

**Connecticut Clean Energy Fund
Project 150, Round 3 Steering Committee
DRAFT Minutes - Special Meeting
Friday, September 5, 2008**

A meeting of the **Connecticut Clean Energy Fund, Project 150, Round 3 Steering Committee** (the "Steering Committee") was held on September 5, 2008, at the office of the Connecticut Clean Energy Fund, 200 Corporate Place, Rocky Hill, CT.

1. Call to Order: Jerome Peters, Chair of the Steering Committee, called the meeting to order at 9:03 a.m. Steering Committee members participating: Tracy Babbidge, Mike Binder, Marian Chertow, Norma Glover, Marie O'Brien, John Olsen and Jerome Peters.

Staff and Adjunct Staff Attending: Lise Dondy, Dale Hedman, Paul Michaud (in-house counsel), Shelly Mondo; James Dunn (Project 150 consultant); Robert Grace and Jason Gifford of Sustainable Energy Advantage (Project 150 consultants); David Nickerson of Mystic River Energy Group (Project 150 consultant).

2. Opening Remarks:

Ms. Dondy welcomed and thanked everyone for his or her participation. She asked everyone to introduce themselves and discuss his or her background.

3. Review and Discussion of Round 3 Project 150 Proposals:

Mr. Hedman presented the meeting agenda and discussed the general structure and conduct of the meeting. As a result of a shortfall of about 25 megawatts of projects contracted under rounds 1 and 2 of Project 150, the Project 150 Evaluation Working Committee reviewed and evaluated the proposals submitted by the applicants under Round 3. Recommendation from the Project 150 Evaluation Working Committee will be presented to the Steering Committee for review, deliberation and recommendation to the CCEF Board. Mr. Hedman noted that one of the changes in the process agreed upon by the Department of Public Utilities Control ("DPUC") and two electric distribution companies was that CCEF and the EDCs would review and analyze the projects in parallel to expedite the process.

Mr. Hedman discussed the evaluation process utilized by the Evaluation Working Committee. The Evaluation Working Committee was comprised of Dale Hedman, Director of Project Development at CCEF, who has expertise in project development; Patrick O'Neill, Project Manager at CCEF, who has expertise in power engineering; James Dunn who has expertise in hydrogen/fuel cells; and David Nickerson of Mystic River Energy Group, LLC, who has expertise in project development and wholesale power supply. Considering the projects that were selected by the DPUC in Round 2 for contracts, Mr. Hedman mentioned that the evaluation methods and scoring weights were adjusted and refined for Round 3. He stated that the revised evaluation methods

and scoring weights were shared with the DPUC and clearly indicated in the Request for Proposals for Round 3.

Mr. Grace discussed the key steps to the evaluation process. Mr. Grace reviewed the portfolio characteristics of the proposals evaluated, noting that each of the seven proposals evaluated were fuel cell technologies. Mr. Grace explained the likely reasons for the limited variety in technologies among the proposals meeting the minimum threshold review. Discussion ensued. Mr. Grace summarized the proposals in detail.

Mr. Grace summarized the recommendations by the Evaluation Working Committee.

Mr. Nickerson provided the Steering Committee with a detailed review and analysis of each of the seven project proposals evaluated. The Steering Committee members discussed how the projects would be affected if no action is taken to extend the investment tax credits or production tax credits. The Steering Committee members discussed the proposal that was considered “on the fence” by the Evaluation Working Group.

A lengthy discussion ensued on the appropriate number of megawatts that should be recommended to the Board. The Steering Committee discussed the probable fall out of projects from previous rounds and the legislative requirement to contract 150 megawatts. Ms. Dondy stated that there is not sufficient funding in the CCEF program budget through 2010 to fund all of the projects that requested CCEF funding in Round 3. However, the Board could decide to reallocate funds from other places for the program. Different options for proceeding were discussed. The Steering Committee summarized and deliberated each of the proposed projects. Since all of the proposals evaluated in Round 3 are viable projects and considering that all of the projects currently under contract by the DPUC are not likely to move forward, the Steering Committee reached a consensus to recommend to the Board more than the minimum required 25 megawatts under Round 3 so that the Board can make the determination on how many megawatts to forward to the DPUC.

The Steering Committee members requested to be more involved with and have more input on the evaluation methods and scoring weights early in the process if there is another round of projects.

Upon a motion made by Ms. Glover, seconded by Ms. Chertow, the Steering Committee voted unanimously in favor of recommending to the CCEF Board the following projects, ranked in order of preference, under CCEF’s Project 150, Round 3 to be considered for power purchase agreements with the Connecticut electric distribution utility and regulatory approval from the Connecticut Department of Public Utility Control.

- 1) Project No. 008, DFC ERG CT, LLC, Bloomfield,
- 1) Project No. 005, Fuel Cell Energy, Inc.—Bridgeport Fuel Cell Park, Bridgeport,
- 2) Project No. 009, DFC ERG CT, LLC, Trumbull
- 3) Project No. 007, DFC ERG CT, LLC, Glastonbury
- 4) Project No. 001, EPG Fuel Cell—Cube, Danbury

- 5) **Project No. 006 TEN Companies, Inc.—Hartford**
- 6) **Project No. 002, EPG Fuel Cell—Triangle, Danbury**

Mr. Hedman discussed the next steps, noting that the CCEF Board will consider the recommended proposals at a special meeting scheduled for Monday, September 15. Following the special Board meeting, recommendations will be submitted to the DPUC and Electric Distribution Companies. CCEF will provide written testimony in support of its recommendations to the DPUC on October 6. Hearings are scheduled for October 22 – 24, 2008. It is anticipated that a draft decision will be provided on December 16, 2008, and a final decision by January 7, 2009.

4. **Adjournment:** Upon a motion duly made and seconded, the Steering Committee members voted unanimously in favor of adjourning the September 5, 2008, 2007 meeting at 1:03 p.m.

Respectfully submitted,

Jerome Peters, Chairman