

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 243<sup>rd</sup> Meeting

Held on June 26, 2019

Pursuant to a notice and agenda dated June 18, 2019 of the New York State Energy Research and Development Authority (“Authority”) a meeting was convened on June 26, 2019 at 2:30 p.m., at the Authority’s Albany office located at 17 Columbia Circle, Albany, New York and the Authority’s New York City office located at 1359 Broadway, 19<sup>th</sup> Floor, New York, New York. The two locations were connected by videoconference.

The following Members of the Authority were present:

Gil Quiniones, Vice-Chair  
Sherburne Abbott  
Charles Bell  
Kenneth Daly  
Kate Fish  
Jay Koh (by videoconference in New York City)  
Basil Seggos  
Mark Willis (by videoconference in New York City)

Members Richard Kauffman and John Rhodes were unable to attend.

Also present were Alicia Barton, President and CEO; Janet Joseph, Senior Vice President for Strategy and Market Development; Jeffrey Pitkin, Treasurer; Noah Shaw, Esq., General Counsel and Secretary; Sara LeCain, Senior Counsel; Amber Sisson, New York Power Authority; and various other staff of the Authority.

Mr. Quiniones called the meeting to order and noted the presence of a quorum. The meeting notice and agenda were sent to the Members on June 18, 2019 and the press on June 19, 2019.

Before turning to the formal agenda, the Vice Chair asked the Authority's President and CEO, Alicia Barton to provide the Members with an update on the Authority's recent activities. Ms. Barton highlighted the historic passage of the Climate Leadership and Community Protection Act by the New York State Legislature. With the passage of this bill New York has enacted the most aggressive climate change legislation in the nation.

Mr. Quiniones indicated that the first item on the agenda was a report on items considered by the Governance Committee ("GC") from the Committee's Chair, Sherburne Abbott. Ms. Abbott first reported on the compensation schedule. Ms. Abbott stated that the GC met earlier in the day and a quorum was present throughout the meeting. The first item considered by the GC was the Authority's compensation schedule. Ms. Abbott stated that Treasurer Jeffrey Pitkin explained that, in accordance with Public Authorities Law Section 2800, the Authority is required to submit a compensation schedule listing all employees in decision-making or management positions with salaries in excess of \$100,000 as part of its annual report to the Governor, the Comptroller, and the Legislature, among others.

In addition, Section 2800 requires that the Authority submit biographical information on each employee included on the list.

The GC unanimously recommended the approval of the compensation schedule and the submission of the vitae.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

#### Resolution No. 1557

RESOLVED, that the Authority's compensation schedule presented at this June 26, 2019 meeting is hereby recommended for approval by the Board as the compensation schedule to be submitted pursuant to Section 2800 of the Public Authorities Law; and

BE IT FURTHER RESOLVED that the attached vitae are recommended for approval by the Board for submission under Section 2800 of the Public Authorities Law.

Mr. Quiniones indicated that the next item to be considered by the GC was the approval of cost of living increases for the Authority's officers. Ms. Abbott explained that historically, the Authority has provided its employees with the same general salary increases that are provided to State Management/Confidential employees, and the Board has authorized such general salary increases to the Officers of the Authority. The recent State Budget authorized 2% salary increases as of April 1, 2019 and April 1, 2020 for State Management/Confidential employees, pursuant to terms and conditions as may be authorized by the New York State Division of the Budget.

The GC unanimously recommended that the approval of the cost of living increases for the Officers of the Authority.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1558

RESOLVED, that the proposed 2% salary increase retroactive to April 4, 2019 payable to the President and CEO, the Senior Vice President for Strategy and Market Development, the Treasurer, and the General Counsel and Secretary, and a 2% salary increase for any Authority Officer on or about April 1, 2020 consistent with terms and conditions as may be authorized for State Management/Confidential employees by the New York State Division of the Budget, are hereby approved.

Mr. Quiniones indicated that the next item on the agenda was a report from the Governance Committee on the proposed amendments to the Authority's By-laws. Ms. Abbott indicated that the GC received a report from Ms. Barton recommending the removal of the position of Vice President for Innovation from the Authority's by-laws, though the position will remain within NYSERDA and continue to serve the important function of overseeing the Innovation portfolio. Further, the position of a Vice President for Policy and Regulatory Affairs will be added to the Authority's by-laws. The new Vice President for Policy and Regulatory Affairs position will be filled by John Williams, current Director of Policy and Regulatory Affairs, and will be responsible

for, among other things, guiding State and program policy development and leading efforts to complete the New York State Energy Plan. In addition, the Chief Operating Officer position will be removed as it has been unfilled for an extended period of time and management does not recommend refilling it.

The GC unanimously recommended the approval of the amendments to the Authority's By-laws.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1559

RESOLVED, that the amendments to the Authority's By-laws as presented at this April 30, 2019 meeting, are hereby approved and adopted.

Mr. Quiniones indicated that the next item on the agenda was the appointment of John Williams as Vice President for Policy and Regulatory Affairs. Alicia Barton presented this item. Ms. Barton noted that Mr. Williams has served in the oversight role for policy and regulatory affairs for several years and it has been recommended that he be promoted to this Officer role.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1560

RESOLVED, that the Members do hereby appoint John Williams to serve as the Vice President for Policy and Regulatory Affairs effective June 26, 2019.

BE IT FURTHER RESOLVED, that the Members of the Authority do hereby approve the salary of the Vice President for Policy and Regulatory Affairs, in the amount of \$175,980.00

Mr. Quiniones indicated that the next item on the agenda was a report from the Audit and Finance Committee ("A&FC"). The A&FC's Chair, Jay Koh stated that the A&FC meeting was

held earlier in the day and a quorum was present throughout. The first item considered by the A&FC was the Annual Investment Report for the fiscal year that ended March 31, 2019, and the proposed 2019 Investment Guidelines.

Mr. Koh indicated that the Authority's overall investments increased from \$604.6 million to \$816 million, principally from increases from NY Green Bank, Regional Greenhouse Gas Initiative ("RGGI") investments, and collections through the Clean Energy Standard. Interest earnings for the fiscal year that ended March 31, 2019 were \$16.6 million, an increase of \$9 million from the prior year. The rate of return was 2.3% as compared to 1% in the prior year. The Authority's independent auditors reviewed the Investment Report and stated that the Authority was in compliance with the Investment Guidelines. The Members are also requested to adopt a resolution approving the Investment Guidelines annually.

The A&FC unanimously recommended the approval of the Annual Investment Report and Investment Guidelines.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1561

RESOLVED, that the "Investment Guidelines, Operative Policy and Instructions (June 2019)," as presented at this June 26, 2019 meeting are hereby approved; and

BE IT FURTHER RESOLVED, that the Authority's "2018-2019 Annual Investment Report," for the year ended March 31, 2019, as presented at this June 26, 2019 meeting, is hereby approved and adopted as the annual investment report of the Authority required by Section 2800 and Section 2925(6) of the Public Authorities Law.

Mr. Quiniones indicated that the next item considered by the A&FC was the Annual Investment Report for the NYSERDA OPEB Trust ("OPEB Trust") and the Investment Policy Statement for the NYSERDA OPEB Trust. Mr. Koh stated that the A&FC reviewed the Annual OPEB Trust Investment Report for the year that ended March 31, 2019, and the proposed 2019

Investment Policy Statement for the NYSERDA OPEB Trust. The OPEB Trust Investment Report was reviewed in both open session and in executive session with only the independent auditors present. The market value of the Trust's assets as of March 31, 2019, was approximately \$53 million. As of the most recent actuarial valuation as of January 1, 2018, the trust was 92.5% funded compared to its OPEB liability.

Mr. Koh continued, noting that the total return on the Authority's investments was 1.5% for the year, which was lower than the weighted average one-year return of the asset class benchmark indices of 2.0%, primarily as a result of underperformance of the fund in the Diversified Emerging Markets category. Based on recommendations from the Authority's Investment Consultant, this fund was replaced with an alternative fund after March 31, 2019 providing improved ratings and historical performance. The targeted long-term expected return of the NYSERDA OPEB Trust is estimated at 6.5% per year. The OPEB Trust has earned a 5.8% average annual return since its inception. In aggregate, the weighted average 5-year return of the current OPEB Trust investments has outperformed the asset class 5-year benchmark indices with the exception of the fund previously noted.

Mr. Koh noted that as of March 31, 2019, the weighted average fossil fuel interest of OPEB Trust fund investments was 1.67%, well below the 6.30% of fund investments prior to the change in the Investment Policy Statement in June 2018. No changes were recommended for the Investment Policy Statement.

The A&FC unanimously recommended approval of the Annual OPEB Trust Investment Report and Investment Policy Statement.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1562

RESOLVED, that the "NYSERDA OPEB Trust Investment Report" for the year ended March 31, 2019, as presented at this June 26, 2019 meeting is hereby approved and adopted as the annual investment report of the NYSERDA OPEB Trust required by Section 2800 and Section 2925(6) of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the "Policy Statement for the NYSERDA OPEB Trust (Retiree Health Insurance Benefits Trust)" as presented at this June 26, 2019 meeting, is hereby approved.

Mr. Quiniones indicated that the next item on the agenda was a report from the A&FC concerning the Authority's and NY Green Bank's Financial Statements for fiscal year 2018-2019. Mr. Koh reported that Peter Mahar summarized significant fluctuations compared to last year's financial statements for the A&FC. After Mr. Mahar's presentation, the A&FC met in Executive Session with the independent auditors, and no substantive problems were identified after the thorough review.

Mr. Koh noted that the independent auditors will issue an unqualified opinion on the Financial Statements.

The A&FC unanimously recommended approval of the Authority's and NY Green Bank's Financial Statements for fiscal year 2018-2019.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1563

RESOLVED, that the Authority's Financial Statements and the Financial Statements of NY Green Bank as of March 31, 2019, as presented at this June 26, 2019 meeting are hereby approved and adopted as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law.

Mr. Quiniones indicated that the next item considered by the A&FC was the appointment of independent auditors for Fiscal Year 2019-2020. Mr. Koh stated that the Members are asked to approve a resolution appointing KPMG, LLP ("KPMG") as the independent auditors of the

Authority and NY Green Bank for the fiscal year ending March 31, 2020 and for the independent audit of the OPEB Trust. KPMG was competitively selected under an RFP issued in 2016. This will be for year four out of a possible five years. The proposed fee for fiscal year 2019-20 will not exceed \$116,050.

The A&FC unanimously recommended approval of the appointment of KPMG as independent auditors for fiscal year 2019-20.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

#### Resolution No. 1564

RESOLVED, the Board authorizes the President and CEO to retain the firm of KPMG, LLP as independent auditors for the Authority and for NY Green Bank for the fiscal year ending March 31, 2020.

Mr. Quiniones indicated that the next item considered by the A&FC was the Annual Bond Sales Report. Mr. Koh stated that the Annual Bond Sales Report included one bond issuance completed during fiscal year 2018-19. In addition, the Report included a schedule of Authority bonds that are outstanding as of March 31, 2019, which totals approximately \$1.7 billion.

The A&FC unanimously recommended approval of the Annual Bond Sales Report.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

#### Resolution No. 1565

RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2018 through March 31, 2019, and the information contained therein, as presented at this June 26, 2019 meeting is hereby approved for submission pursuant to Section 2800 of the Public Authorities Law.



Mr. Quiniones indicated that the last item considered by the A&FC was a report on the Authority's Tax Compliance and Reporting. Mr. Koh stated that Mr. Mahar provided the A&FC with a presentation of a report issued by Lumsden and McCormick on the Authority's compliance with relevant Federal and State tax reporting and compliance obligations pursuant to the requirements of the Internal Control Manual. The report found that the Authority has complied with the relevant requirements and included three observations and recommendations for improving upon the reporting and compliance requirements. First, finance is adding a review step to their onboarding checklist for any future non-resident alien employees to ensure withholdings and allowances are correctly claimed. Second, the report identified several instances when sales tax was incorrectly charged to the Authority and recommended the Authority file a return to obtain a refund. Lastly, the report noted that meeting attendees and business purpose should be included when submitting expense reimbursements. Finance will be enhancing its reviews of these submissions and an email reminder will be sent to staff. This item was for information only.

Mr. Quiniones indicated that the next item on the agenda was a report from the Waste and Facilities Management Committee ("W&FMC") from its Chair, Charles Bell. Mr. Bell stated that the W&FMC received a status report from Director Paul Bembia on West Valley Site Management Program activities. Mr. Bembia reported on the demolition progress at the West Valley Demonstration Project. The Vitrification Facility has come down, the next building to come down will be the Main Plant Processing Building, the largest component of remaining demolition. Mr. Bembia also gave a transportation update, stating that at the end of March, a truck carrying 14 low-level radioactive waste containers from the West Valley site drove off the road in Nevada on the way to the Department of Energy disposal facility in the state. Local emergency responders notified the trucking company, and the West Valley Demonstration Project was notified and activated its Transportation Emergency Response Center to provide any information and any support that might be needed by the on-scene emergency responders.

Mr. Bell continued, noting that there was no damage to the vehicle, the waste containers did not leave the truck, and there was no container breach, no release of radioactive material, and no threat to the public or the environment. The cause of the incident was attributed to a medical event suffered by the driver. Mr. Bembia noted that problems like this with radioactive waste shipments are extremely rare, and that the reporting system worked perfectly, the response plans

were implemented quickly and properly, the first responders did a great job, and there were no impacts to the public or the environment.

Mr. Bell reported that Mr. Bembia also provided an update on the State Licensed Disposal Area (“SDA”) Trench 14 leachate investigation. There is presently no threat of release from this trench or any other trench at the SDA, and it is expected that the source of the leachate increase will be confirmed by late fall, with the beginning of the remedy action feasibility study and design in early 2020.

Mr. Bell continued his report explaining that Mr. Bembia stated that the lease between the Town of Ashford and the Authority for the community solar project was executed in May 2019. The Town may now formally enter into its agreement with a solar developer to move the facility forward.

Mr. Bell stated that the W&FMC also received a report from Alyse Peterson on low-level waste and nuclear coordination activities. Ms. Peterson reported that she recently ended her tenure as Executive Director of the Low-Level Waste Forum, though she maintains a leadership role in the Forum. Ms. Peterson reported that she attended the NRC’s annual Government to Government meeting focused on Indian Point, which discussed the plant’s performance during the preceding year and the plant’s pending closure and decommissioning.

Mr. Bell stated that Ms. Peterson also reported that Entergy has begun submitting a series of filings to NRC related to decommissioning of Indian Point. Most of these filings seek changes to or exemptions from the facility’s license requirements for various things such as reducing emergency preparedness requirements and personnel (physical and cybersecurity) during decommissioning, authorizing use of decommissioning trust fund monies for non-radiological decommissioning purposes; and reducing public oversight of the decommissioning process to streamline federal decision-making. Ms. Peterson will be coordinating with state agencies’ efforts to review and respond to these filings. This item was for information only.

Mr. Bell then reported on the annual review of the W&FMC Charter, stating that the Public Authorities Law requires that the Committees periodically review their Committee Charters and determine what, if any amendments need to be made. The Members are then tasked with reviewing the Committee Charters and any proposed changes. The Authority's other standing Committees completed this review at their April 2019 meetings. However, the W&FMC did not meet in April and therefore completed this review at its meeting earlier in the day. The W&FMC does not recommend any changes to its Charter at this time.

The W&FMC unanimously recommended approval of the W&FMC Charter.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1566

RESOLVED, that the Waste and Facilities Management Committee Charter, as presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in her discretion, may deem necessary or appropriate, are approved by the Board.

Mr. Quiniones indicated that the next item on the agenda was a report from the Program Planning Committee ("PPC") from the Committee's Chair, Mark Willis.

Mr. Willis reported that the PPC received a report from President and CEO Alicia Barton, on the Authority's various metrics. The presentation provided the contributions that are expected from the Authority to advance the overall State clean energy policies. In addition, the presentation also provided outcomes of the Authority's primary portfolios, as well as a brief discussion of how milestones are continually tracked, providing real-time assessment of program performance, and which may also help to indicate where adjustments to program implementation may be needed. Overall, and with continued focus, the Authority appears well-positioned to meet its obligations as well as its contributions to the State's desired outcomes.

Mr. Willis reported that the PPC also received a presentation on the Authority's NY-Sun Initiative from its Vice President for Distributed Energy Resources, David Sandbank. Mr. Sandbank discussed the Authority's progress in the solar market over the last couple of years. Nationally, New York moved from 12<sup>th</sup> to 6<sup>th</sup> among all states in total photovoltaic ("PV") deployment in 2018 and ranked 1<sup>st</sup> in Community Solar installed for the first quarter of 2019. Mr. Sandbank indicated that the Authority will continue to work towards meeting the goals set by Governor Cuomo in his 2019 State of the State, as well as the targets set forth in the recently passed Climate Bill. The Authority will submit a petition to the Public Service Commission for new funding in the coming months.

Mr. Quiniones indicated that the next item on the agenda was the presentation of the Operations and Accomplishments and Mission Statement and Measurements Annual Report by Jennifer Meissner, the Director of Performance and Measurement Systems.

Ms. Meissner reported that in accordance with the requirements of Section 2800 of the Public Authorities Law, Members are requested to approve the 2018 Operations and Accomplishments and Mission Statement and Performance Measurement Annual Report. The report contains the Authority's accomplishments as well as a listing of material changes in operations and programs. During 2018, the Authority continued to build the Clean Energy Fund ("CEF") Market Development and Innovation and Research portfolios, including developing and receiving approval to launch many key initiatives. The report contains a description of each CEF initiative approved through the New York State Department of Public Service compliance filing process during this reporting year.

Ms. Meissner stated that that the Authority has also continued major implementation activities associated with the August 2016 New York State Public Service Commission order adopting a Clean Energy Standard (CES) advancing the State's clean energy goal to have 50 percent of all electricity consumed coming from renewable energy sources by 2030. The Authority's second Renewable Energy Standard solicitation was issued in 2018 and resulted in the single largest commitment to renewable energy by a state in U.S. history at \$1.5 billion,

which will advance 20 large-scale renewable energy projects across the State. The Authority made progress in 2018 towards all of its major goals.

Ms. Meissner continued, noting that the Authority's 2018 targets for this report are expressed on a commitment basis versus the prior approach which established most targets based on acquired/installed values. This shift to commitment-based targets more appropriately aligns with the new strategies of the CEF which emphasize engaging market forces toward longer-term, more transformative clean energy outcomes. Commitment-based targets are the best measure of NYSERDA's success at engaging the market, and of the Authority's continued effort to streamline operations and become more responsive, adaptive and easier to work with.

Ms. Meissner then highlighted some noteworthy summary points on program accomplishments from the report. Energy Efficiency, clean energy economy and clean environment metrics saw excellent performance in 2018: progress exceeded the target for Fossil Fuel (MMBtu) Saved, and was greater than 80% of target for Electricity (GWH) Saved; progress on CO2 Equivalent Emission Reductions was also strong and exceeded the 2018 target, bolstered by the very positive large scale renewable energy performance; and the target on Total Funding Leveraged from all Authority Investments was also exceeded, also largely helped by the large scale renewable performance.

Ms. Meissner then noted that in the few areas where progress fell short, this outcome can be attributed to slowness of the project development pipeline rather than a shortcoming in Authority programs engaging the market. Renewable and Diverse Energy metric performance was lower than expected, due to a shortfall of electricity production from onsite installations and solar capacity, mainly due to regulatory uncertainty and adjusted program requirements. Many developers delayed projects until the new Value of Distributed Energy Resources Order was released in April 2019. Additionally, as part of the NY-Sun's program redesign in February 2018, the Authority increased the project maturity milestones requirement for developers to submit project applications to NY-Sun. A large number of projects are still under development but are not appearing in the Authority's commitment queue as early as they would have historically. Finally, the Authority's new incentives for PV projects paired with storage are

casing many developers to redesign their systems with batteries, which requires additional time and permitting.

Ms. Meissner noted that the Authority maintained excellent performance with regard to prompt payment of invoices in 2018 and saw improvement in three key metrics related to contract processing time. Most notably, the Overall Cycle Time for the Authority improved with a 42% improvement in direct contracts/contract modification and maintenance of improvements for open enrollment/task work orders at less than one week. These results are part of a four-year trend in year over year improvements for contracting cycle time.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1567

RESOLVED, that the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report as presented at this June 26, 2019 meeting is adopted and approved for submission under Section 2800 of the Public Authorities Law.

Mr. Quiniones indicated that the next item on the agenda concerned the Authority's Annual Report on the Disposition of Real and Personal Property, as well as the Authority's Guidelines for Disposal of Real and Personal Property. The Authority's Treasurer, Jeffrey Pitkin, stated that the Members are requested to adopt a resolution approving the Annual Report on Disposition of Real and Personal Property for the fiscal year ended March 31, 2019 pursuant to Section 2800 and 2896(3) of the Public Authorities Law. The report lists four parcels of real property owned by the Authority and five parcels of real property leased by the Authority. The report states that there were no dispositions of real property and no dispositions of personal property with a value in excess of \$5,000 during the period.

Additionally, the Members are asked to adopt a resolution re-approving the Guidelines for the Disposal of Real and Personal Property, as required by the guideline. No changes to the Guidelines were recommended.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1568

RESOLVED, that the “Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2019),” as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Annual Report on Disposition of Real and Personal Property (June 2019), as presented at this meeting, is adopted and approved as the Annual Report on Disposition of Real and Personal Property required by Section 2800 of the Public Authorities Law.

Mr. Quiniones indicated that the next two items on the agenda concerned the Authority’s Annual Procurement and Program Contracts Report and the Guidelines on Procurement and Program Contracts and the Periodic Contracts Report.

Mr. Pitkin stated that the Members are requested to adopt a resolution approving the 2018-2019 Annual Procurement Contracts Report, and the Procurement and Program Contracts Guidelines, Operative Policy and Instructions, June 2019 (the “Contract Guidelines”). The Annual Procurement Contracts Report details all contracts open at any time during the fiscal year, and non-contract payments made to vendors.

Mr. Pitkin stated that the Report indicated that during the fiscal year 2018-2019 the Authority had: 797 open Procurement Contract actions with a value of approximately \$415 million; 370 procurement contract actions executed or modified during the period with a period of performance in excess of one year that total \$85 million and represent routine contracting for goods and services; and 57 non-contract vendor payments that total approximately \$5.7 million.

Mr. Pitkin explained that the Contracting Guidelines set forth the Authority’s operative policy and procedures to guide staff on the use, awarding, monitoring, and reporting of the Authority’s contracts. No changes to the Contract Guidelines were recommended.

Next, Mr. Pitkin discussed the Annual Program Contracts Report. During this period, 2,574 Program contracts were executed or modified with a value of approximately \$2.2 billion. This was fewer actions, but higher contract value than the prior period and the long-term average. These differences are attributed to the land based large scale renewables contracting from the 2018 solicitation. During the period, approximately 98% of all (program and procurement) contracts and approximately 99% of the aggregate committed value were competitively selected. Charts and graphs showing the breakout by Market Focus, Regional Economic Development Council Region and Electric Utility were included in the report.

Mr. Pitkin continued, stating that pursuant to the Contract Guidelines the Members are requested to adopt a resolution approving certain contracts as listed in the Periodic Contracts Approval Report covering the period March 16, 2019 through May 15, 2019. Section 1 of the report indicates that the Authority initiated or modified: 42 procurement contract actions with a period of performance in excess of one year, that total approximately 411 million and represent routine contracting for goods and services; 9 program contracts competitively selected with a total value in excess of \$3million, that total approximately \$665 million, including 5 contracts form the land-based Clean Energy Standard that total approximately \$658 million; and 1 program contract non-competitive action with a total value in excess of \$1 million, this modification is to add \$500K and extend the contract term for the contractor administering Commercial PACE Financing.

Mr. Pitkin explained that Section 2 of the Periodic Contracts Approval Report indicates that the Authority anticipates executing or modifying: 26 procurement contract actions with a period of performance in excess of one year that total approximately \$9.7 million and represent routine contracting for goods and services; 6 program contracts competitively selected in excess of \$3 million that total approximately \$62 million, including 4 contracts from the land-based Clean energy Standard that total approximately \$59 million. The Authority is in compliance with the Contract Guidelines in its selection of contractors.

Mr. Pitkin indicated that a Periodic Program Contracts Report was included in the materials for the Members information. During this period 398 Program contracts were executed or modified with a value of \$724 million. This was fewer actions, but higher contract value that the prior period and the long-term average. There were also 5 large scale renewable contracts executed



in the period with a value approximately \$658 million. During the period, approximately 98% of all (program and procurement) contracts and approximately 99% of the aggregate committed value were competitively selected.

Mr. Pitkin then highlighted some observations from the report itself, that were noteworthy changes from the prior period. The Commercial market focus saw a significant increase in executed contracts due to the execution of large contracts from the Commercial and Industrial Carbon Challenge, a contract to support Pre-K-12 Benchmarking, and contracting actions to support the Westchester Clean Energy Action Plan. Energy Storage executed the first contract as part of the PV + Storage added to NY-Sun. The Authority recently received the results of the semi-annual report card from the division of MWBE and received an A+ for its program.

Following Mr. Pitkin's presentation, Mr. Quiniones stated that Counsel's office has compared the lists provided by Members of entities with which each Member is associated, which he or she believes may enter into contracts with the Authority to the list of contracts in the Annual Contracts Report and the Periodic Contracts Report. Counsel's office reports just a few potential conflicts. Specifically, the Authority has entered into or anticipates to entering into contracts with Adirondack North Country Association, identified by Kate Fish; Syracuse University, identified by Sherburne Abbott; Alliance to Save Energy, identified by Gil Quiniones; and National Grid, identified by Kenneth Daly.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolutions were adopted. Ms. Fish, Ms. Abbott, Mr. Quiniones, and Mr. Daly abstained from the vote solely with regard to contracts involving the respective entities identified by each of them above.

#### Resolution No. 1569

RESOLVED, that the Authority's 2018-2019 Annual Contracts Report, as presented at this meeting, is adopted and approved as the annual report of the Authority required by Section 2800(1)(a)(6) and Section 2879 of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the “Procurement and Program Contract Guidelines, Operative Policy and Instructions (June 2019)” as presented at this meeting, are approved and adopted.

Resolution No. 1570

RESOLVED, that the Periodic Contracts Report, covering the period March 16, 2019 through May 15, 2019, as presented at this meeting, including but not limited to the contracts identified therein which have been, or are expected to be, executed and which do have, or are expected to have, a period of performance in excess of one year, is hereby approved in accordance with Public Authorities Law Section 2879.

Mr. Quiniones indicated that the next item on the agenda was the Annual Report on the Authority’s Prompt Payment Policy. Mr. Pitkin stated that the Members are requested to adopt a resolution approving the Authority’s Annual Prompt Payment Policy Report for fiscal year ended March 31, 2019. During the fiscal year, all but six of the more than 75,000 vendor invoices were paid within 30 days as required by the prompt payment policy. The six exceptions were all isolated in occurrence, and in all instances did not result in the Authority incurring late payment interest charges, and therefore the Authority believes that its existing systems and processes are sufficient to provide for compliance with the Prompt Payment Policy.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1571

RESOLVED, that the Annual Prompt Payment Policy Report presented to the Members of the Authority at this June 26, 2019 meeting is adopted and approved as the annual report required by Section 2880 of the Public Authorities Law.

Mr. Quiniones indicated that the next item on the agenda concerned an amendment to the Regional Greenhouse Gas Initiative (“RGGI”) Operating Plan. John Williams, the Vice President for Policy and Regulatory Affairs, presented this item.

Mr. Williams stated that the Members are requested to adopt a resolution approving an amendment to the RGGI Operating Plan. The amendment updates both revenue and expense assumptions based upon more recent information, including higher than anticipated auction proceeds, higher than anticipated interest earnings, lower than anticipated administrative expenses and lower than anticipated programmatic spending in certain areas. The impact of these realized changes will allow for an accelerated repayment schedule for the Clean Energy Fund, which had been approved in January. The amendment also provides additional funding in fiscal year 2019-20 for two projects, totaling \$4 million, which have become opportunities since the Board's approval of the Operating Plan in January 2019. Funds required for these projects can be met with funds realized from reductions in other program and administrative funding commitment levels. Dynamics in the portfolio with these new commitments will result in annual balanced budgets, and a projected funding surplus at the end of the third year of the three-year period.

Mr. Williams reported that the current RGGI Operating Plan projected three-year program funding based on an allowance price of \$5.35, which was the realized price from the December 2018 auction. The most recent auction on June 5<sup>th</sup> resulted in an allowance price of \$5.62. This new price results in projections of revenue higher than the approved January plan. Also of note regarding revenues, is that interest income is higher than the January projection, and is increased by a total of over \$5.2 million over the 3-year period. This adjustment reflects earnings based on revised interest rates and new projected cash balances based on more current program implementation rates. The budgets for certain program and administrative costs have also been updated, reflecting the most recent projection of program commitments, and which demonstrates that allocations to these budget items in January is not required to meet current program requirements.

Mr. Williams highlighted that a future allowance strike price of \$5.23 will allow us to maintain a balanced budget over the 3-year plan period. The stroke price is lower than the price realized in March 2019 (\$5.27) as well as the price used in the January 2019 projection, based from the December 2018 auction (\$5.35).

Mr. Williams noted that the amendment adjusts the repayment schedule to the CEF. The net change in treatment for the CEF is that the planned contribution from the CEF of \$5.278 million

to balance the fiscal year 2019-20 budget can now be realized as a \$4.454 million payment into the CEF, while still retaining a balanced budget for fiscal year 2019-20. This action, with additional increments in revenue projection over the next 2 fiscal years, accelerates the repayment schedule of \$250 million in RGGI funds to the CEF over the 10 years of the CEF.

The amendment includes additional program funding for two activities supporting Net Zero Energy Demonstrations. Mr. Williams continued, stating that the first is \$1 million in funding for a potential award for a project located in Long Island under the Authority's competitive solicitation for Net Zero Energy for Economic Development (Program Opportunity Notice No. 3881 issued through the New York Consolidated Funding Application). The competitive solicitation provides eligible New York State commercial, industrial, institutional and mixed-use applicants with incentives for the construction of, or renovation to existing, buildings designed to achieve net zero energy or net zero carbon performance. The RGGI funds provide funding to support at least one project being awarded located in Long Island, complementing up to \$14 million in CEF funding is available to support project awards located in the rest of the State.

Mr. Williams stated that the second proposes to add up to \$3 million in funding for a new Energy and Nature Education Center at Jones Beach State Park. The Center is being designed by the Office of Parks, Recreation and Historic Preservation as a net zero energy building, utilizing both on-site renewable energy technologies, including both solar PV and a geothermal heat pump, as well as high energy efficiency equipment and sustainable building materials. The primary mission of the Center is to better educate visitors to become good stewards of the environment and smart energy consumers. The Center will provide a variety of exhibits and programs designed to help visitors gain a better understanding of the threat of the climate change; educate about the benefits of renewable energy; and teach the public how to use energy wisely. As such, the Center's design and mission is well aligned with the Authority's mission. Both of these funding uses are consistent with the use of RGGI funds.

Following Mr. Williams' report, Mr. Quiniones called for a motion approving an amendment to the RGGI Operating Plan.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted.

Resolution No. 1572

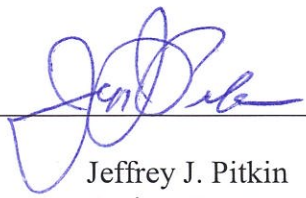
RESOLVED, that revisions to the “Operating Plan for Investments in New York Under the CO<sub>2</sub> Budget Trading Program and the CO<sub>2</sub> Allowance Auction Program” as presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in her discretion, may deem necessary or appropriate, are hereby approved;

AND BE IT FURTHER RESOLVED, that the Members direct the President and Chief Executive Officer to develop a revised operating plan incorporating such revisions as soon as reasonably possible.

Mr. Quinones indicated that the next item on the agenda was other business, at which time he asked Ms. Barton to address the Members. Ms. Barton noted that this meeting was the final meeting that Noah Shaw, General Counsel and Secretary, will be attending as his time at the Authority was ending. Ms. Barton presented Mr. Shaw with a citation from the office of Governor Andrew M. Cuomo that commemorated that work Mr. Shaw had completed during his time at NYSERDA.

Following Ms. Barton’s presentation, there being no other business, Mr. Quinones called for a motion to adjourn the meeting.

Thereafter, upon motion duly made and seconded, and by unanimous voice vote of the Members, the meeting was adjourned.

  
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Jeffrey J. Pitkin  
Acting Secretary

