

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, October 27, 2008**

A regular meeting of the **Renewable Energy Investments Board hereinafter referred to as “the Connecticut Clean Energy Fund Board”** (the “Board”) was held on October 27, 2008, 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 12:16 p.m. Board members participating: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; Tim Bowles; Scott DeVico representing the Commissioner of Emergency Management and Homeland Security (by phone); Norma Glover; Alan Greene (by phone); Mary Healey, Office of Consumer Counsel; Kevin Hennessy; Carol Muradian; John Olsen; and Jerry Peters. Absent: Bob Maddox; John Mengacci representing the Secretary of the Office of Policy and Management; Jessie Stratton and Patricia Wrice.

Staff and Adjunct Staff Attending: George Bellas, Jillian Carbone, Lise Dondy, Dale Hedman, Dave Ljungquist, Peter Longo, Paul Michaud, Shelly Mondo, Angela Perondi-Pitel, Chelsey Sarnecky, and Emily Smith.

Public Attending: Melissa Patterson, Darien Energy Task Force; Henry Link, EnviroEnergy; Duncan McDougall; James Dunn (Project 150 consultant); Robert Grace, Sustainable Energy Advantage (Project 150 consultant) (by phone); and David Nickerson of Mystic River Energy Group (Project 150 consultant).

2. Public Comments:

Mr. McDougall stated that CCEF should be doing more to encourage renewable energy and energy efficiency. He gave a number of suggestions and provided the Board with a written copy of his comments.

3. Approval of Minutes: Mr. Bowles asked the Board members to consider the minutes of the September 29, 2008 meeting. Recommendation was made to correct the date on page 7 in the first paragraph from “January 7, 2009” to “January 7, 2008.”

Upon a motion made by Ms. Muradian, seconded by Mr. Peters, the Board voted unanimously in favor of adopting the minutes from the September 29, 2008 meeting with the amendment suggested.

Mr. Bowles mentioned that effective October 1, 2008, all Boards, Committees and Commissions are required to post minutes of meetings within seven days of the meeting on their Website if they have a Website. Mr. Bowles and Ms. Glover will review the draft Board and Executive Committee minutes before they are posted on the Website, and

the chairs of the committees will be asked to review the respective committee minutes before they are posted on the Website.

4. Chairman's Report: Mr. Bowles provided the Chairman's report. He noted that he will be responding to correspondence recently received about governance issues, and in the future the Board members will be provided with copies of the correspondence and any responses. In light of the recent Department of Public Utility Control ("DPUC") draft decision and based on recommendation by legal counsel, consideration of the draft ethics policy will be deferred at this time and discussed further at the November Board retreat.

5. President's Report: Ms. Dondy provided the President's report. She noted that staff has been very busy the last several weeks as a result of federal legislation extending the Investment Tax Credit. Ms. Dondy mentioned that the DPUC in their draft decision, accepted CCEF's Comprehensive Plan for 2008-2009, but made a number of suggestions for the 2010 and 2011 Comprehensive Plan. Some of the recommendations will be reviewed in more detail at the November Board retreat. Ms. Dondy mentioned that the consultant hired for Goal 1 is in the evaluation process and will be contacting some of the Board members for input. Mr. Longo reported on the recent acquisition transaction for Gencell. Ms. Dondy discussed several potential topics for the Board retreat that will be held on Monday, November 24.

6. Projects Committee Report:

Mr. Peters, Chairperson of the Projects Committee, provided the Projects Committee report. For the period September 24, 2008 through October 20, 2008, Mr. Peters mentioned that the Projects Committee reviewed 7 proposals and approved 5 solar PV projects totaling 743.03 kilowatts and requesting CCEF funding of \$3,309,988.

Ms. Healey questioned the documentation for backing up the following statement in the resolutions: "the project is in furtherance of the CCEF Comprehensive Plan and in the interests of ratepayers." After discussion on how to better document the Board's approval process, there was consensus to change the wording in future resolutions to indicate that the projects are "in compliance with the Comprehensive Plan."

7. Finance Committee Report:

In the absence of Mr. Mengacci, Chairperson of the Finance Committee, Ms. Muradian provided the Finance Committee report. She mentioned that the Finance Committee reviewed the audit results from the State Auditors of Public Accounts, reviewed the budget to actual analysis for the first quarter of 2008 and approved organizational charts. Ms. Muradian mentioned that the Finance Committee also discussed CCEF's investments and recommended further discussion with the Executive Committee. Mr. Bowles noted that the Executive Committee discussed this issue today and asked staff to do further research and make recommendations to both the Executive Committee

and Finance Committee for further consideration by the Executive Committee in November.

8. Approval of Project 150 Revised Recommendations:

Mr. Hedman stated that the changes to the federal Investment Tax Credit as a result of the passage of the “Energy Improvement and Extension Act of 2008” have a material impact on the economics of the proposals presented under Round 3 of Project 150. As a result, the DPUC authorized refreshed bid results from the applicants. Mr. Nickerson highlighted some of the discussions that occurred at the Steering Committee meeting with respect to the refreshed bids. He reviewed the estimated effective increase in federal investment tax credit value for fuel cell projects. Mr. Nickerson discussed the refreshed bid results for all seven proposals. He mentioned that gas rates were updated for pricing to capture the most recent and best information. With a target goal of approximately 25 megawatts, Mr. Nickerson reviewed the Steering Committee’s recommendation. Regardless of the sensitivities used, Mr. Nickerson stated that the top four projects remained the top four; and with the addition of the fifth project, the total megawatts recommended to forward to the DPUC is about 27 megawatts. The Board members discussed the rate payer impacts for each of the projects.

Ms. Healey explained the role of the Office of Consumer Counsel (“OCC”) in reviewing recommendations of CCEF from a rate payer perspective. She noted that because of the OCC’s involvement with this process, she would abstain from the vote.

Upon a motion made by Mr. Peters, seconded by Ms. Glover, the Board voted in favor of forwarding the following rebid projects, in ranking order, to be considered for power purchase agreements with the Connecticut electric distribution companies and regulatory approval from the Connecticut Department of Public Utility Control under CCEF’s Project 150, Round 3 (Ms. Healey abstained from the vote).

- 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. 008, DFC ERG CT, LLC, Bloomfield,**
- 4) Project No. 007, DFC ERG CT, LLC, Glastonbury**
- 5) Project No. 001, EPG Fuel Cell—Cube, Danbury**

9. Revised Small Solar Rebate Levels:

Mr. Bowles recused himself from the discussion and asked Mr. Olsen to chair the meeting for the next agenda item because Mr. Bowles was looking into a solar system

for his home. Ms. Perondi-Pitel reviewed the proposed changes to the Solar PV Rebate Program as a result of changes made to the federal Investment Tax Credit, noting that the federal changes affect the economics of residential projects. She stated that the goal of the proposed changes is to maintain the same percentage of “out of pocket” expenses. In response to a question, it was noted that changes are not being recommended to the Solar Lease Program. Discussion ensued on the timing for implementing the changes.

Upon a motion made by Mr. Peters, seconded by Ms. Muradian, the Board voted in favor of adopting the following resolution regarding changes to the Solar PV Rebate program (Mr. Bowles abstained from the vote):

RESOLVED:

- The non-lease solar photovoltaic incentive cap level for the Solar PV Rebate Program is decreased from \$5.00 per watt to \$4.00 per watt for the first 5 kilowatts or less and from \$4.30 per watt to \$2.50 per watt for the next 5 kilowatts up to and including 10 kilowatts.
- These new solar rebate levels will apply to all solar systems commissioned on or after January 1, 2009.
- The previous rebate levels will continue to apply to those solar systems commissioned prior to January 1, 2009.

It is anticipated that the program will run out of funding by the end of the calendar year.

10. Regulatory Update:

Attorney Michaud provided updates on several regulatory filings. He reported on Docket No. 08-03-03 DPUC Review of Long-Term Renewable Contracts – Round 3 Results. Pretrial testimony is scheduled for November 13, and a final decision is expected on or about January 28, 2009.

With respect to Docket No. 08-06-18, Attorney Michaud explained that CCEF asked to intervene in the docket and give testimony. He stated that the decision on sub-metering could have a material impact on multi-unit dwellings. A decision is expected on or about December 10, 2008.

Attorney Michaud reported on Docket No. 08-07-01, DPUC Review of the Integrated Resources Plan. A draft decision from the DPUC is expected November 12, and the final decision is expected November 26. Attorney Michaud stated that the decision could have an impact on CCEF’s strategic plan going forward.

As previously reported, Attorney Michaud stated that the draft decision on Docket No. 08-04-07, Application of CCEF for approval of the 2009-2010 Comprehensive Plan was issued by the DPUC. He noted that the DPUC made a number of recommendations for the 2011-2012 Comprehensive Plan.

11. Financial Report:

Mr. Bellas reviewed and provided highlights from the first quarter FY2009 financial statements for CCEF. In response to a question, Mr. Bellas stated that staff is going through the budget to determine whether there are any discretionary expenses that could be reduced.

12. Executive Session:

Upon a motion made by Mr. Olsen, seconded by Mr. Peters, the Board voted unanimously in favor of going into executive session at 2:20 p.m. to discuss confidential financial information.

The executive session ended at 2:45 p.m., and the regular meeting was immediately reconvened.

Upon a motion made by Ms. Glover, seconded by Mr. Olsen, the Board voted unanimously in favor of authorizing staff to negotiate and otherwise dispose of a CCEF asset.

13. Other Business:

There was no other business to discuss.

14. Adjournment: Upon a motion made by Ms. Healey, seconded by Mr. Peters, the Board members voted unanimously in favor of adjourning the October 27, 2008, meeting at 2:47 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary