

NYSERDA 115th Program Planning Committee Meeting
January 25, 2022
Clean Copy Transcript

IT:

Good to go.

Sara LeCain:

Thank you, Shere, if you would like to start.

Shere Abbott:

Okay, great. Good afternoon. And welcome. I call this meeting to order and notice an agenda for this meeting was provided to the committee members on January 14th, 2022 end of the press on January 18th, 2020 22. This meeting is being conducted 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 would like to ask Sara LeCain secretary to the committee to conduct a roll call of each of the committee members and attendance.

Sara LeCain:

Thank you, chair Abbot. I will first note your attendance and now take the remainder of the roll call. When I call your name, please indicate present Chuck Bell.

Charles Bell:

Present.

Sara LeCain:

Commissioner Dominguez.

Commissioner Dominguez:

Present.

Sara LeCain:

Arturo Garcia-Costas.

Arturo Garcia-Coatas:

Present.

Sara LeCain:

Sadie McKeown.

Sadie McKeown:

Present.

Sara LeCain:
Frances Resheske.

Frances Resheske:
Present.

Sara LeCain:
And I will note that TSC Chair Christian and I believe Justin Driscoll are also in attendance. All the members are in attendance. Therefore we have an quorum.

Chair Kauffman:
Sara Richard Kauffman's also present.

Sara LeCain:
Sorry, Richard. Thank you.

Shere Abbott:
Okay. Is that? Thank you, Sara. The first item on the agenda is the approval of the minutes of the hundred and 113th committee meeting held on June 22nd, 2021 and the hundred and 114th committee meeting held on October 5th, 2021. Are there any comments on either of the minutes hearing? None. May I please have a motion approving the minutes?

Sadie McKeown:
So moved

Shere Abbott:
Second?

Arturo Garcia-Costas:
Second.

Shere Abbott:
Okay. When Sara calls your name, please indicate whether you are in favor by saying aye or opposed by saying no.

Sara LeCain:
Thank you. When I call each name, please indicate your vote committee chair, Shere Abbott.

Shere Abbott:
Aye.

Sara LeCain:
authority chair, Richard Kaufman.

Chair Kauffman:

Aye.

Sara LeCain:

Chuck Bell.

Charles Bell:

Aye.

Sara LeCain:

Commissioner Dominguez.

Commissioner Dominguez:

Aye.

Sara LeCain:

Arturo Garcia-Costas.

Arturo Garcia-Costas:

Aye.

Sara LeCain:

Sadie McKeown.

Sadie McKeown:

Aye. Excuse me. Aye

Sara LeCain:

Frances Resheske.

Frances Resheske:

Aye.

Sara LeCain:

The minutes have been approved.

Shere Abbott:

Thank you, Sara. The next item on the agenda is a report on the author strategic outlook. This item will be presented by the authorities senior vice president for strategy and market development Janet Joseph, Janet.

Janet Joseph:

Thank you Shere. Good afternoon member. So I'll kick off the conversation today on our strategic outlook and provide a, a bit of background in particular for the benefit of some of our newer board members. So the strategic outlook, which is entitled toward a clean energy future summarizes NYSERDA's multi-year objectives, our programmatic priorities and our strategic

focus areas for the next three years, we update this strategic outlook annually and we present it to our board for review along with our annual budget each January. Next slide please. So our strategic outlook is organized around NYSERDA's mission outcomes, which are shown on this slide here. And those include greenhouse gas and mission reductions. Again, our, our north star renewable energy, energy efficiency, and building decarbonization, clean energy economy and a resilient and distributed energy system. We prioritize our work at NYSERDA around the strategic focus areas, which are also illustrated on this slide.

And these in include the things that we really care about as we deliver our work and the things that resonate with New Yorkers. And that includes building an inclusive, clean energy economy, supporting green jobs, accelerating the transition from fossil fuel to a low carbon future and fostering healthy and resilient communities. So as we noted in September, when we last met on this topic, we expect to be oriented around these focus areas for some time as we address the enduring climate crisis, these are major initiatives and focus areas for our work. So what we would like to do in the time that we have today is to share with you a distillation of our priorities for the next year, within this context of our strategic outlook. And instead of walking through each mission outcome and strategic focus area which are laid out in the written document that you have, we'll put our work within the context of our priorities for 2022 and within the very relevant context of what we will be doing to advance the Governor's state of the state initiatives that were just laid out earlier this month.

And I will just say for context, I've been involved in many gubernatorial state of the state addresses and state of the state rollouts. And I have never seen one quite so ambitious in terms of the climate agenda on all fronts. So again, it underscores the importance of the work that NYSERDA is doing to address the climate crisis and the leadership that New York state is demonstrating to address this crisis. So with that, I will pass it to Doreen who will walk us through our priorities in the year ahead, and we can move on to the next slide.

Doreen Harris:

Good afternoon, everyone. And thank you, Janet. Indeed certainly the context of our work at NYSERDA has, has shifted over the past years, decades and beyond certainly the acknowledgement, the presence and the impact of climate changes to our work and the scale and pace of our work has changed. Commensurately, certainly the climate act itself sets forth a vision and a process that we are closely leading and implementing at the same time as well. So what you'll here from me today is the product of some work that we began last summer as an executive team at NYSERDA really looking at this context and applying it directly into our specific goals for the coming year that really will influence not only our large big picture actions, but also all the way through to our individual performance measures and our professional development and training goals as members of the authority.

So certainly when we look at the context we already know we have increased our mission and our activities in a manner that is quite unprecedented. New York's work simply stated is truly global, globally leading. And certainly NYSERDA is central to its impact. And when we see the climate act and it's very specific focus on not only addressing the impacts of climate change but also to, so in a manner that is truly equitable, it sets forth a, an approach that you'll hear today, that that does shift shift our very specific focus for the coming years full stop, the pace of our

work as a state in, and, and many of you already know this is one that is unprecedented and it requires us to accelerate on all fronts. And frankly, to think about the way that we do our work in a much more expansive manner as well.

And we live in a moment where we have incredible alignment from, with the, in the global federal and local context that allows us side to have self reinforcing impacts of our investments and of our policies. And we intend to capitalize on this moment in this coming year, for sure last but not least the question of resiliency. We know we need to address our clean energy investments, and we need to think about our infrastructure from the perspective of the changing conditions and the more frequent and severe weather events that we are witnessing each and every year. So this framework of resiliency is central to our context as well. So if we go to the next slide in, in putting this directly in the context of our planning for 2022, we as an executive team feel strongly that we have the right foundation at NYSERDA to keep delivering the results that we need to, as we step up to these new challenges.

Certainly we know much of what we're doing now is working incredibly well. And we know that NYSERDA is increasingly acknowledged as a global leader in the fight against climate change, and that many of our processes and programs are highly impactful toward that goal. And that we have an incredible team of professionals, many of whom you know, and some of whom you don't, who are all working together to deliver these results together, but to do so. We know we need to continue our focus on our culture and our people. And certainly as we've discussed our work in developing our DEI strategic plan, it's central to the establishing the culture and developing our teams to deliver on these goals effectively. And also to ensure that we bring forth resources in tools that will really help us achieve the pace that we need to collectively again, to address the challenge before us next slide, please.

And in doing so, and in acknowledging that foundation upon which to build, we certainly know that we need to be nimble. We need as to make targeted shifts to deliver on this expanding agenda. So we have set forth goals for the coming year that, that really set that as central to our mission, which is that we need to prioritize more rigorously with the people and the resources we have. We have to be laser are focused on impact. How can we scale our impact to achieve our goals and to transition those activities that do not meet the, that criteria. So you will see that set forth in some of the objectives. We've set forth for our teams as well in this coming year in. And as I said, we are only as impactful as we are within our reach, and we need to broaden our reach together to other agencies, to other administrators and beyond to advance the goals of the climate act.

So that is also a goal of ours for the coming year. And we can only achieve the objectives of the climate act and our broader objectives if we have underlying strong support from the public. So it is central to our work to ensure not only engagement awareness, but also support from the public at large given the transformation that we are undertaking. So if we turn to the next slide, we have established as an executive team, top tier NYSERDA goals for 2022. We have shared those goals with our entire teams. As we have begun a process for not only their own planning activities, as specific subteams within NYSERDA, but also in establishing goals for the individuals as through our annual individual, performing a assessment process as well. And as you see here, this is a short list, but it's a big list all at the same time.

So first our goal is to strengthen our performance based culture of collegiality, camaraderie, accountability, and focus. And this is central to our work it's to we are, and it's central to our success. Second, we will focus on what we're doing well while we take steps to scale, we know this is not a sprint, it's a sprint in a marathon all at the same time, but we know we need to begin to assess not only our performance under the clean energy fund in this context, but broadly through our other performance goals, really, to look at what we're doing in the near term as to whether it's hitting that question of scale and of pace that we need to, to achieve our goals. We need to very specifically focus on the topic of equity and to do so. We, you need to achieve the climate X goals for disadvantaged community investments, but broadly we need to build programs that are centrally focused on that topic of equity and to do so.

We've, we've certainly expanded our teams in this respect as you'll hear in a bit. And of course we have the scoping plan. You will hear more from me during the board meeting, but we are on pace with the schedule set forth for the climate act achievement through the publication of the draft scoping plan late last year. And now this year, we need to finalize that scoping plan, which will provide a critical go forward roadmap for New York for 2022 and beyond. So we certainly need to not only complete the plan, but also to set forth the pathways to achieve its objectives. And that is a place where we know NYSERDA will be central in its success. And we know we don't have time to wait. So in 2022, and in fact what you'll be hearing in just a moment, our actions that Governor Hochul has set forth for us to really begin that process achieving the climate act goals, even in 2022 and last, but certainly not least, as I said, we are at a moment where we have great alignment across multiple facets of government, most notably the federal government support and alignment of our work and thus one primary objective in 2022, be to leverage and integrate federal policies and funding to drive the priorities that I just described.

So that's a big list, but it's an achievable list. And I think the context of Governor Hochul's policy agenda is an important one to wrap up this discussion. So if we turn to the next slide, certainly Governor Hochul set forth a bold policy and budget agenda in her 2022 state of the state address and in her executive budget presentation for the coming fiscal year. And I just wanted to quote as I, as I turned this over to my colleague, Jamie Dickerson I think an impactful statement from the state of the state book, which is new Yorkers deserve a 21st century infrastructure. And that is exactly what they are going to get. We will also take action to ensure that basic rights of clean air, clean water, and a clean environment for every new Yorker we are in a climate per races. We must act like it. We will accelerate our adoption of clean energy technologies for buildings, truck fleets, schools, and state agencies. We will make New York, the renewable energy capital of the nation. We will drive the clean energy economy forward, create tens of thousands of good paying jobs and turn targets in into results. So that is our mantra for 2022. And as we look forward from that perspective, I'll turn the presentation over to Jamie Dickerson, our chief of staff, to provide more context, Jamie.

Jamie Dickerson:

Thanks very much Doreen and good afternoon to members of the committee and members of the board. As Doreen mentioned, I'm Jamie Dickerson. I have the pleasure of serving as our chief of staff and, and of having worked very closely with our team on the state of the state this year which we're very proud about. So it is great to be here with you all to talk about some of these notable proposals that were highlighted in the state of the state and in the Governor's budget

address, and specifically, hopefully to use those proposals to of, you know, illuminate the mission outcomes and strategic focus areas that, that Janet just walked through and, and really highlight the strong alignment that we see. So we can go right ahead to our next slide. Before I dive in, though, I did wanna start with, you know, a word of sincere thanks to the me contributors across NYSERDA that helped bring many of these proposals to life over the last six months or so.

You know, the strong results that we saw were certainly the product of much good thinking and, and hard work on all of their parts. So thank you to them. So what you see on this slide is a sort of a very high level mapping of the, some of the select notable climate and clean energy proposals that you can see sort of orbiting around NYSERDA as five mission outcomes where each proposal is sort of in orbit on the slide, if you will, should give you a sense of how it aligns with one or more of our mission outcomes. So it's, it's definitely heartening to see that sort of 360 coverage of corresponding to proposals with our mission outcomes at a very high level. And on the next slide, before we spend some time uNIPACKing them one by one, we really wanted to hammer home the alignment with our strategic outlook by showing you sort of a simple coding of these notable proposals against our four strategic focus areas that were highlighted earlier.

So as you can see very strong coverage across these four categories and if you zoom in on any, on many of the rows, you can easily sort of assess how these activities contain multiple cross-cut cross-cutting elements, jobs, equity, resilience, health benefits, electrification, and beyond for the avoidance of doubt though, blank squares should not indicate a complete lack of relevance. Obviously, obviously though, quite the opposite as we're trying to build, you know, all of these focus areas into almost everything that we do. So the dark blue squares are really just to convey the sort of top, most salient elements of each of the respective proposals that were put forward. Next slide.

So let's run through these proposals in a bit more detail. This will be a little bit of a lightning round but I'll do my best to draw your attention to some of the most important elements. And we'll certainly have plenty of time for discussion. So first of all on offshore wind to pair with NYSERDA'S upcoming and much anticipated third solicitation for offshore wind later this year Governor Hochul announced her commitment to 500 million in on state funding to support offshore wind port infrastructure and supply chain and manufacturing investments. This is a big one to say the least, and we're very excited to see what it can yield from New York as we get ready for, for that third RFP very soon. The offshore wind package was also rounded up by several other elements, each notable in their own right, a cable, a corridor study to support the integration of six gigawatts of transmission capacity into New York city alongside the first announced plans for a new offshore wind master plan, 2.0 deep water.

Which many of you will, will will, will bring to mind the, the first offshore wind master plan that we released in 2018 on the storage side. It also quite thrilling to see a full doubling of the state's energy storage target. Now aiming to achieve six gigs of installed storage by 2030. Many of us will remember back in 2018 and 2019 when the first three gigawatt goal was set for New York. And it was even that was an enormous step forward at the time. And to now say that we're doubling that ambition. We are, you know, seeing the uptake in momentum and really the line of sight on storage to allow us to get to six gigawatts in eight or nine short years is pretty amazing.

Let's go right to our next slide. And this one, I'll actually take a little bit out of order given that prior slide.

So starting with the bottom, the state of the state amounts, some ambitious plans and, and some really discreet mechanisms for accelerating the phase out of some of the state's most polluting power plants. So for the medium term, NYSERDA will be joining forces with our colleagues at DPS and DEC to develop a blueprint to guide the retirement and repurposing of these facilities by 2030 and in the near term, NYSERDA will provide additional scoring credit in our upcoming offshore wind RFP, which I just mentioned for projects that propose to repurpose existing downstate fossil fuel facilities and utilize energy store. And then in concert with that, and NYSERDA and DPS will similarly work to direct storage deployments in a manner that helps eliminate the reliance on these facilities as well. So a very notable package there. But back up onto the top of the slide, we also saw a big plans unveiled from New York to undertake a concerted effort led by a NYSERDA, NIPA and ESD to develop a leading green hydrogen hub proposal in anticipation of some pretty significant federal funding opportunities.

Coming later this year, I believe as soon as may. In fact, so this proposal emphasized our sort of existing and continued focus on green hydrogen meeting hydrogen produced from renewable electricity and on non combustion opportunities, such as fuel cells. It also detailed a number of actions that we will conduct to support that work from the regulatory framework you see on the slide alongside again, sort of fuel cell based microgrid applications for underserved communities, new innovation funding, and beyond a lot to uNIPAck their for, but very exciting. So we can go to our next slide from there next up, I think was really a landmark set of clean building proposals. And this, this sort of packages, what I view in many ways as sort of the centerpiece of the new agenda that Governor Hochul has put forward. So here you see a combination of legislative regulatory pro program and funding measures outlined in support of a new top line climate goal for the building sector, that being to achieve 2 million climate friendly homes by 2030 with the breakdown that you see here on the slide.

So the package really embraced you know, several existing pieces of legislation that NYSERDA has supported from appliance standards and benchmarking and building code enhancements. But on top of that, and of, you know, perhaps top importance, it included a new proposal, a new amendment that would establish zero onsite, greenhouse gas emission standard in code for new construction by no later than 2027. And specifically with an expectation that sort of for some of the more feasible sectors, single family, low rise buildings, etc. that those would likely be phased in by codes sooner than that. So this would also see NYSERDA and DEC added to the state code council to really sort of structurally link our CLCPA implementation efforts to this code activity moving forward. And there's also other changes to public service law, addressing policies like the a hundred foot under foot rule for new gas customers among other changes.

So all told definitely a major package and a major undertaking to out plan and implement. But we'll be surrounded by capable partners in 2022 alongside DPS, the department of state and certainly notably homes and community renewable homes and community renewal whose \$25 billion five year housing capital plan will certainly play a major role in helping meet, helping meet these decarbonization and affordability goals for housing. Let's go to the next slide and round out the building side first with a very exciting very exciting announcement key expansion

to the clean green schools program, which we originally announced last September during climate week, the expansion of the program now you know, announced earlier this month, the, a bond act funding will really help multiply the benefits and, and the number of schools and students served by this program multiple times over. So that's gonna help us serve really a substantial proportion of the state of school, of public schools located in disadvantaged communities and otherwise high and school that are otherwise high needs, be a combination of sort of the green retro at construction projects, staffing support engineering, and design studies, curriculum development and more, very exciting.

And I'm sure Janet, we'll be happy to talk more about that program during Q and A if, if, if, if of interest but, and rounding out the building side, we also saw a very well deserved recognition of progress on our prior empire build building challenge program, which we'll see its first four showcase retrofit projects at high rise buildings commence in 2022, which is great to see.

All right. Next slide, please shifting over to the transportation sector here Governor Hochul affirmed her commitment to invest more than a billion dollars to spur the adoption of EVs and the, the installation of EV charging across the state through a combination here of utility, make ready funding DC, fast charging investments supported by NIPA and expected federal charging dollars. Focus on installations around major travel quarters and complimenting the sort of dollar based funding will be a suite of soft cost and market by element activities led by NYSERDA and DPS, really with an eye towards streamlining harmonizing, and also opening up access to the sort of new nascent medium and heavy duty charging market as well. But alongside this, it was also great to see the awarding of 17 phase one planning grants for applicants under our clean transportation program prizes program, I should say.

And that's that really has narrowed the field of proposals into the top echelon who will now compete for grand PR for a grand prize selection on later in 2022 keeping the transportation theme as we move to the next slide was a suite of commitments and actions taken to lead by example, as the state government, as you heard Doreen reference earlier including two notable, a hundred percent ZEV commitments for the state light duty fleet, and then second lead for the, for school buses in the state, both of those requiring a hundred percent new purchases by 2027 and a hundred percent of fleets being completely zero emission vehicle by 2035 certainly a steep curve, but an exciting one. And really, especially for me, exciting to consider the opportunity for 50,000 or more electric school buses spread across the state, bringing emissions and health benefits, and also the opportunity to serve as you know, distributed energy resource assets, both for buildings and the grid in that capacity.

We will also be ramping up an exciting work stream aimed at decarbonizing Hunts Point a large food and commerce distribution hub in the Bronx as David Sandbank and our team can attest and, and share further if interested hunts point certainly represents both tremendously complex challenges with the existing state of affairs, but also substantial potential upside through the pollution reduction benefits and, and other and other public health benefits that we look to see. So we're really excited to roll up our sleeves alongside NIPA ConEd, New York city, and other stakeholders, as in moving that effort forward. Next slide please. So we referenced the bond act previously, but certainly just wanna acknowledge its broader importance and impact beyond the school's piece through the proposed billion dollar overall expansion, which will inject key

additional resources across the, across the existing funding categories and notably for climate mitigation, as well as resilience and adaptation or oriented projects.

I think the bond act could, you know, be the subject of its own hour long presentation by itself easily, but suffice it to say that we're looking forward to collaborating with DEC if and when the, the ballot measure is approved by voters later this year and on the, also on the subject of resilience we're very glad to have been tasked with a brand new initiative alongside our colleagues DEC to help tackle the number one most deadly climate impact, which is extreme heat. And just today, some of you actually may have read a new study released on heat island effects in New York city. And so I think this work stream is very timely opportunity for us to dig in compile some existing best PR best practices and, and local and non-profit based initiatives and bring them all together under a statewide action plan umbrella. So really excited to kick that work off next slide just to sort of give a snapshot of other select proposals. I won't go through these sort of in the interest of time, but certainly worth acknowledging their presence. And they are definitely not exhaustive. We, you know, only had the opportunity to highlight a few proposals with, through the NYSERDA lens here, but certainly many, many other notable energy and environmental proposals from NIPA, from DPS, from DEC and beyond.

So let's move to our next slide and to wrap things up many of you may be familiar that typically state of the state proposal, some of them will have sort of corollary entries in the executive budget, whether as funding line items or, or in proposal legislative language to effectuate implement the, the proposals that were highlighted. We just went through the bond act but some detail on the slide here for where that shows up in the budget. The aforementioned landmark legislative package for clean buildings referenced earlier shows up in the Ted Bill part EEE. So that's where you'll find, for example, the zero greenhouse asset mission, new construction code and other code council updates along with the benchmarking appliance standards and public service law updates. And then just finally in the alpha bill part B you'll see provisions supporting the legislative changes to codify the ZEV school bus commitment and to provide some key contractual and to, or to financing flexibility pieces, to smooth the road for school bus or for school districts rather and more easily to let them more easily lease and own ZEV school buses in the future.

So with that, I think we can move to the Q and a slide. I'll just close with another word of thanks to everyone at NYSERDA and other agencies who help contribute to the crafting of these proposals and really to all those who will help now help us now lead on implementation. As I said, speaking of the other agencies definitely wanna acknowledge the hard work by DEC NIPA DPS and, and others that we didn't really have time to cover today, but suffice it to say it was a similarly bold and impressive slate of proposals from wetlands to virtual power plants and utility regulatory moves among many others. So I'll be glad to pause there and, and open things up for questions and discussion.

Shere Abbott:

So there I open up this for Janet. Do you have more, or do you want, do you wanna,

Janet Joseph:

Nope, that's it. We can open it up for discussion.

Shere Abbot:

Okay. So, so I, this is really impressive amount of, of information and for the, for the new me board members one of the things that I think is really is interesting for us now, looking at this bold vision and, and, and, and connecting that we've been focused on, how do you connect vision with and align the vision. And, and now this more, more aggressive of vision with program budgets, outcomes and, and deliverable. And so now we're beginning to see come together. I wanna hold my questions until after we do RGGI in the budget. So cuz it'll be easier, but, and open it up to everybody else. So if there are any questions for Janet and Jamie and.

MarieTherese Dominguez:

Hi, this is MarieTherese, can you all hear me? Okay. I just wanna to say thank you. That was certainly a very impressive round in a very short period of time for what is indeed a very deep rich and comprehensive path forward for the state of New York and at New York State DOT we are now not only proud to partner wither on all of these efforts, whether it's electric charging and infrastructure but also kind of laying the groundwork for some of these, these projects that are going to really be pretty profound and transformative. And one of the things I just wanted to highlight, just as an example, is the Hunts Point project we're doing about a \$1.9 billion reconstruction there of literally all the access points going into Hunts Point. And it builds off of another prior project that we did that was about 600 million at Sheridan.

And fundamentally what we're doing is reconnecting people who live in the Bronx to their own community, to the Bronx river, shared youth use paths, etc., but more importantly, we're streamlining the system, the interstate system and the road network, so that when we electrify Hunts Point based on what the Governor outlined in the state of the state, we're in a position to actually move goods and people extremely efficiently, so that not only will we garner the benefits of decarbonization and cleaning the air but will do so in a way that's literally progressive from a health perspective, from an efficiency and transportation perspective, but most importantly from a community perspective. And I think that's, this is the kind of an example of what's been outlined in the state of the state and this budget proposal that I think is so transformative. So I just wanted to highlight that as an example of how all of these things come together, all of these investments build upon one another. And again, very much look forward to continuing the great work with NYSERDA as we move this forward.

Doreen Harris:

Thank you commissioner. I was hoping you would jump in with that example, I'm really glad to hear you articulate like that, that's exactly how we need to do our work and hunts. Point's a great example on it.

Shere Abbott:

Any other questions?

Chair Kauffman:

Got, got The, the 500 million for the port infrastructure for offshore wind that's in the budget too, isn't it?

Doreen Harris:

That's correct. That's that's in included in the executive budget and is anticipated to be expanded over a five year period.

Chair Kauffman:

Okay. Then the other question is if you could elaborate a little bit more on, on thoughts about public engagement.

Jamie Dickerson:

Sure.

Chair Kauffman:

So that, that was one of the things that was a a priority for, for this coming year.

Jamie Dickerson:

Yeah. So I take your question outside of the context of offshore wind, but really writ large. And I think

Chair Kauffman:

I'm sorry, two completely different questions.

Jamie Dickerson:

Yep. No, all good. I think the biggest, most sort of immediate place where that will occur is in the context of the scoping plan process, where the CLCPA directs DEC and NYSERDA to I think, schedule and, and hold I believe six public engagement hearings over the course of 2022, as we look to finalize the, the draft scoping plan and take input from the public. So Doreen we welcome your specific commentary on how that will play out, but certainly just one example, but perhaps the most prominent example of how that public engagement will, will play out over 2022.

Doreen Harris:

Yeah. It, it certainly is a, it's a, it's a, I, I think a, a critical piece of this is, is our process that we're going through with the climate act. But Richard, I think it is also true. I don't know if Kate Muller is on this, in this meeting. I hope so. It also integrates very fully into our NYSERDA communications effort as well. Kate, did you wanna, are you on sorry on Webex.

Chair Kauffman:

Yeah, that's truly my, my point. It was,

Doreen Harris:

Yeah.

Chair Kauffman:

Is that I, I felt, I think it was a, on your first or second slide, you said that this was getting public support.

Doreen Harris:

Exactly.

Chair Kauffman:

So it's more of a, you know, broader thing than the traditional public engagement that we do with policy making.

Doreen Harris:

Exactly. Yes. It's with the, with the public at large, sorry. Kate, are you jumping in? I wanna make sure.

Janet Joseph:

And while we're waiting for Kate, I, I can maybe flesh that out a little bit. One of the things that we're very focused on in 2022 is bringing clean energy to life. A lot of our historical strategies have been about, you know, we're going to engage with a small subset of market leaders and show what can be done, but to real transform the system like we need to and drive this ambitious policy, we've gotta move to the next level of the population, which is much broader. So we are planning a fairly ambitious sort of consumer awareness campaign around what clean energy can mean, why it's important, why the climate crisis is being addressed and how it's being addressed in New York state and all the way down to providing tangible examples of what consumers homeowners building owners portfolio managers can do today to improve their buildings invest in, in a better vehicular fleet.

And we are trying very much to speak in the language of the target audience, like to explain to them in plain English, you know, what the value is. And, and we know from a lot of our market research, you know, the value is not the same as we look across the state of New York. So we are planning in addition to the I'll call it more traditional sort of public input, a fairly extensive sort of consumer awareness, outreach communication strategy. And if Kate is on, she can elaborate on it. But that's, that's the, the gist of what we're, we're, we're really ramping up amping up in 2022 and beyond.

Doreen Harris:

I think it's also sorry to round this out. Just if, if, if Kate's not around it, it is true. Also Richard, with respect to the, even the way we design programs as a general matter the clean energy hubs, which I've spoken about before are great example of literally being in the communities with community based organizations who are, again, it, this is all local at the end of the day. And, and I think our way of reaching people is sort of in both directions. So there's a number of media campaigns that I could talk about, but also just fundamentally when we advance initiatives, we do so in ways that are quite different, as you said, than we typically would with policy makers,

we actually talk to the people who are the recipients intended recipients of the programs both with their design, but also with the lens of ensuring that we're reaching underserved communities as well. So I hope that gives you a taste.

Chair Kauffman:

Thank you.

Shere Abbott:

Others?

Sadie McKeown:

This is Sadie. I, I just wanted to underscore and, and really applaud that effort of external communication beyond just a small group of technical experts that understand and interface with NYSERDA at one level. I think also all the work through the climate action council really engaged people and broaden the conversation at many, many different levels. And then I, I also just wanna point out that I think the work that NYSERDA's starting to undertake with some other stakeholders around finance and engaging finance and really drawing the capital providers and the private markets into a conversation around not just the opportunities around this, but also the risks if they, if they don't address climate is acknowledgement that NYSERDA is there to help, but that this is a something that we all need to come together around so NYSERDA can be a partner with a lot of the solutions, but everybody has to participate. And I, I really appreciate that. You're pushing that message out as well.

Doreen Harris:

Thanks, Sadie. You'll hear a little bit more about that at the board meeting, actually specifically what New York green bank is, is planning in that respect, but really good points. Thank you.

Arturo Garcia-Costas:

I have a quick question. This is Arturo. Thank you for the presentation and I, this, this document is, is excellent. And it's really gratifying, frankly, to to see the state sort of forging ahead into this leadership position. A couple times you do mention the interface between the, the ambitious state agenda and these new federal resources that are coming online. Do you have a sense of, of which, like what parts of the infrastructure, investment and jobs act, do you think new York's particularly well positioned to access over the next couple of years?

Jamie Dickerson:

Great question. Do, do you want me to take a stab at it?

Doreen Harris:

Sure, sure. And I'd love a, the tangible example of the hubs as a good example, but please.

Jamie Dickerson:

Yeah, sure. Yeah. So if for members of the committee that are looking at the strategic outlook document, we tried to give a, a gloss of this on pages 12 and 13. But I do think, you know, we've already, we've already seen, for example, some federal us DOT I believe offshore wind port infrastructure awards, so that have already come to New York. So I think strong potential there

certainly there's sort of block formula based grants expecting to come to New York for EV charging. But I think our market development work will also position us quite well for vehicle electrification, federal funding opportunities as well. I think affordable housing investments, for sure, certainly zero emission bus buses and heavy duty trucks. And then maybe we would, we would invite John Lochner to chime in on a couple of very notable innovation oriented department of energy funding, opportunity announcements we expect in the next coming months. Certainly on the hydrogen hubs piece but also on things like direct air capture hubs and the likes. So, John, would you wanna elaborate on that front any, any bit?

John Lochner:

Sure, sure. Thanks, Jamie. Yeah, we're, we're responding to an RFI on carbon tech very shortly and looking to partner potential federal funding with some of our initiatives in the state to support lab to commercialization initiatives in, in carbon value in particular on the hydrogen, as Jamie mentioned, there's about 10 billion here, marked 8 billion for hubs additional funding for manufacturing. We of course have a number of companies in the state that are, are leaders in hydrogen green, hydrogen in particular. And we think we have some opportunities to drive real value from the economic development and disadvantaged community perspective in using green hydrogen. So we are in process of coordinating with other agencies in the state and corporates and others to put together a response to those hubs. But we do think we're in a, a relatively good position to be responsive to what we think DOE is looking for.

Jamie Dickerson:

Thanks, John. I also would would also wanna highlight workforce development. I think it was actually both could be both infrastructure investment in job act, but also the American rescue plan. So through the federal EDA the good jobs challenge and some other other emerging opportunities, we do expect in New York to, to be competing strongly in those as well.

Arturo Garcia-Costas:

Thank you.

Shere Abbott:

Anything else? Any Questions?

Charles Bell:

I wanted to make just sort of a broad statement that as we work together for climate justice I think it's imperative that we work to make sure that the future is affordable for people of modest means. And I'm aware of research, which shows that at least 25% of new Yorkers are living paycheck to paycheck. They do not have substantial savings. And I worry about the transition to a carbon free future about costs that may be passed along to that population that we're not even really thinking of right now, we have a lot of low income rate payers that struggle with utility bills in the area downstate where I live in the Hudson valley housing is by and large not affordable to working class people. And so I feel that that part of the plan is like really critical.

If we're going to make a transition to all electric buildings we really have to make that deep investment in affordable housing so that people will be able to have other funds left over in their budget for childcare and transportation and for the other things that they need. So I completely

agree about the goals we're driving towards. But as somebody who works with people who are financially struggling, I, I, I just worry and feel anxiety about are we, are we really, as a state gonna be able to get together and put together the plan, that's really gonna protect that population. So I appreciate your efforts to come up with funding plans by working with DPS and with state policy makers, and just wanna support you in, in that effort.

Janet Joseph:

Chuck, you raised a extremely important issue that I, I will say is top of mind for us as we think about this transformation. I mean, in, in particular, or when we look at the build environment and what we're talking about with building decarbonization, we very much recognize that to, you know, the 46% of the population rent and utilities together needs to be affordable. You know, housing and utilities together needs to be affordable. And I think, you know, that's one reason why we are so excited about the very, a robust partnership that we have today with multiple housing agencies be because we have to look at that in terms of like the total impact to those consumers that are working and living paycheck to paycheck. So it is top of mind. It, it is definitely a complicated part of, of our agenda and transformation. And you know, we do look forward to working with our colleagues at DPS who pay a lot of attention to this issue as, as well, and consumer groups such as such as yourself. Terrific. Thank you so much.

Charles Bell:

Terrific. Thank you so much.

Shere Abbott:

Okay. Any other questions? Comment we need probably need to move on. Okay. So may I please have a motion recommending approval of the strategic outlook entitled toward a clean energy future or strategic outlook 2022 to 2025.

Arturo Garcia-Costas:

So moved.

Shere Abbott:

A second.

Chair Kauffman:

Second.

Shere Abbott:

Okay. When Sara calls your name, please indicate whether you are in favor by say stating aye, or opposed by stating no.

Sara LeCain:

Thank you. When I call each name, please indicate your vote committee chair, Shere Abbot.

Shere Abbott:

Aye.

Sara LeCain:
authority chair, Richard Kaufman.

Chair Kauffman:
Aye.

Sara LeCain:
Chuck Bell.

Charles Bell:
Aye.

Sara LeCain:
Commissioner Dominguez.

Commissioner Dominguez:
Aye.

Sara LeCain:
Arturo Garcia-Costas.

Arturo Garcia-Costas:
Aye.

Sara LeCain:
Sadie McKeown.

Sadie McKeown:
Aye. Excuse me. Aye

Sara LeCain:
Frances Resheske.

Frances Resheske:
Aye.

Sara LeCain:
the strategic outlook has been recommended for approval.

Shere Abbott:
Okay, great. Thank you. The next item on the agenda is proposed revisions to the regional greenhouse gas initiative operating plan. John Williams, vice president for policy and regulatory affairs will present this item, John.

John Williams:

Great, thank you, Shere. And good afternoon, everybody. The members are asked to approve an amendment to the operating plan for investments in New York under the CO2 budget trading program and the CO2 allowance auction program. All of which is known as the RGGI operating plan. So the RGGI operating plan is amended each year and does provide a three year proposal for the board to consider for both revenue assumptions as well as program all allocations. The proposal that is before you today has been presented to a group of interested stakeholders that was presented to at a webinar on December 10th, which was a joint effort with DEC supporting NYSERDA staff presentations. The proposal was also issued for receipt of written comments, which was made available through the NYSERDA website and comments were able to be submitted through January 5th. The proposal before the board has accounted for the comments received through both the webinar and the written comment process.

One adjustment to the proposal that was made in response to these comments was to add language to the opportunities for other allocation session section, which was to note that in addition to the program opportunities identified if future revenues are realized above projected levels, that we will look to support expanding programs for disadvantaged communities, as well as the state of support for additional funding, for a community heat pump program or the New York city retail storage program. This was a very helpful comment to ensure that we are looking at all opportunities that will ensure that the RGGI portfolio is going to be able to provide well needed services to disadvantaged communities. So this year revenue projections were developed by looking at a look back average of the past five auctions through the plan date increased by a modest factor, which was arriving at an \$8 value that \$8 does synchronize with the most recent fiscal year average realized allowance price of \$8 and 32 cents, which does include building in some conservatism for program planning purposes.

And previously we will, will be monitoring the pro the market for any price volatility. And if any recommendations to the projection are advised midyear, we will come back to the board with any recommended changes at this revenue projection. We are advancing several new initiatives in this three year program plan among these in include a community heat pump systems, which is district energy with a geothermal energy source, advancing a healthy new homes, design and construction challenge, which will create a home builder a healthy home builder and developer network to get builders, to design and offer carbon neutral homes and support all electric housing subdivisions. We wanna expand access to our on the job training program in our workforce development pipeline priority population, and also for disadvantaged communities, we will be looking to ensure that we are offering our clean energy hubs on a robust and expanded basis.

And these are designed to build local capacity within disadvantaged communities and improve stakeholder engagement among residents and communities, particularly in New York city and something that Doreen had touched on before. Also looking at equity and climate transformation research, and this is establishing a new research framework to study the social dimensions of an equitable and inclusive energy transition, and to get us even at NYSERDA to look beyond just in energy lens as we look to our climate outcomes, and we'll also be advancing a new air monitoring program. And this is going to be a first in the nation approach to using what's called hyperlocal data on air conditions that will help us to then strategize looking at how to reduce greenhouse gases and even other local harmful air pollutants. So in, in addition to those particular initiatives, when we look at our interim definition of disadvantaged communities,

which we had applied last on last year's plan, which is also being done this year as the climate justice working group is finalizing its work on establishing the criteria for disadvantaged communities. We would note that 42% of the investments in programs in this portfolio. And since the inception of CLCPA in 2020 will benefit disadvantaged communities. So this is just a quick run through of the materials that the members have received through both the amendment, as well as the memo. And and these are the the information that we'll be asking you to to approve today. So I'm happy to take any questions and discuss any of the activities that we are proposing in the RGGI plan.

Shere Abbott:

Great. Thank you very much, John. I, I have a, I have a bunch of questions, but I'm gonna reserve some of them cuz I think others will ask them, but, but, but go to the heart of, of my interest in research. So, so if you look at the pro the RGGI the program plan you, one of the things to any of us in the academic community will say is, okay, there's a lot of development, but the, the research portfolio is quite small, right? So, but they, but the, the goals are quite large. And so, so, you know, for example, equity and climate transformation research has a small budget, but a really big agenda. And so and, and there are other things like the climate assessment, which having done this in the white house, I could tell you, I mean, this is really costly and costly in terms of time and the resilience audit program, all those things, how do they don't come out? They don't grab me in the, in the RGGI plan in a way that says I get it. I get the connection between the research agenda and the goals and these programs that are specifically targeted towards, you know, clean energy and, and carbon reduction and all these, you know, how, what where's that alignment. And also with some of the capacity building programs for disadvantaged communities.

John Williams:

That that is a great point, Shere. And, you know, I, I guess I might say that certainly, you know, what we're proposing here in this RGGI operating plan are funds that are also sitting alongside other important research work. That is, that is happening at, NYSERDA coming through the clean energy fund and, and you know, being by other beans. So we shouldn't look at kind of just this RGGI portfolio as the soul source for, for that. But agree with you that, you know, certainly there is a lot that we can better understand. I think that is really the impetus behind our social research agenda here. You know, we're starting off with a relatively the limited amount. We'll, we'll see the nature of the research work that we can attract. And, but I think that that is designed specifically to really get us get a better understanding on how the state and NYSERDA specifically can approach you know, what we see as kind of the solutions to you know, expanding markets for clean energy technologies and, and really how do we enable localities and even down to the individual consumer to ensure that they are making the decisions and integrating kind of these clean energy options into, into their own decision making.

John Williams:

You know, the idea is not to really kind of think about like, how do we do that from a top down, but how do we permeate through various aspects of market decision making and, and agree with you? Like part of that research agenda will do that in, in order to make those linkages between what are we learning through our research, you know, what are we also seeing and terms of the market conditions? What are we learning from our own program work? And then how do we

combine all of those to make sure that initiatives that are moving forward, particularly when we're thinking about the, the speed of change we're looking at and the nature and scale of change that we need to look at, how do we make sure that we're you know, making changes to our initiatives that are founded in, in a research agenda and a, and a market experience agenda as well.

Shere Abbott:

Right? It's also an opportunity to, to make the, to, to latch up with what the feds are doing, because this everybody's struggling with the same sets of questions. Are, are there other questions?

Chair Kauffman:

I ha I have a, a related question on RGGI, but not what this presentation covered. I remember that at an earlier board meeting, there were, there was this a structural amendment to about allowances increasing in purchasing allowances and so forth. And I was just wondering whatever happened with that.

John Williams:

Right. Thanks, Richard. So I, I believe you're talking about what we called our cost containment reserves and our emissions con containment reserves. And so both of those kind of design elements of the program are, are integrated into RGGI. You know, the cost containment reserve is, is designed as a means to, you know, ensure that the RGGI program is in creating undue cost pressures on consumers. As we implement the program, the emissions containment reserve is looking at ensuring that the program does not offer additional allowances into the program. You know, because we are looking to make sure that we keep some integrity to the cap of emissions in the region over to time. Both of those elements are in place. I will say that with respect to our cost containment reserve in our very most recent auction we actually found ourselves during the auction at a price level where that cost containment reserve was triggered.

And so that was actually at we were looking at secondary market data leading up to that particular auction. That cost containment reserve was set at \$13. And and in order to get to that cost containment level at 13 we did need to issue an additional all about 4 million allowances in that last auction to bring that clearing price down to that \$13 level. So so those elements have been put in place and the states are actively looking to implement those tools as they were designed to make sure that the program is functioning as well as we hope to design it. So, so those elements are in place and, and coincidentally, in that last auction we did find the need to, to turn to that cost containment reserve tool.

Chair Kauffman:

Okay. So that's good. So then the, the second question is Virginia what's, what is the impact on Virginia on, on our, but potential on our budget?

John Williams:

Yeah, so we will you know, have there have been discussions among some of the RGGI program participants in Virginia to get a better understanding at this point on, you know, what their position is and, and what their, their timeframe is going to be. And to the degree that you know,

they will be looking to implement an exit of the program. You know, we wanna make sure that it's being done in a way that is maintaining you know, the confidence and and the integrity of the program for the remaining states, similar to what we you know, had worked out with New Jersey in a, in a prior activity, I think we're still relatively early in the phase, Richard in some of those discussions, but I think that there is a level of confidence that you know, as Virginia is thinking about its, its own strategies that that we'll be able to make sure that we're working out an exit strategy for them that you know, that, that allows for the remainder of the compliance entities and RGGI, as well as, you know, those investment opportunities and those investors that are participating in the program to, to have a bit of clear understanding and, and keep the program you know, on a solid foot. So a lot more to, to discuss and, and learn with Virginia.

Chair Kauffman:

Thank you.

Arturo Garcia-Costas:

Shere, if I may. Yes. I had one other comment to make about the, the focus on capacity building for advanced communis, I'm sorry, my, my mom's dogs here. And that is recently article 10 of which focused on energy siding was revised. But one element of it, which was third party funding for, for interveners or funding for third party interveners was maintained. And I can tell you from past experience that programs that actually provide money to local groups to hire their own technical assistance, their own individuals to do necessary training that those kind of are very important and often difficult to come by. So I, I think that we should think a little bit about that to make sure that we make space for doing things along those lines giving them resources to hire who they need to hire in order to engage appropriately in these process. Thank you.

John Williams:

Thanks Arturo. You know, we can certainly take that under advisement and certainly as we're looking through the year at at kind of our program activities and, and any revisions that we might make, we can, we can kind of take that investment over time, a point taken. And again, like this is a, again, this RGGI portfolio is kind of one sort of portfolio that's being implemented. NYSERDA at NYSERDA and how, you know, we are looking at providing that level of community stakeholder support you is you know, is definitely something that we are looking at in other program portfolios as well. So it's, you know, we shouldn't think of kind of RGGI as, as the, the sole source of, of those activities. And, and certainly NYSERDA on a broader level is looking at ensuring that we are looking to get those levels of participation and the, and the technical capabilities of community groups engaged to, to a, a good level helps to inform not only our portfolios, but help to inform our state strategies audit.

Janet Joseph:

And you know, just to build on that Arturo, I, I believe I would, we could check, but I believe we have built in that kind of participatory funding in the clean energy hubs initiative.

TSC Chair Christian:

This is Roy I was gonna actually say Janet is correct. I do remember seeing that in the clean energy hubs and Arturo would love to connect with you to discuss this a little bit further. Our colleagues, my counter parts in California, do have an existing part patient funding regime in

place and discussing how that works to them in the hopes of doing something similar here in New York at a broader level. So I would love to pick your brain on that in the future.

Shere Abbott:

Okay. Any other questions for John? Great. Thanks very much, John. That was excellent. May I please have a motion recommending approval of the amendments to the RGGI operating plan.

Janet Joseph:

Shere? Can I, I put one thing on the table? I'm sorry.

Shere Abbott:

Absolutely, absolutely.

Janet Joseph:

This is really just a, a clarification I wanna speak to in, in the operating plan, we, we mentioned that if additional proceeds are available we would certainly be focusing it on under resourced communities. And just want to clarify that we would propose to do so looking at disadvantaged communities as well as low and moderate income households. So that's just a, a further clarification.

Shere Abbott:

Yeah, that's a good clarification.

Janet Joseph:

Thank you.

Shere Abbott:

Okay. So a recommendation approving the, the plan. Can I have a, a recommendation? Yes. A second.

Arturo Garcia-Costas:

Second.

Shere Abbott:

Okay. When Sara calls your name, please indicate whether you are in favor by stating aye, or opposed by stating no.

Sara LeCain:

Thank you. When I call each name, please indicate your vote committee chair, Shere Abbot.

Shere Abbott:

Aye.

Sara LeCain:

authority chair, Richard Kaufman.

Chair Kauffman:

Aye.

Sara LeCain:

Chuck Bell.

Charles Bell:

Aye.

Sara LeCain:

Commissioner Dominguez.

Commissioner Dominguez:

Aye.

Sara LeCain:

Arturo Garcia-Costas.

Arturo Garcia-Costas:

Aye.

Sara LeCain:

Sadie McKeown.

Sadie McKeown:

Aye. Excuse me. Aye

Sara LeCain:

Frances Resheske.

Frances Resheske:

Aye.

Sara LeCain:

Thank you. The RGGI operating plan amendments have been recommended for approval.

Shere Abbott:

Great, thank you. The next item on the agenda is the consideration of the authorities fiscal year 2022-2023 budget to be presented by the authorities, chief financial officer, Pam Poisson, Pam.

Pam Poisson:

Thank you, chair Abbott and good afternoon to the committee members and the board members. I am going to draw your attention to the budget details, which are in your binder by choosing either the, a bookmark on the left or page 186. I imagine you've reviewed these and I want to open by thanking Peter Mahar, our controller and assistant treasurer and Charlie Luke financial analyst on the NYSERDA team who compile coordinate and pressure test is the budget

assumptions that you'll hear today. The members are requested today to recommend the adoption of a resolution recommending approval of its portions of the authorities budget for the fiscal year ending March 31st, 2023. So that's fiscal year 2022-2023 in our shorthand consistent with past practice. This budget is conservative as such. It does not yet reflect potential additional funding that may materialize through subsequent PSC orders.

Certain items in the Governor's proposed budget such as the offshore funding mentioned earlier nor does it yet contemplate federal infrastructure bill funding, which NYSEERDA may yet receive if those I should say, perhaps as those become finalized should they appear material? We would propose to present to the members and amended budget for consideration and an upcoming board meeting. The, this budget is informed by and structured to support the increasingly sophisticated work scope necessary to deliver on the goals with which NYSEERDA is charged consistent with what you've just heard in the earlier presentations today, as the details of the budget are summarized in your board package, I will just highlight a few of the more significant items beginning with revenues. Revenues are projected to increase this year by 234 million from the current fiscal year that will bring the approved budget to 1.73 billion. That driven primarily from an increase of 181 million in utility surcharge assessments which in turn result from the timing of anticipated program expenditures and amounts projected to maintain a two month working capital balance of funding under the bill, as you go mechanism of note while the utility assessment revenue reflects an increase over the prior budget year, it does not change the total state collections from rate payers or total collections by utilities as authorized in the latest clean energy fund framework order.

The other key components of the increase year over year are a \$27.3 million boost in third party reimbursement revenue consisting of increases in funding for the implementation of new efficiency in New York initiatives, the New York state office of temporary and disability assistance to support the empower program and anticipated increases in the federal government Volkswagen settlement funds to support our clean transportation program. The the last major driver of the increase is the RGGI allowance auction proceeds that John Williams just spoke to contributing an 18.2 million year over year increase in the revenue budget. And that is a combined result of the slightly higher allowance price assumed in the slight reduction than the number of allowances to be auctioned consistent with that operating plan. Moving on to program expenditures. Let me frame this by noting that the total budget expenditures increase by 263 million from the current fiscal year 2021-2022 approved budget to a total of 1.71 billion within that total, the program expenditures are projected to increase 231 million to 1.6 billion.

And that is primarily from an increase in New York sun expenditures consistent with commitments that have been made in prior years now being realized that's contributing 143 million of the change year over year, as well as a clean energy fund increase of 62 million. Both of those again are funded through the rate payer bill, as you go funding mechanism recorded as utility surcharge assessment revenue know as we look across these program expenditures we do believe that this 1.6 billion budget is reasonably forecasted. We have been working closely with the teams over the past few years to improve forecasting mechanisms and trends in the actual data show that our spending is much more aligned with budget. So we do not believe that this is an overstated amount it's actually quite substantiated moving on to salary and benefits. Those

costs budgeted for the upcoming fiscal year are estimated at 67.3 million as compared to our normalized current year budget.

This figure represents an increase of 3.99 million that is roughly 6% year over year that an increase results from an, a combination of the full year effective vacancies filled in the current year and anticipated 2% Cola plus merit increases in line with past year percentages approved by New York state and some minus targeted resource editions and areas where NYSERDA has been called upon two heightened focus, such as the hydrogen storage and community outreach areas previously discussed earlier in our meeting. The salary increase is partly offset by a corresponding reduction in temporary staffing services. As a reminder, as we think about our salaries, they are essentially benchmarked to the state's management and confidential salary scale to keep them in alignment. We do have baked into this budget. What we believe is a reasonable assumption of a 5% vacancy rate that is based on historical information though admittedly, the current tight labor market and pandemic pre pressures may cause us to see actual experience.

That varies a bit from this more likely on the upside than the downside in terms of the vacancy rate. Finally you'll note that the budget for fringe benefit costs of 17.6 million reflects a decrease of 3.2 million from the prior year budget is, is primarily due to lower pension costs based on the past five years, pension expense and lower retirement health insurance costs offset in part by employee health insurance estimates and compensated absences, moving on to program operating costs. And again, following charts that you've found in your binder the operating costs are budgeted at 4.8 million. That is a fairly modest increase of 259,000 from the current year budget. Primarily due to an increase in NY Green Bank professional services costs general and administrative, which are indirect costs are budgeted at 17.3 million. That is an increase of 663,000 from the current year budget, primarily reflecting an increase in it software needs for both functionality and security, professional services, staff development costs supporting both DE & I, and equity training.

Well as efforts to stay current with emerging clean energy developments on the capital asset side, our budget is 1.3 million. It's an increase of \$63,000 year over year from a revised planned capital asset purchases for the current fiscal year. The total there includes 673,000 for cost effective building improvements to preserve functioning and extend life 565,000 thousand for it upgrades 43,000 for vehicles per a standard update schedule as they approach the end of life and approximately \$31,000 for fixtures and furniture associated with some office consolidations that will ultimately allow us to lower our net rent costs, finally bun this to together. It brings us to a net position that as you might be aware, has three component parts first the restricted net position which is generally the difference between cumulative revenues and expenses is projected to increase 2.1 million to a total of 456 million. And that is primarily just due to the timing differences between program revenues and expenditures.

The second component, which is the NY Green Bank net position is anticipated to increase about \$15,000 remaining just around 1 billion. And that shift is from the net effective anticipated calls, matured and recycled capital, and the cumulative result of revenues exceeding expenses. The green bank will have an update presentation in the board meeting, which will provide some additional context on their activities. And finally, the third component, the unrestricted net position that is anticipated to be 4.2 million that is just a 0.2, 4% of total funding as compared to

last year down just a touch in, in modest, but we believe still providing sufficient resources to meet working capital needs and unanticipated expenditures. I thank you for listening. That was a lot to cover and chair Abbot. I will turn it back to you to see if there are any questions or further discussion that you might like.

Shere Abbott:

Thank you. Great. Thanks Pam. That was both comprehensive and concise. Are there any questions for Pam? None. Okay. May I please have a motion approving the resolution recommending approval of the authorities fiscal year 2022 to 2023 budget.

Arturo Garcia-Costas:

So moved.

Shere Abbott:

A second.

Sadie McKeown:

Second.

Shere Abbott:

When Sara calls your name, please indicate whether you are in favor by stating Aye, or opposed by stating no.

Sara LeCain:

Thank you. When I call each name, please indicate your vote committee chair, Shere Abbot.

Shere Abbott:

Aye.

Sara LeCain:

authority chair, Richard Kaufman.

Chair Kauffman:

Aye.

Sara LeCain:

Chuck Bell.

Charles Bell:

Aye.

Sara LeCain:

Commissioner Dominguez.

Commissioner Dominguez:

Aye.

Sara LeCain:

Arturo Garcia-Costas.

Arturo Garcia-Costas:

Aye.

Sara LeCain:

Sadie McKeown.

Sadie McKeown:

Aye. Excuse me. Aye

Sara LeCain:

Frances Resheske.

Frances Resheske:

Aye.

Sara LeCain:

The fiscal year 2022-2023 budget has been recommended for approval.

Shere Abbott:

Thank you. Is there any other business to come before the committee we've seemed to have picked up time, which is great. We have a done, may have a motion to adjourn this meeting.

Sadie McKeown:

So moved.

Shere Abbott:

Second?

Arturo Garcia-Costas:

Second.

Shere Abbott:

Excellent. The meeting is adjourned.