

**Regular Meeting of the
Connecticut Energy Advisory Board
May 2, 2008 Meeting Minutes**

1. Call to Order

The May 2008 monthly meeting of the Connecticut Energy Advisory Board (CEAB) was held at 10:00 a.m. on Friday, May 2, 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); Joaquina Borges King, designee of the Connecticut Consumer Counsel; Gina McCarthy, Commissioner of the Department of Environmental Protection (DEP); Donald Downes, Chairman of the Department of Public Utility Control; James Sime, designee of the commissioner of the Department of Transportation; David Carey, designee of the Commissioner of the Department of Agriculture; Melissa Buckley, Tony Sheridan (via telephone) and Jeff Gaudiosi, appointees of the President Pro Tempore of the Senate; Joel Gordes (via telephone), Michael Cassella and Melizza Ozuls appointees of the Speaker of the House; and John Rathgeber, Jim Hoffman and Timothy Cole, appointees of the Governor.

Chairman Mengacci thanked Heather Hunt for the glossary of terms and acronyms she prepared for the board that was distributed with this month's meeting material.

2. Approval of Minutes

Chairman Mengacci asked the board to review the minutes of the April 2008 meeting distributed prior to the meeting. After reviewing the minutes, the board approved them. Messrs. Cassella and Rathgeber abstained from the vote as they did not attend the April meeting.

3. Work Structures

Mr. Mengacci reviewed the history of the board document prepared by Ms. Hunt to provide context to a discussion on what the current work structure of the board should be in light of its current composition. Mr. Downes added further historical perspective noting former DEP Commissioner Arther Rocques and he had developed the concept behind the 2003 board restructuring. They felt representation on the board by commissioners whose departments impacted energy policy in the state was important. He noted that with the 2003 restructuring the board had developed the agency staff working group concept to support the work of the board to avoid huge bureaucratic issues. Mr. Downes stated further that the review of the board's operating structure was teed up by the 2007 board restructuring and expansion of public appointees. He would be in favor of leaving the staff working group structure in place with it being expanded by representatives of new appointees that have the resources to support it.

Mr. Gordes stated there is a conflict between expediency versus democracy. The structure proposed at the April meeting would have representation by six agency people and only two representatives for the nine other members which is disproportional and undemocratic.

Commissioner McCarthy recommended hiring staff to support the board. She feels the recent amount of communications by email about the work of the board equates to exparte operations subverting the public work of the board.

Mr. Rathgeber emphasized the advisory nature of the board and that in administering its activities the board shouldn't attempt to develop its recommendations from whole cloth. He agreed that the current level of communication by email subverts the public process as opposed to carrying out deliberations in a public setting. He would recommend hiring staff or leaving the work group as it is.

The board also discussed operating through subcommittees with board representation rather than through the working group.

Chairman Mengacci stated he was in favor of hiring staff but acknowledges the reluctance to support board staffing at added cost to rate payers.

It was moved and seconded to authorize Chairman Mengacci to develop a budget for what it would cost to staff the board. During discussion Commissioner McCarthy amended the motion to include an evaluation of the board's work plan as a basis for the budget to be developed and incorporate consideration of the use of focused subcommittees by the board. The motion was passed as amended.

4. Various Energy Issues RFP

Chairman Mengacci invited Jane Stahl and Heather Hunt to the table to participate in the discussion of the various energy issues RFP. The discussion of the RFP centered on the appropriateness of limiting the various energy issues study by the board to electricity rather than to a more comprehensive definition of energy.

Mr. Downes attempted to structure the issue at hand by stating that 1) the practical reality is that electricity is where the concentration of the state's focus regarding energy is today; 2) nothing prevents the board from taking a parallel look at other energy structures; and 3) the electric world offers more potential for control than do many other forms of energy. He feels the board should continue with the piece of work being performed now as it has been defined and consider work related to other forms of energy on a separate track. Mr. Gordes feels that the board is mandated to address energy in a broader sense by legislation.

After discussion noting the board should keep in mind the possibility of studying energy issues defined in a more comprehensive sense in the future, it was moved, seconded and approved by a majority of the board to let the request for proposal and associated work as defined by La Capra Associates stand as is with a focus on electricity. Mr. Gordes voted against the motion.

5. Procurement Update

John Athas of La Capra Associates presented a status report on efforts to review/revise the procurement plan submitted by the utilities to the board in January. Sub groups have been meeting on subject areas including demand side management, renewable energy, generation and environment/emission related matters. The information gathering phase of the work is nearing completion. The next stage of the work will be analysis of the information gathered to shape the final procurement plan to be submitted to DPUC.

Board discussion of information presented in the update questioned assumptions being made about retirement of old facilities and those surrounding the inclusion of nuclear plants in the work. John Mengacci charged the consultants to consider the board's concern in these areas as the report is finalized.

6. ECMB Letter to CEAB

CEAB received a letter from ECMB requesting that in light of this revised CEAB review schedule of the utilities procurement plan, the CEAB approve and recommend to the DPUC the early, expeditious ramp up of DSM and the C&LM programs, supported with Procurement Plan funding. After discussion the board, approved submitting a letter supporting presenting its position on 2008-09 Conservation and Load Planning funding to DPUC. The sense of the letter would be to support increasing funding at ECMB for energy efficiency without specifying any particular means of achieving it at this time. Mr. Gordes abstained from voting approval because of a possible conflict of interest.

7. Various Energy Issues

Jane Stahl introduced Mon-Fen Hong of LaCapra Associates to present an update on the various energy issues project. Mr. Mengacci asked if everything was covered in the PowerPoint distributed to the board before the meeting and Ms. Hong said yes. In the interest of time, Mr. Mengacci requested that the board refer to the handout for the update rather than have it reviewed before the board at today's meeting.

8. Siting Council Forecast Proceedings

Heather Hunt discussed the draft letter distributed to the board requesting intervenor status with the Connecticut Siting Council (CSC) in its Docket F-2008 related to CSC's annual forecasting of loads. CEAB is statutorily responsible for participation in the docket. The board authorized the chairman to transmit the letter on behalf of CEAB.

9. Other Correspondence

CEAB Letter to ISO

John Athas of La Capra Associates explained to the board the reason Chairman Mengacci had withdrawn its request for a market transmission upgrade and economic study. The request was withdrawn because after review it was determined it didn't fit the parameters for projects related to Attachments N and K of the Federal Energy Regulatory Commissions Order 890.

Letter from Office of State Ethics

Chairman Mengacci reported on an informal staff opinion letter he received from the Office of State Ethics concluding that members of the CEAB were public officials subject to the State Code of Ethics. Therefore he plans to have the state ethics handbook made available to all members and will plan a presentation from the Office to review the handbook at a future CEAB meeting. Mr. Mengacci went on to state that he is not convinced the board members not employed by the state are required to complete the state financial disclosure form. Further input is needed. Chairman Mengacci left the meeting at this point.

DPUC Letter to CEAB

DPUC Chairman Donald Downes recommended in a letter to CEAB to conduct a study of capacity and reliability in Connecticut's energy zone and conduct an in-depth analysis of the application of combined heat and power (CHP) principles to large scale power generation. Mr. Downes went on to recommend that the Connecticut Academy of Science and Engineering (CASE) be engaged by the board to complete this work. CASE executive director, Richard Strauss, was present at the meeting and gave the board an overview of the Academy, its resources and prior work. After discussion of the request, the board asked Mr. Downes to discuss with Chairman Mengacci the ability of CEAB to contract directly with CASE without going to RFP.

10. Other Business

As part of public comment, Paul Michaud of the Connecticut Clean Energy Fund concurred with the comments of CEAB member Don Downes regarding the need for an assessment of renewable needs and renewable potential under the renewable portfolio standard. He indicated that to this end, the CCEF has been working with La Capra Associates, the electric distribution companies, and ISO-NE gathering assessment data at the state RPS and regional RPS levels. He indicated that the results of this assessment would likely be presented to the CEAB for possible inclusion in the Modified Resource Procurement Plan for 2008.

11. Adjournment

There being no further business to come before the board, the meeting was adjourned at 12:00 p.m.

Submitted by: Gretchen Deans

Approved by: **CT Energy Advisory Board, July 11, 2008**