

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, July 27, 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 July 27, 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, John Olsen, Vice Chairperson of the Board, called the meeting to order at 12:05 p.m. Board members participating: 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 (by phone); John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen; Jessie Stratton (by phone); and Patricia Wrice.

Board members absent: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; Tim Bowles; and Jerry Peters.

Staff and Adjunct Staff Attending: Lise Dondy, Keith Frame, Dale Hedman, Dave Ljungquist, Shelly Mondo, Angela Perondi-Pitel, Emily Smith and Kirsten Weschler.

2. Public Comments:

Mr. Schrag, a member of the Waterbury Environmental Control Commission, expressed concerns with the Chestnut Hill bioenergy project proposed for Waterbury. He expressed particular concern with the number of trucks and pollution from the trucks that will go to and from the proposed project daily. Mr. Schrag stated that the proposed project will be one of the largest bioenergy project in North America. He mentioned that the asthma rates have risen significantly in the community and expressed concerns with more toxins from the project further contributing to pollutants in the area. Mr. Schrag stated that he was concerned with the current management team of the Chestnut Hill project. He discussed some of the other projects the team members are involved with in New Jersey and some of the environmental issues they have encountered Mr. Schrag questioned the amount of CCEF funding that has been released. He asked whether CCEF could reallocate the funds to other more worthy projects in Waterbury. Mr. Schrag suggested CCEF adopt a policy by which staff would be required to discuss proposed projects with respective public officials before lending public funds. He stated that CCEF should consider whether the project will produce “good” jobs and not just minimum wage jobs.

Cathy Smith, President of the Mattatuck Museum, a member of the Waterbury Economic Task Force, and a member of the Waterbury Naugatuck Greenway Committee, discussed her observations of the presentation provided by the developers for the Chestnut Bioenergy project. She noted that the presentation was weak and

flawed and that the developers did not appropriately answer some of the questions asked. Ms. Smith expressed concerns with the number of trucks that will travel back and forth on a daily basis to the proposed Chestnut Bioenergy project.

Mr. Link from EnviroEnergy expressed concerns with the proposed location for the OptiWind operational demonstration project at the UCONN Torrington campus that was approved by the Technology Committee on June 4, 2009. He suggested that the Torrington hospital may be a better site for a wind turbine.

3. Approval of Minutes: Mr. Olsen asked the Board members to consider the minutes of the June 29, 2009 meeting.

Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board voted in favor of adopting the minutes from the June 29, 2009 regular meeting as presented (Ms. Healey and Mr. Hennessey abstained from the vote).

4. Vice Chairman's Report:

Mr. Olsen indicated that the Executive Committee discussed a process for the election of officers which will be held at the September Board meeting. He stated that members of the Board who are interested in serving as Chairperson, Vice Chairperson or Secretary are encouraged, but not required, to submit a letter of interest with qualifications and/or background information to Ms. Dondy prior to the September 28 Board meeting for distribution to the Board members. Mr. Olsen noted that candidates can still be nominated the day of the meeting.

Ms. Healey mentioned that at the Executive Committee meeting she suggested consideration of interim officers until the vacancy created by Mr. Bowles' resignation is filled. However, the suggestion does not appear feasible since the CCEF Bylaws are explicit about the terms of officers.

5. President's Report:

Ms. Dondy reviewed the materials that were provided to the Board for informational purposes. She reported on the Connecticut Small Wind Demonstration Program and mentioned that the project is on track. With respect to the Solar Lease Program, approximately 300 leases have been signed, are in progress or have already been installed. In addition, there are approximately 100 applications in process. Staff will monitor the growth of the program and available funding. Ms. Dondy mentioned that 92 cities and towns are participating in the CT Clean Energy Communities Program. Twenty-one of the communities have earned solar PV systems. Ms. Dondy referred to a letter from FuelCell Energy about the positive benefits to Connecticut as a result of FuelCell Energy's agreement with POSCO Power of South Korea for fuel cells. In the letter, FuelCell Energy confirms that the proprietary technology and stack production will remain in Connecticut.

Ms. Dondy provided an update on the Federal Matching Grant Program that was approved by the Technology Committee in June 2009. She stated that one application has been made through CCAT for geothermal modeling and if successful could have national value. Information on the proposal will be provided to the Technology Committee for input. Mr. Hennessey provided an update on the federal grants being sought through the Connecticut Business & Industry Association for green energy workforce development.

Ms. Dondy reported that Northeast Utilities has requested non-monetary support from CCEF on an application for federal grant funding. She congratulated Mr. Bellas and CCEF staff for receiving no audit points on the recent audit performed by the State Auditors of Public Accounts.

Ms. Smith discussed efforts to enhance the CCEF Website. She noted that staff is in the process of putting information about the commercial solar and fuel cell projects on the Website.

Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board voted unanimously in favor of accepting the President's report.

6. Projects Committee Report:

Due to the absence of Mr. Peters, Chairperson of the Projects Committee, the Projects Committee report was deferred until the next meeting.

7. Solar Thermal Program Proposal:

Mr. Ljungquist provided an overview of the proposed new Solar Thermal Program. The program will be funded 100 percent by the American Reinvestment & Recovery Act ("ARRA"). CCEF is expected to receive approximately \$4,000,000 for the program, and the funding has to be spent before April 2012. Mr. Ljungquist stated that staff proposes allocating the funding equally between residential and non-residential projects. He noted that because federal funding is being utilized, the program will be open to any homeowner, any business or organization, any third-party project owner and be fuel neutral. Mr. Ljungquist stated that a public session was held to elicit comments on the proposed program. The program as proposed reflects some of the comments received. Mr. Ljungquist discussed the eligibility requirements for contractors. In response to a concern about the shortage of eligible contractors, Mr. Olsen stated that efforts are being made to address this situation. It was noted that workforce training will also be provided. Mr. Ljungquist reviewed some of the requirements for equipment to be eligible for funding under the program. The project eligibility requirements were discussed. Mr. Ljungquist reviewed the proposed incentive structure. Discussion ensued about staff's recommendation not to provide subsidies for "space heating." Mr. Ljungquist explained that in order to provide heat, the system would have to be much larger, and a majority of the system would remain idle in the summer. He stated that

staff does not believe that providing subsidies for “space heating” is an efficient use of the limited funding. Mr. Ljungquist discussed the proposed inspection process for contractors as well as the proposed application process for funding under the program. As with other programs, Mr. Ljungquist mentioned that a cost benefit analysis will eventually be performed for the program.

Upon a motion made by Ms. Wrice, seconded by Mr. Hennessey, the Board voted unanimously in favor of adopting the following resolution:

RESOLVED:

- (1) that the Solar Thermal (Domestic Hot Water) Program (“Program”), has been determined by the Board of Directors of the Connecticut Clean Energy Fund to be in furtherance of the CCEF’s Comprehensive Plan, and that the plan proposed to administer the federal ARRA funds allocated to this program is approved for execution as soon as possible after July 27, 2009.
- (2) that 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 Clean Energy Fund (“CCEF”), from this time forward, any legal instruments necessary to effectuate grants on such terms and conditions as he or she shall deem to be in the best interests of CCEF, 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 as hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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 legal instruments.

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

8. OPM/ARRA Resolution:

Ms. Dondy discussed the proposed resolution authorizing CCEF to execute the necessary documentation to receive federal funds through 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 following resolution:

RESOLVED:

- (1) that pursuant to the authority vested in the Connecticut Clean Energy Fund ("CCEF") through Connecticut General Statutes § 16-245n(c), to receive available federal funds as may become available to the State for renewable energy investment, it has been determined by the CCEF Board of Directors to be in the furtherance of the Comprehensive Plan and in the interests of ratepayers for the CCEF to accept approximately \$20,000,000 in federal stimulus funds under the American Recovery and Reinvestment Act of 2009 ("ARRA Funds"), which are being administered through the Connecticut Office of Policy Management, for the purpose of investing in fuel cell, geothermal, solar photovoltaic, and solar thermal systems under Governor Rell's state energy plan and allocated for the following purposes:
 - a. \$8,000,000 to expand the CCEF's current fuel cell funding program with the goal of installing 14 additional fuel cell systems;
 - b. \$5,000,000 for a new CCEF funding program that will offer rebates for residential and commercial geothermal systems with the goal of installing 600 systems;
 - c. \$4,000,000 for a new CCEF funding program that will offer rebates for residential and commercial solar thermal systems with the goal of installing 1,000 systems; and
 - d. \$3,000,000 to expand the CCEF's current solar photovoltaic (PV) funding programs for homes and businesses with the goal of installing 300 additional systems;
- (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 accept, and expend, on behalf of the CCEF, the ARRA Funds for the purpose of funding fuel cell, geothermal, solar photovoltaic, and solar thermal systems under Governor Rell's state energy plan.

9. Revised Commercial OSDG Incentives:

Mr. Hedman discussed the proposed changes to the Onsite Renewable Distribution Generation ("OSDG") program. He reviewed some of the steps taken by staff in determining the grant recommendations. Mr. Hedman discussed the current incentive levels.. As a result of lower overall costs and the new increased tax benefits, Mr. Hedman explained that staff recommends changes to the CCEF incentives for both fuel cell and solar PV projects. Ms. Dondy indicated that the federal money is not intended to displace state funding. However, CCEF is trying to stretch and leverage federal funding as much as possible. Ms. Healey left the meeting during this discussion.

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

- (1) That the Board of Directors of the Connecticut Clean Energy Fund (“CCEF Board”) has determined that modifying the per kW Onsite Distributed Generation (“OSDG”) maximum project grant caps for Commercial Solar PV For-Profit, Commercial Solar PV Not-For-Profit and Fuel Cells is necessary and in the furtherance of the CCEF Comprehensive Plan, and thus authorized as follows:
 - (a) OSDG maximum grant cap for Commercial Solar PV For-Profit be lowered to \$3.00 per watt for the first 100 kW_{PTC} project size and \$2.00 per watt for every additional kilowatt project size above 100.
 - (b) OSDG maximum grant cap for Commercial Solar PV Government/Not-For-Profit to lowered to \$4.50 per watt for the first 100 kW_{PTC} project size and \$4.00 per watt for every additional kilowatt project size above 100 kW_{PTC} up to 200 kW_{PTC}; and
 - (c) OSDG maximum grant cap for fuel cells be lowered to \$2.50 per watt for all fuel cell sizes.
- (2) that 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 Clean Energy Fund (“CCEF”), from this time forward, any legal instruments necessary to effectuate grants on such terms and conditions as he or she shall deem to be in the best interests of CCEF, 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 as hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; 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 legal instruments.

10. Other Business:

Ms. Glover and Mr. Frame, as members of the Connecticut Global Fuel Cell Center (“CGFCC”) discussed the approval by the CGFCC to expand and recognize other renewable energy technologies and to change its name to the Center for Clean Energy Engineering at the University of Connecticut. Since CCEF has provided funding in the form of an endowment to the CGFCC, the CGFCC has requested approval from CCEF to move forward with a name change and the expansion of its focus to include other technologies.

Upon a motion made by Ms. Wrice, seconded by Mr. Hennessey, the Board voted in favor of supporting the change in name from the Connecticut Global Fuel Cell Center to the Center for Clean Energy Engineering at the University of Connecticut and to expand its focus to include other renewable technologies.

11. Adjournment: Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board members voted in favor of adjourning the July 27, 2009, meeting at 2:03 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary