

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, December 22, 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 December 22, 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 12:12 p.m. Board members participating: Tracy Babbidge representing the Commissioner of the Department of Environmental Protection; Tim Bowles; Norma Glover; Alan Greene; Mary Healey, Office of Consumer Counsel; Bob Maddox; John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen (by phone); Jerry Peters; and Patricia Wrice. Absent: Scott DeVico, Emergency Management and Homeland Security; Kevin Hennessy; and Jessie Stratton.

Staff and Adjunct Staff Attending: George Bellas, Lise Dondy, Keith Frame; David Goldberg; Dale Hedman, Peter Longo, Paul Michaud, Shelly Mondo, Charlie Moret, Emily Smith and Bob Wall.

Public Attending: Michael Trahan, Solar Connecticut; David Colby, Alteris; James Howard, BNE; Kevin Mull; and John Revey.

2. Public Comments:

There were no public comments.

3. Approval of Minutes: Mr. Bowles asked the Board members to consider the minutes of the November 24, 2008 regular meeting and December 5, 2008 special meeting.

Upon a motion made by Mr. Mengacci, seconded by Mr. Peters, the Board voted in favor of adopting the minutes from the November 24, 2008 regular meeting as presented (Ms. Healey abstained from the vote, and Mr. Maddox was not present for the vote).

Upon a motion made by Mr. Mengacci, seconded by Mr. Peters, the Board voted in favor of adopting the minutes from the December 5, 2008 special meeting as presented (Mr. Mengacci and Ms. Muradian abstained from the vote, and Mr. Maddox was not present for the vote).

4. Chairman's Report: Mr. Bowles provided the Chairman's report. He stated that included in the Governor's Deficit Mitigation Plan for fiscal year 2008-2009, is the proposal to transfer \$10,000,000 of unrestricted and unencumbered funds from the Clean Energy Fund to the General Fund. Mr. Bowles indicated the need for the Board to develop a strategy to address the potential implications of this proposal. Additionally, he noted the desire to find ways to work closely with the Connecticut delegation and Governor's office to obtain federal funding.

5. President's Report: Ms. Dondy provided the President's report. She noted the CCEF was a participant in the Program Review Committee charged with looking at energy efficiency programs across the state. A report was issued with the respective legislative committee recommending a reorganization of the energy related agencies. However, the recommendation was rejected by the committee. Ms. Dondy mentioned that several different lists of CCEF approved projects that will be ready for construction within 120 days were provided to the Governor's office. It is hopeful that the projects ready for construction will receive federal funding by the new administration. Ms. Dondy indicated that SunEdison has agreed to CCEF legal requirements with respect to the Solar program and CCEF will move forward with the legal agreements. She mentioned that a meeting was held with respect to the eligibility of solar installers. As a result of the meeting and there being no objection from the Board members, changes will be made to the eligibility requirements for eligible installers.

6. Solar Connecticut:

Mr. Trahan from Solar Connecticut gave his perspective of the impacts of the lack of CCEF funding on the solar industry in Connecticut. He noted some of the successes in the solar market as a result of the funding. However, Mr. Trahan expressed concern with losing the momentum in the solar industry with the lack of funding available.

Mr. Colby from Solar Wrights reviewed some specific recommendations with respect to the Solar Lease Program for consideration by the Board. He made the following suggestions:

- removal of the income cap, at least on a short-term basis
- consideration of a different mechanism for calculating fair market value of the system
- an option to buy the system after 5 years (i.e. lease to own option)
- clarify some of the issues being represented by the solar leasing company that differ from the program facts being marketed
- develop an aggressive marketing plan for the program

Staff provided responses to some the suggestions made. It was noted that certain criteria under the program are federal requirements as a result of the tax credits. Staff will consider the recommendations, research the issues and report back to the Board in January 2009.

7. Solar Residential Rebate Proposal:

In light of the Governor's Deficit Mitigation Plan, Mr. Bellas provided a summary of CI's cash position as of November 30, 2008. He reviewed the unfunded commitments, cash available to fund future programs, and projected cash flow after operating expenses. Discussion ensued on the three-year contractual commitment to the Solar Lease Program in the amount of \$38,600,000. It was noted that the unencumbered fund balance of \$22,000,000 referenced in the Deficit Mitigation Plan did not reflect the annual commitment of approximately \$13,000,000 for the Solar Lease Program. Had this commitment been taken into account, CCEF's unencumbered fund balance would have been \$9,000,000. Mr. Bellas will reflect the annual commitment for the Solar Lease Program in future reports on the unencumbered fund balance and provide suggestions at the January 2009 meeting on how to manage the funding of future projects based on the cash on hand.

The Board discussed how to proceed with the limited amount of funding. Ms. Dondy discussed some of the potential federal options. She offered the following suggestions in an effort to avoid losing the momentum in the solar industry: 1) set priorities to better manage cash, 2) develop a six-month priority list and 3) develop a waiting list of approved applicants/projects. Ms. Dondy explained the recommendation to allocate an additional \$900,000 to the Solar PV Rebate Program to fund the projects received within 48 hours after the announcement was made that CCEF was no longer accepting applications. She reviewed the programs where the funds would be transferred from and discussed the remaining balances in each of the programs. In response to a question, Ms. Dondy indicated that since the Department of Public Utility Control ("DPUC") approved CCEF's Comprehensive Plan, the DPUC is kept abreast of any changes made.

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

RESOLVED:

- (1) That the Board of Directors of the Connecticut Clean Energy Fund ("CCEF Board") has determined that CCEF program changes and reallocations of CCEF funding for certain CCEF programs are necessary and in the furtherance of the CCEF Comprehensive Plan, and thus are authorized as follows:**
 - (a) For the Small Photovoltaic (PV) Rebate Program, any applications received by CCEF within 48 hours after the November 19, 2008 public announcement that CCEF was no longer accepting applications for this program shall be eligible for a rebate in the revised rebate level approved by the CCEF Board at the Board meeting held on October 27, 2008; and**

- (b) **\$900,000 shall be reallocated to the Small Photovoltaic (PV) Rebate Program from other CCEF programs as follows:**
- i. **\$650,000 from the Technology Studies Program;**
 - ii. **\$200,000 from Other Technology Program Expenses; and**
 - iii. **\$50,000 from the Education and Outreach Program.**

8. Approval of Grant Writing Services RFP:

Mr. Goldberg discussed the recommendation to provide funding for a professional grant writing organization. He stated that staff issued a Request for Proposals ("RFP") to assist in researching, coordinating and applying for appropriate federal funding opportunities. There was unanimous consensus from the internal evaluation committee to recommend the retention of GSP Consulting Corp. The Board discussed the retainer fee.

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

RESOLVED:

- (1) that the Clean Energy Fund Board of Directors authorizes Staff to enter into a one-year contract with GSP Consulting Corporation to perform grant writing assistance in an amount not to exceed SIXTY THOUSAND DOLLARS (\$60,000) to be paid in monthly installments over the term of the contract;;
- (2) that Peter Longo, President and Executive Director of Connecticut Innovations, Inc. ("CI"), Lise Dondy, Vice President of CI and President of the Connecticut Clean Energy Fund ("CCEF"), or any other duly authorized officer of CI, is authorized to execute and deliver for, and on behalf of the CCEF, not later than March 31, 2009, any legal instrument necessary to effectuate such Agreement on such terms and conditions as he or she shall deem to be in the best interests of the CCEF, in conformance with the wishes of the Connecticut Clean Energy Fund Board, and in conformance with Section VI of the operating procedures of the Connecticut Clean Energy Fund Board. The authorized officer's approval thereof is 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 instrument.
- ((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 instrument.

9. Committee Calendar Approval:

The Board reviewed the proposed calendar of committee meetings for the 2009 calendar year.

Upon a motion made by Ms. Glover, seconded by Mr. Greene, the Board voted unanimously in favor of accepting the meeting dates proposed for calendar year 2009.

10. Resolution Extensions:

Attorney Michaud discussed Staff's requests for extensions of the execution dates for various project contracts and to restructure the Alexion Hybrid Fuel Cell and Solar Project into two separate projects for funding and contract purposes.

Upon a motion made by Mr. Mengacci, seconded by Ms. Muradian, the Board voted in favor of adopting the following resolution (due to a potential conflict of interest, Mr. Peters recused himself from the vote):

RESOLVED:

- (1) That the Connecticut Clean Energy Fund Board of Directors ("CCEF Board") has determined that extending or setting grant agreement execution termination dates for the following previously approved projects is prudent, in the furtherance of the CCEF Comprehensive Plan, and in the interests of ratepayers:
 - (a) The deadline for executing the grant agreement for the 82.08 kW PV system to be located at the Staples #309, 15 South Main Street in Torrington, CT shall be extended until January 31, 2009;
 - (b) The deadline for executing the grant agreement for the 26.73 kW PV system to be located at the Walgreens store at 922 Silver Lane, East Hartford, CT shall be extended until January 31, 2009;
 - (c) The deadline for executing the grant agreement for the 29.60 kW PV system to be located at the Walgreens store at 324 North Main Street, West Hartford, CT shall be extended until January 31, 2009;

- (d) The deadline for executing the grant agreement for the 10 MW Wind Prospect project to be located in Prospect, CT shall be extended until March 31, 2009;
 - (e) The deadline for executing the grant agreement for the 10 MW Wind Colebrook project to be located in Colebrook, CT shall be extended until March 31, 2009; and
 - (f) The deadline for executing the grant agreement for the 400kW Fuel Cell system to be installed at 360 State Street, New Haven, CT shall be extended until March 31, 2009.
- (2) that each of Peter Longo, President and Executive Director of Connecticut Innovations; Lise Dondy, Vice President of Connecticut Innovations and President of the Connecticut Clean Energy Fund (“CCEF”); or any other duly authorized officer of Connecticut Innovations is authorized to execute and deliver for and on behalf of CCEF, not later than the dates stated in Section (1)(a)-(f) above, any contract or other legal instrument necessary to effect the Grant on terms and conditions as he or she shall deem to be in the interests of CCEF and ratepayers, 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 CI 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 instrument.

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

RESOLVED:

- (1) That the Connecticut Clean Energy Fund Board of Directors (“CCEF Board”) previously approved the Alexion Hybrid Fuel Cell and Solar Project, a 200kW fuel cell system (“Fuel Cell System”) and 295 kW PV system (PV System) to be located at the Alexion facility in Cheshire, CT for a combined \$2,775,000 grant, and that the CCEF Board has now determined that splitting the Fuel Cell System and the PV System into separate projects and to be funded at \$1,571,000 for the Fuel Cell System and \$1,204,000 for the PV System respectively, and extending the grant agreement execution termination date for both systems until March 31,

2009, is prudent, in the furtherance of the CCEF Comprehensive Plan, and in the interests of ratepayers;

- (2) that each of Peter Longo, President and Executive Director of Connecticut Innovations; Lise Dondy, Vice President of Connecticut Innovations and President of the Connecticut Clean Energy Fund (“CCEF”); or any other duly authorized officer of Connecticut Innovations is authorized to execute and deliver for and on behalf of CCEF, not later than the date stated in Section (1) above, any contract or other legal instrument necessary to effect the Grant on terms and conditions as he or she shall deem to be in the interests of CCEF and ratepayers, 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 CI 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 instrument.

11. Legislative Update:

Ms. Smith provided an update on legislative issues. She noted that the Governor has called a special session of the legislature on January 2, 2009 to consider the Deficit Mitigation Plan for 2008 and 2009, and the regular session begins January 7, 2009. Ms. Smith mentioned that the Energy and Technology Committee will have a new chairperson, and a new subcommittee of the Energy and Technology Committee has been formed to deal with clean energy and energy efficiency issues.

12. Executive Session:

Upon a motion made by Mr. Mengacci, seconded by Mr. Greene, the Board voted unanimously in favor of going into executive session at 2:00 p.m. to discuss pending litigation regarding the DPUC’s denial of Clearview Energy, LLC’s motion to terminate its electricity purchase agreement (“EPA”) with The Connecticut Light & Power Company (“Kofkoff Egg Farm Project”).

The executive session ended at 2:35 p.m., and the regular meeting was immediately reconvened.

13. Regulatory Update:

This item was deferred until the January 2009 meeting.

14. Other Business:

There was no other business to discuss.

15. Adjournment: Upon a motion made by Ms. Healey, seconded by Ms. Glover, the Board members voted unanimously in favor of adjourning the December 22, 2008, meeting at 2:35 p.m.

Respectfully submitted,

Timothy Bowles, Chairman

Norma Glover, Secretary