

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 223rd Meeting

Held on June 24, 2014

Pursuant to notice and an agenda dated June 19, 2014, the 223rd meeting of the New York State Energy Research and Development Authority (“Authority”) was convened on June 24 2014, at 1:00 p.m., in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York; at the office of the New York State Division of Housing and Community Renewal at 641 Lexington Avenue, 4th Floor, New York, New York; and in the Authority’s West Valley Office at 9030-B Route 219, West Valley, New York. The three meeting locations were connected by videoconference.

The following Members of the Authority were present:

Richard L. Kauffman, Chair

Sherburne Abbott

Charles Bell

Kenneth Daly

Joseph Martens

Joan McDonald

Elizabeth W. Thorndike, Ph. D.

Mark A. Willis

Members John McAvoy monitored the meeting by telephone. Members John R. Koelmel, Jay Koh, Jigar Shah, and Audrey Zibelman were unable to attend.

Also present were John B. Rhodes, President and CEO; Thomas R. Barone, Acting Vice President for Operations and Energy Services; Jeffrey J. Pitkin, Treasurer; Hal Brodie, Esq., General Counsel and Secretary; Sara L. LeCain, Esq., Senior Counsel; Cheryl L. Earley, Director of Contract Management; Peter V. Mahar, Assistant Treasurer and Controller; Patrick O'Shei, Director of Performance Management and Evaluation Services; and various other members of

the staff of the Authority. Gil Quiniones, President and CEO of the New York Power Authority (“NYPA”), James Austin from the New York State Department of Public Service; Paul Krekeler from the New York State Department of Transportation; and Radmila Miletich from Independent Power Producers of New York, Inc. were also in attendance.

Mr. Kauffman called the meeting to order and noted the presence of a quorum. He stated that the meeting notice was mailed to the Members and press on June 13, 2014, and a revised agenda was forwarded on June 19, 2014. Mr. Kauffman directed that a copy of the revised notice and agenda be annexed to the minutes of the meeting.

The Chair welcomed the newest Members and announced that on June 17, 2014, six new Members were appointed to the Authority and two Members were reappointed. Sherburne Abbott, Charles Bell, Kenneth Daly, Jay Koh, John McAvoy, and Jigar Shah are new Members, and Elizabeth Thorndike and Mark Willis have been reappointed. The Chair indicated that the Authority will benefit from their expertise and he looks forward to working with them.

Next, the Chair explained that this is the Authority’s Annual Meeting. Under the Public Authorities Law, the Authority is required to file various reports regarding its financial condition and business operations. Throughout the meeting staff presented various reports and the Members met in executive session with the Authority’s independent auditors to further discuss the Authority’s financial condition. Mr. Kauffman encouraged the Members to ask questions and participate in the discussions.

Before turning to the formal agenda, the Chair asked the Authority’s President and CEO John Rhodes to make a few remarks. Mr. Rhodes began by welcoming the new Members. He indicated that the Authority is in the process of a meaningful transformation across the organization. Mr. Rhodes explained that the Authority’s business model is moving toward one that uses investments to spur demand. These investments will be chosen based upon the value they present for the Authority’s partners. The intent is to encourage the partners to invest in certain energy markets so they ultimately become self-sustaining. The Authority plays a unique role and will shift its focus away from commodity investments and from initiatives that are not

self-sustaining, such as providing grants and engaging in retail markets. Rather, the Authority will focus its activities on more upstream work and in areas and sectors that are underserved.

This shift in the Authority's business model will be accomplished by building strategies around the Authority's partners and customers, rather than offering programs based upon funding sources. The Authority's knowledge and savvy about markets and investments will increase as it tests, measures, and adjusts approaches with the goal of developing a varied portfolio with both long-term and short-term goals. Performance will be measured based on defined outcomes, achieving climate goals, specific energy metrics, and investment by the market.

Mr. Rhodes indicated that two major new initiatives are the Clean Energy Fund ("CEF") and the Reforming the Energy Vision ("REV"). The CEF is the successor to the Renewable Portfolio Standard ("RPS"), the Energy Efficiency Portfolio Standard ("EEPS"), and the System Benefits Charge ("SBC"), which represent about 90% of the Authority's funding. It is anticipated that, in establishing a bridge toward the new programmatic approach and filling identified gaps in the market, the Authority will be afforded more flexibility in how it directs its funds. REV is modernizing the State's approach to the ways in which energy is generated, distributed, and consumed. It will empower more customer choice and establish new ways of valuing how energy is created.

Mr. Rhodes indicated that there are several unknowns with respect to these new regulatory initiatives and clarification should be provided by the end of the Summer 2014 when the Authority submits its CEF proposal to the New York State Public Service Commission ("PSC"). He stated that staff will seek input from the Members as the plans are developed. Mr. Rhodes concluded his remarks by stating that this may be a challenging time, but also an exciting time and he believes the Authority is poised for success.

The Chair added that the backdrop of the changes stem from the observation that the State cannot continue on its current path given that energy consumption has changed, and energy costs are increasing. Overall, the State needs to reduce costs and air emissions. The Authority

understands that moving markets helps to move capital more quickly, which spurs innovation. The Authority has an opportunity to rebuild a system for customers, but it will not know what customers want until it asks for innovation. Mr. Kauffman added that there are regulatory changes that will assist with this effort.

The Chair indicated that the first item on the agenda is a report from the Program Planning Committee (“PPC”) and the consideration of revisions to the Regional Greenhouse Gas Initiative (“RGGI”) Operating Plan. Mark Willis, Chair of the PPC, reported that the PPC met on June 10, 2014.

In addition to the review of the Strategic Plan and revisions to the RGGI Operating Plan, Mr. Willis stated that Karen Hamilton, Director of the Residential Energy Services Program, presented details of the Authority’s NY-Sun initiative, including specifics on the “megawatt block” program design approach that is now being implemented. Todd Baldyga, Acting Director of the Energy Efficiency Services Program, presented an overview of the Demand Management Program, jointly implemented with Consolidated Edison Company of New York, Inc., that resulted from a regulatory proceeding that seeks to address the potential closure of the Indian Point Energy Center.

Mr. Willis indicated that the PPC was briefed on proposed changes to the RGGI Operating Plan. David Coup, Assistant Director of Energy Analysis, described the stakeholder process and proposed changes, which included input from the RGGI Advisory Group and the general public. Mr. Coup reported that a regional RGGI program review was recently completed and the participating states have incorporated program changes, including a more stringent carbon cap, into their regulations.

Mr. Coup described the revenue assumptions for the RGGI Operating Plan as conservative. The RGGI Operating Plan assumes a budget of approximately \$70 million for fiscal year 2014-2015 and about \$64 million for fiscal year 2015-2016 for program activity, net of administration and evaluation expenses. The current budget projection is for a two-year

period, rather than three, as it is difficult to reliably estimate proceeds levels three years into the future during this time of market transition.

With regard to individual program budgets for the 2014 through 2016 period, Mr. Coup reported that the programs described represent a continuation of program activity in the 2013 RGGI Operating Plan or are an evolution of a current program designed to take advantage of important new opportunities. Mr. Coup described in more detail four new programs that are outlined in the Operating Plan: Renewable Heat NY, NYS Generation Attribute Tracking System, NY-Sun and Charge-NY. He also stated that, should additional revenue become available, it would be used to expand the existing portfolio of RGGI programs, including the NY Green Bank and climate resiliency and sustainability initiatives.

There was a brief discussion among the PPC Members about the implications of the possible adoption by the US Environmental Protection Agency of new carbon pollution emission guidelines for electric utility generating units under the authority of Section 111 of the Clean Air Act. Authority Staff are closely following this activity and are coordinating with other interested State agencies.

At the conclusion of the presentation and discussions, the PPC unanimously recommended approval of the proposed amendments to the RGGI Operating Plan.

In response to an inquiry from Mr. Daly, Mr. Rhodes indicated that the Authority is working with the New York State Department of Environmental Conservation (“DEC”), the PSC, the Long Island Power Authority (“LIPA”) and NYPA on matters related to the RGGI Operating Plan.

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

Resolution No. 1388

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 his 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.

The Chair indicated that the next item on the agenda was the Strategic Program Plan. Mr. Willis explained that the PPC received a report from Ruth Horton, Senior Advisor for Strategic Initiatives in the Energy Analysis Program, detailing an overview of the Authority's Strategic Plan entitled, "Toward a Clean Energy Future: A Strategic Outlook 2014". Ms. Horton stated that, in a departure from past practice, this year's Strategic Program Plan focuses exclusively on the upcoming year. It is anticipated that the Authority's programs and activities may shift based on the Corporate Strategic Assessment ("CSA") process that is underway, the new directions that are expected to emerge from the State's clean energy policies included in the 2014 Draft State Energy Plan ("SEP") and on the recently announced State regulatory proceedings described earlier in the meeting by Mr. Rhodes.

Ms. Horton stated that the Strategic Program Plan highlights the Authority's mission, vision, and target outcomes and identifies metrics associated with each mission outcome that will be used to measure performance. She continued by stating that the plan presents seven initiatives of key strategic importance being undertaken by the Authority as part of the State's clean energy agenda, including: the NY Green Bank; Improving Resiliency; Renewable Heat NY; NY-Sun and Community Solar NY; Charge-NY; Developing Sustainable Communities and the Clean Energy Economy.

Ms. Horton also described the five portfolios around which the Authority's current programs are structured: (1) Energy Efficiency and Renewable Energy Deployment– Helping New York to achieve its aggressive energy efficiency and renewable energy goals; (2) Energy Technology Innovation and Business Development – Helping to stimulate a vibrant innovation ecosystem and a clean-energy economy in New York; (3) Energy Education and Workforce Development – Helping to build a generation of New Yorkers ready to lead and work in a clean energy economy; (4) Energy and the Environment – Helping to assess and mitigate the

environmental impacts of energy production and use; and (5) Energy, Data, Planning, and Policy – Helping to ensure that policy-makers and consumers have objective and reliable information to make informed energy decisions.

The PPC unanimously recommended approval of the 2014 Strategic Program Plan.

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

Resolution No. 1389

RESOLVED, that the strategic plan for the Authority's energy, economic environmental program priorities and strategic vision entitled "Toward a Clean Energy Future - A Strategic Outlook 2014," submitted to the Members for consideration at this meeting with such non-substantive, editorial changes and supplementary schedules as the President, in his discretion, may deem necessary or appropriate, is adopted and approved as the Authority's updated Strategic Plan.

The Chair indicated that the next agenda item concerned the Authority's Annual Procurement Report and the Guidelines on Procurement Contracts. He asked Cheryl Earley, Director of Contract Management, to provide a summary of this item. Ms. Earley stated that New York Public Authorities Law Section 2879 requires the Authority to annually review and approve its Procurement Contract Guidelines, Operating Policy and Instructions and its Annual Report on Procurement Contracts. The Guidelines set forth the Authority's policy and procedures on the use, awarding, monitoring, and reporting of our procurement contracts. Ms. Earley stated that the June 2014 Guidelines provided to the Members for review and approval contain no changes from the Guidelines approved by the Members in June 2013.

Ms. Earley stated that the Members have also been provided with a copy of the Annual Report on Procurement Contracts. The annual report lists all contract actions exceeding \$5,000 that were executed or modified by the Authority between April 1, 2013 and March 31, 2014, and details all contracts involving contractor performance extending beyond a one-year period that are open. Section 1 of the report indicates that during the period covered by this Annual Report, the Authority initiated or modified a total of 8,826 contract actions. Approximately 98% of these

actions were competitively selected, and 96% of the dollar amount committed this period resulted from competitive procurement. Section 2 of the report lists 12,261 procurement contracts extending beyond a one-year period that are open. Ms. Earley stated that the Authority is in compliance with the Guidelines in its selection of contractors.

Ms. Earley stated that the Members have also been provided with an annual report on Authority compliance with Article 15-a of the Executive Law. Of the 67 contracts subject to Article 15-a which were initiated or modified during the reporting period, 60% were awarded to certified Minority and Women-Owned Businesses (MWBs), representing 65% of the total contract dollar amounts.

Mr. Kauffman stated that the Authority's Counsel's office had 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 National Grid, identified by Kenneth Daly; Cornell University, Paul Smith's College, and University of Rochester, identified by Elizabeth Thorndike; JP Morgan Chase and New York University, identified by Mark Willis; and Syracuse University, identified by Sherburne Abbott.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted. Mr. Daly, Dr. Thorndike, Mr. Willis, and Ms. Abbott each abstained from the vote solely with regard to contracts involving the respective entities identified by each of them above.

Resolution No. 1390

RESOLVED, that the "Procurement Contract Guidelines, Operative Policy and Instructions (June 2014)" as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's 2013-2014 Annual Procurement 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.

Mr. Kauffman stated that the next item to be considered is the Periodic Procurement Contracts Report, and called upon Cheryl Earley to provide a brief summary of this item. Ms. Earley stated that pursuant to Public Authorities Law Section 2879, the Members are requested to adopt a resolution approving the Periodic Procurement Contracts Report. The Periodic Report covers the period April 1, 2014 through May 15, 2014. The Report summarizes 2,433 procurement contracts exceeding \$5,000 that were initiated or modified during the period. Over 99% of the procurement contracts were competitively selected, and 94% of the dollars committed resulted from competitive procurement. All of the actions were in compliance with the procurement contract guidelines. The report also summarizes an additional 734 procurement contracts that are expected to be executed by the Authority, that have a period of expected performance in excess of one year. These contract actions total approximately \$168 million. Ms. Earley stated that the Members have also been provided with a Periodic Report on Authority compliance with Article 15-a of the Executive Law. Of the 11 contracts subject to Article 15-a which were initiated or modified during the reporting period, seven were awarded to certified M/WBEs, representing 64% of the total number of 15-a Qualified Contracts and 89% of the aggregate committed amount.

The Chair stated that the Authority's Counsel's office had compared the list of entities provided by Members to the list of contracts in the Periodic Procurement Report, and reports just a few potential conflicts. Specifically, the Authority has entered into or anticipates entering into contracts with National Grid, identified by Kenneth Daly; and Cornell University and University of Rochester, identified by Elizabeth Thorndike.

Whereafter, upon motion duly made and seconded, and by voice vote of the Members present, the following resolution was adopted. Mr. Daly and Dr. Thorndike each abstained from the vote solely with regard to contracts involving the respective entities identified by each of them above.

Resolution No. 1391

RESOLVED, that the Periodic Procurement Contracts Report, covering the period April 1, 2014 through May 15, 2014, 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 to be considered was the Authority's Investment Guidelines, Operative Policy and Instructions (June 2014) ("Investment Guidelines") and the Annual Investment Report ("Investment Report"). Jeffrey J. Pitkin, the Authority's Treasurer, explained that the Investment Report summarizes the Authority's investments, and the results of its investment activities. The Investment Report notes that the Authority's overall investments increased \$312.1 million from the prior fiscal year to \$1.1 billion. The increase was principally due to collections and revenues exceeding expenses in certain programs, including \$112.8 million in the RPS Program, \$82.7 million in the RGGI Program, and \$34 million in Technology and Market Development. In addition, investments increased based on \$78.8 million in uncommitted utility-run EEPS Program funds transferred to the Authority in March 2014 for the initial capitalization of the NY Green Bank pursuant to the PSC's December 2013 Order. The NY Green Bank was also capitalized with transfers of RPS, RGGI, and SBC funds.

As noted in the Meeting package, the Authority's investment balance of \$1.4 billion is offset by commitments for contractual obligations and pending contract awards totaling over \$1.9 billion, reflecting the nature of the Authority's performance-based funding arrangements and the timing differences between the receipt, commitment, and expenditure of funds it administers.

Interest earnings for the fiscal year that ended March 31, 2014 were \$8.1 million and rate of return was about .7%, both of which were lower than the prior year due to overall reductions in market interest rates, partially offset by higher average investment balances.

The Investment Report includes a report from the independent auditors, KPMG, LLC ("KPMG"), noting that the Authority has complied with the State Comptroller's Investment Guidelines for Public Authorities and relevant sections of the Public Authorities Law.

The Investment Guidelines set forth the policies and procedures for the investing, monitoring and reporting of the Authority's investments. The Members are required to review

and approve the policy annually pursuant to statute. No changes are recommended to the Guidelines.

In response to an inquiry from Mr. Martens, Alfred Griffin, President of the NY Green Bank indicated that the NY Green Bank has received a number of proposals and hopes to have a number of transactions within the next few months.

The Chair stated that a resolution considering approval of the Authority's Investment Report and the Investment Guidelines would be considered after the Members meet in executive session with the independent auditors.

Mr. Kauffman stated that the next item on the agenda concerned the NYSERDA OPEB (Other Post-Employment Benefits) Trust ("Trust") Investment Policy Statement ("Investment Policy Statement") and its Annual Investment Report for the year ended March 31, 2014. Mr. Pitkin explained that the Trust was established in March 2010 and is used to fund payments for health insurance premiums for eligible Authority retirees and eligible dependents for the Authority's share of retiree health insurance premiums provided through the New York State Health Insurance Program.

The Authority has contributed \$25.2 million to the Trust, has earned about \$2.2 million in investment income, has expended about \$2.6 million in benefit payments, and incurred about \$78,000 in administrative expenses, leaving a balance of \$24.8 million in the Trust as of March 31, 2014.

Investments of the Trust's assets have been carried out by the Officers, appointed as Plan Administrators by the Members, in consultation with the Chair of the Audit and Finance Committee. Investments have been made consistent with the Board-adopted Investment Policy Statement, which requires diversified investments in mutual funds and exchange traded funds. The market value of the Trust's assets at March 31, 2014 was \$30.6 million, reflecting an appreciation of \$5.8 million in the Trust's assets and resulting in a 35.3% total return on the Authority's contributions for the 4-year period.

The Investment Policy Statement includes changes recommended by the Trust Investment Consultant, Milliman, Inc., to improve the diversification of the Trust's investments by adding six additional asset classes, and provides ranges and recommended target allocations based on an updated Asset Allocation Analysis prepared by them. The Investment Policy Statement also includes adding an executive summary, clarifying the monitoring of each of the fund investments, and certain other editorial and clarifying changes.

In response to an inquiry from Mr. Willis, Mr. Pitkin indicated that the Trust Investment Consultant recommended the further increase in diversification of the Trust and added categories as a prudent way of increasing the diversity of these investments. The recommendation to include foreign investment classes will broaden the portfolio. Mr. Pitkin further explained that the Members have limited the types of eligible investments in the Trust to considerably less than those allowed for the New York State Retirement System. Furthermore, the investments have been limited to exchange traded funds and mutual funds with proven track records of predictable returns and low expenses, rather than trying to guess the market.

In response to an inquiry from Mr. Martens, Mr. Pitkin indicated that creation of the Trust lowers the cost to the Authority rather than paying as the retirees collect benefits.

Mr. Kauffman suggested that Jay Koh, the new Chair of the Audit and Finance Committee, provide the Members with a report on the Trust at the September 2014 meeting.

Mr. Kauffman stated that a resolution considering approval of the Trust Investment Report and the Investment Policy Statement would be considered after the Members meet in executive session with the independent auditors.

The Chair stated that the next item concerned the Authority's Financial Statements. Peter Mahar, the Authority's Controller and Assistant Treasurer, explained that the Committee members are requested to recommend adoption of a resolution approving the Authority's annual audited Financial Statements for the fiscal year ended March 31, 2014. The independent auditors will issue an unmodified opinion on the Financial Statements.

Mr. Mahar provided an overview of the composition of the Authority's financial statements and requirements under governmental accounting standards.

Mr. Mahar continued his report by highlighting several significant fluctuations in comparison to the prior year.

Total revenue increased from \$659.3 million to \$894.4 million primarily due to: increases in scheduled collections under the Technology and Market Development and the RPS Program; from an increase in RGGI auction proceeds; and from \$20 million in new funding received from the Federal Regulatory Commission for funding of a Smart Grid Program.

Total expenses increased from \$486.2 million to \$555.8 million. Program expenditures increased \$37 million primarily due to increased expenditures in the RPS, EEPS, RGGI, and Technology and Market Development programs. Salaries and benefits increased primarily due to an increase in staffing levels.

Total assets increased by \$379 million to \$1.6 billion. The increase was primarily due to an increase in cash and investments of \$331.5 million, which was principally due to various program revenues received but not yet expended, and from uncommitted EEPS utility funds received to partially fund the initial capitalization of the NY Green Bank.

Total liabilities increased by \$40.2 million to \$130.5 million, primarily from a \$12 million increase in accrued liabilities and from \$24.3 million in residential energy efficiency financing revenue bonds issued in August 2013.

The Authority's Net Position increased overall from \$1.1 billion to \$1.5 billion. The restricted portion increased from program funds received for specified programmatic purposes but not yet expended. The unrestricted portion increased from \$3.6 million to \$3.9 million.

He noted that the meeting packet included several additional reports issued by the independent auditors under governmental auditing standards. The auditors disclosed no instances

of noncompliance or material weaknesses, found reasonable management's estimates and financial disclosures, found no misstatements or disagreements, and offered no management letter comments to address control weaknesses or suggestions for improvement.

Mr. Kauffman stated that a resolution considering approval of the Authority's Financial Statements would be considered after the Members meet in executive session with the independent auditors.

The Chair indicated that the next agenda item concerned a private session and executive session. 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 convened in executive session to discuss the Authority's financial condition and the employment history of particular persons.

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

Resolution No. 1392

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 24, 2014 for the purpose of discussing the Authority's financial condition and for the purpose of discussing the employment history of particular persons.

The Members then met with only the independent auditors in executive session.

Mr. Kauffman reconvened the meeting in open session. Mr. Kauffman announced that no formal action was taken during the executive session. He said that the Members had a complete and thorough discussion with the independent auditor and that the independent auditor stated that Authority staff was responsive to its requests for information.

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

Resolution No. 1393

RESOLVED, that the “Investment Guidelines, Operative Policy and Instructions (June 2014),” as presented at this June 24, 2014 meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's “2013-2014 Annual Investment Report,” for the year ended March 31, 2014, as presented at this June 24, 2014 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.

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

Resolution No. 1394

RESOLVED, that the “NYSERDA OPEB Trust Investment Report” for the year ended March 31, 2014, as presented at this June 24, 2014 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 24, 2014 meeting, is approved and adopted.

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

Resolution No. 1395

RESOLVED, that the Authority's Financial Statements and the Financial Statements of the New York Green Bank as of March 31, 2014, as presented at this June 24, 2014 meeting, are adopted and approved as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law; and

BE IT FURTHER RESOLVED, that the Authority's Four Year Financial Plan, as contained in the Financial Statements, is approved for submission as required by Section 2800 of the Public Authorities Law.

The Chair indicated that the next agenda item concerned an evaluation by the Members of the Board's performance over the past year.

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

Resolution No. 1396

RESOLVED, that the Authority's Annual Confidential Board Member Performance Evaluation Report as presented at this June 24, 2014 meeting, is adopted and approved to be submitted pursuant to Section 2800 of the Public Authorities Law.

Mr. Kauffman indicated that the next agenda item concerned the appointment of independent auditors for Fiscal Year 2014-15. Mr. Pitkin explained that the Members are asked to approve a resolution appointing KPMG as the independent auditors of the Authority for the fiscal year ending March 31, 2015. Fees and expenses will not exceed \$83,700 for providing an opinion on the Authority's consolidated financial statements and a separate opinion on stand-alone financial statements for the NY Green Bank.

Staff have been satisfied with the services rendered by the independent auditors and recommend their reappointment.

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

Resolution No. 1397

RESOLVED, that the Chair is authorized to retain the firm of KPMG, LLP as independent auditors for the Authority and for the New York Green Bank for the fiscal year ending March 31, 2015.

The Chair indicated that the next item on the agenda is the Annual Bond Sales Report (“Bond Sales Report”), and he called upon Mr. Pitkin to discuss this item. In accordance with Public Authorities Law Section 2800 and the Authority’s Financial Services Firms Guidelines, the Members are asked to adopt a resolution approving the Annual Bond Sales Report.

The report indicates that there was one issuance completed during the 2013-14 fiscal year for \$24.3 million in bonds issued in August 2013 to finance residential energy efficiency loans issued through the Green Jobs-Green New York (“GJGNY”) Program.

The schedule of bonds outstanding reports information on the Authority’s bonds outstanding as of March 31, 2014, which totaled about \$3.4 billion.

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

Resolution No. 1398

RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2013 through March 31, 2014, and the information contained therein, as presented at this June 24, 2014 meeting, is adopted and approved for submission pursuant to Section 2800 of the Public Authorities Law.

The Chair stated that the next item on the agenda was a proposed issuance of notes to finance the GJGNY Program. Mr. Pitkin explained that the Members are requested to adopt an implementing resolution authorizing the issuance of Notes to the New York State Environmental Facilities Corporation (“EFC”) in an aggregate principal amount of up to \$30,000,000 for a short-term financing facility to finance residential energy efficiency loans issued through the GJGNY Program.

The Notes will be issued under EFC's Short-Term Financing Program offered through the State Clean Water Revolving Fund ("SRF"). The SRF Program provides eligible projects short-term financing for project costs leading to permanent financing. In March 2013, EFC received concurrence from the US Environmental Protection Agency ("EPA"), administrator of the federal Clean Water State Revolving Fund programs, that the Authority's residential energy efficiency financing offered through the GJGNY Program was eligible for financing support from the SRF because of the demonstrated reduction of atmospheric deposition to NY water bodies.

Under the terms of the short-term facility, the Authority will pay interest on up to 50% of amounts drawn down against the facility at a fixed rate set at the time of closing on the facility equal to .20% over the 1-year AAA Tax-exempt rate published by the Municipal Market Monitor. This rate is currently .15%, so the total interest rate currently would be .35%.

The Notes will be supported by a pledge of loan repayments from "Tier 1" residential energy efficiency loans issued to date not previously pledged for the Residential Energy Efficiency Financing Revenue Series 2013A Bonds issued in August 2013 plus additional loans expected to be issued in the future. The Notes will also be supported by any cash balances in the GJGNY revolving loan fund, provided that these funds are legally available for the purpose of making any payment due under the Notes for which other monies pledged to secure the Notes are insufficient.

Proceeds from the Notes will be used to replenish the GJGNY revolving loan fund used to initially fund loans.

The Notes are expected to be refunded through permanent bonds anticipated to be issued by the Authority in mid-2015, which will be presented to the Members for approval at a subsequent meeting.

Mr. Willis commended Jeff on his work on the GJGNY financing program. In response to an inquiry from Mr. Willis, Mr. Pitkin indicated that the Authority is embarking on the next

round of financing in two stages as the Authority is close to exhausting the balance of the revolving loan fund. Tapping into EFC's SRF will allow the Authority to add funds through a lower-cost financing mechanism. Mr. Pitkin indicated that the Authority is "warehousing" the loans until it has accumulated a sufficient amount to issue new bonds.

In response to an inquiry from Mr. Kauffman, Mr. Pitkin indicated that the current bonds are trading well.

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

Resolution No. 1399

WHEREAS, pursuant to special act of the Legislature of the State of New York (Title 9 of Article 8 of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the "Act"), the New York State Energy Research and Development Authority (the "Authority") has been established as a body corporate and politic, constituting a public benefit corporation; and

WHEREAS, pursuant to the Act, the Authority is authorized to issue bonds and notes to provide sufficient moneys for achieving the Authority's corporate purposes, including the establishment of reserves to secure such bonds and notes and the payment of interest on bonds and notes and, in connection therewith, to pledge all or part of the fees, charges, gifts, rents, revenues or other moneys received or to be received and leases or agreements to secure the payment of such bonds and notes; and

WHEREAS, pursuant to the Act, the Authority is also empowered to extend credit and make loans from bond proceeds to any person for the construction, acquisition, installation of, or for the reimbursement to any person for costs in connection with, any special energy project, including, but not limited to, any land, works, system, building, or other improvement, and all real and personal properties of any nature or any interest in any of them which are suitable for or related to the furnishing, generation, production, transmission, or distribution of energy or energy resources; and

WHEREAS, pursuant to the Green Job-Green New York Act of 2009 (Chapter 487 of the Laws of 2009) as from time to time amended and supplemented, (the "GJGNY Act"), the Authority has been authorized to use innovative financing mechanisms to finance energy efficiency improvements

through energy cost savings (herein called the "Green Jobs — Green New York Program"); and

WHEREAS, the Authority issued its "Residential Energy Efficiency Financing Revenue Bonds, Series 2013A (Federally Taxable)" in the aggregate principal amount of \$24,300,000 (the "Series 2013 Bonds") on August 13, 2013 for the purpose of reimbursing the Green Jobs Green New York Revolving Fund established by the GJGNY Act (the "GJGNY Revolving Fund") for certain residential energy efficiency loans originated and outstanding through June 30, 2013 and to provide funding for new loans originated and to be originated under the Green Jobs -Green New York Program thereafter through December 31, 2013; and

WHEREAS, the Series 2013 Bonds were issued pursuant to an Indenture of Trust, as supplemented by a First Supplemental Indenture of Trust (the "2013 Indenture"), between the Authority and The Bank of New York Mellon, as trustee; and

WHEREAS, as of May 30, 2014 the Authority has made a total of approximately 1795 residential energy efficiency loans not financed by or pledged to the Series 2013 Bonds in the aggregate principal amount of approximately \$17,750,000 and is currently originating additional such loans at a rate of approximately \$1,800,000 per month; and

WHEREAS, the 2013 Indenture contemplates the possible issuance of additional parity bonds thereunder to finance residential energy efficiency loans, provided, among other things, the Coverage Test (as defined and described in the 2013 Indenture) is satisfied and evidence is given confirming that the ratings applicable to any outstanding bonds will not be lowered, suspended or withdrawn by reason of the issuance of such additional bonds; and

WHEREAS, in anticipation of obtaining permanent financing of residential energy loans through the issuance of additional parity bonds under the 2013 Indenture or other bonds under a separate indenture, the Authority will participate in the Short-Term Financing Program of the New York State Environmental Facilities Corporation ("EFC") under EFC's Clean Water State Revolving Fund Program; and

WHEREAS, it is expected that participation by the Authority in EFC's Short-Term Financing Program will require the Authority to (i) enter into a State Clean Water Revolving Fund Project Finance Agreement (Short Term Financing Program) with EFC (the "Project Finance Agreement"), a copy of a draft form of which has been presented to this meeting, (ii) issue its notes to EFC in an aggregate principal amount not to exceed \$30,000,000 (the "2014 Notes") (iii), as security for the 2014 Notes, pledge loan repayments from residential energy efficiency loans issued to date not previously pledged for the Series 2013 Bonds plus additional loans expected to be issued in the future pursuant to a pledge

agreement (the "Pledge Agreement") to be entered into by the Authority in connection with the issuance of the 2014 Notes; and (iv) covenant to apply all or any portion of the moneys, if any, which are on deposit in the GJGNY Revolving Fund (excluding amounts held in the Collateral Reserve Account established under and defined in the Reimbursement Agreement, dated as of August 1, 2103, entered into between the Authority and EFC (the "Reimbursement Agreement") as Guarantor in connection with the Series 2013 Bonds) which are legally available for the purpose of making any payment due under the 2014 Notes or the Project Finance Agreement for which other moneys pledged to secure the Series 2014 Notes are insufficient; and

NOW, THEREFORE, BE IT RESOLVED BY THE MEMBERS OF THE NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY AS FOLLOWS:

Section 1. The issuance, sale, and delivery of the 2014 Notes, and receipt of the financing proceeds, upon the terms and conditions and for the purposes described in this resolution are hereby authorized.

The aggregate principal amount of the 2014 Notes shall be set forth in a certificate of determination setting forth certain terms and provisions of the Series 2014 Notes (a "Certificate of Determination") which is to be executed and delivered by the Chair, the Vice Chair, the President and CEO, the Chief Operating Officer, the Vice Presidents, the Treasurer, or the Secretary of the Authority (individually, an Authorized Representative and collectively, the "Authorized Representatives"), provided that the aggregate principal amount of such 2014 Notes shall not exceed \$30,000,000.

Unless otherwise determined and approved by an Authorized Representative in a Certificate of Determination, interest shall be charged on up to 50% of the amount financed at a fixed rate not to exceed .20% over the 1-year AAA Tax-Exempt (MMD) rate published by the Municipal Market Monitor as of the date the 2014 Notes are issued and delivered. The Authority authorizes the payment of an overdue interest rate of 12 percent per annum as defined and prescribed in the Project Finance Agreement.

The 2014 Notes shall mature no later than five years after the date of issuance thereof.

There is hereby delegated to each of the Authorized Representatives, subject to the limitations contained herein, the power with respect to the 2014 Notes to determine and effectuate the following: (a) the principal amount of the 2014 Notes to be issued, provided that the aggregate principal amount of 2014 Notes issued hereunder shall not exceed \$30,000,000; (b) the dated date or dates, maturity date or dates and principal amount of each maturity of the 2014 Notes, the first and subsequent interest payment date or dates of the 2014 Notes, and the date or dates from which the 2014 Notes shall bear interest; (c) the place of

payment of the 2014 Notes and the appointment of a Paying Agent for the 2014 Notes if deemed necessary or desirable (d) the receipt, deposit and application of the proceeds of the 2014 Notes, (e) the redemption provisions of the 2014 Notes; (f) the definitive form or forms of the 2014 Notes; and (g) any other provisions deemed advisable by such Authorized Representative, not in conflict with the provisions hereof.

Such Authorized Representative shall execute one or more Certificates of Determination evidencing determinations or other actions taken pursuant to the authority granted herein. Each such Certificate of Determination shall be deemed conclusive evidence of the action or determination of such officer as to the matters stated therein. The provisions of each Certificate of Determination shall be deemed to be incorporated herein.

No 2014 Notes shall be issued pursuant to this resolution after June 24, 2015, provided that amounts may be advanced subsequent to such date under any 2014 Note once issued in accordance with the terms of the Project Finance Agreement and this resolution.

Section 2. Subject to the limitations set forth in Section 1 hereof, the Authorized Representatives are each also hereby authorized to (i) determine on behalf of the Authority with respect to the 2014 Notes the particular loans and principal amount thereof to be pledged as security for the payment of the 2014 Notes and (ii) pledge any payments on any residential energy efficiency loans not pledged to or financed by the 2013 Bonds as security for the 2014 Notes.

The Authorized Representatives are each hereby further authorized on behalf of the Authority to covenant to apply all or any portion of the moneys, if any, which are on deposit in the GJGNY Revolving Fund or the Green Jobs–Green New York Loan Loss Reserve Fund (excluding amounts held in the Collateral Reserve Account established under and defined in the Reimbursement Agreement, in connection with the Series 2013 Bonds and held by the Collateral Agent under the Custody Agreement) which are legally available for the purpose of making any payment due under, or providing security for, the 2014 Notes or the Project Finance Agreement for which other moneys pledged to secure the Series 2014 Notes are insufficient. Any such determination, pledge or covenant shall be conclusively evidenced by the execution and delivery by an Authorized Representative of the Certificates of Determination, the Pledge Agreement, the Project Finance Agreement or other document setting forth such determination, pledge or covenant.

Section 3. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver the Certificates of Determination, the Project Finance Agreement and a Pledge Agreement, each with such terms, conditions, amendments, supplements, changes, insertions, and omissions to as such Authorized Representative shall approve. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required

by this Section. Any Authorized Representative, the Assistant Treasurer, and the Assistant Secretary of the Authority are each hereby authorized to affix the seal of the Authority on such documents and attest the same.

Section 4. The 2014 Notes shall be executed in the manner and upon the terms and conditions provided in a Certificate of Determination. If deemed necessary or desirable, the Authorized Representatives of the Authority are each authorized to designate a Paying Agent for the 2014 Notes and enter into an agreement with such designated Paying Agent. In the event that a Paying Agent is appointed and subsequently unable to act, the Authorized Representatives of the Authority are each authorized to designate a successor to act in such capacity if deemed necessary or desirable.

Section 5. The Authority hereby authorizes the execution and delivery to EFC of supporting documentation for financial assistance from the State Clean Water Revolving Fund, including the Project Finance Agreement.

Section 6. The Authorized Representatives are each hereby authorized and directed to execute and deliver any such other agreements, documents or certificates, 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 documents referred to in Sections 1 through 5 of this resolution as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution, the Project Finance Agreement, the Certificates of Determination or the Pledge Agreement delivered pursuant hereto.

Section 7. The 2014 Notes shall not be general obligations of the Authority, and shall not constitute an indebtedness of or a charge against the general credit of the Authority. The 2014 Notes will not constitute a debt of the State of New York and the State of New York will not be liable thereon. No owner of the 2014 Notes will have any right to demand payment of the principal of and interest on the 2014 Notes out of any funds to be raised by taxation. As shall be more particularly set forth in a Certificate of Determination and the 2014 Notes, the liability of the Authority under the 2014 Notes shall be enforceable only to the extent provided in the Certificate of Determination, the Pledge Agreement and the Project Finance Agreement, and the 2014 Notes shall be payable solely from the revenues and other funds pledged and available for the payment of the 2014 Notes under the terms of the Certificates of Determination, the Project Finance Agreement and the Pledge Agreement.

The Chair indicated that the next item on the agenda is proposed changes to the Authority's Internal Control Manual. The Authority's Internal Control Officer, Mr. Pitkin explained that the Members are requested to adopt a resolution approving an amendment to the Internal Control Manual. The proposed amendment would add a new Section 3 to address

internal control policies applicable to the NY Green Bank, which operates as a division of the Authority.

In executing on its mandate, it is critical that the NY Green Bank maintains flexibility to respond and adapt to evolving market conditions and demands, but at the same time maintaining a clear structure and processes to ensure compliance with applicable legal requirements, and to promote accountability, transparency, objectivity, and discipline. The proposed amendments summarize policies and processes which will be used by the NY Green Bank for planning and operation, approval of investments, and portfolio management and reporting of its outcomes.

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

Resolution No. 1400

RESOLVED, that the amendment to the Internal Control Manual, as submitted at this June 24, 2014 meeting, is hereby approved and adopted.

The Chair indicated that the next item on the agenda was the Authority's Compensation Schedule. Mr. Rhodes stated 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, Section 2800 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.

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

Resolution No. 1401

RESOLVED, that the Authority's compensation schedule presented at this June 24, 2014 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 item on the agenda concerned proposed amendments to the Authority's Bylaws. Mr. Rhodes explained that the Members are requested to adopt a resolution amending the By-laws. The proposed changes will update Article II, Section 8, Quorum and Voting to reflect Public Authorities Law Section 2826, which requires that a majority of the whole number of the Board must be present to constitute a quorum and take any action. Article III, Section 1, In General will be updated to include the position of the Chief Operating Officer in the list of Officers of the Authority. In addition, Article V, Section 5, Program Planning Committee will be amended to increase the maximum permitted membership of the Program Planning Committee ("PPC") from six to ten Members. Lastly, the proposed changes will amend Article VI, Section 3, Annual and Budget Reports to update the Public Authorities Law references and will add new Sections 5 and 6 to grant signing authority to the President and Managing Directors of the New York Green Bank.

In response to an inquiry from Dr. Thorndike, Mr. Rhodes indicated that the Authority is increasing the membership of the PPC to provide all Members who wish to serve the ability to do so.

Dr. Thorndike noted that Article V, Section 1 also needed to be amended to reflect the committee membership changes. Mr. Brodie asked that the Members include that in their consideration of the resolution.

In response to an inquiry from Mr. Willis, Mr. Rhodes indicated that the signing authority for the President of the NY Green Bank was determined by what would be required in the ordinary course of business. However, Mr. Rhodes added that the more significant financial commitments would be approved by the Investment Committee. Mr. Rhodes explained that the

Authority's Officers may make financial commitments up to \$1 million and the President and CEO is given unlimited signing authority.

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

Resolution No. 1402

RESOLVED, that the amendment to the Authority's By-laws, as presented at this June 24, 2014 meeting, is approved and adopted.

The Chair stated that the next agenda item concerned 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. Pitkin explained that 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, 2014 for submission pursuant to Sections of the Public Authorities Law. The Report summarizes real property held by the Authority, and lists four dispositions of real property during fiscal year 2013-14, all in connection with leasing transactions at the Saratoga Technology + Energy Park.

The Members are also requested to adopt a resolution approving amendments to the Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property to incorporate amendments to applicable provisions of Public Authorities Law.

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

Resolution No. 1403

RESOLVED, that the "Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2014)," 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 2014), 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.

Mr. Kauffman indicated that the next on the agenda item was the Authority's Annual Prompt Payment Policy Report. Mr. Pitkin stated that the Members are requested to adopt the following resolution approving the Authority's Annual Prompt Payment Policy Report for the fiscal year ended March 31, 2014.

The report notes that all but three of 67,364 vendor invoices were paid within 30 days as required by the prompt payment policy. The three exceptions were isolated instances and appropriate corrective action has been taken for these exceptions.

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

Resolution No. 1404

RESOLVED, that the Annual Prompt Payment Policy Report presented to the Members of the Authority at this June 24, 2014 meeting is adopted and approved as the annual report required by Section 2880 of the Public Authorities Law.

The Chair stated that the next item on the agenda was the Operations and Accomplishments and Mission Statement and Performance Measurements Annual Report. Patrick O'Shei, Director of Performance Management and Evaluation Systems, explained that Section 2800 of the Public Authorities Law requires that the Members adopt a resolution approving the Operations and Accomplishments and Mission Statement and Performance Measurements Annual Report. The report includes descriptions of the major Authority program operational units and describes the Authority's 2013 accomplishments. The report also details the Authority's new initiatives including Renewable Heat NY and Community Solar NY.

In response to an inquiry from Mr. Willis, Mr. O'Shei stated that the report includes new, updated metrics, but also includes the previous metrics for historical purposes.

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

Resolution No. 1405

RESOLVED, that the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report as presented at this June 24, 2014 meeting is adopted and approved for submission under Section 2800 of the Public Authorities Law.

The Chair stated that the next item on the agenda was a resolution appointing Jay Koh, Sherburne Abbott, and Jigar Shah to the Audit and Finance Committee and appointing Jay Koh as the Chair of the Audit and Finance Committee; reappointing Mark Willis and appointing Sherburne Abbott, Charles Bell, and Jay Koh to the Governance Committee and appointing Sherburne Abbott as the Chair of the Governance Committee; reappointing Mark Willis and Elizabeth Thorndike to the Program Planning Committee and appointing John McAvoy, Kenneth Daly, Sherburne Abbott, Jigar Shah, Charles Bell, and Jay Koh to the Program Planning Committee and reappointing Mark Willis as the Chair of the Program Planning Committee; and reappointing Elizabeth Thorndike and appointing Charles Bell to the Waste and Facilities Management Committee and reappointing Elizabeth Thorndike as the Chair of the Waste and Facilities Management Committee.

Mr. Kauffman indicated that he had spoken with each of these Members and all are willing to serve in these various capacities. He thanked the Members for devoting their time and attention to the important work of the Authority. Mr. Kauffman stated that the Authority benefits greatly from this dedication and recognized the Members for their invaluable service.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the Members approved the appointment of Jay Koh, Sherburne Abbott, and Jigar Shah to the Audit and Finance Committee and the appointment of Jay Koh as the Chair of the Audit and Finance Committee; the reappointment of Mark Willis and the appointment of Sherburne Abbott, Charles Bell, and Jay Koh to the Governance Committee and the appointment of Sherburne Abbott as the Chair of the Governance Committee; the reappointment of Mark Willis and Elizabeth Thorndike to the Program Planning Committee and the appointment of John McAvoy, Kenneth Daly, Sherburne Abbott, Jigar Shah, Charles Bell, and Jay Koh to the Program Planning Committee and the reappointment of Mark Willis as the Chair of the Program Planning

Committee; and the reappointment of Elizabeth Thorndike and the appointment of Charles Bell to the Waste and Facilities Management Committee and the reappointment of Elizabeth Thorndike as the Chair of the Waste and Facilities Management Committee.

The Chair stated that the next item on the agenda involved recognizing the contributions of former Members of the Authority Robert Catell, George Akel, and David Elliman.

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

Resolution No. 1406

WHEREAS, Robert B. Catell served with distinction as a Member of the Authority for twenty-three years, including twenty-three years as a member of the Audit and Finance Committee, including fifteen years as its Chair, and twenty-two years as a member of the Program Planning Committee; and

WHEREAS, Mr. Catell's tenure was marked by a constant and reliable dedication to furthering the mission of the New York State Energy Research and Development Authority, including efforts to ensure New York's continued national prominence in providing innovative solutions to State energy issues; and

WHEREAS, Mr. Catell's leadership and expertise helped to ensure the proper management and oversight of the Authority's financial matters, including the Authority's internal audit function and its bond financing program; and

WHEREAS, Mr. Catell led efforts by the Members and staff to further enhance the Authority's research and development programs and to enhance the Authority's use of metrics to improve transparency and performance; and

WHEREAS, Mr. Catell's leadership was instrumental in establishing a partnership between the Authority and the Brooklyn Union Gas Company, KeySpan Energy Delivery of New York, and National Grid, and guiding the Authority's efforts to improve the supply and efficient use of natural gas in New York State; and

WHEREAS, the Members of the Authority, assembled on this twenty-fourth day of June, two thousand fourteen, have unanimously voted to commend Mr. Catell for his distinguished service to the People of the State of New York and his contributions to the Authority and to memorialize that commendation;

NOW, THEREFORE, the Members of the New York State Energy Research and Development Authority commend Robert B. Catell and express their deepest appreciation and respect for his dedicated and distinguished service on behalf of the Authority.

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

Resolution No. 1407

WHEREAS, George F. Akel served with distinction as a Member of the Authority for twelve years, including twelve years as a member of the Audit and Finance Committee, eight years as a member of the Governance Committee, including three years as its Chair, and four years as a member of the Program Planning Committee, including four years as its Chair; and

WHEREAS, Mr. Akel's consistent leadership has helped improve the Authority's governance, financial oversight and programmatic efforts; and

WHEREAS Mr. Akel's dedication to the Authority and his advice and guidance have furthered the development of the Authority's programs that improve the energy, environmental, and economic wellbeing of the People of the State of New York; and

WHEREAS, Mr. Akel's insights have been instrumental in advancing the Authority's work in assisting businesses in the clean energy market; and

WHEREAS, the Members of the Authority, assembled on this twenty-fourth day of June, two thousand fourteen, have unanimously voted to commend Mr. Akel for his distinguished service to the People of the State of New York and his contributions to the Authority and to memorialize that commendation;

NOW, THEREFORE, the Members of the New York State Energy Research and Development Authority commend George F. Akel and express their deepest appreciation and respect for his many years of dedicated and distinguished service on behalf of the Authority.

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

Resolution No. 1408

WHEREAS, David D. Elliman served with distinction as a Member of the Authority for five years, including four years as a member of the Governance

Committee, including three years as its Chair, and five years as a member of the Program Planning Committee and the Audit and Finance Committee; and

WHEREAS, Mr. Elliman's tenure was marked by a constant and reliable dedication to furthering the New York State Energy Research and Development Authority's continued implementation and delivery of comprehensive and collaborative Statewide programs that improve the energy, environmental, and economic wellbeing of the People of the State of New York; and

WHEREAS, Mr. Elliman's expertise in financial markets was vital in the development of the Authority's innovative energy financing programs; and

WHEREAS, Mr. Elliman led efforts to enhance the performance criteria and evaluation process used to assess the Board's oversight of the Authority; and

WHEREAS, Mr. Elliman's leadership was instrumental in informing the Authority of current best practices of corporate governance; and

WHEREAS, the Members of the Authority, assembled on this twenty-fourth day of June, two thousand fourteen, have unanimously voted to commend Mr. Elliman for his distinguished service to the People of the State of New York and his contributions to the Authority and to memorialize that commendation;

NOW, THEREFORE, the Members of the New York State Energy Research and Development Authority commend David D. Elliman and express their deepest appreciation and respect for his dedicated and distinguished service on behalf of the Authority.

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

Dr. Thorndike announced that the annual meeting with the major environmental members of the State was held and a summary of those discussions will be forwarded to the Members for their review.

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



Hal Brodie
Secretary

June 19, 2014

REVISED NOTICE OF MEETING AND AGENDA

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

PLEASE TAKE NOTICE that the Annual Meeting (the 223rd meeting) of the New York State Energy Research and Development Authority will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and at the Department of Public Service, 90 Church Street, 4th Floor (Boardroom), New York, New York, on Tuesday, June 24, 2014, commencing at 1:00 p.m., for the following purposes:

1. To receive information from the Program Planning Committee and:
 - a. to consider and act upon a resolution approving revisions to the plan entitled *Operating Plan for Investments in New York Under the CO₂ Budget Trading Program and the CO₂ Allowance Auction Program*; and
 - b. to consider and act upon a resolution approving NYSERDA's multi-year strategic program plan entitled *Toward a Clean Energy Future: A Strategic Outlook 2014*.
2. To consider and act upon a resolution approving the Annual Report on Procurement Contracts and the "Procurement Contracts Guidelines, Operative Policy and Instructions (June 2014)."
3. To consider and act upon a resolution approving the periodic procurement contract report.
4. To consider and act upon a resolution approving the Annual Investment Report of the Authority and the "Investment Guidelines, Operative Policy and Instructions (June 2014)."
5. To consider and act upon a resolution approving the Annual Investment Report for the NYSERDA OPEB (Other Post-Employment Benefits) Trust for the year ended March 31, 2014 and the "Investment Policy Statement for the NYSERDA OPEB Trust (June 2014)."
6. To consider and act upon a resolution approving the Financial Statements of the Authority and the New York Green Bank for fiscal year 2013-14.

New York State Energy Research and Development Authority

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7. To consider and act upon a resolution to enter into private session for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation Report and to enter into executive session for the purpose of discussing the financial condition of the Authority and for the purpose of discussing the employment history of a particular person.
8. To consider and act upon a resolution approving the Annual Confidential Board Member Performance Evaluation Report.
9. To consider and act upon a resolution approving the appointment of the Authority's independent auditors for fiscal year 2014-15.
10. To consider and act upon a resolution approving an annual bond sale report.
11. To consider and act upon a resolution authorizing the issuance of notes to the New York State Environmental Facilities Corporation for a short-term financing facility to finance residential energy efficiency loans issued through the Green Jobs - Green New York Program.
12. To consider and act upon a resolution approving amendments to the Authority's Internal Control Manual.
13. To consider and act upon a resolution approving a compensation schedule.
14. To consider and act upon a resolution approving amendments to the Authority's By-laws.
15. To consider and act upon a resolution approving the Annual Report on Disposition of Real and Personal Property and the "Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2014)."
16. To consider and act upon a resolution approving the annual report on the implementation of the Authority's prompt payment policy.
17. To consider and act upon a resolution approving the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report.
18. To consider and act upon a resolution appointing members to the Audit and Finance Committee, the Governance Committee, the Program Planning Committee, and the Waste and Facilities Management Committee.
19. To consider and act upon a resolution commending Robert B. Catell for his service to the Authority.
20. To consider and act upon a resolution commending George F. Akel for his service to the Authority.

21. To consider and act upon a resolution commending David D. Elliman for his service to the Authority.

22. 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. Video conferencing will be used at both locations and the Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at <http://www.nyserda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings.aspx>.



Hal Brodie
Secretary