

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 199th Meeting

Held on June 22, 2009

Pursuant to notice and an agenda dated June 12, 2009, and a revised agenda dated June 22, 2009, the Annual Meeting (the 199th meeting) of the New York State Energy Research and Development Authority ("Authority") was convened on June 22, 2009, at 2:00 p.m., in the Authority's Albany Office at 17 Columbia Circle, Albany, New York; by video conference in the Authority's New York City Office at 485 Seventh Avenue, 10<sup>th</sup> floor, New York, New York; by video conference in the Authority's Buffalo Office at 726 Exchange Street, Suite 821, Buffalo, New York; and by webcast.

The following Members of the Authority were present in Albany, unless otherwise indicated:

Vincent A. DeIorio, Esq., Chair

George F. Akel, Jr.

Kevin Burke

Robert B. Catell (by video conference in New York City)

David D. Elliman

Jay L. Gottlieb (by video conference in New York City)

Roger B. Kelley (by video conference in Buffalo)

Elizabeth W. Thorndike, Ph. D.

Members Brown, Gee, Grannis, and Townsend were unable to attend.

Also present were Francis J. Murray, Jr., President and CEO; Robert G. Callender, Vice President for Programs; Jeffrey J. Pitkin, Treasurer; Hal Brodie, Esq., General Counsel and Secretary; Cheryl Earley, Director of Contract Management; and various other members of the staff of the Authority. In addition, John Zamurs from the New York State Department of

Transportation; John Osinski from the New York Power Authority; Sigmund Peplowski from the New York State Department of Public Service; and various members of the staff of the Authority were in attendance.

The Chair called the meeting to order and noted the presence of a quorum. He stated that the meeting notice and agenda were mailed to the Members and press on June 12, 2009, and a revised agenda was placed before the Members. He directed that a copy of the notice and agenda and the revised agenda be annexed to the minutes of the meeting.

Before beginning the formal agenda, the Chair welcomed the Authority's newest Board Member, David D. Elliman. Mr. Elliman is the Chairman, and a founding partner, of Elmrock Capital, Inc. Prior to founding Elmrock, he worked at Citibank and also served as Director for CapMAC Holdings. On behalf of all the Members, the Chair welcomed Mr. Elliman and said that the Authority looked forward to working with him.

Next, Mr. DeIorio asked Francis J. Murray, Jr., the Authority's President and CEO, to address the Members. Mr. Murray began his remarks by thanking the Chairs of the Authority's subcommittees: Dr. Thorndike for her efforts on the Waste and Facilities Management Committee, Mr. Catell on the Audit and Finance Committee, Mr. Gottlieb on the Governance Committee, and our newest subcommittee Chair, Mr. Akel, on the Program Planning Committee ("PPC"), and for their dedication to Authority business. Last week's PPC meeting included excellent and informative presentations by program staff and will continue to be ably guided by George Akel, as PPC Chair. Mr. Murray then said that he would also like to welcome Mr. Elliman to the Authority. Mr. Elliman's extensive financial market background will prove invaluable to the Authority.

Mr. Murray continued by remarking that the Authority has been busy over the last several months and senior staff advises that there are no immediate signs of any reduction in activity.

In May 2009, Authority staff submitted a proposal to DOE for State Energy Program

funding under the American Reinvestment and Recovery Act (“ARRA”). The Authority, on behalf of New York State, will administer more than \$123 million in Federal funds in support of energy efficiency and renewable energy projects and initiatives. Shortly, the Authority will also submit a \$29.7 million application to DOE for a Federal block grant that will, if approved, provide grants to small municipalities to fund energy efficiency and renewable energy projects.

Later in the meeting, the Members will be asked to adopt a resolution approving a settlement agreement with the Federal government regarding the West Valley site. After years of dispute regarding the financial responsibility of each level of government for cleanup of the site, in December 2006, the Authority, New York State, and the New York State Department of Environmental Conservation sued the United States Department of Energy (“DOE”) in Federal court. Partial settlement of this lawsuit will be discussed in more detail during executive session.

On June 17, 2009, the 4<sup>th</sup> Regional Greenhouse Gas Initiative (“RGGI”) auction was held. The auction yielded nearly \$40 million in auction proceeds to New York State, bringing the total proceeds from the sale of New York allowances, to date, to nearly \$128 million.

Under the Board-approved RGGI Operating Plan, the Authority is moving forward with water and wastewater programs to take advantage of matching funds available through ARRA. RGGI will also be discussed in more detail during the executive session, due to pending litigation with respect to that program.

Mr. Murray explained that he recently had the pleasure of joining Governor Paterson in announcing the New York Battery and Energy Storage Technology consortium (“NY BEST”). NY BEST is a partnership of technical experts, having a goal of advancing battery technology and storage capabilities, and has attracted the attention of over 125 interested organizations.

In addition, in June 2009, the Public Service Commission (“PSC”) approved more than \$37 million in funding under the Energy Efficiency Portfolio Standard (“EEPS”), and the Renewable Portfolio Standard (“RPS”). The approval included more than \$15.5 million for

photovoltaic installations; \$6.6 million for workforce development, \$2.3 million for multi-family geothermal systems; and \$13.2 million for master metering in multi-family buildings. Mr. Murray thanked PSC Chairman Brown for helping move these initiatives forward.

Authority staff have also been pursuing Federal competitive opportunities in a number of areas including, but not limited to: smart grid, transportation, battery storage, and buildings research. A smart grid working group, headed by Member Robert B. Catell, is actively involved in identifying opportunities for Federal funding for promoting smart grid opportunities.

New York, through the committed efforts of Authority staff, has also benefitted from a number of DOE applied research opportunities and is ranked 4<sup>th</sup> in the nation in creating green jobs.

Mr. Murray concluded his remarks by saying that both he and Vice President for Programs, Robert Callender, have been traveling the State to increase awareness of the Authority's significant role in the clean energy economy. He thanked the Members for their active support and dedication.

Chair DeLorio congratulated Mr. Murray for his seamless transition as the new President and CEO, acknowledging the Authority's expanding role. The Chair also thanked the dedication and hard-working Authority staff, commending them for creating a unique organization that serves the many energy and other needs of the State. Mr. Burke concurred, stating that the Authority is a unique organization and that, when he talks with utility company colleagues in other States, he is reminded that New York has a strong advocate in, and a breadth of expertise, through the Authority that is not available in many other States. This is particularly evident in connection with the Federal stimulus funds, where other states are facing challenges in meeting the Federal requirements. Unlike many other states, the Authority has the successful track record of developing and delivering programs and has the expertise to act to take advantage of the Federal opportunities on behalf of New York State.

Mr. Delorio then turned to the first agenda item to be discussed, which was a report from the Governance Committee (“GC”). Jay L. Gottlieb, the GC Chair, discussed the Authority’s compensation schedule. Mr. Gottlieb reported that, pursuant to Section 2800 of the Public Authorities Law, the Authority’s Annual Report must include a compensation schedule reporting the name, title, salary, and total compensation of all employees in decision-making or managerial positions with salaries in excess of \$100,000.

The GC unanimously recommends approval of the compensation schedule.

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

#### Resolution No. 1214

RESOLVED, that the Authority’s compensation schedule presented at this meeting, is adopted and approved as the compensation schedule to be submitted pursuant to Section 2800 of the Public Authorities Law.

The Chair said that the next agenda item was a report from the Audit and Finance Committee (“A&FC”). Mr. Delorio called on Robert B. Catell, the A&FC Chair. Mr. Catell, explained that the A&FC reviewed the Annual Investment Report for the fiscal year ended March 31, 2009, and the Investment Guidelines, Operative Policy, and Instructions (June 2009) (“Investment Guidelines”). The Annual Investment Report was reviewed in both open session and in executive session with only the independent auditors.

The Authority’s overall investments increased from \$563.7 million to \$698.7 million, principally due to funds received to administer the new RGGI and CAIR programs, due to increased SBC funding under the EEPS, and due to unexpended RPS funds.

As a result of the generally lower market interest rates, total interest earnings for the fiscal year ended March 31, 2009, were \$15.9 million, compared to \$19.6 million for the prior

year. The rate of return decreased to 2.7%, compared to 4%, in the prior year.

The Authority's independent auditors reviewed the Annual Investment Report and said that nothing came to their attention that indicated that the Authority was not in compliance with the Investment Guidelines.

No changes to the Investment Guidelines for the upcoming fiscal year are recommended.

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

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

#### Resolution No. 1215

RESOLVED, that the "Investment Guidelines, Operative Policy and Instructions (June 2009)," as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's "2008-09 Annual Investment Report," for the year ended March 31, 2009, as presented at this meeting, is approved and adopted as the annual investment report of the Authority required by Section 2925(6) of the Public Authorities Law.

The Chair indicated that the next item on the agenda concerned the Authority's Financial Statements. Mr. Catell reported that the A&FC reviewed the Authority's Financial Statements for the fiscal year ending March 31, 2009. Peter Mahar, the Authority's Controller and Assistant Treasurer, summarized for the A&FC the significant fluctuations in balance sheet, revenue, and expenditure amounts from the prior year. As part of implementing Governmental Accounting Standards Board ("GASB") Statement No. 45, Accounting for Post-Employment Health Insurance Benefits, the Authority has recorded a long-term liability in the Statement of Net Assets in the amount of \$7.1 million. This represents post-employment health care costs that will be paid by the Authority in the future. Since the Fund Balance Sheet is not presented on an

accrual basis like the Statement of Net Assets, the liability is not recorded on the Fund Balance Sheet.

The Financial Statements also reflect adoption of new accounting standard GASB 49, relating to pollution remediation costs. The notes to the Financial Statements disclose that West Valley clean-up costs are a State responsibility and that such costs are expected to continue to be funded by State appropriations. Accordingly, no liability for future costs has been recorded in the Authority's Financial Statements and appropriate information has been provided to the New York State Office of the Controller ("OSC") so that OSC can provide appropriate reporting and disclosure in the State's financial statements.

The A&FC members also met in executive session with the independent auditors, where there was ample and detailed review of the Authority's investments and financial condition. The independent auditors did not identify any substantive problems and will issue an unqualified opinion on the Financial Statements.

The A&FC unanimously recommends approval of the Financial Statements.

Mr. Catell added that the A&FC received a good report from the independent auditors. They identified no finance-related problems and were complimentary of management's cooperation and responsiveness.

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

Resolution No. 1216

RESOLVED, that the Authority's Financial Statements as of March 31, 2009, as presented at this meeting, including \$7,058,542 designated for the payment of post-employment health care benefits, are adopted and approved as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law.

The Chair said that the next item concerned the appointment of independent auditors. Mr. Catell explained that Lumsden & McCormick has served as the Authority's independent auditors since 2002 and was competitively selected through a mini-bid of firms pre-qualified by the New York State Office of General Services.

The proposed fee for fiscal year 2009-10 will not exceed \$41,700, which is about \$1,500 more than this year's fee.

Staff have been fully satisfied with the audit services provided by Lumsden & McCormick, and recommend their reappointment as auditors for the fiscal year ending March 31, 2009.

Mr. Catell indicated that the A&FC had a good conversation with the independent auditors and that they had an excellent working relationship with management. In addition, they were quick to make suggestions whenever they saw opportunities for improvement.

The A&FC unanimously recommends the reappointment of the independent auditors.

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

#### Resolution No. 1217

RESOLVED, that the Chair is authorized to retain the firm of Lumsden & McCormick, LLP as independent auditors for the Authority for the fiscal year ending March 31, 2010.

The Chair said that the next item on the A&FC agenda was the Annual Bond Sales Report. Mr. Catell explained that this report is required to be annually approved under the Authority's Financial Services Firm Guidelines. The report indicates that, during fiscal year 2008-09, the Authority participated in the process for converting to a new interest rate, six series

of bonds totaling an aggregate principal amount of \$311.7. These conversions are estimated to provide interest rate savings totaling \$54.7 million over the remaining terms of the bonds. These savings will accrue to ratepayers.

The report also includes a schedule of Authority bonds that are outstanding as of March 31, 2009, which totals about \$3.6 billion.

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

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

#### Resolution No. 1218

RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2008 through March 31, 2009, and the information contained therein, as presented at this meeting, is adopted and approved for submission pursuant to Section 2800 of the Public Authorities Law.

The Chair then asked Mr. Catell to report on the remaining items discussed by the A&FC. Mr. Catell reported that the Committee heard a number of informational reports. Mr. Pitkin reported on the status of certain recommendations by KPMG and the Director of Internal Audit in connection with a review of information technology general controls. This review encompassed all information technology general controls across the Authority and was completed prior to implementation of the new "NYSERDA Enterprise Information System (NEIS)".

Most of the recommendations relating to general controls have been implemented. Staff expects to complete the implementation of the remaining recommendations within the next 2-3 months. The Committee was satisfied with the steps being taken by management to implement these recommendations.

The Committee also was advised on the steps taken to reduce contract and payment backlog resulting from implementation of the new NEIS system. Due to the backlog, a number of complaints had been received from contractors and customers about delays in their payments. Substantial progress on reducing the backlog has been achieved, and staff estimate that the Authority will return to normal processing timeframes within the next 2-3 weeks.

Mark Mitchell, the Director of Internal Audit, reported on three audits of the NEIS implementation that were conducted by KPMG LLP, with his assistance. The first audit was a quality assurance review of the implementation of NEIS. The audit report provided recommendations for improvement, which have been implemented. Other recommendations to address future enhancements will be implemented on a forward-going basis.

The second audit was a review of the internal controls related to NEIS. While the Authority already reconciles certain data changes on an informal basis, senior management will be establishing policies and procedures to ensure written, documented compliance. Staff is also reviewing employee access to information and instituting new access limitations, as appropriate.

The third audit reviewed the security developed for the NEIS. It recommended that the Authority continue and complete efforts for establishing a data classification policy to ensure the protection, integrity, and availability of information. Some additional changes were recommended to strengthen security and are being implemented.

Next, Mr. Mitchell provided the Committee with a status report on, and revisions to, the Internal Audit Plan for fiscal year 2009-2010. The Committee approved the changes to the plan, which were made in part to include an audit that management has requested.

Lastly, Mr. Catell explained, the Committee received a report from Mr. Pitkin on activities relating to the establishment of a trust account for funds held to meet future post-employment health insurance costs. Staff has approached the New York State Department of Tax and Finance, the Authority's fiscal agent, to determine the feasibility of establishing an

account and having them serve as Trustee. Staff will continue these discussions for the purpose of determining an appropriate approach, which the Committee will then review in detail and bring to the Members for review and approval.

The Chair said that the next item on the agenda concerned the text of the Annual Report. President and CEO Murray reported that the Members are asked to approve the text of the Annual Report for 2008-2009, entitled "New Yorker's Wanted to Fuel the Clean-Energy Economy." This year's Annual Report focuses on the Clean-Energy Continuum. The continuum begins with a science foundation. Using basic and applied research, technologies are defined and tested. After identification of the technology, the continuum moves towards development and proof of concept, and then to the commercialization phase. Ultimately, once the technology has been subjected to real-world conditions and its effectiveness has been demonstrated, the clean-energy continuum moves toward acceptance, followed by incorporation of the technology into common practice. The Annual Report provides examples of Authority-funded projects that fall within each of the continuum categories.

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

Resolution No. 1219

RESOLVED, that the text of the Annual Report of the Authority, as presented at this meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his or her discretion, may deem necessary or appropriate, is adopted and approved; and that the text of such report of the Authority shall be submitted as required by Sections 1867(1) and 2800 of the Public Authorities Law for the fiscal year ending March 31, 2009.

Next, the Chair asked Mr. Pitkin to discuss the Authority's Annual Report on the Disposition of Real and Personal Property. Mr. Pitkin explained that the Members are requested to adopt a resolution approving an Annual Report on Disposition of Real and Personal Property ("Disposal of Property Report"), as required by Title 5-A of the Public Authorities Law and the

*Authority's Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property* ("Property Guidelines"). The report covers the fiscal year ended March 31, 2009.

The first section of the Disposal of Property Report summarizes the 4 parcels of real property held by the Authority. The only change from last year's report is the addition of the TECSMART building under construction at the Saratoga Technology + Energy Park ("STEP"). The second section lists dispositions of real property at STEP, all of which were previously approved by the Members.

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

Resolution No. 1220

RESOLVED, that the "Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2009)," as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Annual Report on Disposition of Real and Personal Property (June 2009), as presented at this meeting, is adopted and approved as the Annual Report on Disposition of Real and Personal Property required by Section 2800 of the Public Authorities Law.

Mr. Delorio said that the next agenda item concerns the Authority's Procurement Contract Guidelines, Operative Policy and Instructions (June 2008) ("Procurement Guidelines") and the Annual Procurement Contracts Report. At Mr. Delorio's request, Cheryl Earley, Director of Contract Management, explained that Public Authorities Law Section 2879 requires the Members to review and approve, annually, procurement contracts guidelines as well as an annual procurement contracts report.

The Procurement Guidelines set forth the Authority's operative policy and procedures to guide staff on the use, award, monitoring, and reporting of contracts.

The Annual Procurement Contracts Report, which covers the contracting period of April 1, 2008, through March 31, 2009, lists the contracts that the Authority initiated or modified during fiscal year 2008-09 and that had contract values of \$5,000 or more. There are 5,356 contract actions listed. Over 97% of the contract actions were competitively bid and 98% of the total dollar amount committed resulted from competitive procurement. A total of 3,029 contracts have terms longer than one year. The Authority is in compliance with the Procurement Guidelines in its contracting.

The Members have also been provided with a report on Authority compliance with Article 15-a of the Executive Law. Article 15-a requires public authorities to make a good faith effort to solicit active participation by minority- and women-owned business enterprises (“M/WBEs”) in certain contracts. Of the 68 contracts subject to Article 15-a, which were initiated or modified during fiscal year 2008-09, 8% of the total number of contracts were awarded to certified M/WBEs, representing 8% of the total dollar amount committed.

Whereafter, upon motion duly made and seconded, and by voice vote, except Mr. Cstell and Mr. Burke, the Members adopted the following resolution. Mr. Catell abstained from the vote on any contracts involving KeySpan Corporation and National Grid, and Mr. Burke abstained from the vote on any contracts involving Consolidated Edison, both the holding company and the regulated utility.

#### Resolution No. 1221

RESOLVED, that the “Procurement Contract Guidelines, Operative Policy and Instructions, June 2009” as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's 2008-09 Annual Procurement Contracts Report, as presented at this meeting, is adopted and approved as the annual report of the Authority required by Section 2879 of the Public Authorities Law.

The Chair said that the next agenda item concerns the Authority's Periodic Procurement Contracts Report. Ms. Earley explained that the Periodic Procurement Contracts Report covers

the contracting period beginning March 16, 2009, and ending May 15, 2009. The Periodic Procurement Contracts Report is divided into two sections. The first section includes a list of contracts modified or executed during the period. The second section lists contracts anticipated to be executed or modified and having a proposed period of performance in excess of one year.

The first section indicates that the Authority initiated or modified 860 procurement contracts, which include 659 program contract actions, 173 subscription-based program contract actions, 10 personal services contract actions, 10 goods contract actions, and 6 other administrative contract actions. Over 98% of these contract actions were competitively selected, and 99% of the dollar amount committed resulted from competitive procurement.

The second section lists an additional 263 procurement contracts pending execution by the Authority, under which the period of performance by the contractor is expected to exceed one year. These contracts total approximately \$67 million.

The Members have also been provided with a periodic report on Authority compliance with Article 15-a of the Executive Law, which covers the period March 16, 2009, through May 15, 2009. Of the 4 contracts subject to Article 15-a which were initiated or modified, 25% of the total number of contracts were awarded to certified M/WBEs, representing 43% of the total dollar amount committed.

Whereafter, upon motion duly made and seconded, and by voice vote, except Mr. Catell and Mr. Burke, the Members adopted the following resolution. Mr. Catell abstained from the vote on any contracts involving KeySpan Corporation and National Grid and Mr. Burke abstained from the vote on any contracts involving Consolidated Edison, both the holding company and the regulated utility.

Resolution No. 1222

RESOLVED, that the Periodic Procurement Contracts Report, covering the period March 16, 2009 through May 15, 2009, as presented at this meeting, including but not

limited to the contracts identified therein which have been, or are expected to be, executed and which do have, or are expected to have, a period of performance in excess of one year, is hereby approved in accordance with Public Authorities Law Section 2879(3)(b)(ii).

Next on the agenda was the Annual Prompt Payment Policy Report, and Chair Delorio called on Authority Treasurer, Mr. Pitkin. Mr. Pitkin explained that Section 2880 of the Public Authorities Law and the Authority's implementing regulations require preparation of an annual report on the implementation of the Authority's prompt payment policy. Under its policy, the Authority is required to make payment to contractors and vendors within 30 days of the receipt of a valid invoice. If payment is not made when due, interest on the late payment must be paid, if the amount of interest exceeds ten dollars. During the past fiscal year, all payments were timely made and no interest payments were made in connection with the over 19,600 payments that were processed.

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

Resolution No. 1223

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

The Chair stated that the next item on the agenda was a resolution to convene in executive session to receive a report regarding the litigation with respect to RGGI and to receive a report regarding the litigation with respect to West Valley against the United States and DOE.

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

Resolution No. 1224

RESOLVED, that pursuant to Section 105 of the Public Officers Law, the

Members of the New York State Energy Research and Development Authority shall convene in executive session for the purposes of receiving a report regarding the litigation with respect to the Regional Greenhouse Gas Initiative and a report regarding the litigation with respect to West Valley against the United States and the Department of Energy.

The Members then met with the Officers; Deputy Counsel David Munro, and West Valley Program Director Paul Bembia in executive session.

The Chair reconvened the meeting in open session. (During the executive session, Mr. Catell had to leave to attend to a previous engagement.) Mr. DeIorio announced that no formal action was taken during the executive session. He then asked Hal Brodie, the Authority's General Counsel, to discuss a few matters concerning the West Valley settlement on the record. Mr. Brodie described the process going forward. He said that the Federal government is still reviewing the proposed settlement agreement and that it must be reviewed at the highest levels within DOE and the United States Department of Justice. The Federal lawyers with whom the Authority negotiated the proposed settlement agreement have said that they will recommend approval. It has been reviewed through much of the approval chain and there is currently no reason to believe it will not be approved. Once it is signed by the parties, the next step in the process is to allow the public to review and comment on the terms of the proposed settlement, before the parties submit it to the Court for final approval. The details of the public review process are under discussion.

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

#### Resolution No. 1225

RESOLVED, that the President and Chief Executive Officer is hereby authorized to enter into a settlement agreement with the United States Department of Energy and other parties to the proceedings, in accordance with the terms and conditions presented to and discussed with and by the Members, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his or her discretion, may deem necessary or appropriate.

The Chair indicated that the next item on the agenda was a report from the PPC. George Akel, Chair, explained that the PPC, along with Members Burke and Elliman, met to review and consider the draft integrated Multi-Year Program Plan (“Program Plan”) entitled, “Toward a Clean Energy Economy -A Three Year Strategic Outlook 2009-2012.” The Program Plan strives to provide a comprehensive set of clean energy programs that demonstrate the Authority’s commitment to the research, development, demonstration, and delivery of energy efficient, clean energy, and next generation technologies. The Program Plan also includes the Authority’s updated and streamlined mission and vision statements that reflect its role within a clean energy economy for the 21<sup>st</sup> century.

Presentations by Authority Program Directors, and Program and Project Managers covered each program’s accomplishments, as well as upcoming initiatives and strategies. A copy of the PPC meeting’s minutes detailing these presentations will be provided to all the Members. The minutes will provide perspective on the breadth of the activities in which the Authority is engaged.

At the PPC meeting, Program Manager Larry Pakenas described the Program Plan, noting the “Clean-Energy Continuum” strategy is designed to advance a portfolio of energy efficiency and other clean and renewable energy products and services. The continuum begins with the research phase and continues through development, proof of concept, and acceptance within the marketplace. The Authority’s involvement in each aspect of the continuum strives to support a continuous flow of cost-effective, environmentally-responsible investments in energy efficiency for the benefit of New Yorkers, today and into the future. The Program Plan describes projects within the five key energy sectors -- buildings, industrial processes, transportation, power, and bio-energy -- and where they fall within the continuum. It sets forth specific goals and strategies for the five key energy sectors, within each continuum phase.

More generally, the Program Plan identifies the most important energy and environmental initiatives being addressed by New York State, including development of a new

State Energy Plan; contributions to the State's "15 by 15" and "30 by 15" energy initiatives; design of programs under RGGI and CAIR; implementation of RPS; implementation of system benefits charge and EEPS programs; and pursuit of ARRA initiatives. It describes how the Authority will provide direction, support and coordination, all towards advancing the State goal of moving towards a clean-energy economy.

In addition, the Program Plan also outlines areas in which Authority staff will focus additional energies over the next few years. These include marketing and outreach; education; and workforce development. These activities will assist in: (1) increasing public awareness of, and participation in, Authority programs; (2) educating consumers - both current users and future users - about sustainable energy choices; and (3) expanding the network of energy efficiency and renewable energy training facilities across the State. Comments from the PPC meeting, as described in the materials placed before the Members, will also be incorporated into the final Program Plan.

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

#### Resolution No. 1226

RESOLVED, that the three-year plan for New York's energy, economic, and environmental future submitted to the Members for consideration at this meeting (2009-12) with such non-substantive, editorial changes and supplementary schedules as the Chair, in his or her discretion, may deem necessary or appropriate, is adopted and approved as the Authority's updated multiyear energy research, development, and demonstration, energy efficiency deployment, and economic development program plan; and

BE IT FURTHER RESOLVED, that, to effectuate the purposes, aims, and goals described in that plan, the Members approve the total expenditure in fiscal year 2009-10 of \$543,523,000 as set forth in Table 2 of the plan from various funds anticipated to be available and such additional amounts, as may be determined appropriate by the President, as may become available and not required for other purposes; and

BE IT FURTHER RESOLVED, that the information contained therein is adopted and approved for submission, in whole or in part, pursuant to Section 2800 of the Public Authorities Law.

The Chair said that next on the revised agenda is the appointment of David Elliman to the GC, A&FC, and PPC. Given David's expertise and interests, he would be a valuable addition to all of these committees and he has graciously agreed to serve.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Members present, Mr. Elliman was appointed to the GC, A&FC, and PPC for three-year terms, expiring June 22, 2012.

The Chair indicated that the next agenda item to be discussed was a resolution commending Astrid Glynn for her service as a member of the Authority. Ms. Glynn has returned to her home in Massachusetts, after serving as the Commissioner of the Department of Transportation for several years. The resolution thanks her for her commitment and assistance in promoting energy-related transportation projects, in particular, and the Authority's mission, in general.

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

Resolution No. 1227

WHEREAS, the Honorable Astrid C. Glynn, Commissioner of the New York State Department of Transportation, served with distinction as a Member of the New York State Energy Research and Development Authority; and

WHEREAS, Commissioner Glynn's tenure was marked by an unwavering dedication and commitment to facilitating the promotion of the New York State Energy Research and Development Authority's mission of using innovative research and technology to advance the resolution of some of New York's more difficult energy, transportation, and environmental problems in harmony with the best interests of the People of the State of New York; and

WHEREAS, Commissioner Glynn was an essential participant in furthering the mission of the New York State Energy Research and Development Authority to

maximize the environmental, energy, and economic benefits to the People of the State of New York through improved energy efficiency and the development of renewable resources, including, but not limited to, efforts to develop new and more efficient transportation-related products, to increase the presence of clean-fueled and hybrid vehicle use within the State, and to facilitate research and manufacturing capabilities in New York through coordination and cooperation within the transportation sector; and

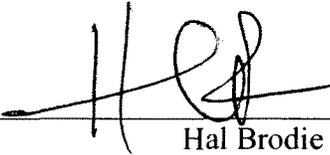
WHEREAS, the Members wish to recognize Commissioner Glynn for her service and diligence as a Member of the Authority and to memorialize her insight and dedication to the Authority and the advancement of its mission;

NOW, THEREFORE, BE IT RESOLVED that the Members of the New York State Energy Research and Development Authority, assembled on this 22<sup>nd</sup> day of June, 2009, commend the Honorable Astrid C. Glynn, and express their appreciation for her contributions to the betterment of the State of New York.

Chair Delorio said that the last item on the agenda was a report on the progress of implementing the RGGI Operating Plan. The Operating Plan is still being impacted by the litigation and this issue was addressed in the executive session.

The Chair then asked if there was any further business. Dr. Thorndike advised the Members that a wind energy roundtable was recently held and was attended by seventy-five individuals. The issues associated with wind energy development are significant in the eyes of the public. The purpose of the roundtable was not to debate whether wind projects should be developed; this has already been decided in efforts to increase the use of clean energy. Instead, the purpose of the roundtable was to discuss the need for establishing a new approval process. Some of the recommendations were that is a need for a new siting law and a need for the State to take a stronger oversight role through creation of an inter-agency task force that balances the related energy, environmental, and health issues. Dr. Thorndike concluded this discussion by commending Authority staff for their participation in the roundtable.

Thereafter, there being no other business, upon motion duly made and seconded, and by unanimous voice vote of the Members, the meeting was adjourned.

  
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Hal Brodie  
Secretary

June 22, 2009

REVISED AGENDA AND NOTICE

TO THE MEMBERS OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY:

PLEASE TAKE NOTICE that the Annual Meeting (the 199<sup>th</sup> meeting) of the New York State Energy Research and Development Authority will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and by video conference in the Authority's New York City Office at 485 Seventh Avenue, 10th Floor, New York, New York, by video conference in the Authority's Buffalo Office at 726 Exchange Street, Suite 821, Buffalo, New York, and by webcast, on Monday, June 22, 2009, commencing at 2:00 p.m., for the following purposes:

1. To consider and act upon a resolution commending Astrid C. Glynn as a Member of the Authority.
2. To receive a report from the Program Planning Committee and to consider and act upon the multi-year program plan for New York's energy, economic, and environmental future: "Toward a Clean Energy Economy - A Three-Year Strategic Outlook (2009-2012)".
3. To receive a report from the Governance Committee and to consider and act upon a resolution approving a compensation schedule.
4. To receive a report from the Audit and Finance Committee and:
  - (a) to consider and act upon an Annual Investment Report of the Authority and the "Investment Guidelines, Operative Policy and Instructions (June 2009)";
  - (b) to consider and act upon Financial Statements of the Authority for FY 2008-09;
  - (c) to consider and act upon the appointment of the Authority's independent auditors for fiscal year 2009-10; and
  - (d) to consider and act upon an annual bond sale report.
5. To consider and act upon a resolution approving the text of the Annual Report of the Authority for 2008-09.

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**Main Office**  
**Albany**  
17 Columbia Circle  
Albany, NY 12203-6399  
Toll Free: 1 (866) NYSERDA  
Phone: (518) 862-1090  
Fax: (518) 862-1091

**West Valley Site**  
**Management Program**  
10282 Rock Springs Road  
West Valley, NY 14171-9799  
Phone: (716) 942-9960  
Fax: (716) 942-9961

**New York City**  
485 Seventh Ave., Suite 1006  
New York, NY 10018  
Phone: (212) 971-5342  
Fax: (212) 971-5349

**Buffalo**  
Larkin at Exchange Building  
726 Exchange Street, Suite 821  
Buffalo, New York 14210  
Phone: (716) 842-1522  
Fax: (716) 842-0156

6. To consider and act upon a resolution approving the Annual Report on Disposition of Real and Personal Property and the "Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2009)".
7. To consider and act upon a resolution approving the Annual Report on Procurement Contracts and the "Procurement Contracts Guidelines, Operative Policy and Instructions (June 2009)".
8. To consider and act upon a resolution approving the periodic procurement contract report.
9. To consider and act upon a resolution approving the annual report on the implementation of the Authority's prompt payment policy.
10. To consider and act upon a motion to convene in executive session to receive a report regarding the litigation with respect to the Regional Greenhouse Gas Initiative and to receive a report regarding the litigation with respect to West Valley against the United States and the Department of Energy.
11. To consider and act upon a resolution approving the terms of a settlement agreement with respect to the West Valley litigation against the United States and the Department of Energy.
12. To consider and act upon a resolution appointing David D. Elliman to the Governance Committee, the Audit and Finance Committee and the Program Planning Committee.
13. To receive a report on the progress of the Regional Greenhouse Gas Initiative Operating Plan.
14. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at any of the above locations. The meeting is also available through webcast at <http://www.nyserda.org/governancemeetings.asp>.



Hal Brodie  
Secretary

June 12, 2009

NOTICE AND AGENDA

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Albany, NY 12203-6399  
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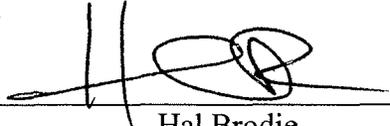
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