

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, November 30, 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 November 30, 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, Norma Glover, Chairperson of the Board, called the meeting to order at 12:08 a.m. Board members participating: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; 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; Jerry Peters (by phone); Matthew Ranelli; and Jessie Stratton (by phone).

Board Members absent: Mun Choi; Scott DeVico, Emergency Management and Homeland Security; and Patricia Wrice.

Staff and Adjunct Staff Attending: Lise Dondy, David Goldberg, Dale Hedman Peter Longo, Dave Ljungquist, Paul Michaud, Shelly Mondo, Angela Perondi-Pitel, Cheryl Samuels, Emily Smith, Matthew Stone and Bob Wall.

Others present: Haley Sawyer, Navigant (by phone); and Lisa Frantzis, Navigant, Rakesh Radhakrishnan, Navigant

2. Public Comments:

There were no public comments.

3. Approval of October 26, 2009 Minutes:

Upon a motion made by Ms. Muradian, seconded by Ms. Healey, the Board voted in favor of adopting the minutes from the October 26, 2009 regular meeting as presented (Mr. Greene and Ms. Stratton were not present for the vote).

4. President’s Report:

Ms. Glover noted that in the future staff has been asked to refer to the full names of the companies or organizations in their presentations rather than by abbreviations.. She reported on some of the events that she has attended or will be attending, including the town meeting at Goodwin College where Congressman Larson spoke about the Natural Gas Act, the CCEF Strategic Plan public meeting that will be held at the Capitol on Thursday, December 3, at 1:00, a meeting that will be held on December 4 at the

Center for Clean Energy Engineering at UCONN, and the Governor's Steering Committee on Climate Change.

5. President's Report:

Ms. Dondy mentioned that Ms. Glover recently attended a CCEF staff meeting and spoke about some of her expectations of staff. She mentioned that a Memorandum of Understanding has been negotiated with the Connecticut Municipal Electric Energy Cooperative ("CMEEC") for CCEF to administer and process applications under CCEF's existing programs to receive funding which has been collected by CMEEC through a surcharge. CCEF will receive an administrative fee for administering the CMEEC funds. Ms. Dondy acknowledged the progress made with trying to offer and administer consistent renewable energy programs in the state. She mentioned that as of December 31, 2009, CCEF will no longer be accepting new applications under the Solar Lease Program. This issue will be discussed in more detail by Ms. Perondi-Pitel later on the agenda. She then reviewed other public meetings to be attended by staff in the next month. Ms. Dondy stated that she is working with Commissioner McDonald and the Department of Economic and Community Development to bring together the various agencies on how to best leverage funding available for energy, the environment and economic development. Staff is having discussions on how to take advantage of and be more creative with leveraging funding for renewable programs. There being no objection, the order of the agenda was changed.

6. Approval of Geothermal Program:

Mr. Ljungquist discussed the proposed Geothermal Heat Pump Incentive Program to be funded by the American Recovery & Reinvestment Act. He described ground source heat pump systems and their use. Mr. Ljungquist discussed the program objectives, assumptions, evaluation criteria, applicants' eligibility and installers' eligibility criteria, incentive levels, and maximum project size. Mr. Ljungquist noted that the incentive levels will be maintained until the first 1000 tons of capacity is approved for installation. The incentive will then be reduced for the next 1000 tons for the respective applicants. Mr. Ljungquist stated that CCEF will monitor the application rate to determine whether a further incentive reduction is advisable. He indicated that interest in the program is very high, and he does not anticipate having any problems deploying the funds. Discussion ensued. Suggestion was made to have CCEF retain any class 3 credits and aggregate them for resale. Attorney Michaud indicated that the retention of the credits would be included in the legal documents for the individual projects. Mr. Ljungquist was commended for his efforts in expeditiously putting together a program in response to the federal funding.

Upon a motion made by Mr. Hennessy, seconded by Ms. Muradian, the Board voted in favor of adopting the following resolution regarding the Geothermal Heat Pump Incentive Program (Mr. Mengacci and Mr. Ranelli abstained from the vote):

RESOLVED:

- (1) That the Geothermal Heat Pump Incentive Program (“Program”), has been determined by the Connecticut Clean Energy Fund Board (“CCEF Board”) to be in the furtherance of the Comprehensive Plan, and that CCEF be approved to disburse the federal American Recovery Reinvestment Act funds designated for said Program in an amount not to exceed \$4,500,000 in grants and \$500,000 in program expenses from the present time through April 30, 2012;
- (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 instruments; 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.

7. Federal Community Competitive Grant Application:

Mr. Maddox noted a potential conflict of interest and explained that Sterling Planet, his employer, is part of a similar competitive grant proposal from out of state; and therefore, he will abstain from any discussion or vote on this issue. Mr. Wall mentioned that the Board has charged staff with identifying funding sources that could be used to leverage CCEF funding. He discussed the opportunity for CCEF to participate in the U.S. Department of Energy (“DOE”) competitive solicitation under the Energy Efficiency and Conservation Block Grant (“EECBG”) Program. He explained that CCEF has been approached by a consortium of partners to participate in and apply for General Innovation Fund/Topic Area 2 which seeks to fund innovative projects that “fundamentally and permanently transform energy markets in a way that makes energy efficiency and renewable energy the options of first choice.” Mr. Wall stated that the proposal would build upon CCEF’s award-winning Clean Energy Communities Program to foster broad community support to meet goals for increased energy efficiency and clean energy usage. Mr. Wall indicated that the Executive Committee met on November 17, and authorized staff to submit a letter of intent to the DOE. He mentioned that the application deadline is December 14.

Mr. Wall discussed the details of the proposed program. The partnership would be between Clean Water Fund, Connecticut Clean Energy Fund, Earth Markets, Efficiency 2.0, Massachusetts Institute of Technology, SmartPower, the Student Conservation Association, and approximately 15 municipalities with a combined population of more than 250,000 and a diverse income mix. Mr. Wall discussed the role of each of the partners. He mentioned that CCEF would be the lead applicant which would require CCEF to be in charge of complying with all the federal reporting requirements on behalf of the consortium. He reviewed some of the benefits to CCEF. In response to a question, Mr. Wall indicated that the grant is for three years, and administrative costs would be covered for the term of the grant. A question arose as to whether the for-profit partners will profit from the signups. Mr. Wall indicated that the budget is still being worked out, but the partners will be limited to the amounts specified in the budget. Mr. Wall emphasized that by participating in the competitive solicitation, CCEF could increase the amount of federal funding coming into Connecticut to create additional jobs. In response to a question about the number of individual projects anticipated with the funding, Mr. Wall indicated that there are targets for each of the opportunities.

Upon a motion made by Ms. Healey, seconded by Mr. Mengacci, the Board voted in favor of authorizing staff to participate in and submit an application to the U.S. Department of Energy competitive solicitation under the Energy Efficiency and Conservation Block Grant Program (Mr. Maddox recused himself from the vote and the discussion).

8. Approval of 2010 Board and Committee Calendars:

Ms. Glover asked the Board members to consider the proposed meeting dates for the 2010 calendar year.

Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board voted in favor of accepting the Board and Committee meetings dates as proposed for the 2010 calendar year.

9. Projects Committee Report:

Mr. Peters, Chairperson of the Projects Committee, provided the Projects Committee report. He mentioned that the Projects Committee met on November 12, 2009 and approved Phase II of the pre-development loans for BNE Wind Colebrook and BNE Wind Prospect, based on the progress made in Phase I.

10. Solar Lease Program Update:

Ms. Perondi-Pitel provided an update on the Solar Lease Program. She mentioned that as of the end of October, there were 377 leases signed under the program representing approximately 2.68 megawatts. To date, there have been 273 installations under the program, and the average price per kilowatt installed is \$7,785. Ms. Perondi-Pitel stated that the total number of signed leases and applications in the pipeline is 701. She mentioned that based on the average sizes of the systems and incentives, CCEF expects to be able to provide financing for 850 projects rather than the 1,000 that was originally estimated. Ms. Perondi-Pitel indicated that approximately \$17,000,000 out of the \$38,600,000 available for the program over three years has been committed. Since CCEF is close to the maximum for the year, Ms. Perondi-Pitel stated that staff will take reservations from applicants but applications will only be approved based on funding availability. After December 31, 2009, CCEF will not accept any new applications under the program. The process will be reopened should funding become available. Ms. Perondi-Pitel reviewed the geographic distribution of the projects, noting the fairly even distribution among the counties. She also reviewed the income limits of the applicants by county. Ms. Perondi-Pitel mentioned that the actual average median incomes are below the program guidelines established for each of the counties. In response to a question about the program being a revolving loan fund, Ms. Perondi-Pitel stated that as a result of the terms of the lease, payments made to the fund would not accumulate fast enough to sustain the program in the immediate future.

11. Navigant Report Task II:

Attorney Michaud explained the Department of Public Utility Control process with respect to the Integrated Resources Plan (the "Plan"). He explained that Navigant has been retained by CCEF to, among other things, be an expert fact witness on CCEF's behalf with respect to the Plan. As a result of the pending litigation regarding this matter, Attorney Michaud advised the Board, in accordance with G.G.S. Section 1-200(6)(B) and C.G.S. Section 1-210 (b)(4), to go into executive session to discuss litigation strategies with representatives from Navigant.

Upon a motion made by Mr. Ranelli, seconded by Mr. Mengacci, the Board voted in favor of going into executive session at 1:30 p.m. to discuss strategy with respect to pending litigation to which CCEF is a party, pursuant to G.G.S. Section 1-200(6)(B) and C.G.S. Section 1-210 (b)(4) (Ms. Healey and Mr. Peters were not present for the vote). Attorney Michaud, Mr. Longo, Ms. Dondy, Mr. Hedman, Mr. Goldberg,

Mr. Wall, and Navigant staff were invited to remain during the executive session. Ms. Babbidge, Mr. Mengacci, and Mr. Hennessy did not participate and left the room during the executive session.

The executive session ended at 2:22 p.m., and the regular meeting was immediately reconvened. Ms. Babbidge and Mr. Mengacci rejoined the meeting. The Board did not take any action on this matter during or following the executive session.

12. Legal/Regulatory Update:

Attorney Michaud provided an update on docket number 09-07-10 regarding the petition of Elm Electric Cooperative, Inc. to order the electric distribution companies to furnish electric service to Elm Electric Cooperative. He explained the background of the formation of Elm Electric Cooperative to sub meter the electric usage from the 400 kilowatt fuel cell project at 360 State Street, New Haven. Attorney Michaud explained that the public utility companies are against the petition. He indicated that CCEF filed a brief in support of the petition filed by Elm Electric Cooperative. A decision on this docket has not yet been issued but could be an important decision that may set precedence.

Attorney Michaud indicated that the Department of Public Utility Control has requested comments on the 2010 Integrated Resource Plan. He reported on the proposed Tamarack biomass project in Watertown under Project 150. Attorney Michaud stated that the developer has filed a motion to reopen the proceedings and wants to make changes to the terms of its financing mechanism that was submitted during the competitive selection process. He asked the Board for guidance on CCEF's position. Discussion ensued.

13. Adjournment: Upon a motion made by Ms. Muradian, seconded by Mr. Peters, the Board members voted in favor of adjourning the November 30, 2009, meeting at 2:37 p.m.

Respectfully submitted,

Norma Glover, Chair

Jerry Peters, Secretary