

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 204th Meeting

Held on April 12, 2010

Pursuant to notice dated April 2, 2010, a Regular Meeting (the 204th meeting) of the New York State Energy Research and Development Authority ("Authority") was convened on April 12, 2010, at 11:00 a.m. in the Authority's 10th floor conference room at 485 Seventh Avenue, New York, New York, and was available by video conference in the Authority's board room at 17 Columbia Circle, Albany, New York; and by video conference in the Authority's Buffalo Office at 726 Exchange Street, Suite 821, Buffalo, New York.

The following Members of the Authority were present in New York City, unless otherwise indicated:

Vincent A. DeIorio, Esq., Chair

George F. Akel, Jr. (*by Albany video conference*)

Garry A. Brown (*by Albany video conference*)

Robert B. Catell

David D. Elliman

Jay L. Gottlieb

Alexander B. ("Pete") Grannis (*by Albany video conference*)

Roger B. Kelley (*by Buffalo video conference*)

Elizabeth W. Thorndike, Ph.D.

Members Burke, Gee, and Townsend did not attend.

Also present in New York City or Albany were Francis J. Murray, Jr., President and CEO; Robert G. Callender, Vice President for Operations and Energy Services; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey J. Pitkin, Treasurer; Hal Brodie, Esq., Secretary and General Counsel; and Jacquelyn L. Jerry, Deputy Counsel and Assistant

Secretary of the Authority. In addition, John V. Connorton, Jr., Esq., and Nicole Stallworth, Esq., from Hawkins Delafield & Wood LLP; John Osinski from the New York Power Authority; John Zamurs from the New York State Department of Transportation; and Cheryl L. Earley, Susan Moyer, Richard Drake, and various other members of the staff of the Authority were present.

The Chair called the meeting to order and noted the presence of a quorum. He stated that the meeting notice and agenda was mailed to the Members and press on April 2, 2010.

Before turning to the formal agenda, the Chair called upon Francis J. Murray, Jr., to address the Members. President and CEO Murray described recent Authority activities. With respect to the Federal American Recovery and Reinvestment Act ("ARRA"), the Authority awarded \$40 million in State Energy Program funds to 118 energy efficiency and renewable energy projects. An additional \$24 million in Energy Efficiency and Conservation Block Grant funds were awarded to 137 small municipality projects. Of the \$16.8 million that was allocated to the Great American Appliance Swap-Out Program, \$13 million has already been awarded.

The Authority recently conducted another Main Tier auction under the Renewable Portfolio Standard program, which resulted in the award of \$204 million to eight large-scale, renewable energy generation projects located in the State. The Public Service Commission ("PSC") has approved an additional \$2 billion for the program.

The Authority's research, development, and demonstration ("RD&D") program recently awarded grants to support the establishment of clean energy business incubators at the State University of New York at Stony Brook and the Albany Nanotech Institute. Authority staff is also working closely with Syracuse University to develop an application for Federal funding to establish a building systems research hub.

In addition, the Authority and Department of Public Service ("DPS") staff have begun planning a new, multi-year round of system benefits charge-funded programs, which the Members will hear about at upcoming meetings. Mr. Murray concluded his presentation by

stating that, in March, the Authority also received the United States Environmental Protection Agency's Energy Star® Sustained Excellence Award.

Both Mr. Gottlieb and the Chair concurred that it is important that the Members continue to recognize the staff who are making all these programs happen, while continuing to maintain a high standard of excellence. Mr. DeIorio also thanked Garry Brown for the support and assistance provided by DPS staff under Mr. Brown's leadership.

Chair DeIorio then turned to the first agenda item which concerned a report from the Program Planning Committee ("PPC"). George F. Akel, Jr., Chair of the PPC, explained that the PPC held a joint meeting with the Governance Committee ("GC"), in order to provide both committees with the opportunity to review the Authority's proposed Mission Statement and Performance Measurements.

The PPC's primary business item was to hear a report from John Williams, Director of Energy Analysis, and his colleagues Jennifer Meissner and Larry Pakenas on Authority program goals, evaluation efforts, and progress towards achieving goals. The presentation by Energy Analysis was intended to set the stage for mapping strategies, initiatives, and programs at the June PPC Strategic Planning Meeting.

For the past decade, Energy Analysis has been responsible for evaluating the Authority's energy efficiency, demand reduction, renewable energy, and RD&D programs. The progress and success of each program is measured according to metrics that reflect the policy objectives for such program. Currently, for the system benefits charge ("SBC") and Energy Efficiency Portfolio Standard ("EEPS") programs, the Authority has approximately 20 program evaluation studies underway, and the results are expected to be completed next year.

With respect to SBC programs, the goals are to improve energy system reliability and security, reduce energy cost burden, mitigate environmental and health impacts, create economic opportunity, and promote economic well-being. The related evaluation metrics evaluating whether these goals are being met include determining the amounts of nitrogen oxide, sulfur

dioxide, and carbon dioxide emissions avoided or reduced, the number of additional jobs created, the total impacts on gross state product, and the amount of private investments leveraged by the SBC funds.

In regard to the Renewable Portfolio Standard (“RPS”), program goals include increasing the percentage of renewable electric energy sold within the State to 30% by the year 2015. Performance metrics involve increases in the percentage of renewable electric energy sold, the number of projects installed and jobs created, the amount of avoided air pollutants, and the impact on the wholesale price of electricity. The October 2009 program evaluation of the RPS program shows that the program resulted in \$4.2 billion in total economic benefits; the creation of 22,676 direct and indirect job years; the avoidance of 2,300 tons of NO_x, 4,700 tons of sulfur dioxide, and 1.7 million tons of CO₂ emissions annually; and a benefit–cost ratio of 6 to 1.

With respect to the RD&D program, program goals include both economic benefits and advances in technology development. Economic metrics are defined as the number of businesses receiving assistance, and the amount of private investment leveraging. Technology development metrics include the number and types of products developed as well as product sales.

While Energy Analysis’ evaluation activities are largely conducted by competitively selected teams of expert contractors, internal evaluation staff plays a key role in managing the evaluation work and in integrating lessons learned into the Authority’s programs.

With respect to the RD&D program, Energy Analysis recently completed a survey of product development activities across multiple RD&D programs. The responses indicate that 46% of companies surveyed have expanded their operations in New York as a result of direct Authority support for an initial product or a follow-on product; 62% reported increased revenues; 94% said that the Authority had a positive impact on product development; and 79% said that the Authority had a positive impact on product commercialization.

Mr. Akel concluded his presentation by summarizing that evaluation results are used by internal staff to gauge progress toward goals, to adjust program activities and incentives, and to

design new programs. As part of the process, internal evaluation staff is in constant communication with program staff to ensure that the right data and information is collected and maintained in the correct format and that objective and meaningful results are obtained and shared among all stakeholders.

Dr. Thorndike said that she would like to emphasize that there are other significant environmental benefits resulting from these activities. Such benefits include reductions in mercury emissions, decreases in water usage, and reductions in waste creation.

The Chair then asked Jay Gottlieb to report on the recent activities of the GC. Mr. Gottlieb, Chair of the GC, reported that, at the joint session of the PPC and the GC, President and CEO Murray provided a report on the Authority's Mission Statement and Performance Measurements. In accordance with the Public Authorities Reform Act of 2009 ("Reform Act"), the Authority is required to submit to the newly created Authorities Budget Office ("ABO") its Mission Statement and Performance Measurements (i.e., a list of measurements by which its performance will be rated and its goals achieved).

Development of the Mission Statement started with the Authority's intended audience – New York State energy users – and the Authority's core value – to serve as a source of objective and credible information. Added to this basic foundation was the Authority's vision statement, which is to serve as a catalyst in advancing energy innovation and technology, in transforming New York's economy, and in empowering people to choose clean and efficient energy as part of their everyday lives.

From these underlying principles, the Authority's goals were identified as promoting the efficient use of energy; serving as a catalyst for economic growth for a clean energy economy and for facilitating development of a skilled, clean-energy workforce; reducing the environmental impact of energy production and use; and diversifying New York's portfolio of energy resources. Together these factors became the Authority's succinct Mission Statement:

Advance innovative energy solutions in ways that improve New York's economy and environment.

Building upon the stated goals and the Mission Statement, performance measures were then identified. In connection with promoting the efficient use of energy, performance measures include the amounts of electricity saved, amounts of fossil fuel use reduced, and the number of customers served. Renewable energy diversity is measured in terms of the amount of electricity produced, the number of operating installations, and the amount of petroleum displaced in the transportation sector. The clean energy economy is measured in terms of the number of and amounts of business investments, the number of products in the market supported by the Authority and the amount of annual product sales, and the number of workers trained. A cleaner environment will be measured in terms of carbon dioxide, nitrogen oxide, and sulfur dioxide emission reductions. Results of the Performance Measurements must be included in the annual report, which the Members will approve at the annual June meeting.

Related to the approval of the Mission Statement and Performance Measurements, the ABO issued Policy Guidance No. 10-02. Such guidance requires the Members to acknowledge the Authority's responses to five questions posed by the ABO concerning each Member's understanding of the Mission Statement and the roles and responsibilities of the Members and Authority management. The Committees unanimously recommend approval of the Authority's Mission Statement and Performance Measurements.

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

Resolution No. 1250

RESOLVED, that the Authority Mission Statement and Performance Measurements, as presented at this meeting, are approved and adopted.

The Chair asked the Members if they acknowledged the five questions and answers and the Members indicated their concurrence.

Chair DeIorio then asked Mr. Gottlieb to continue with his report. Mr. Gottlieb explained that the GC also received a report from General Counsel Hal Brodie on other new

requirements of the Reform Act. Mr. Brodie explained that the Members are requested to adopt a resolution approving changes to the Authority's By-Laws; Internal Control Manual; and Guidelines, Operative Policy and Instructions for Disposal of Real and Personal Property. In addition, pursuant to the Reform Act, the Members are requested to execute an acknowledgement, which is required to be filed with the ABO, and which indicates that they understand their fiduciary duties and responsibilities.

With respect to the By-Law amendments, the Audit and Finance Committee ("A&FC") would specifically be responsible for reviewing all proposals for the issuance of debt by the Authority. The GC would be specifically responsible for examining ethical and conflict of interest issues, performing Board self-evaluation, and recommending By-laws relating to the conduct of Authority business. Both of these changes are consistent with existing procedures.

Changes in the Internal Control Manual will update the listing of materials required to be included in the annual report, including: biographical information on all directors, officers, and employees with salaries in excess of \$100,000; performance evaluations; a description of the total amount of assets and services bought or sold without competitive bidding; and a description of pending litigation. In addition, the annual report will include a four-year financial plan with current and projected Budgets, which the Authority has been completing since 2006 as part of the State Comptroller's reporting requirements.

The Internal Control Manual would also be amended to include new lobbying provisions, requiring all Members, Officers, and staff to maintain a record of lobbying contacts made in an attempt to influence an Authority rulemaking procedure. The Authority's whistleblower provisions in the Internal Control Manual would also be amended to specifically state that whistleblowers will not be fired, demoted, or suspended. Other updates previously approved by the Members are also being incorporated.

With respect to the Authority's Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property, such Guidelines would be amended to preclude the disposal of real or personal property for less than fair market value, unless: (1) the transferee is a

government or other public entity; (2) the transfer is within the mission of the Authority's enabling statute; or (3) the Authority has provided written notice of the proposed transfer to the Governor, the Senate, and the Assembly, and none of them has issued a denial of the proposed transfer.

Mr. Gottlieb concluded his presentation by stating that the Reform Act authorizes the State Comptroller to issue regulations concerning the submission to and approval by the State Comptroller of contracts that are in excess of \$1 million, if they: (i) are awarded to a single source, sole source, or pursuant to any other non-competitive procurement method; or (ii) are to be paid in whole or in part from monies appropriated by the State to the Authority. The State Comptroller issued proposed regulations in March 2010 and the Authority expects to provide comments on the proposed regulations.

The GC unanimously recommends approval of the changes.

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

Resolution No. 1251

RESOLVED, that the amendments to the Authority's By-laws, Internal Control Manual (April 2010), and Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (April 2010), as presented at this meeting, are approved and adopted.

The Chair then said that next on the agenda was a report from the A&FC. Mr. Catell, Chair of the A&FC, reported that at the meeting, Jeffrey J. Pitkin, the Authority's Treasurer, explained that, historically, the Authority has required that Authority bonds achieve an "A" rating both at the time of issuance and at any time they are converted to a different interest rate mode and remarketed. A letter of credit or comparable liquidity facility from a bank rated at least "A" was also required with respect to bonds having a "put" feature.

When the requirements were imposed, letters of credit and highly-rated insurance policies were widely available, and obtaining a support facility resulted in a higher rating, and a generally lower interest rate and interest cost savings to ratepayers.

Currently, there are few highly-rated municipal bond insurance companies offering insurance and few banks offering letters of credit and, when they are available, the costs have increased substantially.

The Members have previously approved the conversion of bonds bearing a Term Rate in excess of 13 months without a liquidity facility. The Public Authorities Control Board ("PACB") has also approved this change in the past. Consistent with past practice, New York State Electric & Gas Corporation ("NYSEG") has requested that the Authority drop the liquidity facility requirement for Term Rate bonds with respect to three series of Bonds issued in 1994. Even with this change, however, conversion to the Term Rate, or possibly a Fixed Rate, may not be possible without also waiving the requirement that the Bonds achieve an "A" rating at the time of conversion.

NYSEG believes that interest rates may increase over the next few years as the economy recovers. It is therefore considering converting three series of Bonds from a weekly interest rate to either a Term Rate or a Fixed Rate. Without insurance or a letter of credit, the Bonds will likely be rated based on NYSEG's BBB+ rating by Standard and Poors. By removing the requirement that an "A" rating be achieved at conversion, NYSEG would be able to lock in current, low interest rates for a longer period of time. Just prior to the time of conversion and remarketing, NYSEG would choose between the Term Rate or the Fixed Rate, based upon the best financial interests of the company at the time. NYSEG's expectation is that locking in rates now will result in lower overall interest costs to ratepayers over the next three years and possibly longer, if the bonds are converted to a Fixed Rate.

NYSEG also advises that, though a firm commitment has not been made, it is currently in negotiations with one insurance company that may agree to provide credit support. If insurance is projected to result in overall lower interest costs, it will proceed with insurance.

Staff is recommending approval of the change in rating requirements for NYSEG conversions completed in the next one-year period, at which time a reassessment of market conditions would be required.

The proposed changes have been discussed with the staff at the Department of Public Service ("DPS") and DPS staff has indicated their concurrence.

The A&FC unanimously recommended approval of the resolution.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, not including Mr. Brown, the following resolution was adopted. Mr. Brown recused himself and did not vote on the resolution.

Resolution No. 1252

RESOLVED, that the Members of the Authority authorize the amendment of the Trust Indenture, the Participation Agreement, and other documents relating to Pollution Control Refunding Revenue Bonds (New York State Electric & Gas Project) 1994 Series B; Pollution Control Refunding Revenue Bonds (New York State Electric & Gas Project) 1994 Series C; and Pollution Control Refunding Revenue Bonds (New York State Electric & Gas Project) 1994 Series D-1 and D-2 (collectively, the "Bonds"), to waive the minimum rating requirement of "A" with respect to the conversion of such series of the Bonds to a Term Rate (as defined by the related Trust Indenture, by and between the Authority and Deutsche Bank Trust Company Americas, and the related Participation Agreement, by and between the Authority and New York State Electric & Gas Corporation) or a Fixed Rate (as defined by the related Trust Indenture, by and between the Authority and Deutsche Bank Trust Company Americas, and the related Participation Agreement, by and between the Authority and New York State Electric & Gas Corporation), and to allow the remarketing of such series of Bonds at a rating of no lower than BBB/Baa2; and

BE IT RESOLVED, that the Authorized Officers of the Authority are each hereby authorized and directed to execute and deliver any such other agreements, documents, or certificates (including, but not limited to, any agreements, documents, or certificates deemed necessary or proper to evidence or establish compliance with applicable provisions of the Internal Revenue Code of 1986, as amended), to do and cause to be done any such other acts and things and to make such other changes, omissions, insertions, revisions, or amendments to the Bond documents as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution; and

BE IT FURTHER RESOLVED, that this resolution shall be in effect for one year, unless extended by the Members pursuant to resolution.

The Chair then asked Mr. Catell to report on the recent activities of the Director of Internal Audit. Mr. Mitchell, the Director of Internal Audit, reported on the results of the Multifamily Building Performance Program Audit, which included a review of funding commitments. The program was found to be overcommitted, and program and Authority management worked together to reassign projects, disencumber monies, and terminate projects whose funding had not yet been encumbered.

Recommendations to improve the process going forward included: updating the Authority's Operations and Procedures Manual to provide additional guidance on when and how pre-encumbrances are to be recorded; developing clear, written pre-encumbrance practices and procedures at the program level; instituting automated budgetary controls at the sub-program level; and improving program level contract management and budget monitoring. Mr. Catell reported that the A&FC had a lengthy and informative discussion with management and the Director of Internal Audit on this topic.

With respect to audits in progress, Internal Audit is: (1) reviewing the "Great American Appliance Swap Out" program both to confirm that program eligibility requirements are being met and to evaluate internal controls over the rebate expenditures; (2) conducting a contract audit of the implementation agreement for the Home Performance With Energy Star® Program; and (3) completing the Flexible Technical Assistance program audit. Also underway are an assessment of the Authority's information technology risks and a business risk assessment. The results of these assessments will provide input into the development of the fiscal year 2010-11 internal audit plan.

Mr. Catell continued by stating that the Director of Internal Audit also reported on the results of the various audit activities that were conducted last year. While opportunities for improvement in Authority operations had been identified, Mr. Mitchell also concluded that no significant deficiencies were found.

Chair DeIorio then asked Mr. Catell to report on one additional item. Mr. Catell explained that the A&FC also heard a detailed presentation from Lumsden & McCormick on their proposed process for conducting the fiscal year 2009-10 independent audit. The A&FC was able to ask questions and was satisfied with the proposed procedures for conducting the audit. Mr. Catell concluded his presentation by stating that the A&FC thought the approach was reasonable and that the end product would meet the requirements of the Public Authority Accountability Act and the State Comptroller's regulations, including the delivery of all required opinions.

Chair DeIorio then called on Dr. Elizabeth Thorndike, Chair of the Waste and Facilities Management Committee ("W&FMC"), to report on West Valley Site Management Program ("West Valley program") activities. Dr. Thorndike indicated that the W&FMC received a report from Director Paul Bembia on the Authority's findings under the State Environmental Quality Review Act ("SEQRA") with regard to decommissioning and long-term stewardship of the West Valley site. The *Final Environmental Impact Statement for Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center* concludes with the recommendation that the Authority approve the Phased Decisionmaking Alternative.

The Environmental Impact Statement ("EIS") discusses four possible alternatives: (1) sitewide removal, (2) sitewide close-in-place, (3) Phased Decisionmaking, and (4) no action. Under the Phased Decisionmaking Alternative, Phase 1 activities would include work on contaminated facilities and soil over 10 years. This work would include removal of the main plant process building; the vitrification facility; five contaminated, unlined lagoons; the North Plateau groundwater plume source; and two million cubic feet of contaminated soil. In addition, under Phase 1, additional characterization and technical studies would be undertaken to provide additional information supporting the Phase 2 decisions for the remaining facilities. As part of Phase 2, a full range of options would be considered including full removal, partial removal, or in-place closure of the remaining areas and facilities, including the State-licensed disposal area ("SDA"), the Nuclear Regulatory Commission-licensed disposal area ("NDA"), the high-level

radioactive waste (“HLW”) storage tanks, and the main body of the North Plateau groundwater plume.

After issuing the Draft EIS in November 2008, there was a nine-month public comment period and four public hearings were held. The United States Department of Energy (“DOE”) and the Authority received approximately 1,900 comments from individuals, the Citizen Task Force, environmental groups, elected officials, local governments, and State agencies. Notably, most comments called for exhumation and removal of all facilities and contamination.

In the Draft EIS, it was stated that the period between the Phase 1 and Phase 2 cleanup activities could be “up to 30 years.” This raised significant concerns with elected officials, the Citizen Task Force, environmental groups, and the public. In light of those concerns, the Authority initiated an effort with the other involved State and Federal agencies to revise this alternative and shorten the period between the phases. Thus, the Final EIS commits to a Phase 2 decision within 10 years of the Phase 1 decision. It also allows cleanup work to proceed directly from Phase 1 to Phase 2 without interruption. This approach will result in the retention of the trained workforce, continued momentum on the cleanup, and no interruption of Federal funding.

For the SDA, the Phase 2 decision will consider full removal, partial removal, in-place closure, and continued active management alternatives. The Authority will be evaluating the SDA options in another EIS, and providing the public with the opportunity to comment.

Staff recommends approval of the Phased Decisionmaking approach for several reasons. First, the EIS does not provide adequate information on the in-place closure and exhumation alternatives or demonstrate that either alternative avoids or minimizes adverse environmental impacts to the maximum extent practicable. Staff believes that additional characterization and technical studies are needed to improve the analysis for in-place closure and exhumation. Second, Phased Decisionmaking allows DOE and the Authority to pursue further studies without slowing the cleanup. This approach allows \$1.2 billion in cleanup and removal work to proceed immediately, providing significant risk reduction. Third, the SDA analysis prepared by the Authority’s consultants confirms that the public health risk from operating the SDA during Phase 1 is “well below widely applied radiation dose limits...”

Based on these analyses, the W&FMC unanimously recommends that the Members adopt the Phased Decisionmaking Alternative as presented in the *Final Environmental Impact Statement for Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center* and discussed in the SEQRA Findings Statement.

Dr. Thorndike commented that there is still substantial disagreement between the Authority and DOE on the Phase 2 activities, but that a good compromise had been reached on Phase 1.

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

Resolution No. 1253

RESOLVED, that the Members approve adoption of the Phased Decisionmaking Alternative as presented in the *Final Environmental Impact Statement for Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center*, January 2010 and discussed in the Findings Statement presented at the meeting of April 12, 2010;

AND BE IT FURTHER RESOLVED, that the President and Chief Executive Officer is authorized to take any action necessary to implement the adoption of such alternative.

At this time, Mr. Grannis had to leave, due to a prior commitment.

The Chair then called on Cheryl Earley, Director of Contract Management, to address the next agenda item. Ms. Earley explained that Public Authorities Law Section 2879 and the Authority's Procurement Contracts Guidelines, Operative Policy, and Instructions provide for the periodic review and approval of contracts, including contracts with a term in excess of one year. The Periodic Procurement Contracts Report presently before the Members is the report covering the period December 16, 2009, through March 15, 2010. The report summarizes the 753 procurement contracts exceeding \$5,000 that were initiated or modified during the period.

About 97% of the procurement contracts were competitively selected and about 99% of the total dollar amounts committed was selected on a competitive basis. The report also summarizes an additional 499 procurement contracts that are expected to be executed by the Authority and that have a period of expected performance in excess of one year; they total approximately \$225 million in potential funding.

The Members have also been provided with a periodic 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 11 contracts subject to Article 15-a which were initiated or modified during the reporting period, 9% of the total number of contracts were awarded to a certified M/WBE, representing 17% of the total contracts’ amounts.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted. Both Mr. Catell and Dr. Thorndike recused themselves from approving any Authority contracts that are with entities with which they have an existing relationship.

Resolution No. 1254

RESOLVED, that the Periodic Procurement Contracts Report covering the period December 16, 2009 through March 15, 2010, 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).

The Chair stated that the next agenda item concerned the launching of the Authority’s new branding. He asked Susan Moyer, Director of Marketing and Economic Development, to discuss this item. Ms. Moyer explained that a “brand” is a promise. It is what you want people to believe that you stand for. The Authority’s goal is to create a strong brand that will represent the Authority as a whole, align the Authority’s business activities, ensure consistency, and improve external awareness. Ms. Moyer then unveiled the new logo and tag line.



The Chair then explained that the next item to be discussed, instead of Smart Grid activities, is a report on the New York Battery and Energy Storage Technology Consortium (“NY-BEST”). The Chair said that there have been important recent developments in connection with NY-BEST and asked Richard Drake, Program Manager for Transportation and Power Systems, to report on those activities. Mr. Drake explained that, one year ago, the Members authorized the use of approximately \$25 million of Clean Air Interstate Rule proceeds from the auction of NOx allowances to create NY-BEST. The goal was to capitalize on New York’s existing base of energy storage companies and research centers to create a world-class research and industry-focused coalition. This coalition is working together to further the development of an advanced battery and energy storage business sector in New York.

A stakeholder group comprised of over 120 representatives of the State’s research and business communities was first convened. Based on input received, working groups were created to provide guidance on creating NY-BEST’s organizational structure.

There are 50 founding organizations, representing a chain of involved entities from fundamental science and basic research organizations to suppliers to end-use market organizations. Its first meeting was held in March 2010, and a Board of Directors was elected. The President and CEO of the Authority is a permanent member of the Board of Directors.

With respect to NY-BEST’s research program, three market research studies have been commissioned and \$8 million in funding has been awarded to 19 competitively selected research projects. The awards were made for technology development and commercialization. Mr. Drake concluded his presentation by stating that NY-BEST is also supporting member efforts to compete for Federal funds.

Chair DeIorio stated that the next agenda item was a resolution to convene in executive session for the purpose of discussing the litigation with respect to RGGI.

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

Resolution No. 1255

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 purpose of receiving a report regarding the litigation with respect to the Regional Greenhouse Gas Initiative.

The Chair reconvened the meeting in open session and stated that no official action was taken during executive session.

The Chair said that the last agenda item is other business. He explained that he thought it time that the Members formally honor Robert G. Callender for his unwavering efforts on behalf of the Authority. During the recent transition between Authority Presidents, Mr. Callender assumed the responsibilities of Acting President, while continuing his responsibilities as Vice-President of Programs. Mr. Callender supervised staff efforts in developing the Regional Greenhouse Gas Initiative Operating Plan; furthered efforts for the system benefits charge programs and Energy Efficiency Portfolio Standard programs; advanced the goal of a Clean Air Interstate Rule; continued development of the Saratoga Technology + Energy Park, including efforts to partner with Hudson Valley Community College in the TEC-SMART building; and focused on the development of the 2008-2011 Strategic Program Plan. Mr. Callender exhibited an unwavering dependability, dedication, and willingness to serve, and the Chair said that he wanted to memorialize those leadership qualities by awarding him the Authority's special Leadership Award. This award symbolizes his exemplary commitment to the People of the State of New York and his outstanding contributions to the mission of the Authority and the State.

Each Authority Member then congratulated and thanked Mr. Callender for his efforts, noting his professionalism, capabilities, and constant dedication to the Authority's operations.

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

Resolution No. 1256

WHEREAS, the Honorable Robert G. Callender has served with distinction on behalf of the New York State Energy Research and Development Authority, assuming responsibilities as Acting President, during a critical transition period, in addition to continuing his responsibilities as Vice-President of Programs; and

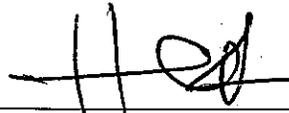
WHEREAS, during this transition, he maintained the focus of Authority operations on behalf of the citizens of New York State, overseeing development of the 2008-2011 Strategic Program Plan; continuing development of the Saratoga Technology + Energy Park, including efforts to partner with Hudson Valley Community College in the TEC-SMART building; supervising staff efforts on a Regional Greenhouse Gas Initiative Operating Plan; furthering the goal of a Clean Air Interstate Rule; and furthering efforts for the System Benefits Program and Energy Efficiency Portfolio Standard program; and

WHEREAS, Mr. Callender's efforts on behalf of the Authority have been distinguished by an unwavering dependability, dedication, and willingness to serve; and

WHEREAS, the Members of the Authority wish to bestow a Special Leadership Award on Robert G. Callender for his exemplary commitment to the People of the State of New York and his outstanding contributions to the mission of the Authority and the State and to memorialize that recognition;

NOW, THEREFORE, BE IT RESOLVED THAT, the Members of the New York State Energy Research and Development Authority Board, assembled on this 12th day of April, 2010, unanimously express to Robert G. Callender their commendation and deep appreciation for his dedicated and exemplary service to the Authority and the People of the State of New York.

The Chair asked if there were any other items the Members wished to discuss. There being no further business, upon motion duly made and seconded, and by unanimous voice vote of the Members present, the meeting was adjourned.



Hal Brodie
Secretary



April 2, 2010

NOTICE OF MEETING AND AGENDA

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

PLEASE TAKE NOTICE that a regular meeting (the 204th) meeting of the New York State Energy Research and Development Authority (“Authority”) will be held in the Authority’s New York City Office at 485 Seventh Avenue, 10th floor, New York, New York, and by video conference in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York, and by video conference in the Authority’s Buffalo Office at 726 Exchange Street, Suite 821, Buffalo, New York, on Monday, April 12, 2010, commencing at 11:00 a.m. for the following purposes:

1. To receive a report from the Program Planning Committee on program evaluation and metrics data.
2. To receive a report from the Governance Committee and:
 - (a) to consider and act upon a resolution approving the Authority’s Mission Statement and Performance Measurements; and
 - (b) to discuss the requirements of the Public Authorities Reform Act of 2009 (“Act”) and to consider and act upon a resolution approving certain changes to the Authority’s By-laws; Internal Control Manual; and Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (April 2010); and implementation of statutory provisions relating to Board Member responsibilities in accordance with such Act.
3. To receive a report from the Audit and Finance Committee and:
 - (a) to consider and act upon amendments to the rating requirements on three series of bonds previously issued on behalf of New York State Electric & Gas Corporation;
 - (b) to receive a report on the recent activities of the Director of Internal Audit; and
 - (c) to receive a report on the Annual Internal Audit Report from the Director of Internal Audit.

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4. To receive a report from the Waste and Facilities Management Committee and to consider and act upon a resolution adopting the Preferred Decisionmaking Alternative as presented in the *Final Environmental Impact Statement for Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center*.
5. To consider and act upon a resolution approving a periodic procurement contracts report.
6. To receive a report on the launching of the Authority's new brand name.
7. To receive a report on Smart Grid activities.
8. 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.
9. 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. In accordance with guidance from the Office of Taxpayer Accountability, the Authority will be posting a video of its Board and Committee meetings to the web within 2 business days of the meeting. The video will be posted at <http://www.nyserda.org/governancemeetings2.asp>.



Hal Brodie
Secretary