

PROGRAM PLANNING COMMITTEE  
OF THE  
NEW YORK STATE  
ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 76<sup>th</sup> Meeting  
Held on April 4, 2011

Pursuant to a Notice and Agenda dated March 28, 2011, the 76<sup>th</sup> meeting of the Program Planning Committee ("Committee") of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY was convened at 10:00 a.m. on Monday, April 4, 2011, at the Authority's New York City Office Board Room, located at 485 Seventh Avenue, 10<sup>th</sup> floor, New York, New York and by video conference in the Authority's Albany Board Room at 17 Columbia Circle, Albany, New York.

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

George F. Akel, Jr., Committee Chair (by video conference in Albany)  
Vincent A. DeLorio, Esq., Authority Chair (ex officio)  
Kevin Burke  
Robert B. Catell  
Elizabeth W. Thorndike, Ph. D.  
Mark Willis

David D. Elliman did not attend.

Also in attendance were Francis J. Murray, Jr., President and CEO of NYSERDA; 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, General Counsel; and Valerie S. Milonovich, Senior Counsel and Secretary to the Committee; and various other members of the Authority staff.

Chairman Akel called the meeting to order, noted the presence of a quorum, and stated that a Notice of the meeting (see Exhibit A) was mailed to Committee members and the press on March 28, 2011. Each of the Committee members introduced themselves.

The first agenda item concerned the approval of the minutes of the 75<sup>th</sup> meeting of the Committee held on January 14, 2011. Upon motion duly made and seconded, and by unanimous voice vote, the minutes of the 75<sup>th</sup> meeting of the Committee were approved.

Mr. Akel introduced the Authority's Chairman, Mr. DeLorio, who offered a brief welcome and thank you to all for the staff's continued hard work and dedication.

## **Saratoga Technology + Energy Park (STEP)**

Mr. Akel introduced Vice President Callender to present the second agenda item regarding a draft resolution authorizing the Authority to enter into a modification of the ground lease for United STEP I, LLC at the Saratoga Technology + Energy Park (STEP). Mr. Callender explained that, with respect to the continued development of STEP, it is requested that the PPC Members recommend three resolutions for NYSERDA Board approval. The three resolutions would: provide for a renewal option to NYSERDA's existing ground lease with United STEP I, LLC.; approve a sewer line deed of dedication, permanent right of way and easement, and guaranty with Saratoga County Sewer District No. 1; and approve a ground lease with Jersen Construction LLC in the name of STEP Tech, LLC., for the construction of a new building at STEP.

Mr. Callender began with the renewal option to the existing ground lease with United STEP 1, LLC. He explained that, in April 2006, the Members approved a ground lease with The United Group of Companies, Inc. and in October 2006, the property was assigned to United STEP I, LLC. The current ground lease is for 6.08 acres on which a 105,000 square foot, \$15,000,000, Leadership in Energy and Environmental Design (LEED) Silver, multi-tenanted building was constructed. United designed, financed, owns and manages the building, with the term of the ground lease being 49 years, terminating on June 30, 2055.

With its building completely occupied, United is seeking to refinance the mortgage to obtain a more favorable interest rate. To make the property more attractive to potential lenders, United has requested a renewal option, which is common practice in the industry. In the event the property is refinanced, NYSERDA will receive 10% of any equity or positive net cash flow received from rents realized by United.

Mr. Callender explained that the lease modification provides for a 20-year renewal option following the termination date, with United or its successor providing a written notification one year prior to its intent to exercise the option. At the time of exercising the renewal option, United or its successor will provide a schedule of rents through the option period. The schedule of rents shall be subject to NYSERDA's satisfaction and sole discretion, and the exercise of this option, including rental amounts, will be subject to any laws affecting the disposition of assets by public authorities that are in effect at that time. A process has also been established and incorporated into the lease modification such that in the event the schedule of rents is not agreed upon by both parties the option will not be exercised and the lease shall terminate at 49 years.

Based on the reports and discussions as presented, upon motion duly made and seconded, by unanimous voice vote, the Committee recommended that the full Board adopt the resolution approving the renewal option to existing ground lease with United STEP 1, LLC.

Mr. Akel then introduced the third agenda item - a resolution that recommends the approval of a Deed of Dedication, a Permanent Right of Way and Easement, and a Guaranty with Saratoga County Sewer District No. 1 to allow NYSERDA to transfer the title for sewer lines and ancillary equipment located at STEP to the Sewer District.

Mr. Callender explained that NYSERDA has established public/private partnerships with developers to construct, finance, and manage new buildings at STEP, with NYSERDA being responsible for building the infrastructure at STEP. NYSERDA has installed the infrastructure including the roads, gas, electric, sewer, water and telecommunications needed to support the Phase 2 build-out of STEP.

In 2008, the Members approved a Deed of Dedication, Permanent Right of Way and Easement, and Guaranty to the Sewer District for the pump station, sewer lines and ancillary equipment installed to support the Phase I build-out of STEP. With the infrastructure work now complete for the Phase 2 build-out of STEP, Staff recommends that NYSERDA transfer the ownership of the additional ancillary equipment and sewer lines at STEP to the Sewer District, which involves three documents:

- *Deed of Dedication.* Under this agreement, NYSERDA agrees to dedicate “all rights, title and interest in and to those pipes, conduits, manholes, pumps, sanitary sewer pump station and other related equipment and fixtures, exclusive of grinder pumps, constituting the sanitary sewer system installed within the easement areas...” to the Sewer District.

- *Permanent Right of Way and Easement.* This agreement grants the Sewer District a “permanent non-exclusive right of way and easement for the installation, maintenance, inspection, repair, relining, removal, replacement, improvement, use and operation of a sanitary sewer line.”

- *Guaranty.* The Guaranty obligates NYSERDA to reimburse the Sewer District for any repair expenses incurred in the first year of transfer in excess of \$3,000. After this one year period, the Sewer District will bear sole responsibility for all costs to maintain and repair the sewer system.

Mr. Callender reported that this type of transfer of a sewer system to a county sewer district is common and standard practice between developers of commercial and residential developments projects and municipalities, and the Sewer District will be responsible for maintaining and repairing the sewer system in perpetuity.

Chairman DeLorio inquired as to how much of NYSERDA’s infrastructure costs have been recovered. Mr. Callender responded that NYSERDA has been operating under a “pay-as-you-go” policy and, including the new building being discussed at this meeting, all costs will be recovered for sewer expenses and nearly all costs will have been recovered for road infrastructure.

Mr. Akel then asked the Committee Members for any further discussion or questions regarding the draft resolution to approve the documents that effectuate the transfer of ownership of the sewer system at STEP to the Saratoga County Sewer District No 1. There being none, and based on the reports and discussions as presented, upon motion duly made and seconded, by unanimous voice vote, the Committee recommended that the full Board adopt the resolution.

Mr. Akel introduced the final STEP agenda item as the recommendation of a resolution authorizing the Authority to enter into a ground lease with STEP Tech, LLC, a single-purpose entity formed by the Jersen Construction Group, LLC, for the development and management of a new building at STEP.

Mr. Callender stated that the Jersen Construction Group, LLC (Jersen) submitted a proposal to NYSERDA under the Invitation to Develop at STEP competitive solicitation to design, construct, finance, own and lease a 75,000 square foot, LEED-rated, predominately single tenant building on approximately 2 acres of land. The proposal was evaluated by a Technical Evaluation Panel (TEP) consisting of NYSERDA staff and outside expert members, and the panel recommended approval of the proposal to NYSERDA management.

Jersen was founded in 1983, employs 29 people, is located in Waterford, New York. Since its inception, has completed over \$1 billion in construction projects across New York State. Jersen was the general contractor for United's building at STEP, 107 Hermes Road. Under this proposed development Jersen will form a limited liability company named STEP Tech, LLC.

Mr. Callender stated that the ground lease is similar in structure and terms to the ground leases previously approved by the Board for The United Group of Companies, Inc., 107 Hermes Road building and for Hudson Valley Community College's TEC SMART building with the following changes and exceptions:

- STEP Tech, LLC will construct an 89,592 square foot LEED-rated, multi-tenant building on approximately 3.08 acres of land at STEP near TEC SMART. This building, the building footprint, and the location of the building reflect the STEP Master Plan and the clustering of buildings. Mr. Callender pointed out that the 89,592 square footage is larger than that which was originally proposed.
- Ground rent payments will be pre-paid, with NYSERDA receiving \$414,400 at the earlier of closing on the permanent financing or within six months of substantial completion of the building, but in no instance beyond the third anniversary of the ground lease commencement date.
- In conformance with Public Authorities Law §2897(3), an appraisal was commissioned to establish the fair market value of the land to be leased, which will be included in the record of transaction. The rent structure is in accordance with the fair market value as determined by the appraisal and the land is appraised at \$100,000 per acre.
- The utility connection fee is \$6.99 per square foot, or \$626,304. Since STEP Tech, LLC will be extending the infrastructure for the benefit of its building and others, it will receive a dollar-for-dollar credit for extending such infrastructure.
- The ground lease also provides for two 10-year extensions at the end of the 49-year term. Upon notice of STEP Tech, LLC's intent to exercise its option, STEP Tech, LLC will propose a schedule of rents to be paid. The rents will be subject to any laws affecting the disposition of assets by a public authority or NYSERDA's successor in effect at that time, and must be satisfactory to NYSERDA. NYSERDA has established a process such that in

the event the two parties cannot agree on a schedule of rents that will be paid under the options, the options will not be exercised and the ground lease will terminate.

The lease provides for an expansion option, under which at any time within the first 10 years following the completion of construction, STEP Tech, LLC can construct up to an additional 50,000 square feet, with appropriate acreage up to a total of 6 acres in accordance with the terms of the ground lease, which includes NYSERDA's design review and approval.

Mr. DeLorio inquired about the extra acreage for possible expansion of this project and Mr. Callender explained that the necessary acreage has been set aside.

Mr. Burke asked about the percentage of STEP property that has been developed or encumbered. Mr. Callender explained that, thus far, it is a fairly small percentage and that under the Master Plan, about 1.25 million square feet, including the building being discussed at today's meeting, is available for development. Of the total STEP property, the amount of land intended to be fully developed in tightly-clustered buildings is about 23%, leaving 77% open space.

Mr. Willis asked about Jersen's experience with building management, and Mr. Costello of Counsel's Office stated that Jersen has experience with both building development and management.

In response to Mr. Burke, Mr. Callender explained that the LEED-certification requirement is included in the lease provisions.

In response to Mr. Akel, Mr. Callender stated that the term of the Payment in Lieu of Taxes (PILOT) program is ten years and is negotiated with the Saratoga County Industrial Development Agency.

Mr. Akel expressed a concern regarding the sufficiency of the liability coverage provisions relative to the extended term of the lease. Mr. Costello responded that lease provisions that more specifically increase comprehensive liability coverage over the term of the lease could be included in the final ground lease to be presented to the Board.

Mr. Akel then asked the Committee Members for any further discussion or questions regarding the draft resolution to support NYSERDA's ground lease with Jersen. There being none, and based on the reports and discussions as presented, upon motion duly made and seconded, by unanimous voice vote, the Committee recommended that the full Board adopt the resolution approving NYSERDA's Ground Lease with STEP Tech, LLC for the development and management of a new building at STEP.

### **Metrics and Program Evaluation Presentation**

Mr. Akel introduced the fifth agenda item as a report from John Williams, Director of the Energy Analysis Program, and his staff on NYSERDA's program goals, program evaluation and program progress, and the use of evaluation information in designing and adjusting programs to support NYSERDA's strategic program planning process.

Mr. Akel stated that this is the second time the PPC has held a meeting in April on the topic of metrics and evaluation. The presentation is designed to inform the PPC members of the Authority's overall performance, and will set the stage for discussing and mapping future strategies, initiatives, and programs that staff will be sharing at the June PPC Strategic Planning Meeting.

NYSERDA President Murray began the discussion by providing the status of NYSEKDA funding and the recent passage of a State budget. Mr. Murray reported that the State Legislature passed a timely State budget and that it incorporated NYSEKDA's budget as recommended by the Governor. He acknowledged his appreciation of the efforts of many who assisted in the process of educating various parties as to the value NYSEKDA provides to the State.

Mr. Murray then provided a brief overview of the status of NYSEKDA's key funding sources. Mr. Murray stated that there is significant uncertainty with respect to NYSEKDA's overall funding and that it varies greatly from source to source.

Mr. Murray stated that funding for the Renewable Portfolio Standard (RPS) is a relatively certain and secure funding source, as the Public Service Commission (Commission) has ensured multi-year funding for contracts used to implement this program.

With regard to funding for System Benefits Charge (SBC) and Energy Efficiency Portfolio Standard (EEPS) programs, he referred to the recently approved funding resulting from the Commission's December 30, 2010 Order in the SBC IV proceeding, which approved funding for these programs through the end of 2011. However, there is greater uncertainty with regard to NYSEKDA's SBC IV efforts, referred to as the Technology and Market Development Portfolio. In May, NYSEKDA will file an Operating Plan addressing that aspect of NYSEKDA's program efforts and will incorporate the results of an extensive public outreach effort undertaken by NYSEKDA, as directed by the Commission. Mr. Murray stated that he is confident that the Commission is committed to a five-year funding stream for these activities, but the level of funding continues to be uncertain.

With regard to the post-2011 EEPS portfolio, Mr. Murray expects that within about the next month or so a new proceeding will be instituted by the Commission to address funding and possible EEPS program changes. Mr. Murray believes the funding issues for both the SBC IV and EEPS second phase efforts will be resolved by the Commission later in this calendar year.

With regard to Regional Greenhouse Gas Initiative (RGGI) Program, Mr. Murray stated that it is difficult to predict proceeds for future auctions. NYSEKDA was anticipating an additional \$10 million in auction proceeds from the most recent auction and the result was about \$30 million. Mr. Murray anticipates that allowance sales and prices will remain volatile in the next several auctions.

NYSEKDA is not assuming any additional federal stimulus funding.

Mr. Murray also pointed out some upcoming gubernatorial initiatives in which he anticipates NYSEKDA will have an active role. These include the Regional Economic Development Councils, under the leadership of the Lieutenant Governor, which are expected to be established before the end of April and the Cleaner Greener Communities Program.

Mr. Willis inquired as to whether NYSERDA had been involved in any agency consolidation efforts. Mr. Murray stated that NYSERDA had not yet been approached by the Spending and Government Efficiency (SAGE) Commission, and in that event he is confident that the value of NYSERDA could be successfully demonstrated. Mr. Catell stated that the progress on developing metrics will be useful in making the case for NYSERDA in that situation.

Mr. Akel then called upon John Williams, Director of the Energy Analysis Program, and Jennifer Meissner, Evaluation Program Manager, to report on the metrics for NYSERDA Programs. Mr. Williams explained that the purpose of the presentation was to report on NYSERDA's program goals, program evaluation and program progress, and the use of evaluation information in designing and adjusting programs to support NYSERDA's strategic program planning process.

Mr. Williams reviewed NYSERDA's mission, vision, goals and outcomes, which had previously been presented to the Members, and introduced a new fifth performance measure that addresses customer service goals. Corporate-level performance metrics for the mission goals were discussed in detail to show NYSERDA's progress in meeting its goals. In addition to adding the goal and associated metrics related to satisfied customers, new metrics related to innovation in program delivery and macroeconomic impacts are being considered and will be added, as applicable, across the mission goals in the near future. Overall, these goals are used to measure how NYSERDA can meet its corporate mission, vision and objectives, as well as overall State energy and environmental policy goals.

Mr. Williams explained that NYSERDA conducts its major impact, market and process evaluation of its programs through the support of third-party, competitively-selected expert contractors. NYSERDA has had an evaluation function within Energy Analysis for about 12 years and has evolved its approaches to increase rigor and align with and advance best practices over that time period.

NYSERDA is nationally known in evaluation circles and often weighs in on evaluation and policy issues. Methodology is guided by industry best practice references and guidance documents produced by the Federal government, expert evaluation contractors, regulatory requirements, and stakeholder input through advisory groups. One example of NYSERDA's leading evaluation work is its effort to conduct impact and process evaluation on the American Recovery and Reinvestment Act (ARRA) programs. New York is one of only a few states in the country that is conducting its own evaluation of ARRA programs. NYSERDA coordinates closely with DOE so its state-level results can feed into the national study.

Mr. Williams presented statistics to show NYSERDA's program progress across several funding sources and using statewide energy usage and population, so as to set the context for the program achievements. The statistics show electric savings of approximately 3.2% of total use in the State, and that about 2% of households and about 1% of commercial and industrial customers have been served through NYSERDA programs. It was mentioned, however, that not all segments of the population are eligible, so the penetration of those eligible is likely higher.

Mr. Catell inquired as to customer feedback and as to why the statistics show a relatively large drop off in residential programs from 2009 to 2010. It was explained that, due to funding issues, NYSERDA's Multifamily Performance Program (MPP), as well as some gas-funded residential programs, were not being implemented during a large portion of that timeframe.

Mr. Williams continued by showing overall progress toward energy efficiency goals for the major portfolios that have such goals: SBC III and EEPS. He reported that the programs are making good progress toward achieving NYSERDA's SBC III electric goals, having reached 74% of goal attainment and spending only 62% of the budget. The programs are expected to reach their SBC III goal at or near the end of the SBC III time frame later in 2011. EEPS electric programs are also making good progress, with NYSERDA having spent 18% of the budget and achieved 23% of the goal overall. As individual EEPS programs are on different time lines for achieving goals, some residential programs are expected to reach their full goal by the end of 2011, while other large commercial and industrial programs will not reach full attainment until 2014 or 2015. The EEPS gas programs are quite new, having only started in the latter half of late 2010. NYSERDA has spent 11% of the funds and achieved natural gas savings from EEPS programs equivalent to 13% of the goal.

Mr. Williams discussed the change in the portrayal of the job creation estimates, as well as the effect of utility rate designs when modeling the effect on jobs. There was a brief discussion as to the options for reporting this statistic. Mr. DeLorio suggested that, while there are a variety of explanations for some of the statistics presented, staff should strive for integrity and consistency in its reporting.

Mr. Williams also discussed emission reductions and a new methodology for reporting them. Beginning in 2010, NYSERDA estimates reductions in emissions of carbon dioxide (CO<sub>2</sub>), nitrogen oxides (NO<sub>x</sub>), and sulfur dioxide (SO<sub>2</sub>) associated with electric efficiency projects based on average emission rates that include emissions associated with imports of electricity. In the past, NYSERDA has reported emissions reductions using marginal emission factors. The transition to average emission factors was performed to better represent the nature of the emissions avoided from energy efficiency and clean energy activities implemented at an individual customer site. Ms. Joseph noted that in the future any methodological changes would be clearly noted in any metrics presentations to better differentiate real-world trends from changes in estimation approaches.

Mr. Burke pointed out that significant emissions savings should result despite the emissions cap and due to the fact that higher emitting marginal plants would be called on less often.

Mr. Williams stated that, since the beginning of the SBC program in 1998, more than \$3.7 billion in energy bill savings has accrued to customers in NYSERDA's SBC and EEPS programs. For every \$1 in SBC or EEPS program dollars spent, nearly \$2.50 in energy bill savings has been realized by participating customers. These benefits are achieved at approximately zero net cost to non-participants due to the price lowering effect of the reduced energy use on wholesale electric prices. He also stated that if the program ended today, the numbers for bill savings would continue to grow, to a point, from operational energy efficiency measures over their useful life.

Additional energy efficiency statistics were presented showing that most of the commercial and industrial programs have achieved a greater percentage of their goals than they have spent funds at this point. The opposite scenario is true for several of the residential and multifamily programs. Reasons for the discrepancies were discussed, including depleted gas efficiency funding, a revamping of the MPP program in response to Commission requirements, and project pipeline activity.

Mr. Burke inquired as to what this means for NYSERDA's portfolio. Mr. Williams responded that it shows that some programs are designed properly and are performing well, while others may have design challenges.

Mr. Catell asked how NYSERDA uses these numbers. Mr. Murray cautioned that the numbers do not tell the entire story and indicated that other policy objectives must be considered in selecting and designing programs. Mr. Colgrove, Director of the New York City Office, stated that the EEPS process was a new and novel initiative for which there was difficulty in determining an appropriate goal for some programs. Overall, Mr. Williams cautioned that the EEPS metrics are early results that have not yet been evaluated. Some programs look very successful at this time, while others will likely need to be given more time to ramp up before true progress is known.

With regard to the third mission goal performance metrics on the clean energy economy, Mr. Williams reported that staff is still compiling many of the results, but provided what has been gathered to date.

Discussion regarding the fourth mission goal performance metrics centered on the emissions reductions associated with electric and fossil fuel savings measures, including clean energy generation.

Jeffrey Pitkin, Treasurer, reported on the customer service performance metrics, which are to have satisfied customers, be responsive to customer needs, and deliver accurate and timely information, services, and programs. Two key performance metrics were identified to monitor progress towards achieving this goal: timeliness of processing contracts and the percent of payments made within the 30 day prompt payment policy requirements.

Mr. Pitkin explained that NYSERDA transitioned to an integrated financial management system two years ago using PeopleSoft, referred to as the NYSERDA Enterprise Information System (NEIS). This system is used to support processes for the award, creation, review, approval, and execution of contracts and the input, review, approval and payment of vendor invoices.

This process automates contract review processes which were previously completed by manually routing contract documents for review and approval. The NEIS system provides staff and managers with reports that identify the current status of each contract and also can summarize timeframes for contracts completed. A baseline has been established for contracting processing times for calendar year 2010. Each quarter, contracting times on a rolling 12-month basis will be reported and compared to the results of the prior quarter to show progress towards improving these results. The contract timelines are shown on a median basis, rather than average

timelines, to avoid anomalies which can occur for individual contracts that lead to time delays, which may include delays caused by the contractor.

NYSERDA processed a total of 660 contracts awarded from solicitations. It currently takes approximately 31.5 weeks to process a contract that was awarded from solicitations. This is comprised of two time frames: a period from proposal due date to contract award (the median time for these activities was 15.1 weeks), and the period from contract award through contract negotiation and execution (the median time for these activities was 16.4 weeks).

For contracts awarded from open enrollment solicitations for application-based incentives, NYSERDA processed 1,925 contracts with a median of 14.6 weeks from the date of application to the date the incentive agreement was executed.

For contracts not awarded through solicitations, NYSERDA processed 210 contracts in a median time of 7 weeks from the date the contract request was entered in the system to the date the contract agreement was signed. NYSERDA also processed 2,352 contract modifications and task orders and the median time to process these was 3.3 weeks.

Section 2880 of the Public Authorities Law and NYSERDA's Prompt Payment Policy Statement require that NYSERDA pay each invoice within 30 days of receipt of a proper invoice, or they may be subject to interest charges. For calendar year 2010, out of a total of 42,362 invoices, all but six were paid on time.

Mr. Pitkin reported that staff is committed to improving upon its customer service and will continue to optimize its systems and business processes accordingly.

Mr. Williams then introduced Jennifer Meissner, Program Manager for the Energy Analysis Program, who continued the presentation by addressing the cost-effectiveness of NYSERDA programs. Ms. Meissner presented cost-effectiveness results for the SBC3 program. The SBC3 analysis was based on spending and energy savings from measures installed between July 1, 2006 and December 31, 2010 and focused on energy efficiency deployment programs that contribute energy savings. Overall, NYSERDA's Total Resource Cost (TRC) ratio has been fairly stable over time between a 1.5 and 2.0. TRC divides the present value of the benefits by both the NYSERDA spending and customer co-funding. A TRC ratio above 1.0 indicates that the benefits outweigh the costs. The current analysis through the end of 2010 resulted in a 1.5 TRC ratio. The range of results depicts the varied cost of serving the diverse customer sectors and a full spectrum of program strategies and activities. When non-energy impacts are included, all TRC results exceed 1.0, showing the substantial value of these non-energy benefits on programs such as Home Performance and Multifamily Performance. Ms. Meissner also presented the cost per lifetime megawatt-hour for the SBC III portfolio and certain individual programs.

Ms. Meissner explained that expenditures made by NYSERDA and **New York Energy Smart<sup>SM</sup>** Program participants have substantial macroeconomic impacts that go beyond direct benefits to participants. Program participants also experience a stream of energy savings from installed efficiency measures that result in increased economic activity throughout New York. The stream of energy savings results in increased disposable income for residential customers

and lower production costs, and hence greater retained earnings for commercial and industrial customers.

When accounting for total spending of the SBC program over time, and only the energy savings resultant from installed energy efficiency measures, the **New York Energy Smart<sup>SM</sup>** Program has created 3,600 jobs through 2010 compared to the number of jobs that would have existed in the absence of the program.

Ms. Meissner described in detail the results of a study on the Compact Fluorescent Light (CFL) Expansion Program. Results suggest the positive impact of NYSERDA's efforts, as well as state of market maturity in New York.

Regarding the evaluation of the RPS program, Ms. Meissner discussed that the last major evaluation of the Program was completed in 2009 by two teams of expert consultants. Overall, evaluation results show the benefits of the program significantly outweighing the costs. She explained that the next evaluation on RPS will be completed in 2013, and that it will focus on market, process and impact evaluation of the Customer-Sited Tier (CST) program, with specific results for each major technology supported.

Ms. Meissner presented an analysis of the macroeconomic impacts of product sales on the New York State economy related to R&D product development supported by statutory and SBC funds. For the 13-year period from 1996 through 2008, Gross State Product (GSP) rose by \$785 million (in 2008 dollars). The ratio between change in GSP and NYSERDA funding is 5.2 to 1. Overall findings are that the effort has an impact on the economy far beyond what the funding provides. As a result of the same analysis, Ms. Meissner explained job impacts associated with product development-related activities.

With regard to the R&D product demonstration impacts, Ms. Meissner explained the objectives of a recently completed evaluation study to identify and demonstrate project impacts, including replication, and to assess factors that contribute to demonstration project success and replication. Key findings include that demonstration projects achieved annual net savings of 155,244 MWh, 1,380 KW of net demand reductions, and a reduction of 36.4 million gallons of waste, and that 74% of the respondents reported having replicated the technology or process in a similar market or application. Replication of these technologies outside of the program has resulted in additional net savings of 96,527 MWh and 11,000 kW in New York, representing a 62% increase to the electricity savings credited to the program.

Mr. Williams concluded the metrics presentation by highlighting the recommendations made by evaluation contractors through the course of work completed over the past two years. Overall, NYSERDA has adopted more than 65% of the recommendations made, and for 2010, about 20% of the recommendations are still under consideration by program staff and management. Mr. Williams explained that not all recommendations are necessarily expected to be adopted and must be considered in light of other program issues at the time they are given.

Mr. Williams also discussed the myriad of factors considered in program planning, design and redesign. He explained that there certain internal factors that NYSERDA considers and balances in putting together a Strategic Plan, including Authority Mission and Vision, program cost-effectiveness and the overall portfolio balance. These factors are considered along

with other external factors that NYSERDA must also account for, including State energy policy goals, legislative and regulatory requirements, and independent evaluation results and recommendations.

Mr. Williams concluded the metrics presentation by discussing the expected schedule for the Strategic Plan, which the Committee will consider at the June 2011 meeting. Mr. Williams stated that the draft Strategic Plan will be available for Committee review during the last week of April and that a final draft is expected to be available on June 1.

Mr. Catell stated that staff presented excellent work that shows much progress.

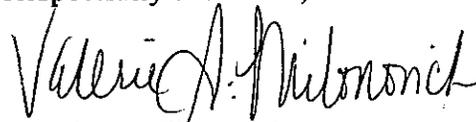
Ms. Thorndike concurred, stating that this was a very substantive presentation and that it will be a challenge to sort through the key points when presenting this Committee report to the full Board.

Mr. Akel thanked the presenters and believes the information presented to be useful, both internally and externally.

Chair DeIorio also thanked the presenters and offered that the information provided prepares a solid case that NYSERDA can present to the public at the state, local and national levels.

Mr. Akel asked if there was any other business before the Committee. There being none, upon motion duly made and seconded, and by unanimous voice vote of the Members, the 76<sup>th</sup> meeting of the Program Planning Committee was adjourned.

Respectfully submitted,



Valerie S. Milonovich

Secretary to the Program Planning Committee



**Exhibit A**

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**

March 28, 2011

TO THE MEMBERS OF THE PROGRAM PLANNING COMMITTEE:

PLEASE TAKE NOTICE that a meeting of the PROGRAM PLANNING COMMITTEE (the 76<sup>th</sup> meeting) of the New York State Energy Research and Development Authority ("Authority") will be held in the Authority's New York City Office, located at 485 Seventh Avenue, 10<sup>th</sup> floor, New York, New York, and by video conference in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, on Monday, April 4, 2011, commencing at 10:00 a.m., for the following purposes:

1. To consider the Minutes of its 75<sup>th</sup> meeting held on January 14, 2011.
2. To consider and act upon recommending approval of a modification for the lease of United STEP I, LLC at 107 Hermes Road, Saratoga Technology + Energy Park ("STEP").
3. To consider and act upon recommending approval of a transfer of title of sewer-related ancillary equipment and for a Permanent Right-of-Way and Easement between the Authority and the Saratoga County Sewer District No. 1 at STEP.
4. To consider and act upon recommending approval of a resolution for a ground lease between the Authority and the single purpose entity to be formed by the Jersen Construction Group, LLC at 20 Tech Trail at STEP.
5. To receive a report from the Director and staff of the Energy Analysis Program on program evaluation and metrics.
6. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at either 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>.

Valerie S. Milonovich

Secretary to the Program Planning Committee

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