

**Renewable Energy Investments Board
Minutes - Special Meeting
Monday, September 15, 2008**

A Special Meeting of the **Renewable Energy Investments Board**, hereinafter referred to as “**the Connecticut Clean Energy Fund Board**” (the “Board”), was held on September 15, 2008, at the office of the Connecticut Clean Energy Fund, 200 Corporate Place, Rocky Hill, CT, for the purpose of deliberating project proposals for Round 3 of Project 150.

1. **Call to Order**: Noting the presence of a quorum, Tim Bowles, Chairperson of the Board, called the meeting to order at 12:08 p.m. Board members participating: Tracy Babbidge, representing the Commissioner of the Department of Environmental Protection; Tim Bowles; Norma Glover; Alan Greene (by phone); Kevin Hennessy; Bob Maddox; John Mengacci, representing the Secretary of the Office of Policy and Management (by phone); Carol Muradian; John Olsen; and Jerry Peters. Absent: Scott DeVico, representing the Commissioner of Emergency Management and Homeland Security; Mary Healey, Office of Consumer Counsel; Jessie Stratton; and Patricia Wrice.

Staff and Adjunct Staff Attending: Lise Dondy, Dale Hedman, Peter Longo, Attorney Paul Michaud, Shelly Mondo, and Emily Smith; Robert Grace and Sue Kim of Sustainable Energy Advantage (Project 150 consultants); and David Nickerson of Mystic River Energy Group (Project 150 consultant); and Richard Steeves, Office of Consumer Counsel.

Public Attending: Richard Shaw, FuelCell Energy; and Frank Wolak, FuelCell Energy.

2. **Opening Remarks**:

Mr. Bowles sadly acknowledged the passing of Mr. McClenachan. He noted that Mr. McClenachan was a tremendous contributor to the efforts of the Clean Energy Fund from its inception. Mr. Bowles congratulated Mr. Hennessey for the recent birth of a son.

Mr. Bowles stated that the purpose of the Special Meeting is to discuss and deliberate the proposed projects submitted under Round 3 of Project 150. He asked the members of the public to introduce themselves.

3. **Approval of Minutes**:

Consideration of the July 28, 2008, minutes was deferred until the next Board meeting.

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

Mr. Hedman stated that the CCEF Board will be presented with the analysis and recommendations made by the CCEF Evaluation Working Group and the CCEF Project 150 Steering Committee for Round 3 of Project 150. He explained that one of the changes in the process agreed upon by the Department of Public Utility Control (“DPUC”) and the two electric distribution companies was that the review and analysis of the projects would be conducted in parallel by the CCEF and the electric distribution companies to expedite the process. Additionally, it was agreed that the CCEF would be more an active advocate in the DPUC hearing process for the selection of projects under Round 3 rather than the “gatekeeper only.”

Mr. Grace discussed the history of Project 150 (initially Project 100) which was enacted by the legislature. He reviewed the composition and expertise of both the Evaluation Working Group and Steering Committee. Mr. Grace discussed the key steps in the evaluation process. He noted that the evaluation methods and scoring weights were adjusted and refined for Round 3 based on previous experiences prior to receipt of proposals.

Mr. Grace explained the evaluation metrics used by the Evaluation Working Group. He stated that while the evaluation metrics were shifting closer to the DPUC and electric distribution companies’ rationale of focusing solely on ratepayer costs, weight was still kept on CCEF goals and non-price attributes such as project feasibility and financial viability. Mr. Grace reviewed the points under each of the subcategories. He noted that two of the nine proposals received did not meet the minimum bid requirements and the projects were therefore not evaluated. Each of the remaining seven proposals was evaluated by the Evaluation Working Committee utilizing the evaluation metrics and put into three preliminary categories—“recommended,” “on the fence,” and “not recommended.” It was noted that if there is another round under Project 150, the Steering Committee requested input on the evaluation metrics.

Mr. Grace discussed the overall portfolio characteristics, noting that the seven proposals evaluated were all fuel cell proposals utilizing four different technology configurations and approximately 45.1 total megawatts or about two times the target amount. He noted that the projects are at different stages of development, and three of the applicants requested additional CCEF funding. Mr. Grace discussed some of the possible reasons for the limited variety of technologies in this round of funding. The Board noted that if there is something that could improve the process, steps should be taken to have the legislature make the necessary changes. Mr. Grace explained that four of the seven projects are dependent upon the extension of the federal investment tax credits or production tax credits and would withdraw their projects in the event of a nonrenewal.

Mr. Nickerson provided an overview of the Evaluation Working Group’s recommendations. He explained the rationale as to why four projects were recommended for further consideration by the Board, one project was on the fence and two projects were not recommended. Mr. Nickerson explained the sensitivity of the base case recommendations and results of key variables. He stated that the Evaluation

Working Committee evaluated the impact on each proposal of future electricity/natural gas price trajectories and future REC price trajectories. Mr. Nickerson explained that, after a lengthy discussion, the Steering Committee voted to forward all seven proposals to the CCEF Board for further consideration. Mr. Peters, Chair of the Steering Committee, also explained the rationale for the Steering Committee forwarding all seven projects to the CCEF Board for further consideration.

After considerable deliberation regarding the merits of all seven proposed projects, the Board concluded that five of the seven proposed projects, totaling approximately 27 MW, should be approved to receive CCEF funding and be forwarded to the DPUC for its review and possible approval of electricity purchase agreements.

Attorney Michaud recommended the consideration of adding a sunset provision in the CCEF grant agreements to give the CCEF the legal right to withdraw its funding if any of the proposed projects do not move forward within a specified time-frame. The Board generally agreed with Mr. Michaud's suggestion, but wanted assurances that the grant agreements would not be too restrictive and would give the projects appropriate time and flexibility to come to fruition.

Upon a motion made by Mr. Olsen, seconded by Ms. Glover, the Board voted unanimously in favor of the resolution attached to the minutes.

5. **Adjournment:** Upon a motion made by Ms. Babbidge, seconded by Mr. Peters, the Board members voted unanimously in favor of adjourning the September 15, 2008, meeting at 1:42 p.m.

**RESOLUTION OF THE
CONNECTICUT CLEAN ENERGY FUND
BOARD OF DIRECTORS
September 15, 2008**

“Project 150 – Round 3”

RESOLVED:

- (1) That the Board of Directors of the Connecticut Clean Energy Fund hereby approves:
- (i) Submitting the projects identified herein, ranked in order of preference, to the Department of Public Utility Control (“DPUC”) for its review and approval of long-term electricity purchase agreements (“EPAs”); and
 - (ii) Providing the projects identified herein with a CCEF grant in the amount specified, but contingent upon the projects receiving: (1) regulatory approval from the DPUC, and (2) successfully executing EPAs with the electric distribution companies:

Rank: 1

Project Name: DFC-ERG Bloomfield
Developer Name: FuelCell Energy, Inc.
Location: Bloomfield
Type: Fuel Cell + Energy Recovery Generator
Size: 3.367 MW (seasonal average capacity)
Grant Amount: \$50,000

Rank: 2

Project Name: Bridgeport Fuel Cell Park
Developer Name: Bridgeport Fuel Cell Park, LLC
Location: Bridgeport
Type: Fuel Cell + Organic Rankine Cycle
Size: 14.294 MW (seasonal average capacity)

Grant Amount: \$1,550,000

Rank: 3

Project Name: DFC-ERG Trumbull
Developer Name: FuelCell Energy, Inc.
Location: Trumbull
Type: Fuel Cell + Energy Recovery Generator
Size: 3.200 MW (seasonal average capacity)
Grant Amount: \$50,000

Rank: 4

Project Name: DFC-ERG Glastonbury
Developer Name: FuelCell Energy, Inc.
Location: Glastonbury
Type: Fuel Cell + Energy Recovery Generator
Size: 3.200 MW (seasonal average capacity)
Grant Amount: \$50,000

Rank: 5

Project Name: Cube
Developer Name: EPG Fuel Cell, LLC
Location: Danbury
Type: Fuel Cell + Un-fired Gas Turbine
Size: 3.238 MW (seasonal average capacity)
Grant Amount: \$3,000,000

- (2) That Peter Longo, President and Executive Director of Connecticut Innovations, Inc. (CI), Lise Dondy, Vice President of CI and President of the CCEF, or any other duly authorized officer of CI, is authorized to execute and deliver for, and on behalf of the CCEF, any contracts or other legal instruments necessary to effect the grants on terms and conditions as he or she shall deem to be in the interests of the 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 is hereby authorized to be conclusively evidenced by the execution and delivery of said legal instrument; and
- (3) That the proper CI officers are authorized and empowered to do all other acts and execute and deliver all other documents as they shall deem necessary and desirable to effect the above-mentioned legal instruments.