

NYSERDA 258th Board Meeting
October 3, 2022
Clean Copy of Transcript

Chair Kauffman:

Okay, I'd like to call this meeting to order. This is the 258th meeting of the New York State Energy Research and Development Authority. Notice of the meeting and agenda was mailed to the Members on September 26, 2022, and to the Press on September 29, 2022. A revised agenda was provided today. I direct a copy of the notice and agenda and the revised agenda, be annexed to the minutes of this meeting. Welcome to the meeting. This meeting is being conducted in person and by video conference. The Authority will post a video and a transcript of this meeting on the web. To confirm that we have a quorum. I'd like each of the Members to introduce themselves. I'm Richard Kauffman, Chair of the Authority. Let's start here in New York City.

Jay Koh:

Jay Koh, Member of the Board.

Sherburne Abbott:

Shere Abbott, Member of the Board.

Arturo Garcia-Costas:

Arturo Garcia-Costas Member of the Board.

Frances Resheske:

Frances Resheske, Member of the Board.

Chair Kauffman:

Thank you. And in Albany.

Chair Kauffman:

Thank you.

Charles Bell:

Chuck Bell, Member of the Board.

Commissioner Seggos:

And Basil Seggos, Member of the Board.

Sadie McKeown:

Sadie McKeown, Member of the Board.

Chair Kauffman:

Marie Therese is not.

Sara LeCain:

Not yet.

Chair Kauffman:

Okay, great. I'd like to note for the record that we have a quorum. Sadie is participating by video conferences per the Extraordinary Circumstances Exception under the Open Meetings Law and our By-laws for participational count for votes but will not be included in the account for quorum. All right. So the first item on the discussion agenda is report from the Authority's, President and CEO Doreen Harris Authority's recent activities.

Doreen Harris:

Thank you. And certainly great to see everyone here today. The focus of my report today will be on the recent federal action, looking at it collectively as to its impacts on our work and, generally as to how would we tend to maximize those benefits for New York as such however, it would not be October if I didn't start. Next slide, with just a reflection on a very exciting climate week. I had sent an email to the Members with respect to the period of milestones that were hit that week and announcements included within it. So I won't belabor that point. However, to note that just last week there was yet another exciting milestone announced by Governor Hochul, in which at an event in White Plains, she announced that she's directing DEC to take major regulatory action that will require all new passenger cars, pickup trucks and SUVs sold in New York to be zero emission by 2035. So that included another announcement from NYSERDA with \$10 million added to our Drive Clean Rebate Program as well as announcements from the New York Power Authority on the milestone of its hundred high speed partner installation. And it's evolved New York Statewide network. And so this is interesting and exciting for us, specific to the federal leverage. It is also the case that we have had our electric vehicle infrastructure deployment plan approved by the US Department Transportation as well, which will invest over \$175 million.

So all that to say it was an exciting week with actually exciting follow on discussions and milestones as well. Next slide, please. But as to the top ahead of the day it is the case that we had an unexpected, I would say, but deeply welcomed moment of federal climate action that has occurred both with respect to last year's Bipartisan Infrastructure Law, the Chips and Science Act, and more recently the Inflation Reduction Act. I was pleased actually to be in Washington with a number of colleagues, including some here today to celebrate that as I would say, trifecta of, of significant federal action \$500 billion investment in the green economy, and certainly a whole that is greater than the sum of its parts including these three milestones. So if we turn to the next slide the combination of these three is such that the federal average annual climate spending is posed to po to triple this decade to a level of almost \$80 billion per year.

Certainly the IRA has the largest magnitude of investment benefit vetting, benefiting sectors like renewable and zero emission electricity, electric vehicles, and treat clean transportation, electrified homes and buildings manufacturing screen hydrogen industrial decarbonization and beyond. Next slide, please. It is also the case that all of these include very strong provisions for environmental justice and disadvantaged community priorities. These are central to New York's policies as well, and we certainly see actually much of New York's framework reflected within these landmark legislative activity. On the bottom right, you may have seen this helpful breakdown of spending in the IRA, but the area that gets dense at the bottom is literally hundreds of different items from electrifying the postal service fleet to cleaning up ports to reconnecting

communities, divide by the interstate highway system and beyond. So, all told a very major game changer with, again, a tripling of climate this decade. Next slide, please.

The 700 plus pages of provisions in the bill. Of course, it's a bit difficult to summarize the entirety of the legislation with any brevity, but we present here a snapshot of some of the more notable elements pertinent to our work in New York under the Climate Act. And certainly the three sectors in which most of our emissions are focused are a focal point of the IRA largely through a combination of tax credits and direct rebates. Probably the biggest individual funding support is for clean electricity most prominently through expanded and extended tax credits for solar winds stand alone and energy storage and beyond. But also in, I think notably the provision of adders for investments, as I said, and disadvantaged communities, but also for those that drive preferences for things like labor through prevailing wage and apprenticeship and demographic based community benefits as well. So certainly we see great opportunity here across all sectors as you see in this slide, and really looking again at the right, focusing on some other elements. I wanna highlight the Green Bank element of this. You'll be hearing a bit from Andrew Kessler President of the NY Green Bank later, but there are very specific provisions that including the \$27 billion Clean Energy Technology Accelerator at DEPA that we are looking very carefully at as to how our frameworks here in New York can, can further leverage these funds. Next slide, please.

And so, the news for New York is, as you might expect, very good. To put it lightly. The Climate Action Council just received this report last week from the NYSERDA team. And from a modeling perspective, it finds that as we drive toward the decarbonization requirements of the CLCPA, we are well positioned to benefit from the provisions in the IRA. Under the deep decarbonization scenarios advanced through the Climate Action Council integration analysis, New York could receive about \$70 billion of incentives between now and 2050, a critical part into frame the costs necessary to achieve the Climate Act goals. We see that the largest incentives are in the electric sector, as I had previously described, but it is notable that the transportation incentives as well will offset the costs of EBS and chargers. Certainly, subject to a wide range of uncertainty, though as it is unclear as to how the supply chain will respond to the domestic provisions within that sector. Building sector certainly will benefit an offset costs to re to achieve both beneficial and electrified building stock specifically with grants for low-income participants to encourage broader adoption. And notably generous hydrogen incentives will certainly help to accelerate the production and consumption for hydrogen, which remains for us an important option for hard to electrify sectors like industry medium and heavy-duty transport and beyond. So certainly a big game changer for us with we are certain unmodeled provisions that will provide even more benefits for New York. Next slide please.

So certainly this is a comprehensive package of federal funding each looking to advance a different aspect of the market and with different timeframes. The largest competitive opportunity that NYSERD currently plans to respond to was actually just issued. The hydrogen hubs were issued on September 23rd. And we are very focused on responding to the next deadline, which is coming up very soon. The concept paper is due in November. There are also two large formula grant awards that are part of the Inflation Reduction Act, each amounting to roughly \$250 million with total of \$500 million. These two formula grants will go first to the support of decarbonizing the housing sector to advance the Governor's 2 million Climate Friendly Homes

Initiative and also the federal formula grant with respect to electrification and efficiency together. Certainly there are various tax credit guidance that we're still waiting for by the treasury leader this year and beyond, but many aspects of this to benefit from, including as you can see, other State agency leverage that we see moving forward as well. Next slide, please.

We won't go into too much detail here, but here is a snapshot of reach, recent and future activity that the NYSERDA team is undertaking on a month-by-month basis. Well positioned for successful responses to any and all relevant and valuable federal programs and opportunities. So we do have a team that is formed around this very specific topic. And as you can see, we are, as we speak, coordinating with sister agencies and as I said, putting pen to paper on the recently issued hydrogen hub. Beyond that we are on the lookout for RFI and new federal program guidance coming out shortly notably around the application of tax credit provisions and considering updates to our own messaging and design accordingly. And as we look forward and relevant for this Board we'll be in the thick of our annual staffing and budget planning activities. So of course, these federal opportunities will factor in in that, in a prominent manner, I would say.

Next slide, please. So I did also just want to highlight two important end of year activities that we are actively engaging within. Obviously, Mr. Seggos and I, as co-Chairs of the Climate Action Council are very focused on our end of year deadline to deliver a final scoping plan under the Climate Action Council's work. And as you can see, we have twice monthly council meetings coming up between now and the end of the year with a, both at the end of December on the final scoping plan meeting our statutory deadline. And I would say most importantly, laying out the pathways by which our State will achieve our Climate Act goals. So certainly it will be a very active end of the year for the council and the Members within it. And also next slide. Although I'm not joined today by the Chair of the Public Service Commission, I do want to note that two key reviews were initiated in September of relevance for the Authority.

First, the review of New Efficiency New York which was slated for 2022 and is on schedule. But given the intersectionality between new efficiency in New York and our work in the Clean Energy Fund, the commission has, has determined that it's necessary to initiate the Clean Energy Fund review in parallel. And so, as such we are very busy not only producing information and insights into this proceeding, but also advancing the way in which the Clean Energy Fund will actually be reviewed in stages. So the first stage of the Clean Energy Fund review will integrate with New Efficiency New York, and really take a look at our market development and buildings programs, followed by subsequent reviews of our innovation portfolio and the NY Green Bank. So all of this will occur over the coming number of years and real essential not only to NYSERDA's continued work, but that work in the context of the CLCPA, which as we have discussed, will necessarily expand. So certainly the initiative that I wanted to highlight for the Board today. And with that that's the end of my presentation. I'll hand it back to the Chair. Thank you very much.

Chair Kauffman:

Any questions or comments?

Jay Koh:
Maybe

Jay Koh:

Just one. I think congratulations to the agency for its continued leadership in this area. I think Climate Week was pretty significant. The IRA I think has a lot of potential benefit for New York rate payers and New York citizens and taxpayers. And I really hope to see how we can actually implement some of those things on behalf of the State and, and the broader US. It's great to see some of the architecture being copied into the federal area and really looking forward, especially to see how the lessons learned in NY Green Bank and particular can be informed of how we actually deploy funding through the federal remake strategy.

Chair Kauffman:

Right. Thank you, Doreen. Now for logistical reasons, please note that we've revised and reordered the agenda, a copy of which has been posted to NYSERDA's website. Therefore, we'll now receive a report on the meeting of the Governance Committee, considered proposed amendments to the Authority's By-laws from that Committee's Chair, Arturo Garcia Costas.

Arturo Garcia-Costas:

Thank you, Chairman. The Governance Committee met earlier today, and a quorum was present throughout the meeting. The Committee received a report on the Authority's Diversity, Equity, and Inclusion work from DEI Officer Michelle Andry and DEI Senior Project Manager Bianca Shaw. The presentation included discussion of indicators the DEI team will use to measure the Authority's progress. The Committee was also able to ask questions and was satisfied with the discussion.

In addition, the Committee took up By-laws, the Authority's General Counsel and Secretary Peter Costello presented proposed changes to the Authority's By-laws. Changes include amendments to By-laws, the file for flexibility in scheduling of the Board and Committee meetings, renaming the Vice President for Policy and Regulatory Affairs as Executive Vice President for Policy and Regulatory Affairs, creating a Chief Program Officer and other ministerial changes. In addition, the Committee discussed making two more changes. First, change is the language of Article III, Section 1, allowing the same person to have more than one office to clearly State that the individual should only hold more than one office when they're at the temporary vacancy. Second, change would make clear that the Chair has the flexibility to schedule meetings in any month, and not just those that are listed in the By-laws. Committee unanimously or unanimously

Recommends that the Members approve propose amendments to the By-laws, including these additional changes. This concludes my report.

Chair Kauffman:

Thank you, Arturo. Questions? Okay. There being none may have a motion for resolution number 1675 approving amendments to the Authority's By-laws is discussed by the Committee.

Charles Bell:

So moved.

Sherburne Abbott:

Second.

Chair Kauffman:

Thank you. All in favor?

Members of the Board:

Aye. Aye. Aye. Aye. Aye. Aye.

Chair Kauffman:

Amendments to the Authority's By-laws have been approved. The next item on the discussion agendas report from the Program Planning Committee in consideration revisions to the Authority's Budget for Fiscal Year 2022-2023. I ask Shere Abbott, Chair of the Program Planning Committee to discuss this item.

Sherburne Abbott:

Thank you, Richard. The Program Planning Committee met just for this meeting. The Committee received presentation on the development of the Strategic Outlook from President and CEO Doreen Harris, Director of Performance Management, Jennifer Meissner, Vice President for Clean and Resilient Buildings, Susan DesRoches Vice for Distributed Energy Resources Technology, David Sandbank, Vice President for Innovation, John Lockner, and Vice President for Large Scale renewables, Georges Sassine. The presentation included a discussion of the Authority's mission, outcomes, and focused areas. Committee was able to ask questions and was pleased with the discussion. The PPC received a presentation from the Authority's Chief Financial Officer, Pam Poisson, on proposed revisions to the Authority's Budget Fiscal Year 2022 to 2023 to reflect material updates resulting from new business developments. The details were included in the meeting package and, and, and CFO Poisson summarized the key items. First, Adjustments were made to the beginning of the year, net position based upon strong regional greenhouse gas initiative, auction outcomes from the prior fiscal year. Next, the revenue budget has increased by \$40.1 million due to additional offshore wind port infrastructure, State budget appropriations, and additional expected utility surcharge assessments. Lastly, two Adjustments are being made with respect to salaries and benefits. This year's State budget included two cost of living increases for employees rather than one included in the Authority's original budget. Historically, the Authority follows the State conventions and is updating its budget accordingly, the revised budget also includes a placeholder for adjustments that may be warranted as a result of the Authority's Pay Equity and Job Study PPC unanimously recommends that the Members approve the revisions to the Budget Year 2022 to 2023. This completes my report on the Programmed Planning Committee meeting.

Chair Kauffman:

Okay, thank you. Are there questions for Shere in that case? I have a motion for resolution number 1676 approving revisions to the Authority's Budget Fiscal Year 2022-2023.

Charles Bell:

So moved.

Arturo Garcia-Costas:

Second.

Chair Kauffman:

Very good. All in favor?

Members of the Board:

Aye. Aye. Aye.

Chair Kauffman:

Any you opposed? Very good. The revisions to the Authority's Budget for Fiscal Year 2022. 2023 have been approved. The next item on the discussion agenda is report from the Waste and Facilities Management Committee from that Committee's Chair, Chuck Bell.

Charles Bell:

Thank you very much, Richard. The first item on the Committee's agenda was an update on the West Valley demonstration project. Brad Frank and Andrea Mellon presented the reports. Brad Frank updated the Committee on the final decontamination activities that were needed to begin demolition of the main plant process building. Brad also described the extensive air monitoring and water collection systems that will be used throughout the demolition activity. He discussed the readiness reviews that were conducted by the contractor, the US Nuclear Regulatory Commission, and the Department of Energy. All of the readiness reviews reached the conclusion that the contractor was ready to begin demolition. Now, sir, Staff observed the DOE readiness review and did not identify concerns with proceeding with demolition. Demolition work, which is more accurately described as slow and deliberate dismantlement's began on September 21st and will take three years to complete. Andrea Mellon reported that the ground weather groundwater elevations in Trench 14 have decreased. That's expected. And the Trench 14 leche elevation is now showing a decreasing trend, though she noted that additional data is needed to draw definitive conclusions on the effectiveness of the project.

On the State Disposal Area, North Slope Stabilization Project, Andrew reported that the geotechnical investigation conducted earlier this year confirmed that the soil movement was occurring in the loose soils placed on the slope during SDA construction. These unstable soils will be removed and will be replaced with rock that will lock together to eliminate down slope movements. And a passive wider drainage system will also be installed to prevent water from accumulating in the slope. Andrea said that slope stabilization activities are underway now and are scheduled to be completed by the end of November. Brad and Andrea are on hand right now and billable to answer questions if there are any questions from the Board.

Okay. Hearing none. Our second agenda item was a nuclear coordination report presented by Alyse Peterson. Alyse provided an update on the Indian Point decommissioning and briefed the Committee on activities with the US Department of Energy, the US Nuclear Regulatory Commission, and other States. Alyse reported that physical decommissioning of Indian Point is

ongoing with the transfer of spent fuel out of Unit two and three spent fuel pools into dry cask storage begun in August for unit two and scheduled to begin in February for unit three and the segmentation of both reactor vessels scheduled to commence soon and continue through 2023. She reported that Holtec has run into a challenge loading the casks and has requested an exemption from the NRC cast license to address what and how it can be loaded into the cask. Specifically, Holtec has requested to increase the number of neutron source assemblies in any individual dry cask from one to five assemblies.

Alyse and State colleagues performed a thorough review and shared, NYSERDA's concerns with Holtec and with the NRC. Alyse also reported that in July she worked with the US Department of Energy, the State Department of Health the Department of Transportation, Department of Public Service, and State Police on an assessment of Indian Point aimed at identifying options for transporting spent fuel and identifying any infrastructure or information gaps that was performed as part of a National Department of Energy assessment. She cited a number of other GOE related activities in which she has assisted as well and noted that the Authority led a multi-State coalition of agencies in opining on recent changes to decommissioning rule that do not favor State interests. Alyse also provided an update on the national advocacy and coordination done under the Authority's State liaison officer role. Alyse Peterson is also on hand to answer question if there are any questions from the Board. Mr. Chair this concludes my report.

Chair Kauffman:

Very good, Chuck for no questions. No further actions required.

We're gonna exchange the order of the agenda and turn now to the consent agenda. The 1 resolution considered information on this item was included in your meeting materials. Resolution number 1677 would approve the Periodic Contracts Report Council's office has compared the list provided by Members of entities, which each Member's associated that he or she believes may enter into contracts with NYSERDA. The list of contracts in the periodic contracts report Council's office for just one potential conflict. Specifically, the Authority is entered into or anticipates entering into contracts Cadmus Group LLC identified by Jay Koh. Jay can, we assume that you wish to stay from the vote to approve contracts. Would that specified

Jay Koh:

Yes.

Chair Kauffman:

Thank you. Are there any questions on these items in that case? May have a motion Approving resolution number 1677.

Charles Bell:

So moved.

Basil Seggos:

Second.

Chair Kauffman:

All in favor?

Members of the Board:

Aye. Aye. Aye.

Chair Kauffman:

I know it took a long time to think about. Don't rush. The Periodic Contracts Report has been approved. Thank you. Well now hear a report on the advantage of Codes Appliance and Equipment Efficiency Standards Act of 2022 and consider a Negative Declaration under the State Environmental Quality. Before we turn to this item, I would like to note for the record that given the Department of Environmental Conservation's overlapping regulatory jurisdiction Member Seggos has recused himself since he's left the room for this discussion. Yes. this portion of the meeting. So now I'd like to ask Codes Products and Standards Program Manager Chris Corcoran to discuss this.

Chris Corcoran:

Good afternoon. Thank you so much for the opportunity to discuss State appliance standards here in New York. Earlier this year, the legislature passed and Governor Hochul signed the Advanced Building Codes Appliance and Equipment Stand Standards Efficiency Act of 2022, which fundamentally changed the existing appliance standards process for New York, putting NYSEERDA in the lead to reinvigorate a previously dormant program. Before we jump into the specifics, I want to try a bit of background on State appliance standards to make sure we're all on the same page. Next slide, please. Appliance standards set the minimum performance level for new products sold, rented, or leased in the State, thereby removing the worst performing products from the market. Most appliance standards are set at the federal level by the US Department of Energy. This includes products across more than 65 categories, including lighting, HVAC, and traditional home appliances like refrigerators and dishwashers. States, however, can set standards for products that are not preempted by federal standards, thereby filling the gaps in those fed that the federal government has not yet addressed. Next slide. In the last round of applying standards adoption since 2017, 13 other States and the District of Columbia have adopted standards. As you can see on the map, those standards have really sought to, to have the same or similar standards across States. And New York will be building on that success to date and, and, and continuing that consistency.

Next slide. When it comes down to it, applying standards are a winning strategy for New Yorkers. By adopting these standards, NYSEERDA will help New York consumers and businesses save billions of dollars on their utility bills while cutting GHG emissions, saving energy, and reducing water use. Next slide. To go one level down, I wanna give you a quick snapshot of the individual categories in our first batch and the net economic benefits that they can deliver. Again, because these standards require reduced energy u and water usage, they save New Yorkers every day on their utility bills with some of the product categories, delivering hundreds of millions of dollars over their installed lifetimes. Next slide.

So, now that we've got the high level I want to go into the specifics on the statutes and the regulations and what it requires of NYSEERDA the new law authorizes NYSEERDA in partnership

with Department of State to develop these standards, these State appliance standards, and build a comprehensive compliance framework to make sure that they're effective. NYSERDA must adopt the first set of standards named in statute by January 1, 2023. And with the bill having been signed on July 5th we have less than six months to get through the entire SAPP regulatory process. And for those of you who that have dealt with that before, you know that that's a bit of a tall order. So we're working with DEC as an, as an involved agency. They're named in the statute on the review and approval for water related standards. And then we will build out a robust, robust compliance program with education engagement and, and support for manufacturers to build out their capacities but also, you know, so that we can conduct investigations, tests and negotiated settlements based on the, the statute. Next slide.

So here's a timeline for, for our regulatory actions, but between now and the end of the year, we're currently in the 60 day public comment period. Having published the proposed regulations in the State Register on September 14th, once the comment period closes, NYSERDA will compile and address all the public comments and make any necessary adjustments to the standards and forms. We plan to come back to the NYSERDA Board on November 28th for a special meeting to approve the final rule. That timeline puts us on track to have the notice of adoption of rulemaking published on December 28th in advance of the 1/1/23 deadline. So here are the, here's the first batch of standards that we're looking to adopt. As I mentioned, all of these standards have been adopted in other States and the performance levels are, are widely understood and readily achievable. This batch, you know, includes a number of older energy star and water sense performance levels and focuses on commercial kitchen equipment and some water related pro products, as you can see. Next slide. The second part of this this first batch includes standards that align with performance levels that were put forward by the Appliance Standards Awareness Project or ASAP.

There. They also include standards that have been enacted in California as well. So, again, this, this group of products includes consumer electronics, plug loads as well as some additional plumbing products. Next slide. In addition to the standards that we are moving forward in this batch there's a number of standards that that are, are we are naming for future action. The new law includes a number of categories listed here that are being evaluated to determine the right standard levels so that we can maximize savings while we're, while not disrupting the market. These categories will be included in, in the regulations with the, with the note above next slide. And the law also includes 18 categories that are now preempted by those by federal upline standards as I mentioned earlier on. So these categories while we can't pro actually promote any standards that will be noted in the regulations as named categories. And note they are preempted by next slide. And this brings us to the specific reason we're here today, The State Environmental Review Quality Act, or SEQRA for sure. SEQRA applies here because this is an action directly undertaken by NYSERDA DC is included, is included as an involved agency because of the statute providing discretionary approval Authority related to water efficiency standards.

This rule making is an unlisted action in SEQRA and NYSERDA has determined to move forward with coordinated review as the lead agency following concurrence from DEC. Next slide. Once NYSERDA was established as a lead agency, SEQRA requires NYSERDA to make a determination of significance on whether these regulations will result in a significant adverse environmental impact. Based on the nature of our regulations, NYSERDA issued a Negative

Declaration finding that there is in fact no adverse environmental impact, which means that an environmental impact Statement is not needed. This Negative Declaration was made in August, and we are now seeking confirmation on it from the NYSERDA Board. Next slide,

Included in the Board packet as a memo from our legal team that lays all of this out in more detail along with the secret documents themselves. The EAF part two form asks to what extent these regulations will impact various environmental resources. Based on the nature of these regulations, we determined that there will be no impact or just a small impact which means part three is not required. The Negative Declaration itself is an elaboration of NYSERDA determination of significance describing the proposed action, expanding on the reasons, supporting the determination, and addressing each of the criteria set forth in the secret regulations. Based on this, we recommend that the secret negative declaration be confirmed by the NYSERDA Board. Next slide. A slide.

Chair Kauffman:

All right. So it just for the, just for the record, here are the, are the questions we're looking for the, to the question of the standards or the, or the questions should relate to the, to the, the proposed resolution. I would say both because the, the former will inform our special meeting that we're gonna have. So we should hear what concerns it. So I, I just have a, I have a the, the, the cost savings impact, that seems like a very large number for the relatively marginal set of things. This covers.

Chris Corcoran:

It's, it is surprising amount of, of savings, but when you think about the number of products that are sold, when you think about, you know, televisions, computer monitors, but also plumbing appliances, you know, faucets, shower heads, the sheer number of those that are sold every year and the savings add up almost immediately for some of those, especially on the, the plumbing products.

Chair Kauffman:

And so, in terms of the so I see California's a very large State, so computer monitors and so forth. I, I presume that the, the manufacturers are not making things just for these 13 States. Is that correct?

Chris Corcoran:

A lot of the, a lot of the, the products that the standards that we're setting, I mean, we're, we're just, these are products that are already available in the market. You know, oftentimes it's, you know, 50, 60, 70% of the market already we're cutting out that 20 to 30 or 50% of the worst performing products. So they're all on the market here, they're all available. We're just making sure that the worst performing products are not sold. Next to those.

Chair Kauffman:

Other, other questions for Chris. Okay. Boys, about, Now I

Chris Corcoran:

Was not gonna answer

Jay Koh:

But we should probably review that. I was, she was curious as to whether it's SEQRA or SERQA, because the State Environmental Review Quality Act seems to have the initials in a different order, wasn't particularly concisely gone.

Chair Kauffman:

I'll,

Chris Corcoran:

I'll defer to, You don't have one.

Arturo Garcia-Costas:

I, other than that question, I do have one question. So the list of the ones that are gonna be considered how, what's the timeframe for, for considering those and, and putting forward another set of regulations regarding those?

Chris Corcoran:

Absolutely. We'll look to start digging into those in, in much more detail next year with, and then we'll work in them through individually as opposed to a full package so that we can make sure that we're working with the market manufacturers and as well as other States to get that consistency.

Sherburne Abbott:

I have a silly question. Telephones, I assume is landlines almost?

Chris Corcoran:

Yes. And, and, and the wire, the wireless landlines too.

Jay Koh:

Illuminate exit signs are pre,

Sherburne Abbott:

Yeah.

Chair Kauffman:

A lot of savings.

Jay Koh:

Federal savings.

Chair Kauffman:

Okay. so I know that Commissioner Dominguez has joined the meeting, although I don't, don't I don't, Are you, are you, are you there?

Sara LeCain:

I think there might be an issue with audio at the moment.

Chair Kauffman:

The issue what?

Sara LeCain:

With the Commissioner's audio at the moment.

Chair Kauffman:

Okay. Well so if she is, is there her vote will count, not for purposes of the court. So I may have a motion for resolution number 1678, proving the issuance of a Negative Declaration under the State Environmental Quality Review Act. That SEQRA for development of the specified 21 categories of regulations, establishing appliance and efficiency standards pursuant to the recently enacted advanced building codes, appliance and equipment efficiency standards active 2022.

Charles Bell:

So moved.

Chair Kauffman

Can we get a second?

Sherburne Abbott:

Yes.

Jay Koh:

Second.

Chair Kauffman:

Thank you. All in favor?

Members of the Board:

Aye. Aye.

Chair Kauffman:

The issuance of the Negative Declaration has been approved. You were nervous about it. Thanks, Greg.

Chair Kauffman:

Can somebody go and see if Basil is around?

Sara LeCain:

Yes, they're on it. They're walking up and get, have act in order to get there.

Chair Kauffman:

He has a time limit.

Colleen Dawson:

Can you advance the slide please? Thank you. Good.

Chair Kauffman:

So, I, I note for the record that Commissioner Seggos has returned, returned to the room in his seat. All right. Returning to the discussion agenda, the next agenda item concerns an Executive Session Section 108 in the Public Officers Law authorizes Members to convene in an Executive Session in order to discuss the employment history of a particular person and the financial history of a particular corporation. May I have a motion approving resolution number 1679, to enter into Executive Session to discuss the history of particular persons and the financial history of particular corporation.

Jay Koh:

So moved.

Arturo Garcia-Costas:

Second.

Chair Kauffman:

Okay. In favor,

Members of the Board:

Aye. Aye. Aye. Aye.

Chair Kauffman:

Any opposed? All right. The Members and Officers will now enter into an Executive Session. During that time, the webcast will remain up upon a return. We will reconvene the meeting. I now reconvene the meeting in open session. No formal action was taken during the Executive Session. The next item on the discussion agenda's report from NY Green Bank's President Andrew Kessler.

Andrew Kessler:

Thank you, Richard, and good afternoon. Thank you for the opportunity to present today. I'm Andrew, President of NY Green Bank. As our last presentation to you over the summer. We've been very busy. I'll cover some updates. We're, we're very pleased to be able to share our progress with you all today. Next slide, please. And in the interest of time, I'm actually gonna cover all of these points. Let's just go to the next slide and we'll cover them in more detail as we go through this. I wanna talk a little bit about our progress with respect to commitment of funds. As you all may know, I may recall we have an annual \$250 million capital commitment goal here to date, we've made \$30 million of capital commitments across five transactions. This this is a bit slower than our normal cadence. And that's reflective of some of the headwinds that our, our developer community is seeing with respect to supply chain issues labor shortages, rising construction costs, construction delays, and, and of course, all of which are happening in a, in a rising interest rate environment.

Nonetheless, we, we remain very confident that in our ability to close into our \$225 million incremental commitment goal by the end of this fiscal year, based on our robust pipeline that pipeline amounts to approximately \$300 million in very actionable and high visibility closings that we expect to occur over the next 45 to 90 days. The pipeline itself is representing some

pretty exciting opportunities, in particular in some of our priority segments, specifically clean transportation, energy storage, affordable housing, and building decarbonization. And in particular we're seeing some pretty interesting spike in activity within your clean transportation itself, which I'll talk a little bit more about. On the top of the slide, you'll see the cumulative impact of this progress. So, \$1.8 billion have committed and deployed capital since inception, \$1.3 billion, successfully repaid \$4.5 billion and capital mobilized by our activity, resulting in \$31 million metric tons of mission reduction. Next slide, please.

Let me turn now to our disadvantaged communities strategy, where we've made several important public commitments that aim to support financing solutions to underserved frontline communities. Our most significant commitment in this area is to launch the community departmentalization fund. That's, that's meant to provide \$250 million of low-cost capital to lenders that are funding decarbonization projects in New York State within disadvantaged communities. As briefly described in, in prior updates we've identified a third party to help advise on the development of this fund. And they, they've now launched that effort. They're helping us to accelerate progress towards an expected launch in early 2023. So that that means if you look at the slide, we've actually kicked off that phase one there on the bottom left which is a market assessment exercise to identify specific funding gaps that the CDF will fill and identify where this fund should be most impactful. Phase two in the middle there. The design phase of the CDF is, is meant to kick off very shortly, middle, middle of this month itself. And that's gonna be setting standards how we're gonna staff the CDF reporting eligibility criteria, et cetera. And that should conclude by the middle or so of December of this year. And then phase three, of course, is the launch of the CDF and the rollout strategy. And that's on track to occur in early 2023. Next slide, please.

So, in addition to launching the CDF, we are driving forward on other commitments to support financing solutions in underserved communities. We've made a lot of progress here since January first 20% of your agreements, investments have supported underserved communities. The fiscal year to date \$17 million of our investments, or 57% have benefited underserved communities, including \$5 million in affordable housing and \$12 million in building electrification. Our robust and growing pipeline of new projects in affordable housing and building electrification demonstrate that there is a need for financing, financing solutions in this area. And that in turn will contribute to meeting our goal of \$150 million and affordable housing in a hundred million in building electrification projects by December 31, 2025. Next slide, please. Let's talk about a real-life example where NY Green Bank was able to fill financing gaps in a disadvantaged community.

In June, 2022, this year we closed a \$5 million loan to NYSEG, the support, energy efficiency, and building decarbonization projects in underserved communities in New York State. That is expected to bring nearly 13,000 metric tons of CO2 reductions across the life of the project. Significantly. This transaction represents NY Green Bank's first concessionary loan under RFP 19. This in, in this context to an experienced lender that's actively serving underserved communities representing a model that we plan to expand with the launch of our, of the CDF, the previously described funding path. Next slide, please.

So, moving to some other key business development priorities, we're making very good and steady progress towards our commitments in energy storage and clean transportation. We've executed almost \$50 million in energy storage and have a line of sight to increase that by approximately \$30 million in the coming months. And now we have, as I mentioned before, we've, we've actually got the strongest pipeline that we've ever had in clean transportation transactions with approximately \$67 million of actionable transactions that we're working to close over the coming months. Importantly, we expect to see further activity in these priority areas from the impact of the Inflation Reduction Act, which Doreen highlighted earlier. The IRA, among other things, is providing increased incentives and important tax credit credits which should enhance project economics and incentivized more activity in these important areas. Next slide. Please.

Let me turn now to some of the activities we've done with regard to engagement and communications. We've as we've recently engaged a third-party firm to develop an elevated profile campaign ahead of our 10-year anniversary. Yes, that's a 10-year anniversary coming right up. So 2023, really excited about it. The engagement with the third-party advisor kicked off in September. And the team is currently working on finalizing project plans and working through strategic alignment for ourselves and, and business units within NYSERDA. The next phase is going to involve proactive media planning. For example, an analysis of what news outlets are, are writing about Green Banks generally, and how NY Green Bank can be more proactively engaged with them, as well as evaluating target audiences platforms and other platforms to most effectively advance and promote our messaging from the final phase of this work which will happen through the end of 2022, will involve the development of key messaging and an, and an editorial calendar for NY Green Bank. So, lots of exciting stuff going on there. Next slide, please.

Great. So, in order to meet the demand for our capital NY Green Bank needs to ensure that we actually have the liquidity to do so. In connection with that effort, we've launched RFP 21. We launched that in June. And that's meant to identify and pre-qualify interested parties for potential future portfolio liquidity events. Market reaction associated with that has been very positive, indicating strong demand for sustainable infrastructure investments that NY Green Bank has underwritten. Out of the 12 proposals we've received, 11 parties have already been approved to enter what we're calling our eligible purchase. Next slide, please.

To close out on our business plan execution progress. I'll speak to four specific deliverables that collectively our enhancing our operations and portfolio management capabilities. First off of all on climate resiliency I've reaped the Board on this earlier, but we're actually an execution mode. Now on that work strength we're in the process of, of identifying and evaluating a third-party climate data provider that can lead a climate risk assessment of our portfolio. The goal of this work is to identify ways to promote climate resiliency in the projects that we are supporting and identify opportunities to enhance our underwriting processes to better mitigate climate resiliency credit risk. Second, our metrics plan. NY Green Bank continues to monitor criteria being developed by the Climate Justice Working Group to ensure that we're accurately and clearly presenting the benefits that our investments are providing to underserved communities. Thirdly, NY Green Bank issued an RFP and selected a third-party administrator to support our ability to properly manage our growing and more an increasingly complex investment portfolio. And

lastly, NY Green Bank, along with the broader market, is transitioning from LIBOR to SOFR as our base or reference rate that we use to price our investments. We're working and aligning closely with the alternative reference rates Committee to adopt recommendations and ensure an orderly transition from LIBOR to SOFR. Next slide, please.

Last and not least just a few words maybe on, on the IRA that really the truly historic passage of this. As, as you know, NY Green Bank, along with our NYSERDA colleagues have been evaluating a variety of, of federal funding opportunities, were at large that can enhance our ability to close funding gaps and accelerate the deployment of decarbonization projects in New York State. The recently passed IRA has a historic opportunity that's with particular significance in NY Green Bank are, the IRA includes a \$27 billion greenhouse gas emissions reduction fund. If think of it as two sort of channels, two buckets the, the first is a \$7 billion zero emission technology fund that that that NY Green Bank as a State entity can directly apply for. And that is specific to investments that will benefit disadvantaged communities. So it's really a really exciting pathway to further that important work.

The second is a \$20 billion National Green Bank Fund, which has a broader focus and, and, and, and that broad focus in, in fact fits very well and is very, very complimentary to our mission and remit. So we do plan to also pursue funding through that through that path as well. From a, a timing perspective we expect EPA, the EPA, EPA application guidelines to start coming out soon by law Greenhouse Gas Emissions Reduction Fund commitments have to begin and start being awarded starting February 17, 2023 with a call fully deploying all of the funding. No, no later than September 30, 2024. NY Green Bank is evaluating all options in order to make as, as fully informed of a decision as possible to optimize the impact of this funding on our ability to execute into our mission and jackets. Smile, please. That in fact, concludes presentation today. And open it up for questions.

Sadie McKeown:

Andrew, this is, I just wondered, are you thinking about making an independent application direct to the EPA? Or are you part of the coalition's application?

Andrew Kessler:

We are, the \$7 billion pathway is a direct pathway for State owned entities or States in general, including tribal governments, et cetera. So, so Sadie, we will be pursuing path there directly. With respect to the \$20 billion bucket that there are a variety of folks out there, including the, the, the initiative you mentioned that are that are collecting entrusted parties for to make a joint application through an accelerator type program. Yes. We were down in DC last week collaborating with those stakeholders, and you you're looking at, at what the best, but the most optimal path is for that, for that piece of the IRA.

Sadie McKeown:

So you, you qualify for the \$7 billion. Okay.

Andrew Kessler:

Yep. But we don't qualify, well, we don't our interpretation thus far as that we, we probably don't qualify directly for the other portion. Got it. And, and that's why, that's why we're working closely with other parties.

Sadie McKeown:

Got it. Okay. That's helpful.

Andrew Kessler:

Sure. So a lot, a lot will be clarified once the EPA.

Sadie McKeown:

Yeah, there's a lot of,

Andrew Kessler:

There's a lot. It's this portion of the IRA is literally a page and a quarter.

Sadie McKeown:

Yeah. I know.

Andrew Kessler:

A 700, you know, page or plus law. So a lot more clarity is coming soon. Nonetheless, the, the, the impact it's material is it State the obvious, a very material positive impact for, for NY Green Bank and, and, and many business units within ninth serve.

Chair Kauffman:

Right. Other questions for Andrew? Andrew, thank you very, very much. So the last item on the agenda is other business. You have been set invites for the 2023 Board and Committee meetings. Schedule is based upon your provided availability throughout the year. Please respond these to mark the dates on your calendars. Does anyone have any other matter they wish to discuss being done? May I have a motion to adjourn the meeting?

Charles Bell:

So moved.

Chair Kauffman:

That good? All in favor?

Members of the Board:

Aye. Aye.

Chair Kauffman:

The meeting is adjourned. Thank you all for coming.