

Subject to changes and deletions

**Renewable Energy Investments Board
Draft Minutes - Regular Meeting
Monday, February 22, 2010**

A regular meeting of the **Renewable Energy Investments Board hereinafter referred to as “the Connecticut Clean Energy Fund Board”** (the “Board”) was held on February 22, 2010, 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, Norma Glover, Chairperson of the Board, called the meeting to order at 12:13 p.m. Board members participating: Mun Young Choi; Alan Greene (by phone); Kevin Hennessy (by phone); Bob Maddox; Rich Steeves representing the Office of Consumer Counsel; John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen; Jerry Peters; Matthew Ranelli; and Jessie Stratton (by phone).

Board members absent: Tracy Babbidge, Department of Environmental Protection; Scott DeVico, Emergency Management and Homeland Security; and Patricia Wrice.

Staff and Adjunct Staff Attending: George Bellas, Lise Dondy, Keith Frame, David Goldberg, Dale Hedman, Peter Longo, Shelly Mondo, Cheryl Samuels, Emily Smith, Kim Stevenson, Matthew Stone and Bob Wall.

Others present: Mike Burns, DWB Solutions; Peter Tavino, Litchfield Geothermal

2. Public Comments: Mr. Tavino offered his volunteer services to meet with CCEF representatives charged with implementing policy on the \$5,000,000 rebate program. He stated that Connecticut has an excellent model to follow with its similar septic system program, and the construction standards have many parallels. Mr. Tavino mentioned that the program has a written code, not an ever-changing web site. He stated that the program has local inspection and enforcement to ensure geothermal facilities do not impact wastewater or well water facilities. He indicated that the code revisions are the result of a working committee consisting of regulators, industry manufacturers and installers, design engineers, academics, etc, and not just the regulators themselves. Mr. Tavino stated that the CCEF Geothermal Program lacks the same structure. He indicated that there should be better communication and transparency for the private sector working on the selling and installing of geothermal systems. Mr. Tavino requested more information on how the Geothermal Program is performing. He mentioned that the new weatherization standards mandated earlier this month on prospective geothermal customers should be approved by CCEF for consistency with geothermal goals. Mr. Tavino also asked that CCEF strategic planners develop goals that are best for Connecticut in these fiscally challenging times. He stated that subsidizing Midwest wind mill hedge fund type investors for supposed carbon dioxide reductions with Connecticut taxpayer money should not be one of these goals. Mr. Tavino indicated that turbine and solar products made overseas do not benefit Connecticut compared to local geothermal projects.

Mr. Olsen questioned whether there have been any permitting issues with the Geothermal Program. Staff indicated that there has only been one installation under the program to date.

3. Approval of Minutes: Ms. Glover asked the Board members to consider the minutes of the January 25, 2010 meeting.

A suggestion was made to change the motion on page 3 to reflect that the increase in employee fringe benefits was required by the State Comptroller.

Upon a motion made by Mr. Mengacci, seconded by Mr. Peters, the Board voted unanimously in favor of adopting the minutes from the January 25, 2010 regular meeting with the suggested modification.

4. Chairperson's Report:

Ms. Glover reported that Mr. Peters, Secretary of the CCEF Board and Chairperson of the CCEF Projects Committee, will be resigning from the Board. She thanked Mr. Peters for his expertise and contributions over the last 10 years and noted that he will be missed.

Ms. Glover asked for nominations for Secretary of the Board.

Mr. Mengacci nominated Mr. Ranelli as Secretary of the Board, and there were no other nominations.

Upon a motion made by Mr. Mengacci, seconded by Mr. Olsen, the Board voted unanimously in favor of appointing Mr. Ranelli as Secretary of the Board.

5. President's Report:

Copies of the CCEF Annual Activities report were distributed to the members of the Board, and Ms. Dondy noted that the report was produced in house under the leadership of Ms. Smith and the marketing staff. The report will be distributed to the legislature and the Department of Public Utility Commission ("DPUC") and will be available on the CCEF Website. She reported that the predevelopment loan for the Plainfield Renewable Energy project has been paid back with interest. Ms. Dondy mentioned that as a result of the Kleen Energy explosion in Middletown, there is a lot of concern about the Trumbull fuel cell installation which is part of Project 150. She noted the need to educate the industry about this issue. Ms. Dondy provided an update on the Geothermal and Solar Thermal programs. To date, CCEF has received 30 applications, 12 of which have been approved under the Geothermal Program. Under the Solar Thermal Program, approximately 50 applications have been received, and 10 projects have been installed.

6. Projects Committee Report:

Mr. Peters provided the Projects Committee report. He mentioned that the Projects Committee approved a 300 kW fuel cell system at the Killingly High School and Regional Vo-Ag Center in Killingly and a 144.0 kW_{STC} PV system on the roof of the Loomis Chaffee School's Athletic Center in Windsor. Mr. Peters noted that the costs of the systems are much lower and may be competitive with the grid power on a peaking basis when the costs drop to about \$3.00 per watt. A discussion ensued on the prices of the panels that are purchased out of the country. Mr. Olsen questioned whether additional incentives should be provided for equipment and materials purchased in state and/or the country to stimulate job growth and the economy in Connecticut and the United States respectively.

Upon a motion made by Mr. Olsen, seconded by Mr. Greene, the Board voted unanimously in favor of requesting that the Projects Committee look at the possibility of developing a policy or guideline to encourage the purchase of equipment and materials for projects under CCEF's programs in Connecticut and/or the United States.

7. Legislative Initiatives:

Ms. Smith discussed some of the legislative initiatives under way with the Energy and Technology Committees. She mentioned that at the request of a legislator, CCEF drafted language for the following three bills: 1) An Act Promoting Renewable Energy Development in Connecticut; 2) An Act Establishing a Revolving Loan Fund for Renewable Energy; and 3) An Act Providing for Virtual Net Metering. Ms. Dondy explained the contents of each of the bills. She discussed the Property Assessed Clean Energy "PACE" concept, a financing mechanism utilizing bonds to finance renewable energy and energy efficiency systems. The proceeds of the bonds are lent by municipalities or finance companies to commercial and residential property owners who repay their loans over 20 years through an annual assessment on their property tax bill. Ms. Dondy stated that CCEF has recommended that this be done on a state-wide basis with an aggregated funding pool rather than individual municipalities. Mr. Peters also suggested looking into the use and benefits of Clean Renewable Energy Bonds ("CREBS") as a funding mechanism. Ms. Smith discussed the probability of legislation being introduced for securitization of CCEF funds and noted that staff will be following this issue very closely. Suggestion was made to relay to the legislature the potential costs to ratepayers as a result of securitization. It was noted that there is a need to educate the public on this issue.

Upon a motion made by Mr. Olsen, seconded by Mr. Ranelli, the Board voted in favor of sending a letter to the legislature and Governor about the Board's opposition to securitization of ratepayer funds, indicating that ratepayer funds should be used for the purposes assessed and specifying the ramifications of securitization (Mr. Mengacci abstained from the vote).

Mr. Steeves suggested that CCEF draft the letter jointly with the Connecticut Energy Efficiency Fund.

8. Strategic Planning Discussion:

Ms. Dondy briefly reviewed CCEF's statutory purpose and mission. She discussed the funding by technology for the last several years and program allocations for FY2009 and 2010. Ms. Dondy noted the significant reduction in available funds for 2011 to 2013 compared with 2008 to 2010. After discussion about the proposed change to the CCEF mission, there was consensus to end the sentence after the word "Connecticut," and to delete the word "citizens."

Mr. Burns stated that staff incorporated suggestions made by the Board during the last strategic planning discussion. He asked the Board to focus on the results and outcomes that the Board wants to achieve for its goals. Staff reviewed the rationale, strategies and outcome measures for each goal. A discussion ensued on the technologies included under Class I, and a suggestion was made to encourage the legislature to include solar thermal as a class I renewable energy and/or obtain a ruling from the DPUC.

In response to a question about the Cleantech Fund, Mr. Frame explained that Connecticut Innovations ("CI") administers the fund, and there is a leveraging of CCEF's funds with CI and the Department of Economic and Community Development. Suggestion was made to leverage expertise and intelligence in addition to funding, particularly from the Connecticut Center for Clean Energy.

Under goal 5, a suggestion made to include as an outcome how CCEF's office can be more green or energy efficient.

The risks and mitigation for each of the goals were discussed. Mr. Burns indicated that for the next Board strategic planning meeting, a set of values and a budget will be provided for the Board's approval.

9. Other Business:

Ms. Glover appointed Mr. Mengacci to serve as a member of the Connecticut Center for Clean Energy, and Mr. Ranelli to serve as a member and Chair of the Projects Committee.

10. Adjournment: Upon a motion made by Mr. Olsen, seconded by Ms. Muradian, the Board members voted in favor of adjourning the February 22, 2010, meeting at 2:20 p.m.

Respectfully submitted,

Norma Glover, Chairman

Matthew Ranelli, Secretary