

Connecticut Green Bank
Board of Directors
Minutes – Special Meeting
Wednesday, June 25, 2014

A special meeting of the Board of Directors of the **Connecticut Green Bank (the “Green Bank”)** was held on June 25, 2014 at the office of the Clean Energy Finance and Investment Authority, 845 Brook Street, Rocky Hill, CT, in the Colonel Albert Pope conference room.

1. **Call to Order:** Bryan Garcia, President and CEO of CEFIA, called the meeting to order at 2:05 p.m. Board members participating: Norma Glover (by phone), Mun Choi (by phone), Patricia Wrice (by phone), and Reed Hundt (by phone).

Members Absent: Catherine Smith, Tom Flynn, John Harrity, Matt Ranelli, Rob Klee and Bettina Ferguson.

Staff Attending: George Bellas, Mackey Dykes, Brian Farnen, Bryan Garcia, David Goldberg, Dale Hedman (by phone), Bert Hunter (by phone), Kerry O’Neill (by phone), and Cheryl Samuels.

Others Attending: none

2. **Public Comments**

There were no public comments.

3. **Update on Residential Solar Incentive Program**

Mr. Garcia stated that the reason for the optional special meeting is to update the board on the Residential Solar Incentive Program and recent changes in the law around net metering. Staff is evaluating several options that they would like to present to the board and get their feedback. Mr. Garcia explained that a law was passed on June 6th: PA 14-134 “An Act Concerning Technical and Minor Revisions to and Repeal of Obsolete Provisions of Energy and Technology Statutes” which modifies Section 106(b) of PA 11-80 changing 16-243b to 16-243h which staff believes should have been 16-244r or ZREC. Customers who receive expected performance-based buydowns under this section shall not be eligible for a credit pursuant to section [16-243b] 16-243h of the general statutes. Section 16-243b of the general statutes refers to residential net metering which CEFIA staff believes it should have been 16-244r or ZREC. Revisions signed into law on June 6, 2014 are not retroactive – they are applied prospectively. The change was discovered on June 10, 2014. The impact of the problem is if a homeowner takes a prospective buydown, going forward there is no net metering for that homeowner. There is significant lost value to the homeowner without net

metering. Since identifying the problem, application approval has been suspended until a fix is made but not the receipt of applications requesting an expected performance based buydown (EPBB.) Solar Installers were informed of the problem on June 20, 2014. The solar industry also had no idea of this change. A request was made to the solar installers to continue to submit applications requesting EPBB incentives. It was noted that there will be a webinar scheduled to take place on June 26, 2014 with the solar installers to discuss the problem and CEFIA's position.

CEFIA has talked to the Governor's Office and key legislative leaders and they realized the reference to net metering was a mistake and are supportive of CEFIA remedies to the problem until next legislative session. CEFIA are keeping them apprised of the issue.

Some of the possible solutions that CEFIA explored include call this a "Scrivener's error" requesting a change to a clerical error. That was exhaustively pursued and did not work. The second is still in process and that is to ask the utilities to continue to honor the EPBB net metering commitment until the policy is fixed. A meeting with the utilities was organized and will take place on June 25, 2014 at the offices of DEEP; 10 Franklin Square, New Britain, CT. A question was asked if the utilities will be asked to pay for future installs of net metering. A discussion ensued. Mr. Garcia stated that CEFIA was advocating for the homeowners and identifying opportunities that would allow them to continue to net meter. There are a couple of other options that CEFIA is considering. One is to create a homeownership performance based incentive that has an economically comparable value similar to the EPBB, but functions as a performance based incentive.

Mr. Garcia mentioned that CEFIA can modify the program as a result of the legislative change and explained that nothing in the subsection shall restrict the authority from modifying the approved incentive schedule before the issuance of its next comprehensive plan to account for changes in the federal or state law or regulation or developments in the solar market when such changes would affect the expected return on investment for a typical residential solar photovoltaic system by twenty percent or more. With the approval of the board of directors, CEFIA can fix this quickly by allowing the equivalent value of the EPBB incentive to function as a homeownership performance based incentive. Mr. Garcia stated that CEFIA have the statutory flexibility to propose a change and will with the approval of the board of directors.

Mr. Farnen mentioned that option number one should be to do a one month performance based incentive and then a prompt payout of the performance incentive. The solar PV installers will get their incentive later after compliance with the performance metrics is confirmed instead of the present practice of a payment at equipment delivery to the home and the balance following completion of installation and inspection. The second approach would be to do a PBI

performance test over a one-year period but would create some risk to CEFIA and create more paperwork. The third is a six year performance model. The one year and six year could be adjusted.

A question was asked if all of the proposed options make the homeowner whole and the answer was “yes”. Under the proposed incentives as a performance based incentive the utilities would have to provide net metering for homeowners. Mr. Hunter expressed some concern with the first option versus the other two options. Mr. Hundt complimented staff on their behavior for trying to protect the homeowner. Mr. Hundt recommends going to the utilities with all options to fix the net metering problem and hopes that what CEFIA will come up with is further removed from offering grants. Mr. Garcia reiterated that CEFIA is trying to get the net metering problem fixed. Mr. Hedman mentioned that the PBI was a mechanism born in California and explained how that came about. Mr. Hedman stated that he feels more comfortable with a one year PBI. Mr. Garcia explained that staff is trying to look through all of the administrative options for the homeowner. Ms. Glover added that we need to be very careful and protect the installers as well. Mr. Garcia stated that CEFIA will figure it out and will come back in a week with a recommendation with little impact to the homeowner and contractors.

Ms. Wrice stated that she trusts CEFIA staff judgment and feels comfortable with the options that CEFIA proposes. Mr. Garcia said that he is confident that CEFIA will be in a good position to discuss this issue with the installers at the webinar. Mr. Garcia told the members that materials will be sent out to the board next week for their review. Mr. Choi stated that he looks forward to hearing the recommendations next week and feels CEFIA have a great plan to move forward.

4. **Adjournment:** Upon a motion made by Ms. Glover, seconded by Mr. Choi, the Board members voted unanimously in favor of adjourning the June 25, 2014 meeting at 2:47 p.m.

Respectfully submitted,

Catherine Smith, Chairperson