

**Regular Meeting of the
Connecticut Energy Advisory Board
June 5, 2009 Meeting Minutes**

1. Call to Order

The June 2009 monthly meeting of the Connecticut Energy Advisory Board (CEAB) was held at 10:00 a.m. on Friday, June 5, 2009 at the CT Economic Resource Center in Rocky Hill, CT. Members present were Michael Cassella (Chair and appointee of the Speaker of the House); Mary Healey (Vice Chair), Connecticut Consumer Counsel (OCC); Donald Downes, Chairman of the Department of Public Utility Control; John Henault, designee of the Commissioner of the Department of Transportation (DOT); David Carey, designee of the Commissioner of the Department of Agriculture (DOA); Joel Gordes and Melissa Ozols, appointees of the Speaker of the House; Jim Hoffman, appointee of the Governor; and Jeff Gaudiosi, and Melissa Buckley, appointees of the Senate President Pro Tempore.

Chairman Cassella welcomed Mr. Henault, as a first-time attendee to the meeting. The Chairman also announced that Kevin Hennessy of CBIA has been formally appointed by Governor Rell to replace John Rathgeber, also of CBIA, who resigned from the Board. Chairman Cassella expressed sincere thanks to DPUC Chairman Donald Downes for his dedicated service and extensive contribution to the Board since 2003. Mr. Downes is retiring from DPUC at the end of June. All present expressed their appreciation as well.

2. Budget Report

Chairman Cassella asked Ray Wilson of OPM to present an update on the CEAB budget. Mr. Wilson reported that the State as part of its deficit mitigation process swept \$137,761.85 from the balance of funds in CEAB's 2007 budget; \$401,564.73 from CEAB's 2008 budget; and \$460,673.42 from the 2009 budget year for a total sweep of \$1,000,000. The balance remaining in the 2008 budget is enough to cover existing commitments of the Board. There is a balance in the 2009 budget of \$186,511.27 of uncommitted fund.

In light of this, Chairman Cassella asked the Board if it might be beneficial to develop the 2010 budget early for submittal to DPUC. Mr. Downes stated that DPUC reconciles the Systems Benefit Charge (SBC) fund in October but CEAB can submit their budget earlier. He also suggested the Board consider quarterly allocation of the funds to avoid accumulation of large balances at OPM that could be swept.

Chairman Cassella asked the Board what it thought should be done on two questions: handling of budget dollars and the extent of authority OPM has over the Board and its budget by having responsibility for the Board for Administrative Purposes Only.

The Chairman requested that Mr. Downes explore with Mark Quinlan at DPUC getting a loan from the SBC reserve funds for emergency situations and proposed that the Board get going on its 2010 budget now.

Mr. Wilson stated that the CEAB budgeting process is not complex. It is based on the legislated responsibilities to the Board and would mirror last year's budget.

Mr. Downes cautioned that allowances be made for possible new activity at the federal level, related to importing power from Canada and Northeast International Committee on Energy (NICE) activity.

Chairman Cassella asked Mr. Downes to report on a luncheon the two of them attended with Mr. Claude Béchard, Québec Minister of Natural Resources (Energy, Mines, Forest and Fauna). Mr. Downes began by giving background on negotiations NU and Enstar Natural Gas are having with Hydro Québec for the import of renewable power from Canada. Negotiations are moving forward quickly and this was the reason behind the Minister's luncheon.

Finalization of this agreement will impact the NEEWS project. It will also factor into Integrated Resource Plan (IRP) discussions.

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Mr. Gordes commented that plans for this arose in the mid 1980s and there was much discussion about the impacts the projects to generate this power would have on Native American populations and environmental impacts. The impounding of water for hydro power could result in methane emissions whose negative impacts could more than offset the benefits of the renewable energy generated on greenhouse gas.

Mr. Downes speculated that the project could run into siting issues. Mr. Gordes added that there are also related energy security issues.

Mr. Downes stated that it is never good to “put too many of your eggs in one basket” from a security and supply perspective.

The budget discussion concluded with Mr. Wilson giving a summary of the financial status of existing work orders with La Capra Associates.

3. Approval of Minutes

Having arrived at a quorum of attendees, Chairman Cassella asked the Board to review the May meeting minutes for approval. The minutes were moved for approval and were approved by unanimous vote.

4. 2010 IRP Visioning

Chairman Cassella asked Mr. Peaco from La Capra Associates to summarize the report from the Visioning Workshop held on May 29th that was circulated to the Board earlier this week. It was noted that there was not a quorum of Board members present so it wasn't an official meeting with formal minutes. Mr. Peaco touched on the scope of the work this year, the goal and policy objective, the limited discussion on implementation and the ten key issue areas to be covered in the IRP. He also noted that an Energy Security Subcommittee has been formed under the leadership of Mr. Gordes.

Chairman Cassella felt that next steps going forward would be driven by funds that the Board has and future funds that it can secure for the work. He feels there needs to be a communication initiative with the legislature on where we are.

Mr. Downes stated that the Energy and Technology Committee (E&T) and the legislative leadership both have to be targeted for communications that can build consensus around energy matters. Many E&T members are very new to their positions and need to be educated. He suggested that Sue Tierney might be a good external expert who could educate legislators on energy in an objective non-partisan fashion for little or no expense.

Ms. Buckley stated the Senate is looking for easy ways to understand energy related matters. They are not tied to any one answer, they just need to understand to be able to respond effectively for their constituents on energy matters.

Ms. Healey felt that there is a lot of great expertise on CEAB that could be used in communicating with the legislature rather than bringing in outside, out-of-state sources. She feels the real work is being carried forward by what DPUC, CEAB, OCC and the Federal Energy Regulatory Commission do everyday. Mr. Downes agreed that the legislature needs to be shown the importance of doing the basics.

Mr. Gordes felt there is a need to carve out a role for the utilities in the process promoting distributed generation to make it profitable for them and to garner their support. He cited the three turbines at the University of Connecticut as a successful mode that should be promoted elsewhere.

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Mr. Carey supported bringing in outside, objective experts rather than having the Board members being primary advocates as legislators might view them as having hidden agendas. He would supplement this with a written document summarizing the progress made over the past few years.

Ms. Healey noted that now is not the time to make a major initiative as discussed because of the budget situation.

Mr. Downes suggested waiting for the fall as summer generally isn't a good time to reach the target audience, budget or no budget.

Ms. Buckley suggested a series of presentations in the fall prior to the convening of the 2010 legislative session in February.

Chairman. Cassella suggested moving the venue for the CEAB meetings to the Legislative Office Building (LOB) and utilizing those meetings as a forum for communicating with the legislature.

The Chairman put forth three sets of action items. First there should be meetings with the E&T and Appropriations co-chairs, legislative leadership and majority and minority leaders. Mr. Downes suggested DPUC Commissioner DelGobbo, because of his past experience in the legislature, would be a good resource for this and suggested that Chairman Cassella schedule meetings and include Commissioner DelGobbo in these sessions. Mr. Downes noted Mr. DelCobbo will likely be the DPUC Chairman's designee to CEAB after June. Chairman Cassella agreed to this approach and asked Ms. Buckley and Ms. Ozols to assist in arranging these meetings.

The Chairman's second action item was moving CEAB meetings to the LOB as soon as possible and scheduling relevant guest speakers who can inform the legislature as well as the Board. His third action item was to consider a one-day conference at the LOB.

In communications, Mr. Downes urged that legislative staff and caucus counsels not be overlooked as they are the ones who closely follow energy issues.

Mr. Hoffman stated that focus should be on one energy area at a time and that new legislative members are important targets. He suggested CEAB consider producing literature about who we are and what we do similar to one OCC had produced during the session.

Ms. Healey was asked to review legal plans for the Board regarding its budget. She stated that Mark Kohler of the Attorney General's office will be working with us as John Haines had before his retirement. She asked him for an opinion on CEAB's APO status in OPM and whether OPM's interpretation of their authority was too broad. She sensed some reluctance from the AG's representatives to pursue this.

Chairman Cassella asked how the Board can move forward with the IRP in light of the legal impasse. He suggested progress can be made by taking a top-down approach keeping load management, combined heat and power, and the generation mix as priorities. He recommended that three documents might be helpful in this regard: CEAB's 2000 Energy Policy Report, the maximum potential study when it is completed, and the report on energy system structure that the Connecticut Academy of Science and Engineering produced for E&T this session.

Mr. Gordes suggested that such an approach might not meet the legislated requirements for an IRP.

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Mr. Cassella agreed that the 2000 CEAB Report as well as CEAB's 2009 IRP would be starting points for the 2010 plan. Ms. Healey also thought the DPUC decision on the 2008 IRP would be helpful in this regard. The CEAB needs a road map on how to transition from where energy issues are in the state to where they should be. Mr. Gordes suggested looking at energy from a security perspective rather than a cost perspective. In this regard Connecticut isn't as progressive as it is sometimes promoted.

Sending a letter to the legislative leadership on the budget issues was suggested. But it was decided this would only become one among many and could backfire. One-on-one communications could be much more impactful.

The Board agreed that the sweeping of funds from CEAB was really at the cost of the public and essentially was a tax on the public.

5. Consulting/RFP Update

Chairman Cassella reported that the Board has approved La Capra to be the consultant supporting the 2010 IRP. If funds can be secured to support the work, the Board will proceed with hiring them. (See attached report on the Board's action made a part of these minutes.)

The I-95 Greenway Proposal and the CASE Nuclear Study will have to be put on hold until budget matters are resolved.

6. Other Business

Mr. Gaudiosi stated that Mr. Peaco had presented a good update of Docket 370 at the Siting Council in his report on the Visioning Workshop. Interrogatories are coming in but because of CEAB's requested to have limited status in the docket, there would not be much of a response to the extensive set of interrogatories just received as responding in detail would be out of the scope of CEAB's participation.

Ms. Buckley stated that the regular legislative session is done and the special session was called specifically to focus on the budget. It is unlikely the chairs could get agreement to do much else. It is believed that the legislation that would reduce CEAB's requirement to produce an IRP to a biennial rather than annual process passed.

Mr. Downes stated that producing the 2010 IRP is critical as it is to become the foundation document for future planning. The idea of an omnibus energy bill for the next session was raised but after discussion the conclusion was that making broad energy recommendations under one umbrella would result in a lot of conflicts and nothing would probably get passed.

7. Public Comment

Chairman Cassella solicited public comment from those present. There was none.

8. Adjournment

There being no further business to come before the Board, the meeting adjourned at 11:55 a.m.

Submitted by: Gretchen Deans

Approved by:

2010 IRP Vendor Selection Report

In the interest of time, on May 15, 2009 Chairman Cassella directed Ms. Deans to send emails to all members of the CT Energy Advisory Board seeking their consent to have the Board vote on the IRP RFP subcommittee's vendor recommendation without a meeting. Section 2.4 of CEAB's Bylaws, (see below), permits this to occur without having to convene a special Board meeting. However, in order to vote on the recommendation **all** Board members must consent to this process in writing. An affirmative response to the email will meet the requirements of the Bylaws.

BYLAWS SECTION 2.4

Meetings: Regular and special meetings of the Board, or any committee thereof, shall be held at such time and place as may be set forth in the notice thereof, provided that at least seven (7) days advance notice (in writing or otherwise) of every meeting shall be given to Board members. Any action required or permitted to be taken at any meeting of the Board, or of any committee thereof, may be taken without a meeting, if all members of the Board or the committee, as the case may be, consent thereto in writing, and such written consent is filed with the minutes of the proceedings of the Board or committee.

By May 18th, Ms. Deans had received consent from all CEAB members to take action on the IRP RFP subcommittee's vendor recommendation by an email vote without a meeting.

On May 19th, CEAB Board members were emailed the following report from the IRP RFP subcommittee:

Board Members,

On behalf of Chairman Cassella, and pursuant to our bylaws, thank you for your consent to vote on the IRP RFP sub-committee's recommendation through a process that would not require the scheduling and noticing of a special Board meeting.

By way of background, the Board, through OPM, issued an RFP seeking a technical consultant to assist the Board in meeting its statutory responsibilities relating to the review of the annual electric services procurement plan (IRP) for calendar years 2010 and 2011. The deadline for submission of a proposal was April 14, 2009. Three proposals were submitted on time; however, one of the submissions was non-responsive to the requirements of the RFP and therefore wasn't given any further consideration.

The two responses that met all of the requirements of the RFP were from Altran Solutions and LaCapra Associates.

The sub-committee, consisting of Mary Healey, Joel Gordes and myself met on May 8, 2009 via a telephone conference call to discuss and score the two compliant proposals.

At the conclusion of our discussion, the sub-committee unanimously agreed to award the contract to LaCapra Associates.

At this point each Board member needs to vote on the recommendation and if a majority of the Board votes in favor of the recommendation then OPM can begin the contract award process.

Please respond directly to Gretchen as the vote needs to be recorded and this process needs to be memorialized and included in the Board minutes that will be voted on at our next Board meeting.

If you have any questions concerning how the sub-committee arrived at its recommendation I will be happy to answer them.

Thanks again for you cooperation.

John Mengacci, subcommittee chair

In that email they were asked to review the report and to respond to Ms. Deans as to whether or not they accepted the subcommittee's recommendation to award the contract to La Capra Associates. By May 26th all Board members had voted by email to accept the subcommittee's recommendation and award the contract to La Capra. Chairman Cassella subsequently directed Raymond Wilson of OPM to proceed with the necessary paperwork.