

CERTIFICATE AS TO MINUTES

The undersigned, Secretary to the New York State Energy Research and Development Authority (“Authority”), hereby certifies that attached hereto is a complete and accurate copy of the minutes of the 237th Meeting of the Authority, duly held on January 23, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Authority
this 17th day of May, 2018.



Noah C. Shaw
Secretary

SEAL



NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 237th Meeting

Held on January 23, 2018

Pursuant to notice and an agenda dated January 11, 2018 the 237th meeting of the New York State Energy Research and Development Authority (“Authority” or “NYSERDA”) was convened on January 23, 2018, at 1:00 p.m., at the office of the New York State Dormitory Authority (“DASNY”), One Penn Plaza, 52nd Floor, New York, New York, and in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York. The two locations were connected by videoconference.

The following Members of the Authority were present:

Richard L. Kauffman, *Chair of the Authority*

Sherburne B. Abbott

Charles Bell

Kenneth D. Daly

Kate Fish

Jay L. Koh

John McAvoy

John B. Rhodes

Mark A. Willis

Members Paciorek, Quiniones, and Seggos were unable to attend.

Also present were Alicia Barton, President and CEO; Janet Joseph, Senior Vice President for Strategic and Market Development; Jeffrey J. Pitkin, Treasurer; Noah C.

Shaw, General Counsel and Secretary; Sara L. LeCain Esq., Senior Counsel; Amber Sisson, New York Power Authority; and various other staff of the Authority.

Mr. Kauffman 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 January 11, 2018. Mr. Kauffman directed that a copy of the notice and agenda be annexed to the minutes of the meeting.

Before turning to the formal agenda, the Chair asked the Authority's President and CEO Alicia Barton to provide the Members with an update on the Authority's recent activities.

The Chair stated that the first item on the agenda was the Authority's proposed fiscal year 2018-19 Budget (the "Budget"). Mr. Kauffman asked Mark Willis, Chair of the Program Planning Committee ("PPC") to provide the Members with a report on the portions of the Budget considered by the PPC.

Mr. Willis stated that the PPC received a report and recommendation from the Authority's Treasurer Jeffrey J. Pitkin on the Budget, the details of which were included in the meeting package.

Based upon the presentation and discussion, the PPC unanimously recommended that the Members approve the Budget.

Next, the Chair called on Charles Bell, Chair of the Waste and Facilities Management Committee ("W&FMC") to discuss the portions of the Budget considered by that committee. The W&FMC received a full report from Mr. Pitkin describing the significant Budget items that relate to the West Valley Site Management Program and to radioactive waste policy and nuclear coordination activities.

Based upon the presentation and discussion, the W&FMC unanimously recommended that the Members adopt the resolution approving the Budget.

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

Resolution No. 1516

RESOLVED, that the proposed fiscal year 2018-19 Budget and Financial Plan submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, be and it hereby is approved for submission to the persons designated in Sections 1867(4) and 2801 of the Public Authorities Law

Mr. Kauffman, indicated that the next item on the agenda was a report from the PPC by its Chair. Mr. Willis stated that the PPC met earlier in the day and a quorum was present throughout. The PPC received two reports at its meeting earlier in the day. The first report was an update on the Authority's Energy Storage activities, presented by Jason Doling, Program Manager for Energy Storage. Mr. Doling highlighted the analytical work that is underway to characterize potential scenarios for energy storage deployment in New York State. Mr. Doling also highlighted policy development work and stakeholder engagement.

Mr. Willis stated that the second report was an update on the Authority's University Engagement activities, presented by Jeffrey Peterson, Senior Advisor for Entrepreneurship, Technology and Business Innovation. Mr. Peterson highlighted several opportunity areas for increasing university impact in clean energy. Mr. Peterson discussed a new collaborative development between the State University of New York and the Authority to work together on a clean energy agenda, including campus sustainability, workforce development, research, and entrepreneurship.

The Chair indicated that the next item on the agenda was a report on the remaining items discussed by the W&FMC. Mr. Bell reported that the W&FMC met earlier in the day and a quorum was present throughout. The W&FMC received a status report from West Valley Site Management Program (“West Valley”) Director Paul Bembia on activities at West Valley including Phase 1 and Phase 2 decommissioning and inspections of the State Disposal Area by the New York State Department of Environmental Conservation.

Mr. Kauffman indicated that the next item on the agenda was a report from the Audit and Finance Committee (“A&FC”) from its Chair Jay Koh. Mr. Koh indicated that the A&FC met earlier in the day and a quorum was present throughout. Mr. Koh stated that the Members were requested to adopt a resolution approving amendment to the Authority’s By-laws, Internal Control Manual, and Audit and Finance Committee Charter.

Mr. Koh explained that the proposed changes to the Authority’s By-laws amend the President and CEO’s authority to delegate authority for requisitioning of disbursements from Authority bank accounts. One delegation would be to the Authority’s Controller and Assistant Treasurer, which conforms to authorization already provided in the current Internal Control Manual. The second delegation is for the NY Green Bank Chief Operating Officer for the NY Green Bank accounts, which would provide administrative efficiencies, while maintaining sufficient internal controls and separation of duties, and has been reviewed with and accepted by the independent auditors, KPMG.

Mr. Koh indicated that the changes to the Internal Control Manual include changes to the internal audit function; adding a new section for information security internal controls; changes to incorporate requirements for second review and approval of payments in excess of \$500,000; and a number of updating, editorial, and clarifying changes.

Lastly, Mr. Koh explained that there were proposed changes to the Audit and Finance Committee Charter to conform to the changes made to the Internal Control Manual regarding the internal audit function. The changes are in accordance with, and conform to,

internal audit best practices, as well as, the internal controls activities of other New York State entities.

The A&FC unanimously recommended approval of the changes to the Authority's By-laws, the Internal Control Manual, and the Audit and Finance Committee Charter.

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

Resolution No. 1517

RESOLVED, that the amendments to the Authority's By-laws, the Internal Control Manual, and the Audit and Finance Committee Charter, as presented at this January 23, 2018 meeting, are hereby approved by the Board.

Mr. Kauffman stated that the next item on the agenda was a resolution amending Resolution No. 1485. Noah Shaw, the Authority's General Counsel and Secretary presented this item. At the April 2017 Board meeting, the Members approved a resolution that authorized the Authority to dispose all its interest in the Saratoga Technology and Energy Park ("STEP"). The Authority's management recommends that the Members amend that resolution to provide authorization to sell not only the entire 280-acre property, but also to sell pieces of it, either via a public auction run by the New York State Office of General Services ("OGS") or through direct negotiations, so long as any such sale or sales are for fair market value and consistent with the provisions of the Public Authorities Accountability Act ("PAAA").

Mr. Shaw explained that under the PAAA, the Authority may engage in a directly negotiated sale of real property so long as the sale is for fair market value, the transfer is within the purpose, mission and enabling legislation of the Authority, and the Authority files a notice statement 90 day prior to the completion of the sale with the New York State Comptroller, Commissioner of OGS, the Speaker of the Assembly, the Director of the Budget, the Temporary President of the Senate, and the Director of the Budget Office.

Mr. Shaw indicated that the amended STEP resolution would permit the Authority to dispose of all, or a portion, of the STEP property, either via a public auction with OGS or via negotiated transactions at fair market value so long as, in either case and as was required by the initial resolution, the proceeds from the sale(s) are directed to the Authority's programs and initiatives that further safe, reliable and economical energy supplies.

Mr. Shaw explained that since the April 2017 meeting, it has become clear that some flexibility may be necessary to maximize the return to the Authority and to ensure that any redevelopment or continued use of the site will be best positioned. Therefore, the Members were presented with the amended resolution.

In response to an inquiry from Mr. Kauffman, Mr. Shaw stated that the original resolution allowed the Authority to sell the entire parcel at a public auction run by OGS. The amended resolution will allow the Authority to sell STEP either in pieces or as a whole. In addition, the Authority could complete the transaction either through a negotiated sale or a public auction.

In response to an inquiry from Mr. Kauffman, Mr. Shaw stated that the amendment is a result of market feedback.

In response to an inquiry from Mr. Koh, Mr. Shaw stated that the amendment is permissible under the PAAA and provides for the Authority to engage in transactions similar to other commercial transactions.

In response to an inquiry from Mr. McAvoy, Mr. Shaw indicated that this amendment would still maintain the spirit of the original approval. However, the amended resolution will provide further flexibility as to the type and size of any sale.

In response to an inquiry from Mr. Willis, Mr. Shaw explained that the Authority would ensure that any sale of a portion of STEP would not eliminate access to any remaining portion of STEP.

In response to an inquiry from Mr. Willis, Mr. Shaw indicated that staff would work closely with OGS, who has experience selling pieces of State real property, while still ensuring the remainder is not devalued. Additionally, the Authority will get multiple appraisals and determine fair market value based upon those appraisals. Should the Authority wish to sell STEP for anything less than fair market value, the transaction would be presented to Members for approval.

In response to an inquiry from Mr. Rhodes, Mr. Shaw stated that the Authority may always sell STEP for higher than fair market value.

AMENDED AND RESTATED

Resolution No. 1518 dated January 23, 2018

RESOLVED that pursuant to and in accordance with Section 1854(6)(a) of the Public Authorities Law, the Authority determines that in furtherance of the public's interest in safe, reliable and economical energy supplies, it is necessary or appropriate to dispose of all of the Authority's right, title and interest in the real and personal property which constitutes the Saratoga Technology + Energy Park in one or more transactions; and it is further

RESOLVED that the net proceeds from the sale or sales of real and personal property located at Saratoga Technology + Energy Park shall be redirected to mission aligned Authority programs and initiatives and that such redirection of net proceeds furthers the public interest in safe, reliable and economical energy supplies; and it is further

RESOLVED, that the President and Chief Executive Officer or her designee is hereby authorized to enter into an agreement or agreements to dispose of all or portions of the Authority's right, title and interest in the real and personal property which constitutes the Saratoga Technology + Energy Park in one or more transactions and subject to compliance with the requirements of the Public Authorities Accountability Act, including the requirement to obtain at least fair market value, and under such other terms and conditions as agreed to by the President and Chief Executive Officer or her designee on behalf of the Authority; and it is further

RESOLVED, that, in addition to and/or in lieu of the foregoing, the President and Chief Executive Officer or her designee is further hereby authorized, pursuant to Public Authorities Accountability Act Section 2897(4), to enter into an agreement or agreements with the New York State commissioner of general services under which the commissioner may dispose of all of the Authority's right, title and interest in the real and personal property which constitutes all or portions of the Saratoga Technology + Energy Park in compliance with the requirements of the Public Authorities Accountability Act, including the requirements to obtain at least fair market value and publicly advertise for bids, and under such other terms and conditions as agreed to by the President and Chief Executive Officer or her designee on behalf of the Authority and the commissioner of general services; and it is further

RESOLVED that the President and Chief Executive Officer or her designee is hereby authorized on behalf of the Authority to designate such agents, to take such actions and to incur such expenses for goods or services as are incidental and necessary and/or appropriate to the offering of the real and personal property which constitutes all or portions of the Saratoga Technology + Energy Park for sale, including, but not limited to, obtaining an independent appraisal of the value of said real and personal property; and it is further

RESOLVED that the President and Chief Executive Officer or her designee is hereby authorized to approve any proposed purchase and sale agreements, and/or any proposed purchase and sale agreements approved for use by the commissioner of general services, for the sale of real and personal property located at Saratoga Technology + Energy Park, with such changes thereto as the President and Chief Executive Officer or her designee may deem necessary and/or appropriate; and it is further

RESOLVED that pursuant to and in accordance with Public Authorities Accountability Act Section 2897(6)(b)(iii), the President and Chief Executive Officer or her designee may reject all bids (including the highest bid) received through the public bid process established pursuant to the agreement entered into by and between the Authority and the commissioner of the office of general services irrespective of the fact that the highest bid represents the fair market value of said real and personal property, if such rejection is determined to be in the best interest of the Authority and the public interest to do so; and it is further

RESOLVED that the President and Chief Executive Officer or her designee is hereby authorized, but is not required, to execute and deliver any and all purchase and sale agreements as hereinbefore described on behalf of the Authority and sell, transfer and convey all or portions of the real and personal property located at Saratoga Technology + Energy Park, and all of the Authority's right, title and interest therein, on such terms and conditions, including, but not limited to, the purchase price (provided such

purchase price is at least equal to fair market value), as he deems necessary and/or appropriate and in furtherance of the public's interest in safe, reliable and economical energy supplies, to perform all of the Authority's covenants and obligations under any such purchase and sale agreement, to execute and deliver such instruments, documents, agreements, certificates, affidavits, authorizations, consents and/or returns, and to take such further action as he deems necessary and/or appropriate to effectuate the transactions contemplated by any such purchase and sale agreement and/or the purposes of this resolution; and it is further

RESOLVED that the execution, delivery and performance on behalf of the Authority by the President and Chief Executive Officer or her designee of any and all of the foregoing shall be conclusive evidence of her approval and the approval of the Board of Directors, and the taking of any and all acts as may be necessary, advisable or proper to complete the transactions and/or matters herein authorized, on such terms and conditions as he heretofore has deemed, and may now or at any time hereafter deem acceptable, shall be conclusive evidence of her approval and the approval of the Board of Directors; and it is further

RESOLVED that any acts of the President and Chief Executive Officer or her designee which acts would have been authorized by the foregoing resolutions except that such acts were taken prior to the adoption of these resolutions are hereby severally ratified, confirmed, approved and adopted as acts in the name of and on behalf of the Authority; and it is further

RESOLVED, that this resolution amends, restates and replaces in its entirety that certain Resolution No. 1485 of 2017.

The Chair indicated that the next item on the agenda was a proposed resolution approving amendment to the Regional Greenhouse Gas Initiative ("RGGI") Operating Plan from Director, Policy and Regulatory Affairs, John Williams.

Mr. Williams explained that the Authority conducted the annual stakeholder engagement process, which included a meeting of stakeholders on December 20, 2017, as well as submission of comments through January 5, 2018. The stakeholder comments from those activities were taken into consideration in drafting the RGGI Operating Plan presented to the Members.

Mr. Williams stated that the RGGI Operating Plan for fiscal year 2018-19 presents a 3-year plan, advancing to a balanced budget of commitments to projected revenues over the 3-year period.

Mr. Williams indicated that the most recent several RGGI Operating Plans presented generally one-year revenue forecasts and budgets. This multi-year plan is intended to provide a better line of sight to stakeholders, reduce risks associated with revenue forecast variances, and show how we propose to achieve a balanced budget over the 3-year period. Further this proposal provides a first-time demonstration on how we intend to manage the portfolio to a balanced budget.

Mr. Williams stated that based on re-adjusted revenue forecasts, the RGGI Operating Plan for fiscal year 2017-18 forecasted a commitment shortfall of approximately \$72M.

Mr. Williams indicated that this year's RGGI Operating Plan reduces the commitment-based shortfall gradually and completely over the 3-year period. The RGGI Operating Plan includes a cash flow projection and notes that there is sufficient cash flow to satisfy prior and proposed commitments.

Mr. Williams explained that staff have adopted a new approach to revenue estimates for this RGGI Operating Plan. The proposed RGGI Operating Plan conservatively estimated allowance prices based on 15% reduction from the allowance prices projected by the RGGI Program Review independent consultant, retained by RGGI, Inc. In addition, staff reviewed historical allowance prices relative to modeled assumptions in the prior Program Review and found that over the studied period they were about 15% below projections. Projections based on this approach result in allowance prices ranging from \$4.98 in 2018 to \$5.58 in 2020. The December 2017 auction cleared at an allowance price of \$3.80.

Mr. Williams stated that to advance a balanced budget, the proposed RGGI Operating Plan includes a reduction of \$68M to the Clean Energy Fund (“CEF”) during the period. Specifically, the \$68M reduction represents a 2% reduction in Market Development and Innovation and Research Program funding, originally anticipated to be \$3.43 billion over 10 years.

Mr. Williams indicated that reducing funding for any initiative can change the range of outcomes initially anticipated for the overall fund. Based on the anticipated metrics from CEF initiatives designed and launched to date, staff believe that the Authority will fall within the range of outcomes that will still achieve the 10-year goals set for in the CEF Order. In the Annual Investment Plan and Performance Report, filed with the Public Service Commission in November 2017, the Authority reported that the CEF Investment Plans filed to date had approved initiatives for 49% of its 10-year Market Development and Innovation and Research funding. Those initiatives are anticipated to deliver 55% of its 10-year carbon dioxide goals. Based on this initial portfolio estimate, the Authority anticipates that it can successfully deliver on the 10-year CEF goal with the 2% funding reduction, if the reduction were not restored at a future date. Further, this filing also demonstrated that achievement of the energy efficiency MWh and MMBtu goals are on track, and that renewable energy MWh generation shows excellent growth.

Mr. Williams noted that should additional RGGI funds become available during the 3-year period the Authority may restore some, or all, of this reduction.

Mr. Williams stated that the RGGI Operating Plan also included a scenario that, if RGGI auction allowance prices remained at the most recent level of \$3.80 from the December 2017 auction, the revenues projected in the RGGI Operating Plan would be reduced by about \$103 million. This would require an additional reduction to CEF funding during the period, increasing the total reduction to \$171M for the Market Development and Innovation and Research activities.

Lastly, Mr. Williams noted that the Board package also provided an update to the Brookhaven National Lab X-ray Beam for Energy Storage project approved by the Members at the April 2017 meeting. After the April 2017 meeting, additional State appropriation funds were provided to fully fund this project; therefore, no RGGI funds were included in the RGGI Operating Plan.

Mr. Williams stated that Staff will continue to provide the Members with updates on allowance prices on a quarterly basis and provide any further recommendations for action as appropriate.

In response to an inquiry from Mr. Kauffman, Mr. Williams stated that the entry of Virginia and the re-entry of New Jersey have not fully been taken account in the RGGI Operating Plan, as it is unclear how each state will design its program.

In response to an inquiry from Mr. Koh, Mr. Pitkin stated that RGGI Operating Plan reflects the Members' feedback. Should auction results remain at current levels, the Authority will consider various options including working with other governmental partners to evaluate the other components and activities being funded from RGGI.

In response to an inquiry from Mr. Koh, Mr. Williams and Mr. Pitkin confirmed that the RGGI shortfall is due to the prevailing market and not the Authority's ability to manage RGGI.

In response to an inquiry from Mr. Koh, Ms. Barton indicated that management will continue to update the Members as to the auction proceeds and the effects on the Authority. Ms. Barton added that the RGGI Operating Plan reduction is being done as a prudent means to achieve a balanced budget and with the least impact on the overall effort. The stakeholder feedback has been supportive, and the Authority has achieved a balanced budget in a reasonable period.

Mr. Daly commended management on the conservative forecast.

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

Resolution No. 1519

RESOLVED, that revisions to the "Operating Plan for Investments in New York Under the CO₂ Budget Trading Program and the CO₂ Allowance Auction Program" as presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, are adopted and approved;

AND BE IT FURTHER RESOLVED, that the Members direct the President and Chief Executive Officer to develop a revised operating plan incorporating such revisions as soon as reasonably possible.

Mr. Kauffman stated that the next item on the agenda was the periodic contracts report. Mr. Kauffman called on Cheryl Glanton, Director of Contract Management, to discuss this item.

Ms. Glanton stated that the Members were requested to adopt a resolution approving the Periodic Procurement Contracts Report covering the period August 16, 2017 through December 15, 2017. The report summarized 131 procurement contracts exceeding \$5000 that were initiated or modified during the period. These contracts totaled approximately \$19 million. Over 89% of the procurement contracts were competitively selected and 88% of the dollars committed resulted from competitive procurement. In addition, six competitive program contracts were also initiated or modified. These contracts totaled approximately \$43 million. The report also summarized an additional 42 procurement contracts that were expected to be executed by the Authority, that have a period of expected performance in excess of one year. These contract actions totaled approximately \$52 million.

Ms. Glanton indicated that the Members were provided with a periodic report on Authority compliance with Article 15-a of the Executive Law. Of the 43 contracts subject

to Article 15-a which were initiated or modified during the reporting period, 53% of the total number of contracts were awarded to certified minority- or women-owned business enterprises (“M/WBEs”), representing 52% of the total contract amounts. There were no waivers requested during the reporting period.

Lastly, Ms. Glanton explained that the Members were provided a summary of Program contracting activity. There were 930 Program Contracts executed or modified during the period with a value of approximately \$143 million. Of those contracts, 99% were competitively selected, and 73% of the dollars committed were from competitive solicitations. Charts and graphs showing the breakout by Market Focus, Regional Economic Development Council region and Electric Utility were included in the report.

Ms. Glanton noted that during this period, two large non-competitive contracts previously approved by the Members were executed, causing the competitive percentage of dollars committed to be lower than normal.

In response to an inquiry from Mr. Willis, Ms. Glanton stated that the Authority’s M/WBE percentages will change depending on the activity during the reporting period. However, the Authority continues to meet and sometimes exceed its M/WBE goals.

In response to an inquiry from Mr. Daly, Ms. Glanton indicated that the Authority’s M/WBE goal is 30%.

In response to an inquiry from Mr. Daly, Ms. Glanton explained that the Authority does not have a specific goal for competitive funding, but typically over 95% of the dollars committed are as a result of competitive solicitations.

In response to an inquiry from Mr. Daly, Ms. Glanton stated that the competitive percentage was lower this period because the Authority entered into two large non-competitive agreements as previously approved by the Members.

In response to an inquiry from Mr. Willis, Ms. Glanton explained that the Authority's M/WBE goal is based upon the Authority's M/WBE Plan that is submitted annually. The goal was originally 20%, but was increased to 30% a couple of years ago. Mr. Shaw added that the goal is a statewide goal set by the Governor and administered by the Empire State Development's ("ESD") Division of Minority and Women's Business Development.

In response to an inquiry from Mr. Willis, Ms. Barton indicated that the Authority is doing quite well to meet the expectations of the Governor's office.

In response to an inquiry from Mr. Willis, Mr. Shaw stated that staff will work with ESD to understand how best to flow down M/WBE requirements in certain contracts to municipalities who receive State funding. Those municipalities will be required to have the same M/WBE goals as the State, if the State was initiating the contract.

Mr. Kauffman indicated that counsel's office had compared the lists provided by Members of entities with which each Member is associated and which he or she believes may enter into contracts with the Authority to the list of contracts in the Periodic Contracts Report for contracts 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. Counsel's office reports just two potential conflicts. Specifically, the Authority has entered into or anticipates entering into a contract with Adirondack Country Association, identified by Kate Fish and Intrepid Air and Space Museum identified by John McAvoy.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was passed. Members Fish and McAvoy abstained from voting.

Resolution No. 1520

RESOLVED, that the Periodic Contracts Report, covering the period August 16, 2017 through December 15, 2017, 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.

The Chair indicated that the next item on the agenda concerned an executive session to discuss the employment history of a particular person.

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

Resolution No. 1521

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 on January 23, 2017 for the purpose of discussing the employment history of a particular person.

The Board took no action during the executive session. At the conclusion of the executive session, the Chair reconvened the meeting in open session.

Mr. Kauffman, stated that the next item on the agenda was a status report on the Authority's Retrofit NY initiative from Loic Chappoz, Program Manager for Multifamily Residential. Mr. Chappoz provided the Members with an overview of the Multifamily Residential Initiative and its recent activities.

In response to an inquiry from Mr. Bell, Mr. Chappoz stated that Multifamily is starting with 1-7 story buildings because those are the most prevalent types in New York State, but staff anticipates increasing to 14 – 15 story buildings in the future.

In response to an inquiry from Mr. Koh, Mr. Chappoz explained that the goal of the program initially is to have the industry design solutions specific for New York buildings. However, Mr. Chappoz anticipates that the solutions will be similar to those developed in the Netherlands.

In response to an inquiry from Mr. Koh, Mr. Chappoz stated that the initial solicitation requires that proposers include resiliency as part of their proposed solutions.

In response an inquiry from Mr. Daly, Mr. Chappoz indicated that one of the long-term goals of the program is to achieve or get close to net zero energy. As part of this goal, Mr. Chappoz expects to step into the behavioral arena to discuss not only what measures to incorporate how to help tenants understand how much energy they use and ways to reduce that consumption.

In response to an inquiry from Mr. Daly, Mr. Chappoz stated that tools will be developed based on whether the owner or the tenant is responsible for the energy bills.

Mr. Kauffman stated that Retrofit NY is a good example of the contrast between the old NYSERDA and the new NYSERDA. Previously, the Authority would have offered grants to conduct these kinds of retrofits. Now the Authority is focused on leveraging ratepayer dollars to find ways to lower soft costs. One way of doing this is by lowering customer acquisition costs. Another way to lower soft costs is through standardization. With Retrofit NY the idea is that if projects can be bundled and aggregated, eventually, there will be cheaper sources of acquisition and financing.

In response to an inquiry from Mr. Koh, Mr. Chappoz explained that to create jobs, the solutions proposed must be produced somewhat locally. Industry players who are manufacturing envelope systems and heat pumps have indicated their interest in entering the New York Market. This would include potentially building factories in the north east of the U.S. With respect to financing, Retrofit NY is working with Green Bank, Fanny Mae, and Freddie Mac. However, Mr. Chappoz cautioned that there is a certain amount of risk that will need to be managed and accepted through the design and testing of the initial phase of Retrofit NY.

In response to an inquiry from Mr. Willis, Mr. Chappoz reported that the payback in the Netherlands is twenty to thirty years. Mr. Chappoz indicated that based upon that knowledge, staff are exploring the possibility of financing these measures through the attachment of a fifteen- to thirty-year mortgage.

The Chair stated that the last item on the agenda was other business.

In response to an inquiry from Ms. Fish, Ms. Barton stated that because of a complaint that was filed at the Federal Trade Commission by some domestic solar manufacturers, President Trump established a 30% tariff on modules and imported cells that will decline over the next several years. The Chair, on behalf of the Governor, weighed in on that action by the Federal Government and highlighted the potentially detrimental impact of such an action on the growing solar market and solar employment in New York State. Ms. Barton indicated that staff is still reviewing the real market impact. However, Ms. Barton reported that the New York solar market had a strong year in 2017. There has been continued growth and the Authority is looking ahead to the transition to the value distributed energy resources and the rollout of NY Sun.

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



Noah C. Shaw
Secretary