

MINUTES OF THE NINTH MEETING OF THE
GOVERNANCE COMMITTEE
HELD ON JANUARY 24, 2011

Pursuant to notice dated January 11, 2011, the ninth (9th) meeting of the Governance Committee (Committee) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (Authority) was convened 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, January 24, 2011, at 10:30 a.m.

The following members of the Committee were present in New York City unless otherwise indicated:

Vincent A. DeIorio, Esq., ex officio

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

Committee members Elliman and Willis were unable to attend.

Also present 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., General Counsel; Sara L. LeCain, Esq., Senior Counsel and Secretary to the Governance Committee; and various other staff of the Authority.

Since the Committee's Chair, David Elliman, was not able to attend, Chair DeIorio called the meeting to order and noted the presence of a quorum.

The first item on the agenda concerned the approval of the minutes of the eighth (8th) meeting of the Governance Committee held on June 21, 2010.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the minutes of the eighth (8th) meeting of the Governance Committee were approved.

The Chair indicated that the next item on the agenda concerned annual Board Member self-assessments. The Committee is asked to review the proposed Board Performance evaluation tool that was developed by the Authorities Budget Office ("ABO"). Consistent with the requirements of the Public Authorities Reform Act of 2009 (the "Reform Act"), the Members are required to conduct an annual evaluation to measure their individual and collective effectiveness, determine if the Members are following their own policies and procedures, identify areas for Board improvement, and compare individual evaluations of the Board's performance with those of the other Members.

On October 26, 2010, the ABO issued Policy Guidance No. 10-05 (the "Guidance"). The Guidance requires each Member to annually perform his or her own evaluation of the whole Board.

The purposes of this exercise are to remind each Member of his or her duties, why those duties are important, and whether the Members as a group are performing those duties appropriately. The evaluations are exempt from disclosure under the Freedom of Information Law. The results will be compiled by Authority staff and reviewed by the Governance Committee. If the evaluation demonstrates a need for improvement, the Reform Act requires the Members to develop and implement suitable corrective actions immediately.

The evaluation forms will be sent to the Members in February with a stamped envelope addressed to the Committee's Secretary. Once each of the Members has submitted the evaluation, the Governance Committee will compile the results using the summary form. In addition, the Committee will determine whether any policy changes should be made with respect to how the Board conducts its business. At the June meeting, the Board will then review and act upon the summary and any policy recommendations for inclusion in the Authority's annual report.

The proposed evaluation tool is the model developed by ABO to meet the needs of this requirement. It was presented to the Committee for input as to whether the Committee felt there should be any additions to the questions being asked.

The Committee concurred with the proposed plan to implement the annual Board Member self-assessments.

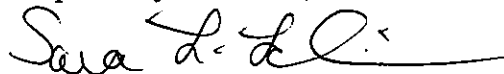
Chair DeLorio indicated that the next item on the agenda was a review of the Authority's compliance with the Reform Act. Authority President and CEO Francis J. Murray, Jr. explained that the Reform Act established several new administrative and reporting requirements for public authorities in New York State. A handout was presented to the Committee detailing the status of the Authority's compliance with these new requirements.

To date, the Authority is in full compliance with the new requirements.

All of the required reporting has been completed with the exception of two new reports. The first is the annual measurements report, which details whether the Authority has met its goals as established in the Authority's mission statement. Pursuant to guidance issued by the Authorities Budget Office, this report will be filed for the first time at the end of the 2010-2011 fiscal year. The second report is the summary of the Members' performance evaluations. As the Committee discussed earlier, this will be filed in June 2011 as per the ABO guidance.

Chair DeLorio stated that the last agenda item concerned other business. There being no further business, upon motion duly made and seconded, and by unanimous voice vote of the Committee members, the meeting was adjourned.

Respectfully submitted,



Sara L. LeCain
Secretary to the Committee



New York State Energy Research and Development Authority

Vincent A. DeLorio, Esq., *Chairman*

Francis J. Murray, Jr., *President and CEO*

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NOTICE OF MEETING AND AGENDA

January 11, 2011

TO THE MEMBERS OF THE GOVERNANCE COMMITTEE:

PLEASE TAKE NOTICE that the ninth (9th) meeting of the GOVERNANCE COMMITTEE of the New York State Energy Research and Development 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, January 24, 2011, commencing at 10:30 a.m., for the following purposes:

1. To consider the Minutes of the 8th meeting held on June 21, 2010.
2. To discuss conducting Board performance evaluations.
3. To receive a report on the Authority's compliance with the requirements of the Public Authorities Reform Act of 2009.
4. 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 two business days of the meeting. The video will be posted at <http://www.nyserda.org/governancemeetings2.asp>.

Sara L. LeCain

Secretary to the Governance Committee

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