

**MINUTES OF THE MEETING OF THE BOARD OF TRUSTEES OF
THE RENEWABLE ENERGY DEVELOPMENT FUND**

February 14, 2008

A meeting of the Board of Trustees of the Renewable Energy Development Fund was held at the offices of the Rhode Island Economic Development Corporation at 215 Iron Horse Way, Suite 101, Providence, Rhode Island on February 14, 2008 at 2:00 pm.

Members present were Saul Kaplan, Chairman; Thomas Ahern, of the Rhode Island Division of Public Utilities; and Thomas Mullaney, Chief Budget Analyst of the Department of Administration, as the designee of the Director of the Department of Administration.

Attached hereto as Exhibit A is a copy of the Notice of Meeting, duly posted pursuant to the Rhode Island Open Meetings Act on February 12, 2008.

Also present were Robert I. Stolzman, Esq., as acting Secretary of the Renewable Energy Development Fund, and Alan M. Shoer, Esq., as counsel.

1. Minutes of the meeting of November 7, 2007. Upon motion by Mr. Ahern, seconded by Mr. Mullaney, the Board approved the minutes of the meeting of November 7, 2007 (see Exhibit B).

2. Adoption of Bylaws. Upon motion by Mr. Ahern, seconded by Mr. Mullaney, the proposed form of Bylaws, as amended (to reflect the proper name of the trust fund to be the Renewable Energy Development Fund) were unanimously adopted (see Exhibit C).

3. Discussion of Process for Identification of Prospective Public Members of the Board. Mr. Kaplan indicated that the Board would review names to be submitted to the Governor's office and asked the members to consider candidates.

4. Report on Balances of Renewable Energy Development Fund. Mr. Andy Dzykewicz, the Director of the Office of Energy Resources presented a report on balances in the fund (see Exhibit D). The Board requested Mr. Dzykewicz to prepare monthly reports for the Board.

5. Requests For Grants and Loans.

(a) Town of Westerly – \$25,000 wind feasibility study request.

Mr. Dzykewicz presented a proposal by the Town of Westerly for a recoverable grant up to \$25,000 with respect to the Town of Westerly wind feasibility study.

There was discussion on the scope of work and vendor selection process. Mr. James Angelo for the Town of Westerly Renewable Energy Committee presented the proposal and indicated that the Town is looking forward to establishing a tower near the wastewater treatment plant in Westerly. There is a

tremendous amount of data available, so the Town of Westerly anticipates using the funds to hire a consultant to do a study to identify accurate data for the basis of wind studies and proposals in the airport and wastewater treatment plant area.

After significant discussion regarding the desire of the Board to have confirmation on vendor, scope of work and use of funds, it was agreed that the Board would conceptually approve a grant subject to the Office of Energy Resources confirming the scope of work of the study, the selection of the vendor for the study and the use of the funds with respect to the study.

After such discussion, upon motion by Mr. Ahern, seconded by Mr. Mullaney, the Board adopted the resolution with exhibits attached as Exhibit E.

(b) Request for Slater Mill hydrofeasibility study.

Mr. Dzykewicz introduced Janice Kissinger who made a presentation on behalf of the Slater Mill hydro study. She indicated that the project has a \$248,000 Housing and Urban Development grant match and matching funds from the Littlefield Trust.

Upon inquiry from Mr. Ahern, it was determined that the project itself could cost up to \$4,000,000 for actual turbine upgrades. This request, however, is for a recoverable grant that will be utilized to further applications for additional funding and studies to determine the exact scope of feasibility of an upgraded hydro plant.

Upon motion by Mr. Ahern, seconded by Mr. Mullaney, the Board unanimously adopted resolutions and exhibits attached at Exhibit F.

(c) The Town of Portsmouth \$400,000 Loan.

Mr. David Faucher and Mr. Gary Gump, representing the Town of Portsmouth Renewable Energy Committee indicated made a presentation with respect to this project. They indicated that the Town of Portsmouth is very well along on this project and has a \$2.6 million dollar clean renewable energy bond (CREB) financing from the United States Department of Energy for this project. The project requires an additional \$400,000 of matching funds. The Town has prepared financial analysis which indicates that these funds can be repaid from earnings on the renewable energy. Portsmouth also has site locations near its middle school and is within the wind efficiency envelope identified by previous studies.

After significant discussion regarding the need for adequate loan documentation and loan terms, Mr. Mullaney moved, seconded by Mr. Ahern, the resolutions and exhibits set forth at Exhibit G, which were adopted unanimously.

(d) Proposal for \$175,000 Loan for Rhode Island Energy Group for TIDAL project at Sakonnet River.

Ms. Julie Capobianco of the Office of Energy Resources noted for the record that a proponent of the project, Mike DeFrancesco is a cousin of hers by

marriage and she, as staff, would recuse herself from any discussion on this matter with the Board.

Mr. DeFrancesco and Mr. Dzykewicz described a hydrokinetic program, the feasibility of which would be studied further with a \$175,000 loan from the fund. The feasibility study would be approximately 5.6% of the total project cost, and the feasibility study would study the economics, technical aspects, legal and access to energy grid and environmental ramifications of the project. Mr. DeFrancesco introduced other principals and consultants with respect to the firm and the project.

Upon motion by Mr. Mullaney, and seconded by Mr. Ahern, the Board unanimously adopted the loan proposal resolutions and exhibits set forth at Exhibit H.

6. Approval 2008 Commercial and Residential Solar RFP Program. Mr. Dzykewicz explained the residential and commercial Solar RFP Program, allocating \$300,000 of the Fund for solar photo voltaic projects, but no specific distributions would be made until funds were properly approved.

Upon motion by Mr. Mullaney, seconded by Mr. Ahern, the Board unanimously adopted the resolutions and exhibits set forth at Exhibit I.

7. Upon motion by Mr. Mullaney, seconded by Mr. Ahern, the Board unanimously voted to adjourn at 3:45 pm.