

MINUTES OF THE ONE HUNDRED FIFTEENTH MEETING OF THE  
PROGRAM PLANNING COMMITTEE  
HELD ON JANUARY 25, 2022

Pursuant to a notice and agenda dated January 14, 2022, the one hundred fifteenth (115<sup>th</sup>) meeting of the Program Planning Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 12:00 p.m. on Tuesday, January 25, 2022, by videoconference.

The following members of the Committee were present:

Shere Abbott, *Committee Chair*

Richard Kauffman, *Chair of the Authority*

Charles Bell

MarieTherese Dominguez

Arturo Garcia-Costas

Sadie McKeown

Frances Resheske

Members Justin Driscoll & Chair Christian were also in attendance.

Also, present were Doreen Harris, President and CEO; Janet Joseph, Senior Vice President for Strategy and Market Development; John Williams, Vice President for Policy and Regulatory Affairs; Peter J. Costello, General Counsel; Pam Poisson, Chief Financial Officer; Sara LeCain, Senior Counsel and Secretary to the Committee; and various other staff of the Authority.

Shere Abbott called the meeting to order. The meeting notice and agenda was forwarded to the Committee Members on January 14, 2022 and to the Press on January 18, 2022. The meeting was held via video conference and Ms. Abbott asked Sara LeCain to conduct a roll call and confirm there was a quorum. Each member indicated their presence, and quorum was confirmed.

Ms. Abbot indicated the first item on the agenda was the approval of the minutes of the one hundred thirteenth (113<sup>th</sup>) meeting held on June 22, 2021, and the one hundred fourteenth (114<sup>th</sup>) meeting held on October 5, 2021.

Whereafter, upon a motion duly made and seconded, and by unanimous voice vote of the Committee members the minutes of the one hundred thirteenth (113<sup>th</sup>) meeting of the Committee held on June 22, 2021, and one hundred fourteenth (114<sup>th</sup>) meeting of the Committee held on October 5, 2021 were approved.

Ms. Abbott indicated the next item on the agenda was a report on the Strategic Outlook for 2022-2025. These items were introduced by Senior Vice President for Strategy and Market Development, Janet Joseph.

Ms. Joseph introduced this item to the Committee by identifying the Authority's Mission Outcomes: greenhouse gas emissions reduction, renewable energy, energy efficiency and building decarbonization, clean energy economy and a resilient and distributed energy system; and its Strategic Focus Areas: building an inclusive energy economy, supporting clean energy jobs and New York State's economic recovery, accelerating the transition from fossil gas to a low-carbon future and fostering healthy and resilient communities. Ms. Joseph indicated that the Strategic Outlook will work within the context of its priorities for 2022 and within the relevant context of what the Authority will be doing to advance Governor Hochul's State of the State initiatives.

President and CEO of the Authority Doreen Harris presented the first item in the Strategic Outlook. Ms. Harris began by discussing the Authority's policies in the year ahead. Ms. Harris noted the updated mission statement to incorporate themes of climate change, equity and inclusivity, jobs and economic opportunity, public health and resilient communities that are central to the Authority's mission and vision as we look to 2022. Ms. Harris further discussed the Authority's plan for 2022 by noting that it will leverage what is working well now and will continue to focus on its culture and people by building the Authority's strengths and working together to ensure we are laser-focused on what will help it scale impact and achieve its goals. Lastly, Ms. Harris identified the Authority's priority goals for 2022: Strengthen performance-based culture of collegiality, camaraderie, accountability and focus, focus on what we are doing well by assessing quarterly progress on each program, clearly outlining a credible path to achieve

Climate Act Disadvantaged Community goals while achieving our energy goals, finalize the Climate Act Scoping Plan and leverage and integrate federal funding to drive our priorities.

Jamie Dickerson, Chief of Staff presented the second item in the Strategic Outlook and began by noting the proposals highlighted in the Governor's State of the State and Budget address and anticipates using those proposals to illuminate the Mission Outcomes and Strategic Focus Areas. Mr. Dickerson discussed some of the notable climate and clean energy proposals and how they aligns with one or more of the five Mission Outcomes and emphasized the alignment of the proposals with the four Strategic Focus Areas.

Mr. Dickerson further discussed the notable proposals in the State of the State and Budget address and highlighted the Governor's commitment to \$500 million dollars in State budget funding to support offshore wind, infrastructure and supply chain/manufacturing investments and noted the New York State Cable Corridor Study and Master Plan 2.0 Deep Water as key elements.

Mr. Dickerson discussed the Fossil Fuel Plant Phaser-Out and indicated that the Authority will join forces with its colleagues to develop a blueprint to guide the retirement and repurposing of the State's most polluting power plants by 2030. In addition, Mr. Dickerson discussed the Green Energy Hub and its competition for approximately \$110 billion in federal funding that will bring together multiple New York Regional Hubs.

Mr. Dickerson discussed a new agenda that the Governor has put forward outlining a new top-line goal to achieve 2 million climate friendly homes by 2030 with a minimum of 1 million electrification-ready homes in the next 8 years in low-to-moderate income homes. In addition, Mr. Dickerson indicated the Authority will expand the Clean Green Schools proposal launched over Climate Week and announced earlier this week in connection with the Bond Act, which will expand the program's reach to over 1,000 public schools. Mr. Dickerson also highlighted the progress on the Authority's Empire Building Challenge and noted that in 2022 its first 4 showcase projects at high rise buildings will be unveiled.

With respect to transportation, Mr. Dickerson indicated that the Governor affirmed her commitment to invest more than \$1 billion dollars for the adoption of and installation of charging stations across the state. Mr. Dickerson also noted the awarding of 17 Phase 1 grants for applicants under the Authority's Clean Transportation Program Prizes Program. In addition, Mr. Dickerson

discussed the actions taken by State government leading by example and noted two commitments for the state light duty fleet and for school buses in the State requiring them to be 100% new purchases by 2027 and 100% of fleets being 0 emission vehicles by 2035.

Lastly, Mr. Dickerson reported that the Bond Act will increase funding for the Clean Water Clean Air and Green Jobs Environmental Bond Act to \$4 billion dollars and noted that the Bond Act will be on the ballot for 2022 and if approved would boost funding streams for climate change mitigation, resilience and adaptation-oriented projects.

The Committee asked questions and were satisfied with the answers.

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

#### Resolution

RESOLVED, that the outlook for the Authority's energy, economic environmental program priorities and strategic vision entitled *Toward a Clean Energy Future: A Strategic Outlook 2022-2025*, submitted to the Members for consideration at this meeting with such nonsubstantive, editorial changes and supplementary schedules as the President, in her discretion, may deem necessary or appropriate, is recommended to be adopted and approved by the Board as the Authority's updated Strategic Outlook.

Ms. Abbott indicated the next item on the agenda was proposed revisions to RGGI Operating Plan. This was presented by Vice President for Policy and Regulatory Affairs, John Williams.

Mr. Williams began by indicating to the Committee that they are asked to adopt a resolution approving an amendment 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" (RGGI Operating Plan) for the period April 1, 2022, through March 31, 2025. Mr. Williams stated that the RGGI Operating Plan is amended each year and provides a three-year proposal for the Board to consider for both revenue assumptions and program allocations and indicated that the proposal has been presented to a group of potential stakeholders at a webinar in December 2021 and was also issued for receipt of written comments made available through January 5, 2022, on the Authority's website. Mr.

Williams noted one adjustment to the proposal made in response to comments and was added to the language in the “Opportunities for Other Allocations” section.

Mr. Williams indicated that the revenue projections were developed earlier this year by a lookback average of the past five auctions through the plan date, increased by a modest inflationary factor and arriving at an \$8.00 value and noted that this synchronizes with the most recent fiscal year average realized allowance price of \$8.32.

Mr. Williams reported that with this revenue projection we are advancing several new initiatives in this three-year program plan and noted those initiatives: Community Heat Pump Systems, Healthy New Homes Design & Construction Challenge and Expanding access to On-the-Job Training Program. In addition, Mr. Williams outlined the initiatives for disadvantaged communities: Clean Energy Hubs, Equity and Climate Transformation Research and New Air Monitoring Program.

Lastly, Mr. Williams noted that utilizing our interim definition of disadvantaged communities, which was done last year and as the Climate Justice Working Group finalizes its work on the criteria for disadvantaged communities, 42% of the investments in programs since the initiation of the CLCPA in 2020 will benefit disadvantaged communities.

The Committee asked questions and were satisfied with the answers.

Whereafter, upon motion duly made and seconded, and by voice vote of the Committee the following resolution was adapted.

#### Resolution

RESOLVED, that revisions to the “Operating Plan for Investments in New York Under the CO2 Budget Trading Program and the CO2 Allowance Auction Program” as presented to the Members for consideration at this January 25, 2022 meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, are approved.

Ms. Abbot indicated the next item on the agenda was the Authority Budget for Fiscal Year 2022-2023. This was presented by Chief Financial Officer, Pam Poisson.

Ms. Poisson began by indicating to the Committee that they are requested to recommend the adaptation of a resolution recommending the approval of its portions of the Authority's budget for the fiscal year ending March 31, 2023. Ms. Poisson stated that this budget is conservative and does not reflect potential additional funding that may materialize through subsequent PSC orders, SOTS items, nor federal infrastructure bill funding.

Ms. Poisson reported that in total revenues are projected to increase by \$234 million from the fiscal year 2021-2022 approved budget to \$1.73 billion, primarily from an increase of \$181 million in Utility Surcharge Assessments. Ms. Poisson also reported that budget revenues also reflect an increase of \$27.3 million in Third Party reimbursement revenue which consists of increase in funding for the implementation of the "New Efficiency New York" initiative, the NYS Office of Temporary and Disability Assistance to help support the Empower program. In addition, Ms. Poisson noted anticipated increases in the Federal Government Volkswagen settlement funds to support the Authority's Clean Transportation program and lastly, an increase of \$18.2 million in RGGI Allowance auction proceeds based on an increase in the allowance price and a slight reduction in the number of allowances to be auctioned.

Ms. Poisson discussed the Program Expenditures noting that the total budget expenditures increased by \$263 million from the fiscal year 2021-2022 approved budget to a total of \$1.71 billion. Program expenditures are projected to increase by \$231 million to \$1.60 billion primarily from an increase in NY-Sun and the Clean Energy Fund.

With respect to salary and benefits, Ms. Poisson reported that the costs budgeted for fiscal year 2022-2023 are estimated at \$67.3 million and noted that this figure represents an increase of \$3.99 million, or 6% year over year. Ms. Poisson advised this increase is a result of a combination of a full year effect of vacancies filled throughout the current year, an anticipated 2% COLA plus merit increases in line with past year percentages. In addition, this increase is partly offset by a corresponding reduction in temporary staffing services. In addition, Ms. Poisson advised that this budget reflects what the Authority believes is a reasonable assumption of a 5% vacancy rate. Lastly, Ms. Poisson reported that the budget for fringe benefit costs of \$17.6 million reflects a decrease of \$3.2 million from the prior year budget and noted that this reflects a decrease in pension

costs and lower retirement health insurance costs, offset in-part by increases in compensated absences and employee health insurance estimates.

Ms. Poisson reported that the program operating costs are budgeted at \$4.8 million and noted a modest increase of \$259,000 from the fiscal year 2021-2022 primarily due to an increase in NY Green Bank professional service costs offset in part by NY Green Bank temporary service costs.

Ms. Poisson discussed the general and administrative costs advising that their expenses are budgeted at \$17.3 million and noted that this is an increase of \$663,000 from the fiscal year 2021-2022 reflecting an increase in IT software needs and telecommunication costs, professional services, staff development costs associated with Diversity, Equity and Inclusion training, and temporary service costs and this is offset in part by decreases in web hosting and other expense categories.

With respect to capital assets, Ms. Poisson reported that the budget includes \$1.3 million in capital asset purchases which is an increase of \$63,000 from the Authority's revised planned capital asset purchases for fiscal year 2022-2023. Ms. Poisson noted that this budget includes \$673,00 for cost-effective building improvements, \$565,00 for information technology upgrades, \$43,000 for vehicles and \$31,000 for fixture and furniture.

Lastly, Ms. Poisson reported that The Restricted Net Position is projected to increase by \$2.1 million to \$456 million and NY Green Bank's net position is anticipated to increase by \$15,000 and remain around \$1.0 billion. In addition, Ms. Poisson advised the Unrestricted Net Position is anticipated to be \$4.2 million and provide sufficient resources to meet working capital needs and unanticipated expenditures.

The Committee asked questions and were satisfied with the answers.

Whereafter, upon motion duly made and seconded, and by voice vote of the Committee the following resolution was adapted.

## Resolution

RESOLVED, that the proposed fiscal year 2022-23 Budget and Financial Plan submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, be and it hereby is recommended for approval by the Board for submission to the persons designated in Sections 1867(4) and 2801 of the Public Authorities Law.

Ms. Abbott indicated that the next item on the agenda was other business. There being no other business the meeting was adjourned.

Respectfully submitted,

Sara L. LeCain  
Secretary to the Committee