

**Renewable Energy Investments Board
Minutes - Regular Meeting
Monday, July 28, 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 July 28, 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; Scott DeVico representing the Commissioner of Emergency Management and Homeland Security; Norma Glover; Alan Greene; Mary Healey, Office of Consumer Counsel; Kevin Hennessey; Bob Maddox; John Mengacci representing the Secretary of the Office of Policy and Management; Carol Muradian; John Olsen; Jerry Peters; Jessie Stratton; and Patricia Wrice

Invited Guests: Joan McDonald, Chairperson of the CI Board and Commissioner of the Department of Economic and Community Development.

Staff and Adjunct Staff Attending: Beth Byron, Lise Dondy, George Bellas, Jillian Carbone, Dale Hedman, Peter Longo, Paul Michaud, Shelly Mondo, Angela Perondi-Pitel, Emily Smith, and Bob Wall.

Public Attending: Dorothy Kelly, Darien Public Library and Linda Goodyear, Darien Energy Task Force.

2. Public Comments:

There were no public comments.

3. Approval of Minutes: The Board considered the minutes of the June 30, 2008 regular meeting.

Upon a motion made by Mr. Mengacci, seconded by Mr. Greene, the Board voted in favor of adopting the minutes from the June 30, 2008 regular meeting as presented (Ms. Babbidge and Mr. Hennessey abstained from the vote).

4. Chairman’s Report: Mr. Bowles stated that members of the Technology Committee have been appointed. Ms. Glover, Chair of the Technology Committee, indicated that the membership will consist of three members from the CCEF Board and three members from the private sector. The membership will be comprised of Norma Glover, John Mengacci, Kevin Hennessey, Carl Nett, Mark Cirilli and William Ellis. Ms. Glover discussed the backgrounds for each of the three non-board members. She

explained that the three Board members will have the authority to vote and recommend proposals, and the three other members will act in an advisory capacity.

Mr. Bowles reported that in accordance with statutory requirements, a meeting of the Solar Task Force was convened. He mentioned that David Goldberg from CCEF gave a presentation and comprehensive review of what is being done in the state to promote solar energy. Mr. Peters, Mr. Mengacci and Ms. Babbidge, members of the task force, spoke favorably about the meeting. Mr. Peters stated that he was very impressed with the wealth of talent and ideas generated from the meeting. He noted that everyone was focusing on the needs of the state. Ms. Babbidge stated that the meeting was very productive and that there was an immediate understanding of what other state's are doing

5. Board Support Resolution for CCEF Funding: Mr. Bowles stated that a draft resolution has been prepared affirming the Board's dedication to the preservation of CCEF for the promotion of the renewable energy industry in the state and globally. The resolution was discussed at the Executive Committee meeting and amendments on the language in the resolution were suggested. Mr. Bowles asked the Board members to review the draft resolution and provide any comments to Attorney Michaud at least two weeks before the September Board meeting. Attorney Michaud stated that the goal is to adopt a resolution to provide to the legislature together with CCEF's Comprehensive Plan.

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

6. Projects Committee Report:

Mr. Peters provided the Projects Committee report. He noted that the Projects Committee met on June 19, 2008 and July 17, 2008 and approved 18 projects, 15 of which were Solar PV projects. He stated the Projects Committee conditionally approved pre-development loans for two wind projects. With respect to the wind projects, staff was asked to verbally verify local support for the projects. Mr. Peters stated that action on one PV project was deferred and staff was asked to find out why the costs for the project were so high. He mentioned that the Projects Committee approved a 400 kW fuel cell project and was pleased with the low costs. The project is proposed to supply all of the electrical and heating needs for a 500-unit apartment complex.

7. President's Report: Ms. Dondy provided the President's report. She mentioned that CCEF has been charged by the legislature to engage the Connecticut Academy of Science and Engineering ("CASE") to study how other states promote and increase the use and supply of renewable energy and clean energy. The contract with CASE has been drafted and CASE should begin work in the near future. Ms. Smith and Mr. Murphy were recognized for their work setting up the new CCEF Website. Ms. Dondy gave a brief presentation on CCEF's accomplishments at the end of the 2008 fiscal year. She mentioned that for the first time, CCEF was required to prepare and

submit a Comprehensive Plan. Ms. Dondy stated that CCEF launched the Solar Lease Program and reviewed and approved proposals under Project 150. She then presented charts showing the year over fiscal year growth of projects under Goal 1 OnSite Distributed Generation and Small Solar Rebate Programs and Goal 3 Communities' programs. Ms. Dondy thanked and complimented the staff and the Projects Committee for the tremendous amount of work done this year.

8. Support Letter CEAB Renewable Subcommittee Recommendations:

Attorney Michaud informed the Board that the CEAB Subcommittee adopted the CCEF's proposal that the Connecticut Comprehensive Procurement Plan include the recommendation that the DPUC direct the electric distribution companies, along with CCEF, to create a pilot contract (regional) solicitation to allow the DPUC to evaluate the potential contracting for bundled Renewable Energy Certificates ("RECs") energy, and capacity to further reduce REC costs. Attorney Michaud presented a draft letter on behalf of the CCEF Board stating its support for the CEAB Subcommittee's recommendation to create the pilot contract regional solicitation for renewables. Attorney Michaud noted that the letter emphasizes the CCEF's support for the regional procurement approach. A recommendation was made by a board member to clarify the language in the letter to indicate that the CCEF supports the bundling of RECs **from a single source**. Attorney Michaud stated that he would amend the letter to reflect this recommendation.

Upon a motion made by Ms. Glover, seconded by Mr. Peters, the Board voted in favor of sending a letter in support of the CEAB Subcommittee's recommendations for the regional procurement approach with the language modified to specify bundling of RECs from a single source (Ms. Babbidge, Ms. Healey and Mr. Mengacci abstained from the vote because they are members of the CEAB).

9. Special Meeting Date for September:

Ms. Dondy recommended that a special meeting be scheduled in September for the review of proposals under Project 150 as it will require more time than the regularly scheduled board meeting would allow. The Board agreed to schedule a special meeting for approval of Project 150 proposals on September 15th.

10. CT Clean Energy Communities Program Version 3.0:

Due to a potential conflict of interest, Mr. Maddox recused himself from discussion and the vote on the CT Clean Energy Communities Program and Community Innovation Grants Program. Mr. Maddox left the meeting at this time. Mr. Olsen noted that even though a member has a conflict of interest, he or she is not required to leave the room.

Mr. Wall explained how the CT Clean Energy Communities Program (the "Program") evolved. Mr. Wall reported on the objectives of the program, noting that a majority were

achieved. He stated that nearly half of all Connecticut communities are supporting clean energy through the Program. More than 30 GWh of clean energy is being voluntarily purchased by towns. It was noted that CCEF has also exceeded its goal for residential sign-ups for the CTCleanEnergyOptions program.

Under the Comprehensive Plan for fiscal year 2009 – 2010, Mr. Wall noted that the Board allocated \$4,650,000 for the Program, including clean energy systems, outreach and other costs such as site inspections. He stated that Version 3.0 will build upon the existing features of the Program. Mr. Wall explained some of the key changes to the Program that were developed with input from a focus group consisting of clean energy leaders in participating communities. He stated that Version 3.0 will provide additional incentives and resources for cities and towns to qualify for earned clean energy through the Clean Energy Communities Program. He noted that bonus rewards will be provided to cities and towns that achieve certain milestones.

Mr. Wall explained other new aspects of the program as described in the written proposal in the board package. Some of the changes include that in order for municipalities to earn clean energy systems from CCEF, they must make voluntary purchases of 5 percent clean energy in 2008, 9 percent in 2009 and 13 percent in 2010. Municipalities must also commit to the EPA Community Energy Challenge which requires them to reduce energy use by 10 percent. Mr. Wall explained that CCEF will not initiate the installation of systems less than 4 kW. Additionally, CCEF will require energy audits for all host sites. No additional benefit will be provided for the Southwestern, Connecticut communities. Mr. Wall stated that in an effort to advance community based clean energy awareness, CCEF will provide additional technology incentives, such as solar thermal, day lighting and small wind.

Upon a motion made by Mr. Hennessey, seconded by Ms. Stratton, the Board voted in favor of adopting the following resolution (Ms. Healey abstained from the vote, and Mr. Maddox was not present for the vote).

Resolved:

- (1) that the FOUR MILLION SIX HUNDRED FIFTY THOUSAND DOLLARS (\$4,650,000) approved as part of the FY 2009 – FY 2010 Comprehensive Plan be authorized to implement the Connecticut Clean Energy Communities Program – Version 3.0.
- (2) that the March 31, 2006 board approval of \$1,750,000 to support Version 2.0 of the Clean Energy Communities Program be extended from December 31, 2007 to June 30, 2009.
- (3) 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; or any other duly authorized officer of Connecticut Innovations is authorized to execute and

deliver for and on behalf of Connecticut Innovations not later than December 31, 2009, any agreement or document necessary to effectuate such financing (the "Agreement") on such terms and conditions as the signatory shall deem to be in the best interests of Connecticut Innovations including terms and conditions relating to the matters described in Section 6 of the Regulations. The authorized officer's approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the Agreement; and; and

- (4) 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 Agreement.

11. Community Innovation Grants Program 2.0:

Mr. Wall discussed the background of the Community Innovations Grant Program. The program was designed to provide eligible communities with small block grants to support local projects to raise awareness of the benefits and availability of clean renewable energy and encourage the voluntary support of clean energy. He provided several examples of how the block grants were utilized to encourage the voluntary support of clean energy and how the grants generate added value. Mr. Wall stated that \$328,000 was allocated in the FY 2009-FY2010 Comprehensive Plan for the program. He mentioned that a pilot program was approved in 2006, and recommendation is being made to modify the program. Mr. Wall stated that the modifications are intended to accelerate growth of the voluntary market for clean energy and leverage program funding to create model, sustainable communities throughout Connecticut. He summarized the changes and the rationale for each of the changes. Mr. Wall stated that \$200,000 is being requested to allow up to 50 municipalities to receive micro-grants of up to \$4,000 each. Due to the rapid growth in the number of eligible communities, the individual grant amount is being reduced from \$5,000 to \$4,000. Mr. Wall explained that a municipality shall be awarded \$2,000 upon satisfaction of the training requirements and submission of a Memorandum of Understanding. He stated that \$90,000 is being requested to allow up to 45 municipalities to receive a micro-grant of \$2,000. Mr. Wall also mentioned that \$10,000 is being requested to allow at least 10 at-large recipients to receive a micro-grant of up to \$1,000. Mr. Wall explained that the program includes enhanced training and support services. He stated that CCEF will try to recruit clean energy leaders from participating communities to train peers at regional workshops. CCEF will also actively assist program participants to leverage funding with outside sources such as community-based foundations.

Mr. Wall stated that a grant recipient has to send two members to training and comply with reporting requirements.

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

Resolved:

- (1) that the THREE HUNDRED FORTY THOUSAND DOLLARS (\$340,000) approved as part of the FY 2009 – FY 2010 Comprehensive Plan be authorized to continue the revised Community Innovations Grants Program.
- (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; or any other duly authorized officer of Connecticut Innovations is authorized to execute and deliver for and on behalf of Connecticut Innovations not later than December 31, 2009, any agreement or document necessary to effectuate such financing (the “Agreement”) on such terms and conditions as the signatory shall deem to be in the best interests of Connecticut Innovations including terms and conditions relating to the matters described in Section 6 of the Regulations. The authorized officer’s approval thereof as hereby authorized to be conclusively evidenced by the execution and delivery of the Agreement; and; 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 Agreement.

12. Other Business:

There was no other business to discuss.

13. Adjournment: Upon a motion duly made and seconded, the Board members voted unanimously in favor of adjourning the July 28, 2008 meeting at 1:52 p.m.