

**Regular Meeting of the
Connecticut Energy Advisory Board**

Meeting Minutes
June 6, 2006

1. Call to Order

The June 2006 monthly meeting of the Connecticut Energy Advisory Board (CEAB) was held at 10:00 a.m. on Tuesday, June 6, 2006 at The Connecticut Economic Resource Center, Inc., Rocky Hill, Connecticut. Members present were Donald Downes, Chairman of the Department of Public Utility Control (DPUC); Gina McCarthy, the Commissioner of the Department of Environmental Protection (DEP); John Mengacci, designee of the Secretary of the Office of Policy and Management (OPM); James Sandler, partner in the Law Firm of Sandler & Mara (appointee of President Pro Tempore of the Senate); Carl Schiessl (appointee of the Speaker of the House); Pam Sucato, designee of Commissioner of the Department of Transportation; and Dave Carey, designee of the Commissioner of the Department of Agriculture.

2. Public Comment

Chairman Downes opened the meeting to public comment. There was none.

3. Approval of Minutes

Chairman Downes asked the board to review the minutes of the May meeting which were distributed prior to the meeting. The board approved the minutes as distributed.

4. Chairman's Report

Chairman Downes reported on the two energy summits recently held by the Connecticut General Assembly. He stated that many different, defensible positions were presented but there was no consensus on how best to manage energy issues in Connecticut. A third summit is planned for July to hear testimony of out-of-state experts. Chairman Downes feels a Special Session is a remote possibility but that it will not be scheduled before September 15, 2006.

5. CEAB Participation in DPUC Dockets

Chairman Downes reported on the status of DPUC's Docket 05-07-14 Phase 2. CEAB filed an analysis of needs and potential solutions as part of the docket and technical workshops on the analysis were held and written comment was solicited. On June 5th DPUC issued its report. Comments on the draft report are due by June 12th and a workshop is scheduled for the end of that week.

6. CEAB Participation in Siting Council Forecasts

Chairman Downes reported that Vice Chairman Healey was not able to attend today's meeting to lead the discussion of CEAB's participation in the Connecticut Siting Council forecasting docket. But he read into the record the following comments she forwarded to him:

"One point I would like to share with the CEAB is my growing concern that ISO-NE has not provided CEAB's consultants with the kind of information necessary for them to do the proper due diligence we have hired them to do on our behalf. This was evident in last year's and this year's Forecast proceedings at which ISO's witness was not able to answer many questions important to CEAB related to operating reserves nor provide any adequate written backup for their forecasts which we could review and vet. This was repeated this year in spite of advance notice to

ISO that we would be asking for this information at the hearing and for them to have knowledgeable witnesses there! The one good thing at this year's hearing is that acting Chair (on this proceeding) Phil Ashton on the record, 'admonished' them and said since Connecticut 'dances to ISO's tune' (i.e. ISO's forecast), then they better provide the necessary backup and witnesses for us to review their conclusions.

"Query: With this issue of ISO's lack of accountability and with the regional state committee process bogged down, what should Connecticut do and what role ought CEAB play?"

Chairman Downes stated that it is likely that Ms. Healey's remarks reflect the views of many of the board members at the table and guests attending this meeting. A discussion by board members followed about what remedies might be available to improve communications from ISO. Discussion of how to deal with the Federal Energy Regulatory Commission (FERC) were also discussed and the complexity caused by both ISO and FERC making all or nothing energy related decisions for the state in a non-transparent fashion.

Chairman Downes commented that getting New England's governors to come together and address the problem might be effective. He suggested that Commissioner McCarthy, Attorney Sandler and he draft a letter of agency to go to Governor Rell on the matter.

John Megacci noted that approaching John Shea at the New England Governors Council might be effective as well.

Chairman Downes noted that CEAB continues to participate in CSC's docket on Forecasts of Loads and Resources. There was a hearing on June 1, 2006 in which utilities, generating companies and ISO appeared to present their forecast. Harvey Salgo of LaCapra Associates was called upon to give his perspective on the hearing as he attended for CEAB. He emphasized the need to understand how various forecasts are developed in order to dig in and make appropriate policy recommendations based on forecasting information.

7. CEAB BUDGET DISCUSSION

Chairman Downes reported that Mike Chowaniec of DPUC and Ray Wilson of OPM have prepared a snapshot of CEAB's budget status to date in 2006 in preparation for beginning preparation of CEAB's 2007 budget. The chairman called upon him to present the findings. Mr. Chowaniec noted actual versus projected expenditures are likely to vary widely because of the uncertainty on the number of RFPs needed in any one year. He also noted that the board's contract with LaCapra expires in February of 2007 and plans have to be incorporated on how to deal with matters the consultants are currently handling.

It was suggested that the board consider getting dedicated staff or using existing agency staff to carry out CEAB technical work and fund the departments for their service through the system benefit charge.

Commissioner McCarthy expressed her eagerness for the board to focus on getting the goals of the plan implemented and coordinating action steps to do this. Agencies need to integrate energy plan goals into departmental actions. The California Energy Plan and Connecticut's Climate Change Action Plan are good models for making this happen.

Chairman Downes expressed the concern for a lack of continuity in using consultants on an ongoing basis rather than technical agency people. He feels that the external driving factors making it difficult to take action are becoming more stable and it might be easier to make progress going forward.

With regard to the budget, Mr. Chowaniec outlined the timeline needed for finalizing it. The budget needs to be filed with DPUC in October. Therefore, the CEAB needs to adopt it at its September meeting. The board discussed how this might be accomplished. At the end of the discussion, the board tasked Mike Chowaniec and Ray Wilson to convene a staff group of agencies represented on the board to make recommendations on how the board can best

fulfill its mandated responsibilities including driving action steps utilizing optimum resources available. This group is to report back to CEAB at its July meeting.

8. 2007 Energy Plan Update

John Mengacci reported he was in the process of amending the Memorandum of Understanding with the Institute of Sustainable Energy (ISE) to extend it through February of 2007 so that it could assist in preparing the board's 2007 energy plan. He asked if in light of the prior discussion the plan might be done inside for 2007. After discussion it was concluded that resources would not be in place in time to deliver next year's plan in a timely manner without using ISE.

Commissioner McCarthy moved that the board authorize OPM to extend the MOU with ISE on terms substantially as they appear in the current MOU for support in preparing the 2007 CEAB Energy Plan. Her motion was seconded and after the discussion the board approved the action

John Mengacci and Bill Leahy of ISE then reviewed a draft outline for the 2007 plan organized by energy sources addressing supply forecasts and goals for each source. It was also suggested that major goals only be updated every five year and that annual reports in between be updates and status reviews. Mr. Leahy also noted a few best practice plans from across the country.

The board supported the recommended approach in preparing the 2007 plan.

9. Adjournment

There being no further business to come before the board, the meeting was adjourned at 10:30 a.m.

Submitted by: Gretchen Deans

Approved by: The Connecticut Energy Advisory Board, July 11, 2006