider for the program.

Upon a motion made by Mr. Olsen, seconded by Mr. Maddox, the Board voted in favor of adopting the following resolution (Ms. Healey was not present for the vote):

RESOLVED:

- (1) that it has been determined by the Connecticut Clean Energy Fund, Board of Directors ("CCEF Board") to be in the furtherance of the comprehensive plan and in the interests of ratepayers for the Connecticut Clean Energy Fund ("CCEF") to exercise its legal option to extend the current contract with the Eastern Connecticut State University, Institute of Sustainable Energy ("ISE"), to serve as "Circuit Rider" for the High Performance Schools Program, for a second year, and to approve a grant for ISE in the amount not to exceed \$100,000 to fund said contract extension;
- (2) that Peter Longo, President and Executive Director of Connecticut Innovations, Inc. ("CI"), Lise Dondy, Vice President of CI and President of the CCEF, or any other duly authorized officer of CI, is authorized to execute and deliver for, and on behalf of the CCEF, not later than July 1, 2009, any contract or other legal instrument necessary to effect the Grant on terms and conditions as he or she shall deem to be in the interests of the CCEF and ratepayers, in conformance with the wishes of the CCEF Board, and in conformance with Section VI of the operating procedures of the CCEF Board. The authorized officer's approval thereof is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; and
- (3) that the proper CI officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to effect the above-mentioned legal instrument.

10. Legislative Update:

Mr. Goldberg gave a brief overview of some of the legislative issues being considered for this session.

11. Regulatory Update:

Attorney Michaud updated the board on regulatory and legal matters affecting the CCEF. He explained the DPUC issued a draft decisions in the Integrated Resource Plan and Project 150, Round 3 dockets, and that the CCEF submitted written exceptions to both of these decision. In response to a question, it was noted that the draft decision for Project 150 calls for Round 4 solicitation. Attorney Michaud also provided an update on Docket 08-04-07, CCEF's Comprehensive Plan. He explained that the DPUC staff has agreed that the CCEF will submit an update to its current Plan by 3/31/09. Attorney Michaud mentioned that the petition for a declaratory ruling to allow sub-metering for renewable energy generation projects under Docket 08-06-18 was denied by the DPUC. Attorney Michaud provided an update on docket 08-09-15 regarding the review of Connecticut compliance with renewable energy portfolio standards.

12. CASE Study Report:

Mr. Goldberg reported on the CASE report to the E&T Committee including the recommendation for Connecticut to restructure its energy leadership structure.

13. Operational Demonstration Program Update:

Mr. Frame provided an update on the Operational Demonstration Program which encourages the deployment of innovative renewable generation technologies in Connecticut. He discussed the history of the program, noting that CCEF performed a full assessment of the fuel cell projects executed to date. Mr. Frame reviewed the projects funded through May 2008. The major findings and lessons learned from the assessment were discussed. Mr. Frame summarized the recommendations and best practices as a result of the assessment.

14. Executive Session:

Upon a motion made by Mr. Mengacci, seconded by Mr. Maddox, the Board voted in favor of going into executive session at 2:56 p.m. to discuss pending litigation regarding the DPUC's denial of Clearview's request to terminate its power purchase agreement. Ms. Dondy, Mr. Bellas, Attorney Michaud, and Mr. Hedman were invited to remain during the executive session (Ms. Healey was not present for the vote).

The executive session ended at 3:15 p.m., and the regular meeting was immediately reconvened.

15. Other Business:

Ms. Glover suggested that CCEF within the next several weeks put together information for the Washington delegation on some of the issues and problems that have been encountered that have stalled alternative energy efforts.

16. Adjournment: Upon a motion made by Ms. Muradian, seconded by Ms. Glover, the Board members voted in favor of adjourning the January 26, 2009, meeting at 3:20 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary