

**Regular Meeting of the
Connecticut Energy Advisory Board
February 1, 2008 Meeting Minutes**

1. Call to Order

The February 2008 monthly meeting of the Connecticut Energy Advisory Board (CEAB) was held at 10:00 a.m. on Friday, February 1, 2008 at the CT Economic Resource Center in Rocky Hill, CT. Members present were John Mengacci, designee of the Secretary of the Office of Policy and Management (OPM); Mary Healey, Connecticut Consumer Counsel; Donald Downes, Chairman of the Department of Public Utility Control (DPUC); Gina McCarthy, Commissioner of the Department of Environmental Protection (DEP); James Sandler, appointee of the President Pro Tempore of the Senate; Joel Gordes, Michael Cassella and Melissa Ozols appointees of the Speaker of the House; Dave Carey, designee of the Commissioner of the Department of Agriculture; and James Sime, designee of the Commissioner of the Department of Transportation (DOT).

2. Approval of Minutes

Chairman Mengacci asked the board to review the minutes of the January 2008 meeting which were distributed prior to the meeting. After review, the board approved the minutes.

3. Chairman's Remarks

Report on Various Energy Issues

The contract with the LaCapra Associates' project team has been executed. There is a kick off meeting on the work following today's board meeting. The project should be completed on time.

Net Energy Analysis

The analysis is being discussed with legislative leaders to investigate the intent of the task prior to further work being done.

Electric Conservation Programs Study

LaCapra reviewed the work that went into preparing the draft energy conservation programs study distributed to the board to consider for approval. Chairman Mengacci presented a transmittal letter to the chairs of the legislature's Energy and Technology Committee. After discussion it was moved, seconded and approved to submit the report with a slightly modified transmittal letter. Messrs. Gordes and Cassella abstained from the vote due to potential conflicts of interest.

Annual Review of OPM Strategic Plan

Joaquina Borges King reviewed the process taken by the board to review OPM's strategic plan for energy management of state facilities. Dan Peaco of La Capra Associates summarized the addendum prepared to be attached to OPM's plan by the board prior to board approval. Going forward emphasis should be on getting measurable results for operational goals that are set and work toward having the document contain a detailed operational plan.

Mr. Sandler expressed concern for what he thought was minimal participation by the board in the creation of the addendum, though he didn't criticize the document. He raised a board process concern on the amount of its involvement in the products being produced by consultants and submitted as products of the board.

Mr. Gordes supported Mr. Sandler's comments and concerns. Chairman Mengacci said this dovetails in to his concerns regarding board staffing issues. He will make it a point to address these matters with the board going forward.

FERC 890

Mr. Peaco of La Capra reviewed the history of CEAB's participation in filings related to FERC 890 Attachment K. Most recently the board filed a letter with FERC commenting on ISO New England's December 7, 2007 filing

proposed as an amendment to its open access transmission tariff. CEAB's letter stated there was still a need to achieve effective coordination at sub-regional levels of planning; a need to ensure regional planning adequately addresses environmental planning matters; and a need to ensure full and timely consideration of non-transmission alternatives in the planning process. ISO has submitted a response to CEAB's letter to FERC addressing the board's concerns. ISO suggested three possible actions by CEAB at this time: a) file further comments to the FERC in response to ISO; b) provide ISO with comments addressing its answer; or c) take no action at this time. Mr. Peaco recommended commenting to ISO on its answers and the board supported this tactic. In discussing the position of other New England states there was agreement that there was consensus with CEAB's sentiment that there is a lack of a true dialog between the states and the system operator in the planning process.

NEEWS

NEEWS filings with the Connecticut Siting Council (CSC) are still planned for July 2008. ISO's Needs Assessment has now been issued as a final document with no substantive changes from the draft. Connecticut's comments in the process will be due in the near future and CL&P has begun dialog with municipalities on the filing. The board discussed the need for an update of the analysis since there have been substantive changes since the analysis was completed. Mr. Downes suggested the board schedule a workshop to discuss the issues surrounding this matter stating there are two schools of thought: 1) Conservation and new generation in Connecticut may mean the NEEWS project is not needed for capacity; 2) NEEWS still has value as import device. As time goes by there is an increased potential that Connecticut will have to pay for the project on its own.

Governor's Letter

In response to the previously discussed letter from Governor Rell to the board and agency heads requesting that all statutes applicable to an entity be distributed to members for review and compliance with state ethics code, representatives from the Office of State Ethics will present to the board at its April meeting.

Members of the Board representing the Departments of Transportation, Agriculture and Public Utility Control left at this point as they have recused themselves from the board's review of the utilities' procurement plan as required by law.

Procurement Plan

Mr. Peaco presented on La Capra's initial review of the Plan assessing whether it meets the legislated requirements. He noted at this point the report and its conclusions are purely those of La Capra. The bottom line conclusion of the consultant is that it qualifies as a planning study not a procurement plan containing limited analysis of transmission issues. It was seen as a document similar to ISO's scenario study.

Issues of concern included the facts that transmission issues were not addressed, that issues related to aging generation in the state were not addressed; nor were future compliance issues. If the plan were to go to DPUC as is, there would still be substantive work to do.

There was consensus of the board that the document is highly inadequate and does not meet the mandates of the legislation. Following this discussion, Chairman Mengacci stated this is a defining moment for the board. The Plan is not close to the legislative intent and the consultant's view that it is partially compliant in some respects is generous. The board could reject the document on a wholesale basis or continue the legislatively prescribed path to show the deficiencies in what was submitted. The board discussed possible consequences of various actions going forward. There was consensus that a final decision on a course of action should be delayed until public comment was in and the February 11th public hearing complete to see if they provided any insights relevant to making a decision on a course of action. Mr. Mengacci speculated that a letter to the co-chairs of the Energy and Technology Committee would be required advising them of the action plan for this matter adopted by the board.

The consultant committed to get the board a report on and synopsis of written comments received in advance of the February 11th hearing.

4. Public Comment

Robert Fromer reemphasized the board's need to look at total energy expended in evaluating all matters that come before it. He also noted a CIA article on energy security and recommended it and its findings to the board. Joel Gordes noted that proposed bill 07-242 deals with energy security in Connecticut.

5. Adjournment

There being no further business to come before the board, Mr. Mengacci adjourned the meeting at 12:15 p.m.

Submitted by: Gretchen Deans

Approved by: The Connecticut Energy Advisory Board, March 7, 2008