

**Regular Meeting of the
Connecticut Energy Advisory Board
June 6, 2008 Meeting Minutes**

1. Call to Order

The June 2008 monthly meeting of the Connecticut Energy Advisory Board (CEAB) was held at 10:00 a.m. on Friday, June 6, 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; 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 (DOT); David Carey, designee of the Commissioner of the Department of Agriculture (DOA); Jeff Gaudiosi, appointee of the President Pro Tempore of the Senate; Joel Gordes, Michael Cassella and Melizza Ozuls appointees of the Speaker of the House; and Jim Hoffman and Timothy Cole, appointees of the Governor.

2. Letter from Robert Fromer

Chairman Mengacci called the Board's attention to a letter received from Robert Fromer and asked them to consider adding this to the agenda. The Board voted to add this item to the agenda for discussion. In his letter Mr. Fromer stated it is his conclusion "that DPUC not taxpayers should provide funding for the Staff Working Group" and "request that CEAB seek a legal opinion from the Attorney General on whether taxpayers or ratepayers fund the Staff Working Group."

Regarding Mr. Fromer's comments, Chairman Downes of the DPUC provided the Board background information on how DPUC is funded. He noted that it, like the Office of Consumer Counsel, is a regulatory agency whose funds are derived from a regulatory agreement. There is a prohibition against these funds being transferred to or commingled with funds of other state agencies.

Other state agency heads represented on the Board opined that the work of staff from their agencies associated with the work of CEAB was performed because there are intersections for which their staff have responsibility for at their agencies and the work of CEAB. In all they do, even when assisting their agency heads in participating as members of the Board, they are employees of their departments and not of the CEAB.

After discussion and based on the information presented by Chairman Downes indicating it would not be legally permissible for DPUC to provide funding for this group, the Board passed a motion not to seek an opinion from the Attorney General on funding of the Staff Working Group.

3. Approval of Minutes

Chairman Mengacci asked the Board to review the minutes of the May 2008 meeting distributed prior to the meeting. Ms. Ozol asked that the minutes be clarified to specify the form of opinion provided by the Office of State Ethics regarding whether or not Board members are state officials. Chairman Mengacci stated that he would provide the Board with information on the form of the opinion to be added to the minutes. With this clarification, the Board approved the minutes as amended.

4. Staffing Discussion

Mr. Mengacci cited letters in the June meeting packets from Board members in reaction to Board staffing recommendations presented in May. He also referenced the letters from OPM announcing a hiring freeze for the State. Mr. Mengacci discussed staffing of the Board with OPM Secretary Genuario who said he would not approve hiring for the Board at this time.

Chairman Mengacci and Vice Chair Mary Healey recommended using ad hoc committees for key tasks before the Board in light of the hiring freeze.

There was consensus among Board members on proceeding in this manner and after discussion the following committee structure was proposed.

Ad Hoc Subcommittee on IRP

Michael Cassella, Chairman
Gina McCarthy
Mary Healey
Jim Hoffman
Melissa Ozols
Jeff Gaudiosi

Ad Hoc Subcommittee on Various Energy Issues

Donald Downes
Gina McCarthy
Mary Healey
Joel Gordes
Jim Hoffman
James Sime

Standing Committee on Energy RFPs

(NEEWS et al)

Melissa Ozols
Mary Healey
Jeff Gaudiosi
John Mengacci

Standing Committee on Administrative RFPs

John Mengacci
Mary Healey
Joel Gordes
Tim Coles*
Donald Downes*

*(for CASE study being currently considered only)

After discussion, the Board passed a motion to establish these committees as presented for the purpose of reviewing, assessing, advancing and making recommendation on appropriate work of the Board and that each committee would be responsible for designating a Chairperson.

5. Connecticut Siting Council Forecast Proceedings

Heather Hunt of the LaCapra consulting team reported that because the Board is required by statute to participate in the Connecticut Siting Council's(CSC) annual load forecast docket, Mr. Mengacci filed with CSC on behalf of the board for intervenor status. In the near future it is anticipated that the Board will issue interrogatories to various entities for information relevant to the proceedings.

6. Other Business

DPUC Study Request

At the May meeting, the Board discussed a letter from Mr. Downes as chairman of the DPUC encouraging the Board to consider conducting a study of the feasibility and ramifications of the use of large-scale combined heat and power (CHP). The proposed scope of inquiry would potentially include the following 1) are there practical applications across various spectrums of energy sources for CHP; and 2) what are the ramifications for policy and cost. The Connecticut Academy of Science and Engineering (CASE) has been recommended to conduct the study for the Board because of its long history as a neutral party in doing such studies and because Connecticut statutes provide for engaging CASE without requiring a formal request for proposal (RFP) process. In response to a question from the Board about the outcome of such a study, Mr. Downes responded that it could be a document that informs the legislature, be a basis for a proactive RFP and drive the private sector to consider CHP in meeting their energy needs.

After discussion, the Board passed a motion that the Administrative RFP standing committee of the Board be authorized to negotiate a contract and pricing with CASE for this work. Commissioner McCarthy abstained from the vote on the motion.

Mr. Downes suggested that the Board also develop its own internal capacity to forecast supply and demand for electricity. The Board discussed whether or not there was sufficient reliable existing information on this and what is the appropriate area from which to gather this information (state, region). It was felt that the current work on a procurement plan might have significant applicability to this and there might be much relevant existing information to develop such a forecast. After discussion, Chairman Mengacci referred consideration of this matter to the Administrative RFP standing committee.

Ethics

Mr. Mengacci said he had received an informal staff opinion letter from the Office of State Ethics indicating they had concluded that members of the CEAB are public officials but it is still not clear whether members who are not state

employees need to file financial disclosure forms. Mr. Mengacci committed to doing further research and reporting back to the Board.

FERC 890

Mr. Peaco from LaCapra Associates summarized information provided on an order recently issued by the Federal Energy Regulatory Commission (FERC) regarding ISO-New England's Compliance Filing as required by FERC Order 890. CEAB had filed comments to FERC in January related to this matter. The order states that FERC found "that ISO-NE's Attachment K transmission planning process, with certain modifications, complies with . . . requirements adopted in Order No. 890." Mr. Downes encouraged the Board to be involved in FERC's activities related to FERC 890.

Public Act 08-98

Mr. Mengacci stated that for informational purposes he included a summary done by the Department of Environmental Protection on Connecticut Public Act 08-98: An Act Concerning CT Global Warming Solutions. Commissioner McCarthy reported that the Governor has just signed the act and the department is anxious that provisions of the act move forward.

The Board discussed whether this act would have much impact on the Regional Greenhouse Gas Initiative (RGGI). Commissioner McCarthy felt it would not although it does authorize DEP to sit on the RGGI board. Current federal activity relevant to the act and RGGI were also discussed.

7. Various Energy Issues Phase I Report

Jane Stahl reported for the LaCapra team on the "Various Energy Issues Phase 1" report distributed to CEAB members prior to the meeting. The report is a compilation of the work previously presented to the Board throughout Phase 1. Mr. Downes commended the authors for an objective presentation of the facts. In her report Ms. Stahl noted that there was no single or superior way states organize to address energy issues nor is Connecticut unique in either the substantive issues it is identifying or its review of its existing structures and procedures.

David Carey of DOA, James Sime of DOT and Donald Downes of DPUC left the meeting at this point.

8. Procurement Plan

Dan Peaco presented a PowerPoint on the status of procurement plan work. He noted that information gathering is complete. Major areas of concentration targeted demand management, renewable energy, environmental compliance, Connecticut generation and transmission.

Approximate remaining milestones:

- June 26 – Preview of results to subcommittee
- June 30 – Review revise PowerPoint for July CEAB Meeting
- July 3 – Material Distributed to Board for July Meeting
- July 11 – Presentation to Board
- July 21 – Circulate draft report for comment
- July 25 – Send final report to Board
- August 1 – CEAB vote on plan

At this point, the Board discussed things not appearing to be covered extensively in the report such as new technologies, nuclear power and security. Members expressed hope that in coming years with the initial submittal process complete further improvements could be incorporated into the future procurement planning process.

9. 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 with modifications August 1, 2008**