

**Renewable Energy Investments Board
Regular Meeting
Monday, June 29, 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 June 29, 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 12:05 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 (by phone); Alan Greene; Bob Maddox (by phone); John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; and Patricia Wrice.

Board members absent: Mary Healey, Office of Consumer Counsel; Kevin Hennessy; John Olsen; Jerry Peters; and Jessie Stratton.

Staff and Adjunct Staff Attending: Lise Dondy, Keith Frame, David Goldberg, Dale Hedman, Peter Longo, Paul Michaud, Shelly Mondo, Emily Smith and Kirsten Weschler.

Others present: John Bowles; Henry Link; and Melissa Patterson.

2. Public Comments:

Mr. Link complimented CCEF, particularly Mr. Ljungquist, on the presentation made about the solar thermal program. He noted that he has not heard anything lately about the CleanEnergyOptions Program and questioned if CCEF will be doing anything to encourage more signups. In response, Mr. Wall stated that CCEF meets with a group of collaborators approximately every month to discuss the program and ways to make improvements.

3. Approval of Minutes: Mr. Bowles asked the Board members to consider the minutes of the May 18, 2009 meeting.

Upon a motion made by Ms. Muradian, seconded by Ms. Babbidge, the Board voted in favor of adopting the minutes from the May 18, 2009 regular meeting as presented (Mr. Greene abstained from the vote).

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

4. Technology Committee Report:

Ms. Glover provided the Technology Committee report. She noted that the Technology Committee met on June 4, 2009 and reviewed the request for funding for the OptiWind operational demonstration project on the UCONN Torrington campus. Ms. Glover reviewed the items requested by the Technology Committee for specific inclusion in the contract with OptiWind. Mr. Frame noted that in addition to CCEF funding, OptiWind has secured additional funding from a private equity investor which should help bring the demonstration project to fruition. Materials for the OptiWind proposal will be forwarded to the Board for informational purposes.

5. Approval of FYE 2010 CCEF Operations Budget:

Mr. Bellas mentioned that the FYE 2010 CCEF Operations Budget was presented to the CCEF Finance Committee on May 15, 2009 for review. At that meeting the CCEF Finance Committee reviewed and recommended approval of the budget by the Board. Mr. Bellas reviewed the Detailed Statement of Revenues, Expenditures and Changes in Fund Balance. With respect to expenditures and expenses for the FYE 2010 budget, Mr. Bellas stated that expenditures and expenses were kept level or decreased. He explained how the budget item for salaries and wages was determined. Mr. Bellas mentioned that the budget assumes no cost of living increase, no merit increase, a small amount for promotions, summer interns and several new hires which will be paid from federal funding for new programs. Mr. Bellas briefly reviewed the budgeted amounts for grants and programs. He stated that he expects to come back with budget adjustments in September, particularly for projected costs of employee benefits. In response to a question, Mr. Bellas stated that the adjustment should be about \$100,000. More details on the federal stimulus funding will also be presented to the Board in September since the details are still be working out with the Office of Policy and Management.

Upon a motion made by Ms. Wrice, seconded by Ms. Muradian, the Board voted unanimously in favor of adopting the CCEF FY 2010 Budget as presented.

Staff was applauded for their efforts with the budget.

6. Strategic Investment Process:

Mr. Goldberg discussed a proposed process to support strategic investments. He noted the need to have a mechanism and process in place for handling unsolicited proposals that do not fit within CCEF's normal programs. Mr. Goldberg stated that the CCEF Joint Operating Procedures (the "Procedures") recognizes the need from time to time for unsolicited proposals. He stated that in order to qualify as a strategic investment, a proposal must meet at least two of the five characteristics that are defined in the Procedures. Mr. Goldberg reviewed the additional requirements which are contained in the application guidelines for a strategic investment. He described the internal process for reviewing the applications to determine whether the proposal meets the threshold criteria before staff makes a recommendation to the Board for approval as a strategic

investment. Mr. Goldberg mentioned that staff contacted other states to determine how unsolicited proposals are handled. He reviewed the programs in both Oregon and Massachusetts and noted that CCEF's proposed program is very similar to Massachusetts' program. Ms. Dondy mentioned that Mr. Bellas is in the process of thoroughly reviewing cash flows and financial projections to determine if funding can be allocated to this program.

Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board voted unanimously in favor of adopting the Strategic Investment Process as presented in the memorandum from David Goldberg and Lise Dondy dated June 22, 2009.

Ms. Dondy stated that when the Board reviews the Bylaws and Procedures, staff recommends amending the Procedures to indicate that strategic investments meet at least three characteristics rather than two characteristics. Mr. Bowles suggested that the Board review the Bylaws and Procedures annually at the Board retreat.

Mr. Bowles mentioned that a joint meeting with both the CI and CCEF Board of Directors will also be scheduled for the Fall.

7. Legal and Regulatory Update:

Attorney Michaud provided the board with an update on legal and regulatory issues affecting the CCEF. He mentioned that several of the projects funded by the CCEF under the On-Site Renewable Distributed Generation Program ("OSDG Program"), and where the CCEF has retained title to the RECs produced by those projects, have reached commercial operation. Attorney Michaud explained that the commercial operation of the projects triggered the requirement for legal to submit applications to the the Department of Public Utility Control ("DPUC") requesting certification of the projects as Class I renewable energy facilities. He explained that the applications are now ongoing as more projects reach commercial operation. Attorney Michaud explained that at least two projects have not complied with the real time reporting requirement under the funding contract, and legal is pursuing these matters with the projects. He also explained that legal is taking additional steps to ensure the contract obligations of the projects are being fulfilled. Attorney Michaud reported on two DPUC dockets that may affect the CCEF. He indicated that the CCEF will be submitting written comments on the docket promulgating regulations for the banking of RECs and will be participating in the hearing with respect to the 2009 Integrated Resource Plan for Connecticut. Attorney Michaud discussed the complaint to the Freedom of Information Commission ("FOIC") and the CCEF's motion to dismiss this complaint pending before the FOIC. He also discussed several requests for information under the Freedom of Information Act ("FOIA"). Attorney Michaud explained that both the FOIC complaint and the FOIA requests were a direct result of the April 27, 2009 CCEF Board meeting wherein the Plainfield Renewable Energy ("PRE") project was approved by the board. Attorney Michaud and Attorney Boucher were acknowledged and thanked by the board for their

efforts in handling these time consuming matters. It was noted that Attorney Boucher will be providing an update on these issues in July.

8. Legislative Update:

Ms. Smith stated that the Energy Committee introduced over 67 bills this session which could have impacted CCEF. However, none of the bills passed in the Senate.

A brief discussion ensued on the Waterbury Chestnut Bioenergy project. Ms. Smith indicated that the bill impacting the project was vetoed by the Governor. Ms. Dondy mentioned that additional funding will not be provided by CCEF for the project until the site issues are resolved.

9. President's Report: Ms. Dondy mentioned that a summary of the recommendations from the KEMA report was provided in the Board package, and the full report is available for the Board. She stated that staff is disappointed that the Solar Act did not pass this legislative session. Ms. Dondy mentioned that there remains about \$10,000,000 of funding for commercial solar projects for a pipeline of about \$60,000,000 of projects. She discussed some of the federal initiatives being focused on by staff, including the Workforce Development Request for Proposals with a consortium of groups. CCEF is working with CDA for CDA to become a designated lender for the Federal Department of Energy Loan Guarantee Program. CCEF would provide technical due diligence in the evaluation process for renewable projects. CCEF is also assessing the potential for Clean Renewable Energy Bonds with CDA. Ms. Dondy reported on the community block grant workshops being held with some of the smaller towns to provide support and guidance. She mentioned that public input is being sought on the Solar Thermal Program. Feedback will be compiled and considered before the program parameters are presented to the Board for approval. Advice will be sought from a tax attorney on ways to best leverage federal tax credits. Ms. Dondy provided an update on existing programs. Over 300 applications are in the approval process under the Solar Lease Program, and the Solar Rebate Program will be restarted in early July. The CCEF Website will track the number of applications that have been reserved and the amount of funding available.

10. Chairman's Report: Mr. Bowles thanked the staff and Board members for attending the dedication ceremony held at the Connecticut Science Center.

Mr. Bowles stated that he will be resigning from the CCEF Board effective September 1, 2009 because he is taking a new job that will have significant time constraints. He noted that he will be available to staff and the Board to help with transitional issues. Mr. Bowles noted that the Vice Chair, John Olsen, has agreed to chair both the July and September CCEF Board meetings. He thanked the Board and staff for their dedication and contributions over the years. Ms Dondy mentioned that Mr. Bowles has been a member of the Board for more than 10 years and chairperson for 5 years. On behalf of the staff, Ms. Dondy thanked Mr. Bowles for his guidance and support during some very challenging times.

11. **Adjournment**: Upon a motion made by Mr. Greene, seconded by Ms. Muradian, the Board members voted in favor of adjourning the June 29, 2009, meeting at 1:28 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary