

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, February 23, 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 February 23, 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 12:07 p.m. Board members participating: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; Tim Bowles; Norma Glover; Kevin Hennessy; Bob Maddox; John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen; Jerry Peters; and Jessie Stratton (by phone).

Absent: Scott DeVico, Emergency Management and Homeland Security; Alan Greene; Mary Healey, Office of Consumer Counsel; and Patricia Wrice.

Staff and Adjunct Staff Attending: Lise Dondy, David Goldberg, Dale Hedman, Peter Longo, Paul Michaud, Shelly Mondo, Emily Smith, and Bob Wall.

2. Public Comments:

Mr. Bowles welcomed the public and requested that anyone speaking limit his/her comments to three minutes each or five minutes per organization. He noted that the meeting is not a public hearing; and therefore, there will be no debating. Mr. Bowles mentioned that he received a number of communications, correspondence and e-mails relative to the Plainfield Renewable Energy (“PRE”) Biomass project. He advised that since the Board and staff does not feel that they have the expertise to handle questions or concerns related to environmental issues for this project, comments relative to the environmental issues should be directed to the Connecticut Department of Environmental Protection (“DEP”).

Ms. Babbidge mentioned that the DEP public comment period with respect to the PRE project has ended, and the Commissioner of the DEP will issue a decision on or before April 6, 2009.

Ms. Desrochers, a resident of Canterbury, discussed her reasons for opposing the PRE project and urged CCEF not to use ratepayer funds to “bail out” PRE. A copy of her statement to the Board was submitted as part of the record.

Mr. Noiseux, a resident of Canterbury, expressed environmental concerns and potential delays with the project as a result of the Friends of the Quinebaug River potentially appealing a potential decision from the DEP. He raised concerns with PRE’s disregard for working with local residents and gaining local support. Mr. Noiseux referred to

alleged violations of the CI/CCEF loan agreement by PRE and urged the Board not to provide additional funding for the project. Copies of Mr. Noiseux's statement, along with statements from other residents opposing the project were submitted to the Board for the record.

Mr. Northrop, a resident of Canterbury, expressed his opposition with providing PRE with additional funding, especially at a time when CCEF has very limited funding. He expressed environmental and ecological concerns as well. Mr. Northrop referenced a more efficient plant in Dayville that is underutilized.

Ms. Noiseux, a resident of Canterbury, urged CCEF not to use ratepayer funds to fund the PRE project. She expressed some environmental issues, health risks and dangers to the surrounding residential areas. Ms. Noiseux raised issues with the management of PRE and their alleged disregard of previous requests made by CI/CCEF.

Mr. Smith from Clean Water Action provided support for the mission of CCEF but raised issues with PRE. He expressed concerns with the recent land transfer by the principals of PRE and the alleged violations of the CI/CCEF loan agreements. He questioned whether providing PRE with additional funding is the best use of rate payer funds. Mr. Smith noted that a copy of his comments was sent to all Board members via e-mail last night.

Mr. Orlomoski, a resident of Canterbury, indicated that he is opposed to CCEF providing more funding to PRE. He questioned the ability of PRE to obtain enough wood supply to run the plant successfully. Mr. Orlomoski also raised concerns with the amount of water that would be taken from the Quinebaug River for the facility.

Ms. Thornton, a resident of Canterbury, expressed concerns with environmental issues with the PRE project.

Mr. Donovan talked about PRE's interaction with some of the groups opposed to the project and questioned the merits of the issues raised with the project. He indicated the success with obtaining approvals from the various agencies for the project. Mr. Donovan reiterated the request made in January by PRE to the CCEF Board for additional funding.

Mr. McLain raised issues with CCEF's process for approving eligible solar installers. In summary, he stated that any electrician that is an unlimited contractor should be recognized as a PV installer.

Mr. Bowles mentioned that he has been told by staff that there are outstanding issues with respect to PRE, and it is hopeful that this issue will be resolved as soon as possible so that the Board can make a fully-informed decision on the request for a loan presented by Mr. Donovan at the January 2009 Board meeting.

3. **Approval of Minutes:** Mr. Bowles asked the Board members to consider the minutes of the January 26, 2009 meeting.

Upon a motion made by Ms. Glover, seconded by Ms. Muradian, the Board voted in favor of adopting the minutes from the January 26, 2009 regular meeting as presented (Mr. Mengacci was not present for the vote).

4. **Chairman's Report:** Mr. Bowles mentioned that a letter in support of the Office of Consumer Counsel was provided to the legislature in response to the proposal to eliminate the office. He mentioned that in an effort to be more visible and demonstrate the importance of renewable energy in Connecticut, meetings have been held with various legislators. He encouraged members of the Board to attend the Clean Energy Communities Award program at the New Haven Lawn Club on March 3, 2009.

5. **President's Report:** Ms. Dondy reported that she and Mr. Bowles presented CCEF's accomplishments before the Energy and Technology Committee. She mentioned the financial impact on the Fund in the latest version of the Governor's Deficit Mitigation Plan. Suggestion was made for CCEF to highlight how the funding has helped the economy and promoted energy independence in Connecticut.

Ms. Stevenson gave a brief update on the Green Energy Jobs Report. She noted that a base-line study for Connecticut on energy efficiency and renewable energy is being prepared and consists of three phases which she described in some detail. The first phase will include information on the jobs and revenues attributable to the renewable energy and energy efficiency companies in the State of Connecticut. Ms. Stevenson briefly reviewed some of the findings in the preliminary report. Ms. Smith noted that the information in the report will be utilized to help raise awareness of the importance of CCEF and the Energy Efficiency Fund. She mentioned that there is a group of stakeholders who are meeting weekly on the Green Energy Jobs issues. Ms. Stratton explained some of the goals of the group and emphasized the need to retain existing funding and obtain new funding for clean and renewable energy to help Connecticut remain competitive with neighboring states and help stimulate Connecticut's economy.

There being no objection, the order of the agenda was changed.

6. **Program Review Recommendations:**

Ms. Dondy explained that the Program Review and Investigations group was asked by the legislature to investigate the energy efficiency programs, and CCEF was included in that investigation. A report was issued and one recommendation was made which pertains to CCEF. The recommendation proposes that the evaluation function for both the Energy Efficiency Fund and CCEF programs be performed by the Office of Consumer Counsel ("OCC"), which would require the OCC to hire additional staff. Ms. Dondy stated that staff does not believe that the recommendation is well supported for the CCEF evaluation activities and adds unnecessary costs to the ratepayers without

resulting benefits. After brief discussion on this item, the Committee members asked staff to discuss this issue further with the OCC but supported staff's position on this bill.

7. Approval of Monitoring and Evaluation Contract Goal 3:

Mr. Wall discussed the recommendation to provide funding to continue the monitoring and evaluation of the voluntary market programs. The objective under Program Goal 3 is to increase the demand for clean energy by creating model, sustainable communities. The monitoring and evaluation program helps CCEF measure its goals. Mr. Wall mentioned that the existing contract with Nexus Market Research has expired. CCEF issued a Request for Proposals ("RFP") and received two responses. A working group with a majority of outside experts was established to evaluate the proposals and recommends the retention of Nexus Market Research, Inc. for one year with a multi-year option. Mr. Wall reviewed the potential scope of services. He stated that the costs have been scaled back by about 50 percent from the previous contract. The Board had a lengthy discussion about the costs associated with the services and the need to be as fiscally responsible as possible. Mr. Wall explained how CCEF's monitoring and evaluation program has been extremely effective and gained national recognition. The Board discussed possible ways to reduce the scope of services and costs, including elimination of surveys to assess public awareness of clean energy in Connecticut. After more discussion about costs, Ms. Dondy indicated that staff will look at ways to further reduce the costs for the contract.

Upon a motion made by Ms. Glover, seconded by Mr. Maddox, the Board voted unanimously in favor of adopting the following resolution regarding the monitoring and evaluation of Model, Sustainable Clean Energy Communities and the retention of Nexus Market Research:

RESOLVED:

- (1) that financing is approved for an amount of up to NINETY THOUSAND DOLLARS (\$90,000) by Connecticut Innovations, Inc. ("CI") to Nexus Market Research, Inc. to perform monitoring and evaluation of Model, Sustainable Clean Energy Communities in Connecticut (RFP #CCEF-ME-MS-001) for a one year contract.
- (2) that each of Peter Longo, President and Executive Director of Connecticut Innovations; Lise Dondy, Vice President of Connecticut Innovations and President of the+ Connecticut Clean Energy Fund; or any other duly authorized officer of Connecticut Innovations is authorized to execute and deliver for and on behalf of Connecticut Innovations not later than August 31, 2009, any agreement or document necessary to effectuate such financing (the "Agreement") on such terms and conditions as the signatory shall deem to be in the best interests of Connecticut Innovations including terms and conditions relating to the matters described in Section 6 of the Regulations. The authorized officer's approval

thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the Agreement; and

- (3) 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 Agreement.

8. Application Pipeline Analysis:

Mr. Hedman reviewed the current pipeline of projects under the Commercial On-Site Distributed Generation Program, both for-profit and government/not-for-profit projects. He summarized that there are about 150 total projects in the pipeline, split fairly evenly between for-profit and government/not-for-profit projects, a majority of which are solar photovoltaic. Mr. Hedman discussed the total amount of funding requested for the projects. Suggestion was made for staff to consider adjusting Renewable Energy Certificate prices. In response to a question, it was noted that CCEF projects installed or in the process of installation represent about 22 megawatts. There was some discussion on how federal funding expected to come through CCEF can increase the installed capacity by approximately 50 percent within the next several years as long as current funding remains in place.

9. Legislative Update:

Ms. Smith indicated that CCEF has been in contact with a number of legislators, most of whom are supportive of CCEF and its programs. The Board requested that staff send copies of the bills that will affect CCEF. There was consensus that CCEF should seek to obtain as much of the federal competitive funding as possible. Ms. Dondy will work with Mr. Mengacci on the processes and mechanics of the federal funding that may come to CCEF. Further discussion on federal funding with objectives and strategies will be included on the March Board agenda.

10. Plainfield Renewable Energy ("PRE") Loan Request:

Mr. Hedman briefly reviewed the memorandum provided to the Board about the loan provided by CI/CCEF to PRE. Mr. Bowles mentioned that staff has not had the opportunity to review all of the financial data received on Friday from the financial services entity involved with PRE.

Upon a motion made by Mr. Mengacci, seconded by Mr. Peters, the Board voted unanimously in favor of going into executive session at 2:30 p.m. to discuss confidential financial information related to the Plainfield Renewable Energy project. Ms. Dondy, Mr. Hedman and Attorney Michaud were invited to remain during the executive session.

The executive session ended at 2:50 p.m., and the regular meeting was immediately reconvened.

The Board raised specific questions about the project, the costs, the timeline and directed the staff to look into the matters raised. Staff was asked to continue fact finding so that the Board can consider the PRE loan request at the March 30th meeting. It was noted that if the Board decides to provide additional funding for the project, a 2/3 affirmative vote of the Board would be required for the project be considered a strategic investment under its Operating Procedures. The Board requested a one to two-page summary of staff's findings before the March Board meeting.

11. Integrated Resource Plan 2009 and Legal/Regulatory Update:

Attorney Michaud presented the Electric Distribution Companies' ("EDCs") position articulated by the Brattle Group in the renewable whitepaper in the EDC's proposed Integrated Resource Plan for 2009. The EDCs renewable proposal is to conduct unilateral renewable energy/RECs/capacity solicitations, and develop or own renewable energy generating projects if they determine this to be in the public interest. Attorney Michaud summarized strengths and weaknesses of the EDCs' renewable proposal, requested the Board to approve a CCEF advocacy position in respect to the EDCs' renewable proposal. The Board voted unanimously in favor of the CCEF advocacy position opposing the EDCs' renewable proposal. It should be noted that Mr. Mengacci and Ms. Babbidge both abstained from the vote because they are members of the Connecticut Energy Advisory Board, which along with the Department of Public Utility control, will be reviewing the EDCs' renewable proposal and the proposed IRP. The Board decided to defer any decision to authorize funding to hire an expert consultant until the next board meeting.

Upon a motion made by Ms. Glover, seconded by Mr. Olsen, the Board voted in favor of staff's recommendation that the CCEF oppose the Electric Distribution Companies' proposed Integrated Resource Plan for 2009 as it pertains to renewables. (Mr. Mengacci, Ms. Babbidge and Mr. Maddox abstained from the vote).

12. Long-Term Solar Strategy Work Group Update:

Due to time constraints, Mr. Goldberg will provide a written update to the Board on this issue via e-mail.

13. Other Business:

There was no other business to discuss.

14. **Adjournment**: Upon a motion made by Mr. Mengacci, seconded by Ms. Glover, the Board members voted in favor of adjourning the February 23, 2009, meeting at 3:38 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary