

MINUTES

**California Alternative Energy and Advanced
Transportation Financing Authority
915 Capitol Mall, Room 587
Sacramento, California
September 22, 2010**

1. CALL TO ORDER & ROLL CALL

Bettina Redway, Chairperson, called the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA or Authority) meeting to order at 10:47 a.m.

Members Present: Bettina Redway for Bill Lockyer, State Treasurer
Cindy Aronberg for John Chiang, State Controller
Cynthia Bryant for Ana J. Matosantos, Department of Finance
Paul Clanon for Michael R. Peevey, Director,
Public Utilities Commission
Galen Lemei for Karen Douglas, Chair,
California Energy Commission

Staff Present: Christine Solich, Executive Director
Sherri Kay Wahl, Deputy Executive Director

Quorum: The Chairperson declared a quorum.

2. MINUTES

Ms. Redway asked if there were any questions or comments concerning the August 25, 2010 meeting minutes. There were none.

Ms. Redway asked if there was a motion.

Paul Clanon moved approval of the minutes; upon a second, the minutes were approved.

3. EXECUTIVE DIRECTOR'S REPORT

CAEATFA has been borrowing staff from CPCFA and utilizing graduate student interns (voluntary and paid)

- Deana Carrillo from CPCFA began this month as a Program Manager.
- Martha Alvarez, Analyst, formerly a Fellow with the Treasurer's Office to assist CAEATFA. She has a Master's Degree in Education Policy from Stanford .
- Kirshain Ward, CAEATFA's new Office Technician.

CAEAFTA is in the final stages of hiring a financial advisor and will be interviewing two firms next week. The financial advisor will be assisting staff with implementing bond programs, Sales and Use Tax Exclusion program, and other Green Financing programs at CAEATFA.

4. BUSINESS ITEMS

A. REQUEST TO APPROVE RESOLUTIONS AUTHORIZING THE TRANSFER OF CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE (CDLAC) REALLOCATION OF QUALIFIED ENERGY CONSERVATION BONDS (QECB)

1) Lodi Unified School District

Presented by: Heather Williams, Analyst

Staff requested approval of a Resolution to consent to a transfer of the CDLAC reallocation of QECBs from CAEATFA to the Lodi Unified School District in the amount of \$16,900,000.

Ms. Redway asked for questions and comments from the Board members.

Mr. Clanon questioned if there was a time requirement. Heather Williams responded that the deadline is November 10, 2010.

Ms. Redway asked if there were any further comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

2) Rancho California Water District

Presented by: Heather Williams, Analyst

Staff requested approval of a resolution to consent to a transfer of the CDLAC reallocation of QECBs from CAEATFA to the Rancho California Water District in the amount of \$11,500,000.

Ms. Redway asked for questions and comments from the Board members. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

B. REQUEST TO APPROVE EMERGENCY REGULATIONS FOR THE SB 71 SALES AND USE TAX EXCLUSION PROGRAM

Presented by: Deana Carrillo, Treasury Program Director and Heather Williams, Analyst

Christine Solich introduced Matthew Newman, Blue Sky Consulting Group (Blue Sky).

Ms. Solich addressed key issues that were resurfacing in public comments. These comments included:

- Whether alternative source generation projects were eligible for SB 71 STE: she advised that the legal analysis which has now been posted should answer a majority of the questions surrounding the issue of eligibility.
- Local government loss of revenue and request for advanced notice when applications are approved was another key issue of public comment; she advised that there is a 10 day notice requirement, at which time the public and applicants will be notified of applicants recommended for Board approval. To address the usage issue, she advised that sales tax exemptions within the State will be tracked on an annual basis. This data will be posted in aggregate by jurisdiction.
- Regarding the issue of prior use, she stated that there have been several meetings and discussions with the Board of Equalization, and it has been determined that it will be the applicant's responsibility to make representation to the Board of Equalization there has been no taxable prior use.

Ms. Solich then turned the discussion over to the presenters Heather Williams, Deana Carrillo and Matthew Newman.

Ms. Carrillo stated that staff is requesting Board approval of emergency regulations to implement the Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program ("Program"). She first discussed program development. In developing the Program, Staff, with assistance from Blue Sky, has undertaken a five month rapid implementation process. Blue Sky provided significant input and subject matter expertise in the development of the net benefits evaluation, application process, regulation development and other programmatic areas.

CAEATFA conducted a significant public participation process prior to the formal regulatory process. CAEATFA held four public workshops with stakeholders to discuss key issues and gain substantial input to develop the Program. At each workshop Staff solicited input from stakeholders and interested parties. To date, 43 public comment letters have been received from stakeholders who engaged in the public rulemaking process. Staff has analyzed and considered all comments and incorporated changes to the emergency regulations when appropriate.

Ms. Carrillo then discussed program administration. Applications may be submitted at any time for consideration and will be presented at the first meeting occurring at least 60

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calendar days after the receipt of the complete application with some exceptions. This is to ensure that Staff has adequate time to fully analyze each application before the Board meeting. These Regulations also enable CAEATFA to consider an application at a meeting occurring less than 60 calendar days after receipt of a complete application. Staff has determined that a shortened timeline is necessary for the first two rounds of applications in order to expedite the process to accommodate the interest in the Program, the urgent nature of the statute, and to promote a more immediate economic stimulus. To accommodate this, Staff will accept the initial applications in October and November, which will be presented at the November and December meetings, respectively.

Ms. Carrillo continued her discussion by addressing the Regulatory Agreement, Conveyance/Reconveyance Agreement and taxable prior use. The Regulatory Agreement will require applicants to comply with the requirements in the regulations, including a requirement of ongoing reporting and compliance for the term of the agreement. The Conveyance/Reconveyance Agreement states that in order to receive the STE, an approved Applicant must convey title of the qualified property to the Authority, who will then reconvey title back to the applicant. This Conveyance/Reconveyance transaction may take place multiple times throughout the period during which the applicant is making purchases of qualified property. CAEATFA will be able to extend the STE to any qualified property for which the participating party can make a representation that there has been no taxable use of the qualified property prior to it being conveyed to CAEATFA.

With respect to reporting Per Senate Bill 71 (SB 71) statute, the Authority is mandated to provide notice to the Legislature once the STEs for projects approved by the Authority exceed \$100 million annually. The Authority will provide notice to the Legislature when \$100 million in exclusions has been utilized each year, prior to making additional approvals. CAEATFA will collect data on STE use by jurisdiction and publish it in an aggregate form annually to track STE use patterns within the State.

Ms. Carrillo then addressed the fees and eligibility criteria of the Program. She advised that the Authority will establish application and administrative fees to cover the costs of administering the Program. The application fee will be one-twentieth of one percent of the total amount of qualified property identified in the application and it shall not be less than \$250 or greater than \$5,000. An Administrative Fee amount shall be four-tenths of one percent of the total amount of qualified property purchased. The administrative fee shall be no less than \$15,000 and no more than \$350,000. She then turned the floor over to Matthew Newman to address the evaluation criteria.

Mr. Newman began by introducing himself to the Board. He advised that the evaluation criteria contains two elements: the first being, an applicant must show that the property to be purchased subject to the STE will be used to design, manufacture, produce or assemble an advanced technology or alternative source product, component or system. Applications that meet the Project definition criteria will then be evaluated based on criteria developed and specified in the proposed emergency regulations. These evaluation criteria are designed to measure and quantify the fiscal and environmental benefits of the

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Project and to compare the result to the cost of the STE. In order to specifically evaluate the fiscal and environmental results that stem directly from the STE, only the marginal additional production and resulting fiscal and environmental benefits associated with the STE are included for purposes of evaluating applications. The marginal additional production resulting directly from the STE will be determined based on an assumed increase in equipment purchases resulting from the STE. The applicants will receive scores in the areas of fiscal benefits and environmental benefits which will translate into a numerical score. In addition, applicants may receive points for optional supplemental information related to the economic and environmental benefits of the project if the applicant provides such data.

Mr. Newman then briefly discussed the parameters within the system. These are parameters that will change from time to time but are used in scoring an application. In order to evaluate the fiscal and environmental benefits of an application, the evaluation criteria embodied in the Emergency Regulations rely on a number of specific parameters which the Executive Director must recommend to the Board for approval. These can include unemployment rate, local sales tax rate, and property tax rate as well as other parameters. The parameters will be discussed in Agenda Item 4C.

Ms. Carrillo then advised the Board that if approved, this item will be submitted to the Office of Administrative Law (OAL). Then OAL will make a determination on October 4, 2010. If approved, the Emergency Regulations will be valid for 180 days (until April 2, 2011). CAEATFA staff will initiate the permanent rulemaking process during this time period. Applications will be made available to interested parties on October 5, 2010, and will be due to CAEATFA on October 11, 2010 for consideration at the November 17, 2010 Board Meeting.

Staff recommended adoption of a Resolution to approve the proposed Emergency Regulations establishing the SB 71 Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program and authorize Staff to undertake emergency and permanent rulemaking proceedings and other actions related to promulgation of the regulations.

Ms. Redway asked for questions and comments from Board members.

Mr. Clanon thanked staff for their work in getting the Board to this point. He stated he supported the regulations but there are a couple of issues concerning the renewable generators. He asked Mr. Newman to explain how construction jobs versus continuing jobs will be weighed based on the scoring criteria.

Mr. Newman stated that there were three places in the evaluation system where jobs are relevant. The first is in the fiscal benefits calculations. When the fiscal benefits of a project are estimated, the amount of additional employment created and specifically the additional amount of income tax that employees pay factor into determining the fiscal benefits to the State.

Mr. Clanon asked if it was a payroll estimate.

Mr. Newman confirmed it was a payroll estimate. Additionally, there is a multiplier effect. Incorporating employees' spending money in their local communities and those economic and fiscal benefits are calculated regardless whether the job is permanent, part-time, or temporary. The permanent, construction and installation jobs are also counted in the supplemental scoring, by asking applicants how many of each of these types of jobs will be created. The total numbers of those jobs are then calculated per dollar, or STE, that the applicant is requesting and additional points are assigned based on those calculations. He explained permanent jobs can receive up to 40 points and installation and construction jobs can receive up to 20 points.

Mr. Clanon asked if that was because of the kinds of projects on the manufacturing side that the SB 71 regulations are focusing on.

Mr. Newman stated that this was correct because the permanent jobs are more valuable.

Ms. Redway added that the statute did use the word permanent jobs therefore a distinction needed to be made.

Mr. Clanon asked if projects have American Recovery and Reinvestment Act (ARRA) funding, whether it is factored into the scoring.

Mr. Newman advised that ARRA funding is not directly factored into the scoring.

Mr. Clanon asked if that was something that was considered or talked about in the public process.

Mr. Newman stated that he did not believe it was mentioned in any of the public comment letters that were received.

Mr. Clanon asked about the permanent rule making process.

Ms. Carrillo explained that there are two forms of regulatory processes. One being the permanent rule making process, and the second being the emergency rule making process. The emergency rule making process will make the Regulations valid for 180 days and during that time staff will be working on the permanent rule making process which has a few different time frames and requirements.

Mr. Clanon asked if those would then go to OAL.

Ms. Carrillo answered yes.

Mr. Clanon asked if the OAL puts the Regulations out for comment for a certain amount of time.

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Ms. Carrillo explained that during the emergency rule making process, the Regulations have been out for public comment in various forms throughout the previous five months; this is above and beyond the legal requirement. There will be a 5 day public comment period through OAL during the emergency rule making process and CAEATFA will have an opportunity to respond. She stated the permanent rule making process includes a 45 day public comment period and much of that is done at CAEATFA before it goes to OAL.

Mr. Clanon thanked Ms. Carrillo.

Ms. Redway asked if there were any further comments from the Board, or the public.

Mr. Lemei thanked everyone for the work done on behalf of the California Energy Commission Chairman Douglas. Mr. Lemei stated that he supports the effort. He then asked what happens if the prior use information turns out to be false and what recourse action CAEATFA would have.

Mr. Hedrick, State Treasurer's Office legal counsel, advised that, for the most part, CAEAFTA is out of that loop. The way for that issue to arise would be from a Board of Equalization (BOE) audit of the transactions in question. It is possible that CAEATFA could acquire knowledge of some misrepresentation and if it did, CAEAFTA does have the ability to report to the BOE and pursue any other legal remedies that would be appropriate.

Mr. Lemei asked if the BOE commented or expressed in any way an agreement to the general approach to direct the information to them and keep CAEATFA out of the process.

Mr. Hedrick advised that BOE is willing to defer to CAEATFA relative to the finding of what is a project because that is defined in the revenue tax code and in CAEATFA statute. BOE is also eager to defer to CAEATFA who may be a participating party. BOE is not anxious to defer to CAEATFA rulings regarding tax matters, as that is beyond the CAEATFA statute.

Mr. Lemei thanked Mr. Hedrick.

Ms. Bryant questioned what the outlook is for parameters assumptions going forward. She stated that the Regulations are not that clear on how CAEATFA pictures that process.

Ms. Solich stated that initially the thought was that as the parameters change, Staff will have to come back to the Board and ask for approval of new parameters.

Ms. Bryant stated she believed that those were the entry points into the program and she thought it would be a mistake if it is continually being changed. For purposes of stakeholders, it would be better to have a sense of certainty in the program.

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Mr. Newman responded, that in the initial round CAEATFA is proceeding with applications being scored based on the parameters in place at the time the application is submitted. The applicants will know how they will be scored when they submit an application. If there are changes, applicants will still be scored based on the criteria in effect at the time the application was submitted.

Mr. Lemei asked if that was something that could be clarified—if, and when, a change is made, existing applicants would not be subject to the new rules.

Ms. Redway stated that could probably be done in the permanent rule making.

Ms. Bryant stated that a potential scenario is that every month the Board could change assumptions.

Ms. Redway stated that the Board does want to reserve the right to change the parameters if there is a peculiar market condition that occurs, such as unemployment.

Mr. Lemei asked about the mechanism for getting a permanent regulation in place.

Ms. Carrillo explained that the permanent rule making process will involve a 45 day process for public comments. Staff will go out and work with stakeholders. Historically, in program development, after the first or second month of implementation you can identify things that need clarification. Some of that will be lessons learned internally. Staff will propose modifications to those items, ask for comments over a period of time and bring revised regulations to the Board for approval.

Mr. Lemei asked what the timeframe would need to be in order to avoid a lapse.

Ms. Carrillo stated that there is a possibility that there could be a lapse; but that the Emergency Regulations can be extended by OAL. Staff will work to begin the rule making process so that there will not be a lapse.

Ms. Bryant wanted to make sure that the legal analysis included in the staff report related to energy generation is for information only.

Ms. Carrillo confirmed that the legal analysis was just a reference for the Board and that OAL may want to see the application, the application worksheet and the regulations.

Ms. Redway asked if there were further comments from the Board or the public.

Public comment commenced.

James Aidukas, JTA & Associates representing Montague Energy. Montague Energy is in the landfill gas recovery biomass field production. Referring back to jobs and the location where you put a facility, there is no choice in biomass production to put a facility in a high unemployment area. It goes where landfills and waste disposal sites are; so it is

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unfair to be penalized for that fact and special consideration needs to be given for biomass production.

Chris Mertens, on behalf of a number of clean technology and alternative fuel manufacturing companies, extended a thank you to the Board and the staff for working through the regulation process in a timely manner. He let staff know that their companies are looking forward to submitting applications in the coming weeks. They think this program is going to continue to grow California's clean tech sector and continue to attract companies to California, which will create jobs. He thanked the Board and staff for their continued work.

Roxanne Miller, Legislative Advocate, on behalf of the City of San Jose, the city's Mayor and City Council, extended thanks to the Board for the thoughtful effort in implementing SB 71, a very tight and accelerated program, and stated that they look forward to working with the Board in the future. The City of San Jose supports, as we attempt to move our economy into the 21st century, the commitment that was made today. We have experienced tough decisions made by our high-tech industries, particularly in the Silicon Valley. The difficult choice they made whether they could stay in the State of California and not only have us retain the innovation and the development, which is critical cutting edge to our economy currently, but look at the opportunities to expand and to grow through production and manufacturing. So, we welcome what is before you today and appreciate your adoption. With regard to the questions that have been raised, the real concern is in regards to the local impact of sales and use tax exclusions. We support your effort to recognize that concern and support the monitoring program and implementation review to ensure that the spirit and intent of SB 71 for job creation and economic development in the State will continue to be met through this program. Again, our California companies are working in emerging clean technology trying to meet the needs of the state of California. The feeling is that your implementation today is a piece of California's clean technology strategy that will allow our companies to invest, to manufacture and to grow into the future.

Kurt Schuparra, California Strategies & Advocacy, LLC, on behalf of a number of clean technology companies. His understanding of the statement that was made earlier was that this exemption is intended to prompt purchases above and beyond what otherwise would be made and for the purposes of clean technologies for advanced transportation projects and the like. Is that to be interpreted that only the equipment deemed to have been purchased as a result of the sales tax exemption qualifies for the sales tax exemption, or will all the equipment purchased be eligible for that exemption?

Mr. Newman answered, if all of the equipment that is considered to be qualified property, in other words it is used for advanced transportation technology or alternative source purpose, it will be exempt or excluded from the sales tax. The way it is determined whether or not the granting of that exclusion produced net benefits from the State is by estimating what fraction of that is considered to be marginal, incremental purchases, so the fiscal and environmental benefits we evaluate are based on that assumption. The whole amount of the purchases would be subject to the exclusion.

Mr. Schuparra responded that is what he thought and expressed his appreciation for the answer.

Mr. Newman stated that once the benefits test is passed all qualified property is eligible.

Mr. Schuparra replied that was a simple way of putting it and thanked Mr. Newman.

Ms. Redway asked if there were any further comments from the public. There were none.

Ms. Redway asked if there was a motion.

Ms. Aronberg moved approval of the item; upon a second, the item was unanimously approved.

C. REQUEST TO APPROVE EXECUTIVE DIRECTOR'S RECOMMENDATIONS FOR SPECIFIC PARAMETERS UNDER THE SB 71 SALES AND USE TAX EXCLUSION PROGRAM
Presented by: Deana Carrillo, Treasury Program Manager

The proposed Emergency Regulations for the SB 71 Advanced Transportation and Alternative Source Manufacturing Sales and Use Tax Exclusion Program (SB 71 Program) contain several provisions that require the Executive Director of CAEATFA to recommend various parameters for approval by the Authority to be used when evaluating applications for the SB 71 Program.

In addition to the initial adoption of these parameter values, these parameters can be recommended by the Executive Director and presented to the Board for approval when the Executive Director determines that an adjustment of parameter(s) will further advance the goals of the SB 71 Program, is required by the proposed Emergency Regulations, or is otherwise required to improve the accuracy of application evaluations. The ability to adjust parameters provides CAEATFA with an important tool to respond to the dynamic nature of the technologies and industries served by the SB 71 Program.

Staff recommended that the Board approve the Executive Director's recommendations for specific parameters regarding evaluation criteria, as set forth in the staff summary.

Ms. Carrillo directed questions about the specific values or parameters to Mr. Newman.

Mr. Clanon asked if the parameters had been subject to a public comment process.

Mr. Newman replied that this is the first time that these specific parameters had been made available for public comment. There were values and parameters that had been part of previous draft regulations that had been part of the public workshops. There are no significant number changes from previous versions, but there were some tweaks.

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Ms. Redway questioned if the spreadsheet that was sent out previously used these similar parameters to reach the outcome that people saw on the worksheet.

Mr. Newman replied yes and explained that at the last public workshop on September 1, 2010 there was a spreadsheet that was very similar to the one which is now the final spreadsheet included as the proposed application. There were updates to tax rates and unemployment. There was a placeholder value for the discount rate which is now based on the State's actual borrowing cost, so it's slightly different from what it was before. The multiplier is slightly different. So scores should not be substantially different from what they were before.

Mr. Clanon questioned if someone felt the score was wildly wrong, had changed or needed changing, would the mechanism be to go to the Executive Director and use her authority to bring it to the Board.

Mr. Newman replied he believed so.

Ms. Solich confirmed Mr. Newman's reply.

Ms. Aronberg asked for an explanation of the pollution chart and how the numbers were arrived at.

Mr. Newman explained the use of the chart. When an application is evaluated according to the proposed regulations, the additional energies generated will be looked at. The amount of pollution associated with a traditionally generated megawatt hour of electricity needed to be determined so that the reduction from that could be scored. The pollutions that are primarily the ones used when electricity is used are what are on the list. There is a dollar value per MWh hour that was determined based on academic studies and the numbers from the Federal Environmental Protection Agency about the composition of the power that is consumed in California or the rest of the country. The reason it is somewhat higher in the rest of the United States (U.S.) is because of the use of coal to generate electricity.

Ms. Aronberg replied that the rest of the U.S. reflects that in California natural gas is used.

Mr. Newman replied that it is the national average minus California.

Ms. Aronberg thanked Mr. Newman for his explanation.

Ms. Redway asked if there were any further comments from the Board, or the public. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the item was unanimously approved.

D. REQUEST TO AUTHORIZE STAFF TO INITIATE RULEMAKING TO ESTABLISH A SALES AND USE TAX EXCLUSION PROGRAM FOR ALTERNATIVE SOURCE ENERGY GENERATION PROJECTS

Presented by: Martha Alvarez, Analyst

At the August 25, 2010 CAEATFA Board meeting, the Board discussed and reviewed a draft policy that could potentially be used to evaluate alternative source energy generators seeking a STE. The Board did not adopt a policy but rather, directed CAEATFA Staff to work with the California Energy Commission (CEC) and the California Public Utilities Commission (CPUC) in identifying appropriate criteria for such a program.

Stakeholders and the CAEATFA Board have expressed significant interest for the Authority to implement the STE program for alternative source energy generation projects.

Our legal counsel has advised that the most appropriate way to develop such a program is through the establishment of regulations as part of the formal rulemaking process. CAEATFA will use its' pre-SB 71 statutory authority to develop a targeted program for energy generator projects.

CAEATFA staff will work with staff from the CEC and the PUC to identify appropriate eligibility and evaluation criteria for such a program, including assessing the fiscal, environmental and economic benefits to the State.

Staff requested Board approval to begin the rulemaking process to establish a STE Program for alternative source energy generators under CAEATFA's pre-SB 71 statutory authority.

Ms. Redway asked for questions and comments from the Board members.

Mr. Clanon appreciated the direction and thanked Staff. He thinks that this is the right process to use given the interpretation of SB 71. He reassured the public that the PUC will be behind getting this done quickly and getting a procedure that makes sense for the renewable generation community.

Mr. Lemei questioned if this was a process to initiate traditional rulemaking and not emergency rulemaking.

Mr. Hedrick replied that the determination has yet to be made and that the authority does exist under CAEATFA's renewable statute to embark on emergency rulemaking. There

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are additional bells and whistles that come with that and they may or may not be things that the generator community will want to live with. That will be part of what will be discussed as the workshops progress.

Mr. Lemei asked if there was any ambiguity that the action taken today will authorize either course of action as deemed appropriate at a future point.

Mr. Hedrick replied that the item is sufficiently clear that the initiation of a formal rulemaking process is what is being done. In effect, the first step, as with SB 71 would be public workshops, some proposals, refining those and developing draft regulations. At some point the decision would be made to proceed via the emergency rulemaking route or the regular rulemaking route.

Ms. Redway asked if it would be fair to say that the direction of the Board at this point would be to proceed under emergency rulemaking authority unless there was something that the generator community wanted that was not within the authority of the emergency rulemaking.

Mr. Hedrick confirmed her remarks. The process at this point is to move the regulatory action as quickly as possible and start a process almost identical to that which was used for SB 71, moving to workshops and quickly into regulations, using the SB 71 regulations as the foundation and then moving forward.

Mr. Lemei thanked Mr. Hedrick for his reply.

Ms. Redway asked if there were any further comments from the Board, or the public. There were none.

Public comment commenced.

Audra Hartman, with Next Era Energy, thanked the Board for opening up this process. Comments and suggestions were submitted for criteria and Next Era Energy would like to take as much as possible out of the SB 71 process, but recognizes some unique things about renewable energy projects and the benefits they provide.

Ms. Solich added that to the extent that generators have submitted comments regarding a generator policy, those comments will be used in this process.

Ms. Redway replied that on the timing, there was a strong desire to have STEs awarded prior to December 31, 2010 because there was hope to tie it in with the ARRA Tax Exchange Program. Though things will move as quickly as they can, she does not see how we can do that even with Emergency Regulations. The earliest she foresees this happening is early next spring and there are still some issues to talk about such as whether to, and how to, cap the program since the dollar amounts for awarding STEs to renewable generation are very large. That issue will need to be discussed.

Ms. Redway asked if there were any further comments. There were none.

Ms. Redway asked if there was a motion.

Ms. Bryant moved approval of the item; upon a second, the time was unanimously approved.

5. PUBLIC COMMENTS

Ms. Redway asked if there were any comments from the public. There were none.

6. ADJOURNMENT

There being no further business, public comments, or concerns, the meeting adjourned at 11:46 a.m.

Respectfully submitted,

Christine Solich
Executive Director