

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 239th Meeting of the Authority, duly held on June 26, 2018.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of the Authority this 19th day of September, 2018.



Noah C. Shaw
Secretary

SEAL

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 239th Meeting
Held on June 26, 2018

Pursuant to notice and an agenda dated June 15, 2018 of the New York State Energy Research and Development Authority (“Authority”) was convened on June 26, 2018 at 2:30 p.m., in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York, and in the Authority’s New York City Office at 1359 Broadway, New York by videoconference.

The following Members of the Authority were present:

Richard Kauffman, Chair
Sherburne Abbott
Charles Bell
Kate Fish
Gil Quiniones (by videoconference in New York City)
John McAvoy (by videoconference in New York City)
Basil Seggos
Mark Willis

Members Kenneth Daly, Jay Koh, and John Rhodes were unable to attend.

Also present were; Alicia Barton, President and CEO; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey Pitkin, Treasurer; Noah Shaw, Esq., General Counsel and Secretary; Sara LeCain, Senior Counsel; and various other staff of the Authority.

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.

Mr. Kauffman indicated that the next item on the agenda was a report from the Governance Committee (“GC”). He asked Sherburne Abbott, Chair of the GC to address the Members. Ms. Abbott stated that the GC met earlier in the day and a quorum was present throughout the meeting. The first item considered by the GC was the Authority’s compensation schedule. Ms. Abbott stated that Treasurer Jeffrey Pitkin explained that, in accordance with Public Authorities Law Section 2800, the Authority is

required to submit a compensation schedule listing all employees in decision-making or management positions with salaries in excess of \$100,000 as part of its annual report to the Governor, the Comptroller, and the Legislature, among others.

In addition, pursuant to the Public Authorities Reform Act of 2009, Section 2800 was amended and now requires that the Authority submit biographical information on each employee included on the list. This information was included in your meeting package. The Members are asked to approve the submission of this information as part of the Authority's compensation schedule.

The GC unanimously recommends the approval of the compensation schedule and the submission of the vitae.

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

Resolution No. 1524

RESOLVED, that the Authority's compensation schedule presented at this June 26, 2018 meeting, is adopted and approved as the compensation schedule to be submitted pursuant to Section 2800 of the Public Authorities Law; and

BE IT FURTHER RESOLVED that the attached vitae are approved for submission under Section 2800 of the Public Authorities Law.

Mr. Kauffman stated that the next agenda item concerned an evaluation by the Members of the Board's performance over the past year. Section 108 of the Public Officers Law authorizes the Members to convene in private session in order to review a matter made confidential by State law. Since Section 2800 of the Public Authorities Law states that the annual Board Member Performance Evaluation is confidential, it may be discussed by the Members in private session. In addition, the Members would convene in executive session to discuss the employment history of a particular person.

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

Resolution No. 1525

RESOLVED, that pursuant to Section 108 of the Public Officers Law, the Members of the New York State Energy Research and Development Authority shall convene in private session for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation of the Authority; and

BE IT FURTHER 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 June 26, 2018 for the purpose of discussing the employment history of a particular person.

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

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

Resolution No. 1526

RESOLVED, that the Authority's Annual Confidential Board Member Performance Evaluation Report as presented at this June 26, 2018 meeting, is adopted and approved to be submitted pursuant to Section 2800 of the Public Authorities Law.

Mr. Kauffman indicated that the next item on the agenda is a report from the Audit and Finance Committee ("A&FC"). The A&FC's Chair, Jay Koh was unable to attend the meeting, and therefore, Mr. Kauffman provided the report. The A&FC meeting was held earlier in the day and a quorum was present throughout.

Mr. Kauffman stated that the first item considered by the A&FC was a report on the Annual Investment Report for the fiscal year that ended March 31, 2018, and the proposed 2018 Investment Guidelines.

Mr. Kauffman reported that the Authority's overall investments have decreased from \$942 million to \$605 million, principally from decreases across all legacy Public Service Commission-approved programs and the Clean Energy Fund (CEF) Order's "Bill-As-You-Go" (BAYG) approach.

Mr. Kauffman indicated that investment income for the fiscal year ended March 31, 2018 increased from \$6.6 million to \$7.6 million. The rate of return on this basis increased to 1% from .5% in the prior year.

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

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

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

Resolution No. 1527

RESOLVED, that the "Investment Guidelines, Operative Policy and Instructions (June 2018)," as presented at this June 26, 2018 meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's "2017-2018 Annual Investment Report," for the year ended March 31, 2018, as presented at this June 26, 2018 meeting, is approved and adopted as the annual investment report of the Authority required by Section 2800 and Section 2925(6) of the Public Authorities Law.

Mr. Kauffman stated that the next item considered by the A&FC was the Annual Investment Report for the NYSERDA Other Post-Employment Benefits ("OPEB") Trust for the year ended March 31, 2018 and the "Investment Policy Statement for the NYSERDA OPEB Trust (June 2018)." The Investment Report was reviewed in both open session and in executive session with only the independent auditors present. The Authority has contributed \$38.2 million to the Trust, has earned about \$13.2 million in investment income, has expended about \$6.7 million in benefit payments, and has incurred about \$200,000 in administrative expenses, leaving a balance of \$44.4 million in the Trust as of March 31, 2018. The market value of the Trust's assets at March 31, 2018 was \$48.82 million, reflecting an appreciation of \$5.62 million in the Trust's assets and resulting in an average annual return of 7%.

The Chair indicated that the Members are also requested to approve amendments to the Investment Policy Statement for the NYSERDA OPEB Trust. First, the ranges and targeted levels of

investments by asset class will be amended based on recommendations from the Investment Consultant to optimize portfolio risks and returns.

Mr. Kauffman stated that the second change involves adding investment criteria to clarify that while the Plan Administrator's selection of Fund investments must always put the economic interests of the Plan first, the Administrator may also consider alternative investment options which minimize investments in the fossil fuel industry, where available, provided that they generally meet similar performance and risk criteria to investments considered without regard to their fossil fuel interests. This is consistent with changes being implemented by other prudent investors across the country and globally. Therefore, after extensive consultation with outside the Authority Investment Consultant and legal counsel, management recommends that reasonably prudent strategies for investment of the Trust's assets may include a consideration of fossil fuel exposure of the funds considered for investment.

Mr. Kauffman added that this recommendation stands strongly on its own with respect to prudence and fiduciary obligation. He noted that it is consistent with both the Governor's call, as part of his 2018 State-of-the-State address, for the Office of the State Comptroller to consider decarbonization strategies for the State's Common Retirement Fund, and the currently ongoing process commenced by the Common Fund to look at these issues.

Mr. Kauffman explained that if these changes to the Investment Policy Statement are approved, Authority management as the Plan Administrators anticipate proceeding with making changes in certain fund investments, in accordance with their roles and responsibilities in the Investment Policy Statement, based on a preliminary analysis and recommendations provided by the Investment Consultant regarding consideration of fund fossil fuel interests. Management advises that the Investment Consultant's preliminary analysis shows that highly rated mutual funds with low or no fossil fuel investments produce a higher weighted average five-year rate of return as compared to the current portfolio, and as compared to Fund selections provided without regard to their fossil fuel investments. Management further advises that the alternative set of fund investments has both higher Morningstar ratings than the current portfolio and results in lowering the weighted average percentage of the OPEB Trust's Fund investments that have fossil fuel involvement from 6.3% to .06%.

Mr. Kauffman indicated that Management has reviewed the proposed Investment Policy changes and the criteria and methodology used to identify low/no fossil fuel investments with outside

counsel, and they have advised that the proposed amendments and investment decisions meet all applicable fiduciary requirements under the U.S. Employee Retirement Income Security Act of 1974 (ERISA), as amended, which does not strictly apply but which the Authority considers as a matter of policy; U.S Department of Labor guidance regarding environmental, social and governance (ESG) investment decision-making; and the common law of trusts.

Mr. Kauffman noted that certain clarifying changes were made as summarized in the memorandum.

Lastly, Mr. Kauffman read a statement from the A&FC's Chair, Jay Koh apologizing for not attending the meeting and offering his support of the changes to the Investment Policy. Specifically, Mr. Koh apologized for not being able to attend the meeting and to express his support for the change in investment policy.

Mr. Koh also wanted to note that based on the evaluation of counsel and with management's recommendation, the investment policy amendment permitting the consideration of these factors is consistent with the exercise of fiduciary duties.

In addition to being permitted as consistent with fiduciary duties, Mr. Koh wanted to know as a factual matter that consideration of these factors is being recognized by an increasing number of other fiduciaries and jurisdictions as being not only permitted but recommended if not required. The Task Force on Climate Related Financial Disclosure recommends consideration and disclosure of transition and physical climate risks, and a related policy has been made mandatory in France. Increasing numbers of investors have concluded that continued investment in carbon-intense assets may create substantial financial risk from stranded assets.

Lastly, Mr. Koh noted for avoidance of doubt that this decision is to amend the investment policy and not to select specific investments—management will remain responsible for implementation of the policy.

Mr. Koh thanked management and the Authority's external advisors for their hard work. He believes that this recommendation should be supported.

The A&FC unanimously recommends approval of the Annual OPEB Trust Investment Report and Investment Policy Statement.

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

Resolution No. 1528

RESOLVED, that the "NYSERDA OPEB Trust Investment Report" for the year ended March 31, 2018, as presented at this June 26, 2018 meeting, is approved and adopted as the annual investment report of the NYSERDA OPEB Trust required by Section 2800 and Section 2925(6) of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the "Policy Statement for the NYSERDA OPEB Trust (Retiree Health Insurance Benefits Trust)" as presented at this June 26, 2018 meeting, is approved and adopted.

Mr. Kauffman indicated that the next item considered by the A&FC was a review of the Financial Statement of the Authority and NY Green Bank for fiscal year 2017-18. Mr. Kauffman explained that the Authority's Controller and Assistant Treasurer, Peter Mahar, summarized significant fluctuations compared to last year's financial statements. After Mr. Mahar's presentation, the A&FC met in executive session with the independent auditors, where there was ample and detailed review of the Authority's investments and financial condition. No substantive problems were identified.

Mr. Kauffman stated that the independent auditors will issue an unqualified opinion on the Financial Statements. This is consistent with the Authority's record of having a very high standard for financial controls.

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

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

Resolution No. 1529

RESOLVED, that the Authority's Financial Statements and the Financial Statements of NY_Green Bank as of March 31, 2018, as presented at this June 26, 2018 meeting, are adopted and approved as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law.

Mr. Kauffman indicated that the next item considered by the Audit and Finance Committee was the appointment of the independent auditors for fiscal year 2017-18. The Members are asked to approve a resolution appointing KPMG, LLP ("KPMG") as the independent auditors of the Authority and NY Green Bank for the fiscal year ending March 31, 2019, and for the independent audit of the NYSERDA OPEB Trust. KPMG was competitively selected under an RFP issued in 2016. The Authority may renew the agreement annually for four, one-year extensions, with annual adjustments to the fees. The engagement letter from the auditors indicating the services they will provide in conjunction with the audit was provided to you and is consistent with the prior independent auditor's services. The proposed fee for fiscal year 2018-19 will not exceed \$109,000.

The A&FC unanimously recommends their appointment.

In response to an inquiry from Mr. Willis, Mr. Pitkin indicated that the fee was consistent with the original solicitation.

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

Resolution No.1530

RESOLVED, that the President and CEO is authorized to retain the firm of KPMG, LLP as independent auditors for the Authority and for NY Green Bank for the fiscal year ending March 31, 2019, subject to such reasonable terms and conditions as the President and CEO deems appropriate.

The Chair stated that the next item on the A&FC agenda was the Annual Bond Sales Report. The Report includes one bond issuance completed during fiscal year 2017-18. In addition, the Report includes a schedule of Authority bonds that are outstanding as of March 31, 2018, which totals about \$2.5 billion.

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

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

Resolution No. 1531

RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2017 through March 31, 2018, and the information contained therein, as presented at this June 26, 2018 meeting, is adopted and approved for submission pursuant to Section 2800 of the Public Authorities Law.

Mr. Kauffman stated that the last item considered by the Audit and Finance Committee was proposed amendments to the resolution authorizing the issuance of eight auction rate bonds issued by the Authority on behalf of Niagara Mohawk Power Corporation in an aggregate principal amount of approximately \$429 million. The amendments would permit the bonds to be converted to a fixed or term rate through a direct purchase of the Bonds by Bank of America or any of its subsidiaries or affiliates at an interest rate negotiated between the Bank and the Company, provided that the rate does not exceed 4.95%. The Company has represented to the Authority that it will meet the applicable requirements of the Public Service Commission's Order, which includes demonstrating that the Company anticipates realizing reasonable savings because of the refunding of existing debt. The Company has presented its preliminary analysis to Department of Public Service Staff, and based on Authority staff's discussions with DPS Staff, the financing terms meet the requirements of the Order.

The A&FC unanimously recommends approval of the amendment to the resolution authorizing the issuance of Bonds on behalf of Niagara Mohawk Power Corporation.

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

Resolution No. 1532

RESOLVED, that the Members of the Authority authorize the amendment of the Trust Indentures by and between the Authority and The Bank of New York Mellon, (collectively, the "Trust Indentures"), the Participation Agreements, by

and between the Authority and Niagara Mohawk Power Corporation (collectively, the "Participation Agreements"), and other documents relating to Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1985 Series B; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1985 Series C; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1986 Series A; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1987 Series A; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1987 Series B-1; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1987 Series B-2; Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 1988 Series A; and Pollution Control Revenue Bonds (Niagara Mohawk Power Corporation Project) 2004 Series A, (collectively, the "Bonds"), in order to permit the Bonds to be converted to a fixed or term rate established based upon an agreed upon spread over a published index rate, the 3-month LIBOR Swap Rate, which fixed or term rate shall not exceed 4.95 %, and to permit the Bonds to be directly purchased by Bank of America, or one of its affiliates (the Bank"), rather than remarketed; 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.

At this time, the Chair had to leave and the Authority's Vice Chair, Gil Quiniones conducted the remainder of the meeting.

Mr. Quiniones indicated that the next item on the agenda is a report from the Program Planning Committee ("PPC"). Mark Willis, Chair of the PPC, indicated that the PPC received a report from Janet Joseph, Senior Vice President for Strategy and Market Development on the New Efficiency: New York White Paper that was released in April 2018 when Governor Cuomo announced an ambitious acceleration of energy efficiency activity in New York. This includes a comprehensive plan to achieve a new target for significant greenhouse gas emission reductions; a decrease in consumer energy costs and the creation of additional job opportunities. Meeting the new energy efficiency target will deliver nearly one-third of the reductions needed to meet New York's climate goal of a 40 percent reduction in greenhouse gas emissions by 2030.

Mr. Willis explained that Ms. Joseph provided the PPC with a host of information on the new effort, including a portfolio overview; the underlying principles; utility-leveraged and market enabling actions; activities that support low-to-moderate income and deeper energy efficiency savings; building codes and appliance standards; and leading by example through the acceleration of energy efficiency in State facilities. Ms. Joseph concluded the presentation by describing the path forward toward meeting the overall energy efficiency target and comprehensive strategy.

Mr. Willis stated that the PPC also received a report on the New York Energy Storage Roadmap that was released on June 21, 2018. Jason Doling, Program Manager, Energy Storage provided information on the Energy Storage Roadmap approach, modeling and project economics, recommendations and the path forward. The Energy Storage Roadmap was developed jointly by Authority and New York State Department of Public Service (“DPS”) Staff, in consultation with numerous stakeholders. The Energy Storage Roadmap identifies the most promising near-term policies, regulations and initiatives needed to realize the ambitious energy storage target to deploy 1,500 megawatts of energy storage by 2025 and anticipates a forthcoming 2030 target to be established by the New York State Public Service Commission (“PSC”). Mr. Doling concluded the presentation by describing the path forward for the remainder of 2018 as the State works toward meeting these important targets.

Mr. Quiniones stated that the next item on the agenda was the Operations, Accomplishments and Mission Statement and Measurements Annual Report. Ms. Meissner stated that in accordance with the Section 2800 of the Public Authorities Law, the Members are requested to approve the 2017 Operations and Accomplishments and Mission Statement and Measurements Annual Report. The report contains the Authority’s accomplishments with a listing of material changes in operations and programs.

Ms. Meissner stated that during 2017, the Authority continued to build the Clean Energy Fund (“CEF”) Market Development and Innovation and Research portfolios, including developing and receiving approval to launch many key initiatives. The report contains a description of each CEF initiative approved through the DPS compliance filing process during this reporting year.

Ms. Meissner indicated that the Authority began major implementation activities associated with the August 2016 PSC order adopting a Clean Energy Standard (“CES”) advancing the State’s clean

energy goal to have 50 percent of all electricity consumed coming from renewable energy sources by 2030. The Authority's first Renewable Energy Standard solicitation was issued in 2017 and resulted in the single largest commitment to renewable energy by a state in U.S. history at \$1.4 billion, which will advance 26 large-scale renewable energy projects across NYS.

Ms. Meissner reported that in 2017, the Authority made progress across all its major goals. 2017 continues the transition from legacy to the new programs, and although acquired progress is still largely based on legacy programs, new programs are beginning to contribute meaningfully.

Ms. Meissner explained that in the 2017 report, the Authority adopted additional changes to its metrics, targets, and format to better align with broad CEF goals. Most notably, the Authority's 2018 targets for this report are expressed on a commitment basis, versus the prior approach which established most targets based on acquired or installed values. This shift to commitment-based targets more appropriately aligns with the new strategies of the CEF which emphasize engaging market forces toward longer-term, more transformative clean energy outcomes. Commitment-based targets are the best measure of the Authority's success at engaging the market, and of the Authority's continued effort to streamline operations and become more responsive, adaptive and easier to work with.

Ms. Meissner provided the Members with a few highlights on program accomplishments from the report. Specifically, energy efficiency and clean environment metrics saw excellent performance in 2017. Progress exceeded targets for three key energy efficiency metrics -- Electricity (GWH) Saved, Fossil Fuel (MMBtu) Saved, and Number of Commercial and Industrial Customers Served. Progress on CO2 Equivalent Emission Reductions was also strong and came very close to meeting the target.

Ms. Meissner indicated that in a few areas where progress fell short, the outcome can be attributed to slowness of the development pipeline rather than a shortcoming in Authority programs engaging the market. Progress was low on Number of New York Households Served due to slower completion of legacy multifamily projects which experienced changes to work scope and construction delays outside of the Authority's control. The Authority continues to engage projects on construction progress as related to programmatic funding deadlines. Renewable and Diverse Energy metric performance was lower than expected. Targeted electricity production from large scale renewables was modest, being based on new renewable resources generating in 2017, and given the current transition from Renewable Portfolio Standard to the CES builds. The shortfall seen was mainly due to one project cancellation. There was also a shortfall on electricity production from on-site installations and solar capacity, mainly due to

slower progress and longer timelines on installation of commercial/industrial solar photovoltaic. The Authority is working to alleviate factors associated with slow pipeline progress including local permitting and interconnection queue, and developers have greater understanding of project economics now under VDER. In both cases, the pipelines are robust and overall long-term portfolio goals are expected to be met. Attainment of the Total Funding Leveraged from all NYSERDA Investments metric was also affected by pipeline timing for renewables.

Finally, Ms. Meissner stated that the Authority maintained excellent performance with regard to prompt payment of invoices in 2017 and saw improvement in three key metrics related to contract processing time which can be attributed to new tools and processes put in place to simplify contracting.

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

Resolution No. 1533

RESOLVED, that the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report as presented at this June 26, 2017 meeting is adopted and approved for submission under Section 2800 of the Public Authorities Law.

Mr. Quiniones stated that the next agenda item concerns the Authority's Annual Report on the Disposition of Real and Personal Property, as well as the Authority's Guidelines for Disposal of Real and Personal Property. Mr. Quiniones asked Mr. Pitkin to present this item. Mr. Pitkin stated the Members are requested to adopt a resolution approving the Annual Report on Disposition of Real and Personal Property for the Fiscal Year Ended March 31, 2018 for submission pursuant to requirements of the Public Authorities Law. The report summarizes one disposition of real property during the reporting period which was in connection with a property lease at the Saratoga Technology + Energy Park ("STEP").

The Members are also requested to adopt a resolution to approve the Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property. No changes are recommended.

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

Resolution No. 1534

RESOLVED, that the “Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2018),” as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Annual Report on Disposition of Real and Personal Property (June 2018), as presented at this meeting, is adopted and approved as the Annual Report on Disposition of Real and Personal Property required by Section 2800 of the Public Authorities Law.

The Vice Chair indicated that the next two items on the agenda concern the Authority's Annual Procurement and Program Contracts Report and the Guidelines on Procurement and Program Contracts and the Periodic Contracts Report. Mr. Quiniones called on Cheryl Glanton, Director of Contract Management, to provide a summary of these agenda items. Ms. Glanton stated that New York Public Authorities Law Section 2879 requires the Authority to annually review and approve its Annual Procurement Contracts Report, and the Procurement and Program Contracts Guidelines, Operative Policy and Instructions (the “Guidelines”).

Ms. Glanton indicated that the Members have been provided with a copy of the Annual Contracts Report, which lists all contract actions exceeding \$5,000 that were executed or modified by the Authority during the fiscal year ended March 31, 2018; all contracts open at any time during the fiscal year; and non-contract vendor payments for goods or services for \$5,000 or more during the fiscal year. Section 1 of the report contains all contracts open during the year and indicates that during the period covered, the Authority initiated or modified a total of 349 Procurement contract actions. These contract actions total approximately \$66 million. Over 78% of these actions were competitively selected. Section 2 of the report lists 39 non-contract vendor payments made during the fiscal year for goods and services aggregating to \$5,000 or more, these payments total approximately \$5.8 million.

Ms. Glanton added that the Annual Contracts Report includes information on the Authority's compliance with Article 15-a of the Executive Law. Of the 108 contracts subject to Article 15-a which were initiated or modified during the reporting period, 30% of the total number of contracts were awarded to certified minority or women-owned business enterprises (“M/WBEs”), representing 48% of the total contract amounts. During the period of this report, no waivers of the 15-A requirements were requested.

In addition, Ms. Glanton stated that the Annual Contracts Report includes a summary of the 2,551 Program contracts initiated or modified during the period. These contract actions total approximately \$1.4 billion. Over 97% of these actions were competitively selected. Charts and graphs showing the breakout by Market Focus, Regional Economic Development Council region and Electric Utility were included.

There are no changes to the Procurement Contract Guidelines.

Ms. Glanton also included a summary of the Periodic Contracts Report for the period March 16, 2018 through May 15, 2018. The Periodic Contracts Report indicates that during the period covered, the Authority initiated or modified a total of 84 Procurement contract actions. These contract actions total approximately \$16 million. Over 97% of these actions were competitively selected. In addition, the Periodic Contract Report lists 437 Program contracts were executed or modified with a value of \$762 million, 98% of which were competitive selected.

Mr. Quiniones indicated that Counsel's office has compared the lists provided by Members of entities with which each Member is associated which he or she believes may enter into contracts with NYSERDA to the list of contracts in the Annual Procurement Report. Counsel's office reports just a few potential conflicts. Specifically, the Authority has entered into or anticipates entering into contracts with Adirondack North Country Association, identified by Ms. Fish; Electric Power Research Institute and Intrepid Sea, Air and Space Museum, identified by Mr. McAvoy and Syracuse University, identified by Ms. Abbott.

Thereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolutions were passed. Ms. Fish, Mr. McAvoy, and Ms. Abbott abstained from the vote solely with regard to contracts involving the respective entities identified by each of them above.

Resolution No. 1535

RESOLVED, that the Authority's 2017-2018 Annual Contracts Report, as presented at this meeting, is adopted and approved as the annual report of the Authority required by Section 2800(1)(a)(6) and Section 2879 of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the "Procurement and Program Contract Guidelines, Operative Policy and Instructions (June 2018)" as presented at this meeting, are approved and adopted.

Resolution No. 1536

RESOLVED, that the Periodic Contracts Report, covering the period March 16, 2018 through May 15, 2018, 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.

Mr. Quiniones stated that the next on the agenda is the annual report on the Authority's prompt payment policy and asked Mr. Mahar to present this item. Mr. Mahar stated that the Members are requested to adopt the attached resolution approving the Authority's Annual Prompt Payment Policy Report for the fiscal year ended March 31, 2018. The report notes that all but three of about 63,000 vendor invoices were paid within 30 days as required by the prompt payment policy. The three exceptions resulted in no interest payments to vendors, were isolated occurrences of non-compliance. Staff have identified some additional system enhancements that could be made that will minimize chance of these types of isolated exceptions from occurring in the future.

Resolution No. 1537

RESOLVED, that the Annual Prompt Payment Policy Report presented to the Members of the Authority at this June 26, 2018 meeting is adopted and approved as the annual report required by Section 2880 of the Public Authorities Law.

The Vice Chair stated that the next item on the agenda is the review and approval of the Committee Charters. Mr. Quiniones asked Noah Shaw, the Authority's General Counsel and Secretary to present this item. Mr. Shaw stated that pursuant to the Public Authorities Accountability Act of 2005, each of the Authority's Committees adopted Charters setting forth each Committee's responsibilities. Each Committee is responsible for periodically reviewing its Charter and determining what, if any, amendments need to be made. The Committees reviewed theirs at the April 2018 meetings. No changes to the Committee Charters were recommended.

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

Resolution No. 1538

RESOLVED, that the Audit and Finance Committee Charter, Governance Committee Charter, the Program Planning Committee Charter, and the Waste and Facilities Management Committee Charter, as presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and grammatical changes as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, are approved by the Board.

Mr. Quiniones stated that the last item on the agenda was other business.

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

