

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 229th Meeting

Held on January 26, 2016

Pursuant to notice and an agenda dated January 15, 2016, the 229th meeting of the New York State Energy Research and Development Authority (“Authority” or “NYSERDA”) was convened on January 26, 2016, at 1:30 p.m., at the office of the New York State Dormitory Authority (“DASNY”), One Penn Plaza, 52nd Floor, New York, New York, and in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York. The two locations were connected by videoconference.

The following Members of the Authority were present:

Richard L. Kauffman

Sherburne B. Abbott

Charles Bell

Matthew J. Driscoll

Jay L. Koh

John McAvoy

Jigar Shah

Elizabeth W. Thorndike, Ph. D.

Audrey Zibelman

Members Kenneth D. Daly, Gil C. Quiniones, and Mark A. Willis were unable to attend.

Also present were John B. Rhodes, President and CEO; David L. Margalit, Chief Operating Officer; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey J. Pitkin, Treasurer; Noah C. Shaw, General Counsel and Secretary; Cheryl M. Glanton, Director of Contract Management; David A. Sandbank, Director of NY-Sun; Peggie Neville, New York State

Department of Public Service; Conor Bambrick, Environmental Advocates of New York; Michael Bailey; and various other staff of the Authority.

Mr. Kauffman called the meeting to order and noted the presence of a quorum. He stated that the meeting notice and agenda were mailed to the Members and press on January 15, 2016. Mr. Kauffman directed that a copy of the notice and agenda be annexed to the minutes of the meeting.

Before turning to the formal agenda, the Chair welcomed the Authority's newest Member, Matthew J. Driscoll, Commissioner of the New York State Department of Transportation ("DOT"). Prior to joining DOT, Mr. Driscoll served as the President and CEO of the Environmental Facilities Corporation.

Next, the Chair asked the Authority's President and CEO, John B. Rhodes, to address the Members. Mr. Rhodes announced that on January 21, 2016, the New York State Public Service Commission issued an order approving the Clean Energy Fund ("CEF"). Mr. Rhodes explained that the CEF is a 10-year, \$5 billion commitment to deliver on New York State's goal of reducing energy consumption and reshape the energy efficiency and clean energy portfolios.

Mr. Kauffman requested that staff provide the Members with a status report on the implementation of the CEF with a focus on the market transformation aspects. The Chair suggested that the Members should consider how they would like to be briefed on the various aspects of the CEF.

Mr. Koh congratulated the Authority on a long and hard effort. He suggested that it would be useful to receive a briefing on what the objectives of the CEF are and what programs are being launched to meet the objectives.

Mr. Shaw stated that management will consider the best course for providing the information and that it may be best to consider a combination of briefings at meetings, disbursement of documents, and one-on-one conversations.

Ms. Zibelman stated that the Order approving the CEF requested that the Authority put together an investment plan and suggested that the Members might find that helpful to review.

At this time, Mr. Shah arrived.

The Chair stated that the first item on the agenda was the Authority's proposed fiscal year 2016-17 budget (the "Budget"). Mr. Kauffman indicated that he would provide the report on the portions of the Budget considered by the Program Planning Committee ("PPC") as that Committee's Chair, Mark Willis, was unable to attend. The PPC received a report and recommendation from the Authority's Treasurer, Jeffrey J. Pitkin, on the Budget and Spending Plan, the details of which were included in the meeting package.

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

Mr. Kauffman then asked Dr. Elizabeth Thorndike, Chair of the Waste and Facilities Management Committee (the "W&FMC"), to report on the portions of the Budget considered by the W&FMC.

Dr. Thorndike stated that the W&FMC met earlier that day and received a full report from Mr. Pitkin describing the significant Budget items related to both the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities. Based on Mr. Pitkin's report, the W&FMC unanimously voted to recommend that the Board approve the Budget for both the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities.

Mr. Bell indicated that the PPC discussed how there seem to be issues with the public's understanding of the Budget with respect to the changes brought on by the CEF. He suggested that it may be helpful to have a discussion with staff on how to present the Budget in the future.

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

Resolution No. 1448

RESOLVED, that the proposed fiscal year 2016-17 Budget submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, be and it hereby is approved for submission to the persons designated in Sections 1867(4) and 2801 of the Public Authorities Law.

The Chair indicated that the next item on the agenda was a report on the remaining items considered by the PPC including a proposed ground lease with GE Fuel Cells, LLC (“GE Fuel Cells”) at the Saratoga Technology + Energy Park (“STEP”).

Mr. Kauffman reported that the PPC met just prior to the Board meeting and a quorum was present throughout.

At the request of the PPC for regular updates, and stemming from the discussions on the Regional Greenhouse Gas Initiative (“RGGI”) Operating Plan at the June 2015 meeting, the Authority’s Treasurer, Jeffrey J. Pitkin, provided an update on the results of the RGGI auctions during the current fiscal year.

Mr. Pitkin reported that revenues to date have exceeded original projections by \$40 million. While the original RGGI Operating Plan approved by the Members at the June 2015 meeting had program funding allocations approximately \$20 million in excess of cumulative projected RGGI auction revenues for the current fiscal year, the auction results to date and the projection for the upcoming auction are that there will sufficient revenue to fund the program funding allocations contained in the approved RGGI Operating Plan.

General Counsel and Secretary, Noah Shaw, provided the PPC with background and information on a proposed ground lease with GE Fuel Cells, LLC for land and improvements

located adjacent to 107 Hermes Road at STEP. The details of the proposal and a copy of the draft ground lease were included in the meeting materials.

Mr. Shaw stated that Authority management is recommending approval of the proposed ground lease in order for GE Fuel Cells to construct and demonstrate a 1.3 megawatt scale hybrid solid oxide fuel cell system. Under the lease, the Authority will lease approximately 9,986 square feet of land and improvements for an 18-month term, commencing February 1, 2016, with one 18-month option to renew. Board Resolution #1045 requires that any “long-term” ground lease at STEP be approved by the Board and Authority management considers that an 18-month lease with an 18-month option to renew to be “long-term.”

Mr. Shaw reported that the draft lease agreement, as well as the Public Authorities Law compliance, have been reviewed by the Authority’s outside counsel for real estate matters.

Based upon the presentation and discussion, the PPC unanimously voted to recommend that the Board approve the resolution authorizing the Authority to enter into a ground lease with GE Fuel Cells.

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

Resolution No. 1449

RESOLVED, that the ground lease between the Authority and GE Fuel Cells, LLC for approximately 9,986 square feet of land and improvements located adjacent to 107 Hermes Rd at the Saratoga Technology + Energy Park as presented at the meeting of January 26, 2016 is recommended for approval by the Board. The Chair or his designee is hereby authorized to make such changes to the lease as may be necessary and appropriate, provided such changes do not substantially increase the Authority’s financial obligations under the lease.

Mr. Kauffman indicated that the next item on the agenda was a report on items considered by the W&FMC meeting. Dr. Thorndike stated that the W&FMC received a status report from West Valley Program Director Paul Bembia on West Valley Site Management program activities.

Mr. Bembia first discussed follow-up soil sampling performed in recent months, after the aerial survey discussed at the September 2015 W&FMC meeting. The Authority performed this additional soil sampling to collect additional information from five offsite areas where the aerial radiation survey showed radiation levels that were slightly above the levels of normal “background radiation” that are present throughout the environment.

Three of the five areas identified for sampling are near the Western New York Nuclear Service Center (“West Valley”) property, and two areas are downstream from West Valley on the Cattaraugus Territory of the Seneca Nation of Indians. Prior to conducting the sampling, Authority staff visited with each property owner to explain the sampling program and request permission to sample. For the areas on the Seneca Nation, Mr. Bembia and his team met with representatives of the Seneca Nation government at the end of September 2015, obtained their permission to take samples and have been in regular communication with the Seneca Nation about the issue on an ongoing basis.

The soil sampling work began in mid-October 2015 and was completed in late December 2015. West Valley staff will have the results by the end of January 2016. If the sample results show any elevated levels of radionuclides, the West Valley staff will perform a radiological dose assessment to evaluate the soil conditions relative to public health and safety standards.

West Valley staff will provide results to local landowners and the Seneca Nation, and will also be presenting the results publicly at a West Valley Development Program (“WVDP”) Quarterly Public Meeting and at the next W&FMC meeting.

Mr. Bembia then provided an update on the WVDP’s transfer of the High-Level Waste Canisters from the Main Plant Process Building to the new High-Level Waste Interim Storage Pad, reporting that previous obstacles to transferring the casks had been resolved and that the casks are now being transferred to the Interim Storage Pad. The U.S. Department of Energy’s (“DOE”) Contractor plans to have all 275 high-level waste canisters transferred to the Storage Pad by the end of 2016.

Dr. Thorndike indicated that Mr. Bembia reported at a prior W&FMC meeting on an increase in the water elevation in Disposal Trench 14 at the State Licensed Disposal Area (“SDA”). At the January 2016 W&FMC meeting, Mr. Bembia indicated that the consultant identified what they believe to be the likely area of origin for the water that is entering the trench and that the consultants are recommending the collection of additional geologic and hydrologic information to more definitively identify the water source and to aid in developing an effective remedial action.

West Valley staff anticipate initiating field activities in the spring and conducting hydrologic testing and data collection work from the spring through the summer, and expect to have the recommendation for mitigating the increase by the fall of 2016.

As to storm-related erosion damage to Erdman Brook and Frank’s Creek discussed at the last W&FMC meeting, Mr. Bembia now reports that the Authority completed the repairs to both, as well as completed interim repairs to the WVDP spillway in November 2015.

Next, Mr. Bembia provided the W&FMC with an update on DOE’s work to take one of the WVDP water treatment lagoons out of service early. DOE completed the first step in taking the lagoon out of service by relocating a surface water discharge structure away from the unstable lagoon embankment. The remaining work, which involves the modification of the site’s water treatment system, is in the planning stage and DOE hopes to take the lagoon out of service by the end of 2017.

Mr. Bembia concluded his report with an update on worker safety. As of December 2, 2015, the WVDP worked over 1,758,471 hours (or over 1,100 days) without a lost-time injury or illness. This is one of the best safety records at the DOE environmental cleanup complex.

For the SDA and Retained Premises, Authority staff continues to manage the SDA and the Retained Premises in full compliance with all applicable regulations and with no work-related illnesses or injuries. In November 2015, the New York State Department of Environmental Conservation conducted an inspection of the programs to manage the SDA. The inspection

confirmed that the Authority is in compliance with the New York State radiation control regulations and with the requirements of the SDA Radiation Control Permit.

Mr. Bell congratulated West Valley staff on the results of the inspection and encouraged all of the Members to visit West Valley.

Dr. Thorndike reminded the Members that the casks that are being stored are supposed to be placed at the federal repository. However, that facility does not yet exist and therefore, the casks may be in New York State possession for an undetermined period of time.

Dr. Thorndike indicated that the W&FMC then received a report from Alyse Peterson on the Authority's nuclear coordination and radioactive waste policy activities. Ms. Peterson reported that the Authority met its statutory obligation last year under the State Low-Level Radioactive Waste Management Act to collect annual reports from facilities in New York that generated, stored or disposed of low-level waste, and to prepare an annual summary report for submission to the Governor and legislative leaders by July 1 of each year. Last year, 50 New York facilities reported disposing low-level waste at out-of-state disposal facilities for a total volume of 30,000 cubic feet.

Ms. Peterson is also the State's representative and Chair-Elect for the Low-Level Waste Forum, a national organization of state, federal, waste compact, and industry representatives that facilitates continued implementation of the Low-Level Radioactive Waste Policy Act of 1980 and its Amendments. New York will be hosting the Fall 2016 Forum meeting in Saratoga Springs this coming November. Dr. Thorndike thanked Ms. Peterson for her work on behalf of the Authority to bring this meeting to New York, making it accessible to New York State staff and waste producing facilities in the northeast.

Finally, Ms. Peterson reported that the Authority coordinated New York State comments on two significant license amendment requests for Indian Point; one related to reactor containment leak testing and the other related to testing and repair of a reactor control rod mechanism, strongly opposing both on grounds that they sought to relax important testing requirements. Dr. Thorndike indicated that Ms. Peterson is currently coordinating New York State comments on several

regulatory initiatives impacting nuclear power including a rulemaking on decommissioning of nuclear power plants.

Mr. Kauffman indicated that the next item on the agenda was a report on items considered by the Audit and Finance Committee (the “A&FC”). Mr. Kauffman turned to Jay Koh, Chair of the A&FC, to provide the report.

Mr. Koh stated that the A&FC met just before the Board meeting and a quorum was present throughout the meeting. The A&FC received a report from the Authority’s Director of Internal Audit, Mark Mitchell, on the proposed appointment of KPMG, LLP for an internal controls assessment. The A&FC voted to approve the appointment and the assessment will be conducted before the end of this fiscal year.

Next, Mr. Mitchell discussed a proposed amendment to the Internal Audit Plan for fiscal year 2015-16 (“Internal Audit Plan”). The A&FC concurred with the amendment of the Internal Audit Plan as proposed.

Then, Mr. Mitchell provided the A&FC with a report on his recent activities. Mr. Mitchell discussed the results of a recently completed audit. The A&FC had a discussion and was pleased with the results of the audit.

Lastly, the A&FC received a status report from the Authority’s Treasurer, Jeffrey J. Pitkin, on an ongoing audit by the Office of the State Comptroller. The A&FC was able to ask questions and was satisfied with the discussion.

Mr. Kauffman indicated that the next item on the agenda was a report from the Governance Committee (“GC”) by the GC’s Chair, Sherburne Abbott. Ms. Abbott reported that the GC had met earlier in the day and a quorum was present throughout.

Ms. Abbott reported that the first item considered by the GC was a report from the Authority’s General Counsel, Noah C. Shaw, on a proposed amendment to the Authority’s By-

laws. The amendment would provide the Director of Contract Management with the authority to execute any contract encumbering Authority funds up to \$100,000, and to execute low variability, low complexity contracts that are issued as offer letters or similar straightforward standard agreements, when the amounts are based upon a formulaic calculation dictated by program, in an amount up to \$1,000,000.

Mr. Shaw advised that, currently, under the Authority's current By-laws, the President and CEO has the power to execute all contracts in the name of and on behalf of the Authority. In addition, the Chief Operating Officer, the Vice President for Energy Services, the Vice President for Technology and Strategic Planning, the Treasurer, and the Secretary have the power to execute contracts not encumbering Authority funds in excess of \$1,000,000. Lastly, the Director of Contract Management has the power to execute contracts not encumbering Authority funds in excess of \$25,000.

Mr. Shaw advised that the proposed increase in contracting authority for the Director of Contract Management is consistent with the practices of other state authorities and is both needed and desirable in light of the simultaneous increase in contract volume at the Authority, overall, and in particular in the low-complexity, formulaic incentive contracts from programs such as NY-Sun, the terms and amounts of which are dictated by program rules.

Ms. Abbott stated that the GC had unanimously recommended approval of the amendment to the Authority By-laws.

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

Resolution No. 1450

RESOLVED, that the amendment to the Authority's By-laws, providing the Director of Contract Management with the authority to execute contracts encumbering Authority funds up to \$100,000, and to execute contracts encumbering low variability, low complexity contracts issued as offer letters or similar straightforward standard agreements the amounts of which are based upon a formulaic calculation dictated by program up to \$1,000,000, as presented at this

January 26, 2016 meeting, is recommended to be adopted and approved by the Board.

Mr. Kauffman indicated that the next item considered by the GC was updated Conflict of Interest Policies for Authority Board Members and employees (“Conflict of Interest Policies”). Ms. Abbott reported that Mr. Shaw presented the updated Conflict of Interest Policies. In August 2015, the Authorities Budget Office (“ABO”) issued a bulletin containing recommended governance practices for public authorities in which that office specifically addressed authorities’ conflict of interest policies and provided a model to be considered for adoption.

Mr. Shaw had advised the GC that based upon the ABO guidance and model policy, management of the Authority now proposes to separate the conflict of interest policies for Board Members, on one hand, and employees on the other hand. The specific conflict of interest and code of conduct rules applicable to Board Members and employees have not substantively changed; rather, the change here is to ensure that the Authority’s policies conform more closely to the structure and form recommended by the ABO.

Ms. Abbott reported that the GC had unanimously recommended approval of the updated Conflict of Interest Policies for Authority Board Members and employees.

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

Resolution No. 1451

RESOLVED, that the revised conflict of interest policy for Board Members and revised conflict of interest policy and code of conduct for Authority employees, as presented at this January 26, 2016 meeting, are recommended to be adopted and approved by the Board.

The Chair indicated that the next item on the agenda was proposed revisions to the Authority’s Procurement Contracts Guidelines, Operative Policy and Instructions (the “Guidelines”) and asked the Authority’s General Counsel, Noah C. Shaw, to discuss the revisions.

Mr. Shaw explained that the Guidelines set forth the Authority's operative policies and procedures to guide staff on the use, awarding, monitoring, and reporting of the Authority's contracts.

Mr. Shaw stated that the proposed resolution would update the Guidelines in three ways:

First, Mr. Shaw explained, the Guidelines would be updated to include provisions to satisfy the Service-Disabled Veteran-Owned Business ("SDVOB") Act of 2014, which, like the Minority and Women-Owned Business ("MWBE") goals and requirements, sets goals and provides mechanisms for state agencies and authorities to contract with SDVOBs.

Second, to provide for discretionary contracting with qualified New York Small Business Enterprises for up to \$200,000, as provided for in State Finance Law and as is the practice of state agencies and other authorities.

Third, to provide for the Authority's use of a contract already executed by another state entity (often referred to as "piggybacking"), which is also a process provided for under State Finance Law.

With respect to the addition of provisions related to contracting with SDVOBs, Mr. Shaw explained that the SDVOB Act was signed into law on May 12, 2014 and identifies the Office of General Services ("OGS") as the agency responsible for its implementation. The SDVOB program allows eligible veteran business owners to become certified as New York State SDVOBs and be included on an OGS registry. After a year of rulemaking at OGS, and running a pilot program with other state entities, OGS recently notified the Authority that it should now comply, and provided significant guidance with respect to such compliance.

Mr. Shaw further stated that the SDVOB rules and regulations apply to the same universe of contracts as do the MWBE rules and regulations: these include contracts in excess of \$25,000 for labor, certain services, commodities, supplies, equipment, materials, technology to be provided to the contracting agency or authority; and construction contracts over \$100,000.

Similar to MWBE, on an annual basis the Authority is required to submit a Master Goal Plan and establish agency-specific goals for participation by SDVOB Enterprises in qualified State Contracts that are awarded by the Authority. Additionally, the Authority is required to submit an SDVOB Activity Quarterly Report to OGS. The state has established a 6% statewide goal for participation on State Contracts by SDVOB Enterprises and management recommends that the Authority adopt this 6% goal in its Master Plan.

Mr. Shaw explained that the Authority has three primary options for using SDVOB Enterprises in its procurements: Set-Asides; Contract Goal Setting; and, Discretionary Purchasing. It is up to the Authority to determine which option, or combination of options, can best achieve the 6% goal.

The SDVOB statute gives the Authority the responsibility for determining which of its contracts and expenditures are appropriate for a waiver. The Authority is currently drafting rules to be included in its Operations and Procedures Manual that will dictate decision-making and provide a process to follow with respect to determinations of waivers, and will consult with OGS in this regard.

Mr. Shaw explained that the second proposed addition to the Guidelines would allow for discretionary contracting up to \$200,000 (that is, without requiring formal bidding requirements or a noncompetitive justification) with qualified New York State Small Business Enterprises. A NYS small business is defined in State Finance Law as a company that is a resident to New York State, independently owned and operated, with 100 or fewer employees, and not dominant in its field. NYSERDA intends to adopt this threshold, and to adopt requirements and processes to determine whether a business meets this definition. State Finance Law sets the discretionary buying threshold at \$200,000 for procurements if they are from a certified MWBE; from a NYS small business; and under the recently signed bill, from an SDVOB. The Authority's Guidelines currently provide for qualified discretionary purchases up to \$200,000 from a certified MWBE only. The proposed change will add NYS Small Business Enterprise and, as previously discussed, SDVOB, to the discretionary buying threshold found in the Guidelines.

The final proposed addition to the Guidelines, Mr. Shaw stated, is to provide for the Authority's use of a contract that is already executed by another state entity, political subdivision, the U.S. government, or any other state, a process referred to as "piggybacking". Piggybacking is provided for under State Finance Law and the Office of the State Comptroller has stated it considers it a noncompetitive contracting practice. Mr. Shaw explained that management is therefore proposing to add piggybacking as a non-competitive procurement option. Contracting through piggybacking remains subject to internal and external review by OGS.

In response to an inquiry from Mr. McAvoy, Mr. Shaw indicated that staff consulted with OGS and these types of procurements would be considered non-competitive.

In response to an inquiry from the Chair, Mr. Shaw indicated that the Authority is not required to follow State Finance Law, however, the Authority traditionally seeks to be consistent in areas that would help streamline processes and procurements. With respect to SDVOBs, we are subject to that law and must comply.

In response to an inquiry from Ms. Zibelman, Mr. Shaw stated that the Authority's goal for SDVOBs is 6% of the eligible contracts which is, approximately, \$2 million a year. With respect to small business and piggyback contracts, the dollar amount is dependent on the kinds of contracts the Authority is undertaking, which varies from year to year. However, Mr. Shaw added that these are not for incentive or grant contracts; rather, these provisions are only for commodities and services. Ms. Glanton explained that staff anticipates that the Authority's Budget for eligible contracts will be just under \$20 million a year, thus SDVOBs would equate to \$2 million a year and MWBEs would equate to \$6 million a year.

In response to an inquiry from Ms. Zibelman, Mr. Shaw stated that these goals are for procurements that are for the Authority's own account, not grants and incentives, generally.

In response to an inquiry from Dr. Thorndike, Mr. Shaw indicated that only those entities certified by OGS, based upon the definition included in OGS's regulations, will be considered SDVOBs.

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

Resolution No. 1452

RESOLVED, that the revisions to the Authority's Procurement Contracts Guidelines, Operative Policy and Instructions, adding Section 12 related to the Service-Disabled Veteran-Owned Business Act of 2014, providing for discretionary contracting with New York Small Business Enterprises up to \$200,000 at Section 4.2(b) and providing for the Authority's use of a contract already let by another governmental entity ("piggybacking") at Section 4.2(d)(iv), as presented at this January 26, 2016 meeting, are approved and adopted.

Mr. Kauffman indicated that the next item on the agenda was the Periodic Procurement Contracts Report. Cheryl Glanton, Director of Contract Management, stated that pursuant to Public Authorities Law §2879, the Members are requested to adopt a resolution approving a Periodic Procurement Report covering the period August 16, 2015 through December 15, 2015. The report summarizes 10,181 procurement contract actions exceeding \$5,000 that were initiated or modified during this period, which total approximately \$378 million. Ms. Glanton stated that over 99% of the procurement contracts were competitively selected, and 97% of the dollars committed resulted from competitive procurement.

Ms. Glanton reported that an additional 1,880 contract actions are expected to be executed by the Authority which have a period of expected performance in excess of one year. These contract actions total approximately \$469 million.

Ms. Glanton stated that the Members had been provided with a Periodic Procurement Report that summarizes the Authority's efforts to engage MWBE participation, in accordance with Article 15-a of the Executive Law. Ms. Glanton reported that, of the 18 contracts subject to Article 15-a which were initiated or modified during the reporting period, 40% of the total number of contracts were awarded to certified MWBEs, representing 50% of the total contract amounts.

In response to an inquiry from Mr. Shah, Ms. Glanton stated that of the 9,855 program incentive contracts, approximately 9,000 were through NY-Sun. She added that in this quarter

there were 9,000 NY-Sun incentive contracts, compared to 9,000 through all of last year. Mr. Shah commended the Authority on streamlining its processes in order to meet the growing demand of the program.

The Chair then stated 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 the Authority to the lists of contracts in the Periodic Procurement Report. Counsel's office reports the following potential conflicts. The Authority has entered into or anticipates entering into contracts with Syracuse University, identified by Shere Abbott; Consolidated Edison Company of New York, Inc. and Con Edison Solutions, identified by John McAvoy; and Cornell University and University of Rochester, identified by Elizabeth Thorndike.

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

Resolution No. 1453

RESOLVED, that the Periodic Procurement Contracts Report, covering the period August 16, 2014 through December 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.

Mr. Kauffman indicated that the next item on the agenda was a report on the Authority's NY-Sun initiative from David A. Sandbank, Director of NY-Sun. Mr. Sandbank provided the Members with status report on the Community Distributed Generation ("DG") Program.

In response to an inquiry from Mr. Shah, Mr. Sandbank indicated that DG projects may be a mix of commercial and residential sites, but all sites must be in the same service territory. The goal is to help give homeowners the ability to go solar. Ms. Zibelman added that there is a still a net metering requirement with these projects.

Ms. Zibelman commended Mr. Sandbank and the Authority's staff for their work in forwarding this initiative and expanding the capacity for renewables. Mr. Rhodes commended the New York State Department of Public Service ("DPS") staff for their pivotal role in furtherance of the DG goals.

Mr. McAvoy stated that the utilities support the expansion of renewables, but are concerned that net metering and its continued expansion is a large subsidy, and new evolutions to the net metering policy will have impact well beyond the original program. As an example, he indicated that Orange and Rockland Utilities, Inc. is receiving applications for systems that are sized over 20% of the load remotely connected to the proposed system. He stated that there is a concern that this is not the most effective way to expand the use of renewables.

Ms. Zibelman stated that DPS is in the process of developing a pricing mechanism for the DG system and thanked the utilities for their assistance in addressing the pricing concerns. She added that the Clean Energy Standard will also address DG and large scale renewable pricing.

In response to an inquiry from Mr. Koh, Mr. Sandbank explained that the best opportunity for economic and interconnection solutions is when the project involves one site. Ms. Joseph stated that there has been a tremendous response from the industry unlike any other market including energy efficiency. She added that to the extent that utilities have technologies that they would like to see deployed, there is an opportunity through the developers with a proven track record.

Ms. Zibelman suggested that it might be appropriate to discuss what DPS is working on with the Authority to address pricing and utility distribution integration plans that will be filed soon. This will relieve the cost pressure and better identify projects.

In response to an inquiry from Dr. Thorndike, Ms. Joseph indicated that staff have been looking into the technical potential of photovoltaic ("PV") and whether there is an ability to install PV panels without needing to cut down trees. Mr. Sandbank added that it is rare that trees need to

be cut down. Instead, often installers just need to trim trees. However, the goal of DG is to find an ideal spot so no trees need to be cut or trimmed.

The Chair indicated that the last item on the agenda was other business. Mr. Kauffman indicated that the Authority would like to recognize Paul Bembia for his 25 years of service at West Valley with a resolution commending him for his work.

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

Resolution No. 1454

WHEREAS, as of November 12, 2015, Paul J. Bembia has served for twenty-five years with distinction on behalf of the New York State Energy Research and Development Authority as the West Valley Program Director; and

WHEREAS, during his tenure, Mr. Bembia has provided on behalf of the citizens of New York State exemplary guidance, leadership, expertise and judgment with respect to the important and long-lived matters of the Western New York Nuclear Service Center (West Valley), including managing multiple regulatory, intergovernmental and community relationships, setting strategy regarding the generation of the environmental impact statements that provide the plan for the long-term management of the site, guiding the litigation involving the site, managing the day-to-day operations of the site, ensuring the safety of all those who work at the site on behalf of the State, managing the both short- and long-term risks associated with the site; all with the highest degree of skill and professionalism; and

WHEREAS, Mr. Bembia's efforts on behalf of the Authority have been distinguished by an unwavering dependability, dedication, and willingness to serve; and

WHEREAS, the Members of the Authority's Waste and Facilities Management Committee wish to commend Mr. Bembia for his twenty-five years and continuing exemplary commitment to the People of the State of New York and his outstanding contributions to the mission of the Authority and the State and to memorialize that recognition;

NOW, THEREFORE, BE IT RESOLVED THAT, the Members of the Waste and Facilities Management Committee of the New York State Energy Research and Development Authority, assembled on this 26th day of January, 2016, unanimously express to Paul J. Bembia their gratitude for his twenty-five years of

dedicated and exemplary service to the Authority and the People of the State of New York, and their appreciation for his continuing service.

Dr. Thorndike thanked the Chair for attending the 2015 United Nations Climate Change Conference (“COP 21”) that was held in Paris, France. The result of COP 21 was a global agreement on the reduction of climate change and the need for international climate action.

Mr. Kauffman stated that he attended the conference on his own accord and at his own expense, and reported that one of the key messages of COP 21 was the importance of subnational actors such as the State of New York.

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



ANDREW M. CUOMO
Governor

NYSERDA

RICHARD L. KAUFFMAN
Chair

JOHN B. RHODES
President and CEO

January 15, 2016

NOTICE OF MEETING AND AGENDA

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

PLEASE TAKE NOTICE that a regular (the 229th) meeting of the New York State Energy Research and Development Authority (“Authority”) will be held at the office of the New York State Dormitory Authority (“DASNY”), One Penn Plaza, 52nd floor, New York, New York, and in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York, on Tuesday, January 26, 2016, commencing at 1:30 p.m., for the following purposes:

1. To receive reports on the proposed FY 2016-17 Budget of the Authority from the Program Planning Committee and from the Waste and Facilities Management Committee and to consider and act upon a resolution approving the Authority’s FY 2016-17 Budget.
2. To receive a report from the Program Planning Committee and to consider and act upon a resolution authorizing the Authority to enter into a ground lease with GE Fuel Cells, LLC.
3. To receive a report from the Waste and Facilities Management Committee.
4. To receive a report from the Audit and Finance Committee.
5. To receive information from the Governance Committee and:
 - (a) to consider and act upon a resolution approving an amendment to the Authority’s By-laws; and
 - (b) to consider and act upon a resolution approving an updated conflict of interest policy for Authority board members and employees.
6. To consider and act upon a resolution approving amendments to the Authority’s *Procurement Contracts Guidelines, Operative Policy and Instructions (January 2016)*.
7. To consider and act upon a resolution approving a periodic procurement contracts report.
8. To receive a report on one of the Authority’s ongoing programs.

New York State Energy Research and Development Authority

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9. To transact such other business as may properly come before the meeting.

Members of the public may attend the meeting at either of the above locations. In order to expedite the entry procedures established by the building management, any members of the public planning to attend the meeting at DASNY's office should notify DASNY's receptionist at 212-273-5000, 24 hours in advance of the meeting, and must be prepared to show valid photo identification upon arrival at One Penn Plaza.

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>.



Noah C. Shaw
Secretary