

NYSERDA 260th Board Meeting
January 25, 2023
Clean Copy of Transcript

Chair Kauffman:

I call this meeting to order. This is the 260th meeting of the New York State Energy Research Development Authority. Notice of the meeting was provided to the Members on January 13, 2023, and to the Press on January 17, 2023. I directed a copy of the notice and agenda and the revised Notice the annex for the minutes of this meeting. Welcome to the meeting. This meeting is being conducted by Video Conference Authority. Will post a video and a transcript of this meeting on the web. Confirm that we have a quorum. I'd like to ask the Members to introduce themselves. I'm Richard Kaufman, Chair of the Authority.

Vice Chair Bell:

Chuck Bell. I'm Vice Chair of the Authority.

Sherburne Abbott:

Shere Abbott, Member of the Board.

Frances Resheske:

Frances Resheske, Member of the Board.

Justin Driscoll:

Justin Driscoll, Member of the Board.

Commissioner Dominguez:

Marie Therese Dominicus, Member of the Board.

Arturo Garcia-Costas:

Arturo Garcia-Costas, Member of the Board.

Jay Koh:

Jay Koh, Member of the Board.

Basil Seggos:

Basil Seggos, Member of the Board.

Chair Christian:

Rory Christian, Member of the Board.

Chair Kauffman:

Thank you all. The first agenda item concerns an Executive session Section 105 of the Public Officer's Law authorizes the Members to convene an Executive session in order to discuss the employment history of a particular person, of a motion for resolution number 1681 to enter into Executive session for the purpose of discussing the employment history of a particular person.

Vice Chair Bell:

So moved.

Sherburne Abbott:

Second.

Chair Kauffman:

All in favor?

Members of the Committee:

Aye. Aye. Aye.

Chair Kauffman:

Any opposed? Right. The Members will now enter into an Executive session during that time, the webcast will remain up. Upon a return, we will reconvene the meeting.

Chair Kauffman:

I now reconvene the meeting in open session. No formal action was taken during the Executive session. The next item on the discussion agenda is the appointment of a Chief Program. Officer Members are asked to consider the appointment of Anthony Fiore as Chief Program Officer of the Authority. Anthony most recently served as Chief Decarbonization Officer with the city of New York, leading the team responsible for demand management and purchasing energy for all city agencies, cultural institutions, hospital, schools, and universities. He was responsible for managing the annual energy supply budget and the 10 year capital budget to develop and implement programs to achieve the city's one city built to last strategy of an 80% reduction of greenhouse gas emissions by 2050.

Prior to that, Anthony served as the city's director of energy regulatory affairs, acting as the primary energy policy advocate for the city before numerous State and federal agencies, and providing analysis on a wide range of regulatory and legislative matters related to energy. Anthony received a bachelor's in Science from Binghamton University and a Master's in Public Health for the Mailman School of Public Health Columbia University. I know that a number of Members have worked with or on the other side of the table from Anthony. Anthony will have a salary that's in line with other officers and adjusted in accordance with the formulaic adjustment equivalent to the position of the senior vice president and market development as was approved by the Members in June, 2021. Are there any questions? All right, there being none. May I have a motion for resolution number 1682 appointing Anthony Fiore as Chief Program Officer?

Vice Chair Bell:

So move.

Members of the Board:

Second. Second. Seconded.

Chair Kauffman:

All in favor?

Members of the Board:

Aye. Aye. Aye.

Chair Kauffman:

Any opposed? All right. So an enthusiastic in favor. So congratulations, Anthony.

Anthony Fiore:

Yes, thank you.

Chair Kauffman:

Speak for all of us when I say that we look forward to working with you on the Authority's . Important work. Anything you want to add?

Anthony Fiore:

Well, I'd like to thank the Board and, and all Members of NYSERDA for really entrusting me with the responsibility of this role. I don't think that there's any place where this work is happening with as much vigor as in New York State, and it's incredibly important to me personally. The, the mission that we have is something that's been ingrained with me throughout my life and I'm excited to be able to join such a great team. I have worked with many folks here and know the caliber of the team that's in place, and that's really exciting and for me to be able to, to join with, with all of you. So I look forward to it. Thank you.

Chair Kauffman:

Thank you. So now some bitter bittersweet announcement. I'm sorry to announce the departure of Chief of Staff, Jamie Dickerson. Jamie, you can't hide back there.

Chair Kauffman:

Can you move up here,

Jamie Dickerson:

<Laugh>? I was unaware of this.<Laugh>

Chair Kauffman:

Jamie joined the Authority four years ago as Special Assistant and Deputy Chief of Staff. And throughout his tenure, Jamie has been a strong leader, a founder of knowledge as well as an expert collaborator, and ensuring our stakeholders and agencies advance New York's clean energy and climate goals in a cohesive manner. And we saw Jamie's work this morning. Jamie worked on several of the Authority's initiatives, including development of the DEI Strategic plan implementation of CLCPA, assisting with Climate Action Council process, Jamie's good character and unflappable demeanor under pressure. His commitment to advancing our service culture, coupled with his incredible work ethic, has made him an invaluable Member of our organization, and he will be greatly missed. We will undoubtedly miss his exceptional character and incredible level of expertise and professionalism in achieving the clean energy goals of NYSERDA and New York. So, Jamie, I, I speak on behalf of all of us. I thank you for your hard work and your dedication on behalf of the Authority and the State and the people in New York.

Jamie Dickerson:

Having been on the other side of writing some of those farewells, <laugh>, <laugh>. But in all serious thank seriousness, thank you so much. And I think perhaps an odd juxtaposition, but the circle of life of personnel continues and the Authority is definitely in good hands. So it's just been an honor and a privilege to be able to work with this great team. I wanna thank you Board for everything and all the great teammates behind themselves. I'll miss I'll miss it. Thank you again.

Chair Kauffman:

Thank you, Jamie.

Jamie Dickerson:

Going, where am I going? Well, my only plans are no plans. Gonna be taking some time off and traveling with my wife.

Jay Koh:

So this climate changes thing is still happening.

Chair Kauffman:

Well, if we can help you, you know, you'll call on us.

Jamie Dickerson:

Thank you.

Chair Kauffman:

All right. The next item on the discussion agenda is report from the Authority's President CEO, Doreen Harris.

Doreen Harris:

And I am pleased to report I'm neither coming nor going. I'm sticking around with my sincere thanks to Jamie for being my partner in crime for so many years. Awfully you're gonna be missed not only by me, but by the entire NYSERDA team. It is a juxtaposition. I also couldn't be more excited about the addition of, of Anthony someone I've sat on the other side of the table from, from time to time. So it'll be great to have you on our side moving our mission forward together. And I know, I see I'm gonna <laugh> speak for all of us at NYSERDA, though. It's, it's, it's gonna be fantastic. And as you hear from me in my president's report, I look for 2023 is a year I look forward to with extraordinary optimism. Both with respect to the preconditions we have with an amazing law in New York that we are implementing, but an amazing team that is doing so here at NYSERDA.

So it's an exciting January and, and certainly more to come. So as you, if we turn to the next slide, as you heard me note during the Program Planning Committee meeting where we sit today in 2023, I do look forward to this year with, with optimism on balance. We have the federal tailwinds we've discussed as an Authority and as a Board. We have a Climate Action Council Scoping Plan that has now been finalized that I'll be talking about in just a minute. And we have some incredible implementation steps taken by Governor in our State of the State address that we will now set forth to implement. It is not lost on me, though, that there are particular challenges

that we must be aware of and be not only cognizant of, but adapt to with respect as we discussed with inflation, unprecedented inflation, supply chain challenges, the challenges of the changing climate and our resilience to that, those changes as well as the geopolitical uncertainty that we're all aware of.

That's impacting our work on balance, though, I would say as we move into 2023 there are very significant reasons that we can feel positive and move forward together. Next slide, please. And of course, it would not be a presence report if you didn't see me with a shovel, <laugh>, or a set of scissors. Because it is the case that we are hard at work in executing on our goals. And I'm fact, I was joined by Chair Kaufman at the groundbreaking for the Champlain Hudson Power Express transmission line in White Hall, New York. In the past quarter really exciting to see this project that we have advanced as a State and through New York City's support together and a real game changer for the decarbonization of the city the city's electric grid for certain. We also are taking seriously our involvement in our local communities.

And I wanted to note that we have now established 12 regional clean energy hubs around our State that are going to be really the face of our efforts in local communities delivered through community-based organizations and others to show direct impact on underserved communities across our state. And when we think about our work the Clean Transportation Prizes, I think are a great example of the ways in which we've come together as State agencies to really advance transportation solutions and mobility solutions around our state. So the Claim Transportation Prize awards were indicative of that. I was pleased to be joined actually by a number of Members of this Board Commissioner Dominguez certainly Commissioner Seggos and Chair <laugh>, Chair Christian as well over the course of the day and throughout those awards. So certainly exciting projects that we'll be advancing in various locations around the state. Next slide, please.

And as we had discussed as a Program Planning Committee and with a direct report from Executive Director Sarah Osgood, it is a very significant milestone that on December 19th, our Climate Action Council proceeded to a vote on the final scoping plan. The vote was 19 to three in favor of the plan, and ultimately, you can see the Members there, my Co-Chair by my side commissioner Seggos as always looking to execute on this plan as we move forward. But the process that we went through and the 400 plus pages that this represents is, I would say a very significant milestone, but also a very incredibly useful roadmap to help us achieve our goals together. Next slide, please. And when we think about really how we get from here to there, I wanted to highlight some of the key points within that scoping plan.

First of all, noting that the ambitious goals of the climate law we have concluded is feasible. We have action in all sectors that we need to be taking, but knowing what we need to do to get from here to there has been an extraordinarily useful opportunity for us to set forth pathways to do so. When we think about how we get from here to there, it is also the case that irrespective of the sector, electrification remains a major tool in our toolbox that we will be expanding at scale. And when we think about this, it's literally an order of magnitude difference as to what we're talking about in our sectors, notably in buildings and beyond to achieve these goals. But we have also concluded that it is certainly worth it. The major headline coming from our work is that the cost of inaction exceeds the cost of action by more than \$115 billion, such that when we think about the benefits, the health benefits, the carbon benefits and the economic benefits, they far exceed

the costs of these investments because of the fact that we will see major benefits in our economy, both through hundreds of thousands of jobs, but also with respect to costs, a very small direct cost relative to the size of our economy and of our spending.

So, all that to say as we turn in 2023 the Scoping Plan represents an important framework and an important group of analyses that help us move forward together. Next slide, please. And certainly, the State of the State address is always a good place to really set forth the ways in which we can move forward under the leadership of Governor Hochul. And in fact, on January 10th, she provided her first State of the State Address since her recent election as Governor of New York. And if we turn to the next slide, I can speak for all of us in saying we were thrilled to see the level and the ambition of the climate and energy proposals that were within her State of the State address, focusing on a few areas that I will speak to briefly here, and we've talked about throughout today's meeting.

First next slide, please. The Governor has proposed that DEC and NYSERDA execute on a cap and invest program for New York State New York. This was certainly a major aspect of the Scoping Plan as to an economy-wide strategy that could be used to actually realize the goals of the climate law and to bring forward investments at the same time in that, in those solutions that we seek. And so, we are at the beginning of a process through which we will be advancing this proposal from the Governor joining California and Washington as the third State with an economy-wide cap and invest system, and others joining as well. You will all know that we are part of a electric sector focused economy cap invest program known as the Regional Greenhouse Gas Initiative. This will build on this and touch on other sectors of our economy as well. Next slide, please.

And certainly cap and invest hopefully is, is, is a fairly well understood mechanism whereby every year we will set a pollution cap to lower, set it lower every year to meet our greenhouse gas emission reduction requirements. Notably, our 2030 and 2050 CLCPA goals and large scale greenhouse gas emitters and distributors of heating and transportation fuels will be required to purchase allowances for the emissions associated with their activities. This will incentivize businesses and other entities to transition to low lower carbon alternatives, and it will produce proceeds that can be used to support the critical investments that we know we need to be making to realize this transition. Next slide, please.

In doing so, though, the Governor did lay out some framework her priorities in advancing this capital invest program, notably affordability through the creation of a universal climate action credit climate leadership allowing our program to be built in a way that would allow linkages to other jurisdictions outside of New York and creating jobs and preserving competitiveness. That's one fantastic thing about a cap and invest program is that it can be designed in a way to protect existing jobs and to support new and existing industries as well. And with the framework of investing in disadvantaged communities, meeting or exceeding the CLCPA's goals for 35 plus percent of investments as well, and funding a sustainable future. So an advancement of ambitious clean energy investments to realize these goals. Next slide, please. I mentioned the climate action credit. The Governor has set forth a pro proposal to ask the legislature to create a credit that would be funded out of a portion of CAP invest proceeds to ensure that everyone in the State receives an annual rebate with low to moderate income households likely receiving an additional

payment. So this will be an important action that we will be working with the legislature to realize in the coming months. Next slide, please.

We had talked about buildings not only as the largest contributor to greenhouse gas emissions for our state, but also an area in which we have not only an opportunity to scale up, but I would say a necessity to scale up in order to reach our goals. So the Governor has instructed us not only to think about building from the perspective of investments, but also affordability. And so when we propose see the proposals here that she has laid out zero emission new construction by 2025 for smaller buildings in 2028 for larger buildings, for existing equipment prohibiting the sale of any new fossil fuel heating equipment by 2030 for smaller buildings in 2035 for larger buildings, and advancing a statewide system to assign letter grades to larger buildings statewide based on their energy usage. Fundamentally looking at ways in which we can begin over a series of what will be decades to transition our building stock to a cleaner, more resilient zero emission framework. Next slide, please.

And energy affordability is certainly a central tenant of these efforts and a few aspects of your state, of the State address. I wanted to highlight first, an expansion of our EmPower Program, a 200 million proposed program to serve 20,000 low income families to make their homes more energy efficient and comfortable. But in doing so, creating the energy affordability guarantee that would ensure low to moderate income. New Yorkers who participate in the EmPower Plus Program and fully electrify their homes will never pay more than 6% of their incomes on electricity. And this is something we're excited to work on with the Department of Public Service, in particular, to realize this critical point of connection. And then in the near term, a program to provide 200 million to provide expanded utility bill relief, 800,000 households with incomes under \$75,000 to help pay for their electric bills.

So certainly the governor's Executive budget address is now scheduled for February 1st. Over the course of this year, we will really see these programs advance. We will be working to implement all of them according to her directives and working through legislative, regulatory and expansive stakeholder processes to do so in a responsible manner. So, as I said, I will conclude my president's report by noting how excited I am on behalf of the Authority to implement both these programs and to do so with this framework of the scoping plan. Same time. So that concludes my remarks.

Chair Kauffman:

Thank you very much, Doreen. Questions for Doreen? Comments for Doreen?

Doreen Harris:

Okay, great. Thank you.

Chair Kauffman:

Thank you. So the, the next item on the agenda is a report on items considered by the Program Planning Committee. So I'm gonna do this on behalf of the Committee's chair, Shere Abbott, who, who did Chair the meeting but needed to leave. So I will I'll give her a report. So the Committee met earlier today, and quorum was present throughout the meeting. Committee received a report from the Authority's , Presidents CEO Doreen Harris, and various staff of the

Authority on the Authority Strategic Plan entitled Toward a Clean Energy Future, a Strategic Outlook, 2023-2026 presentation summarized the Authority's plans and goals for the next three years. This included the Authority's work and pursuit of its five mission outcomes, as well as toward building an inclusive clean energy economy, fostering healthy communities, supporting clean energy jobs, and accelerating the transition from fossil fuel natural gas to a low carbon future. And as you know, further details are included in your meeting package. And again, I want to thank all Members of the Committee and welcome any Member to join us in future meetings of the Program Planning Committee. So, based upon the presentation and what was an extensive discussion, the Program Planning Committee recommends that the full Board adopt the resolution approving strategic outlook for the next three years as provided.

So really very well organized <laugh>. Okay, so, all right. So now unless there are any questions, I'd like a motion for resolution number 1683, approving the Strategic Plan entitled Toward a Clean Energy Future, a Strategic Outlook 2023-2026.

Vice Chair Bell:

So moved.

Chair Kauffman:

Second?

Jay Koh:

Second.

Chair Kauffman:

Thank you. All in favor?

Members of the Board:

Aye.

Chair Kauffman:

Any opposed? Right. The Strategic Outlook is approved. Thank you. Okay, so now Committee received report from the Authority's, Executive Vice President for Policy and Regulatory Affairs, proposed revisions, the Authority's Regional Greenhouse Gas Initiative Operating Plan, Executive Vice President Williams presented the program plan for the next three years that included a balanced budget for that period. In addition Executive Vice President Williams discussed the various program allocations. Based upon the presentation and discussion, the Program Planning Committee recommends that the full Board adopt the resolution regarding the amendments to the RGGI operating plan as provided. So are there any questions? All right, so may I have a motion then for resolution number thousand 1684, approving revisions to the plan entitled Operating Plan that for the Department of Redundancy Department operating plan for Investments in the, in New York, Under the CO2 Budget Trading Program and the CO2 Allowance Auction Program?

Arturo Garcia-Costas:

So, moved.

Jay Koh:
Second.

Chair Kauffman:
All in favor?

Members of the Board:
Aye. Aye.

Chair Kauffman:
All right. The thank you. The revisions to the RGGI Operating Plan are approved. All right, so the Program Planning Committee received a report and recommendation from CFO Pam Poisson on the Authority's fiscal year 2023-2024, budget of finance plan, details of which are in your meeting package. Based upon the presentation discussion, the Program Planning Committee recommends the full Board adopt the resolution regarding the Authority's fiscal year 2023-24 budget and financial plan as provided. But we're not gonna do that. Now we're gonna talk, get a report from Chuck. Okay. And right? Is that right? Yes. Okay. Oh, alright. So now I'd like to ask, well, the Vice Chair and Chair of the Waste and Facilities Management Committee to discuss the portions of the budget considered by that committee.

Vice Chair Bell:
Thank you, Richard. The Waste and Facilities Management Committee met earlier today. The Committee received a full report from CFO Pamela Poisson, describing the significant fiscal year 2023-24 budget items that relate to the West Valley Site Management Program and to radioactive waste policy and nuclear coordination activities. The details of the budget are contained in your Board package based on Pam's report and the materials in the Board package. The Committee voted unanimously to recommend that the Board approved the budget for the West Valley Site Management Program and radioactive waste policy and nuclear coordination activities.

Chair Kauffman:
Any questions for Chuck on this portion of the budget? Okay, I have a motion for resolution number 1685, approving the Authority's budget for fiscal year 2023-2024. It's the whole budget, right?

Chair Kauffman:
All in favor?

Members of the Board:
Aye.

Chair Kauffman:
Any opposed? Right. All right. So the Authority's fiscal year 2023-2024 budget is approved. So, Chuck, now we're gonna go to you for a report on the remaining items discussed at the Waste and Facilities Management Committee.

Vice Chair Bell:

Thank you, Richard. The Waste and Facilities Management Committee received three updates on NYSERDA's West Valley Site Management Program. Brad Frank updated the Committee on the demolition of the main plans process building and stated that demolition is progressing as planned and is generally on schedule. The demolition activity is expected to last another 30 months. Andrea Mellon then updated the Committee on the North Slope stabilization project at the State Licensed Disposal Area. She said that the project was safely and successfully completed this field season, and some minor restoration activities will be completed in the spring. The final update for the Committee was from Paul Bembia, who provided information on the geology and hydrology of the State License Disposal Area. This information was presented as a follow up to a question from the committee's last meeting. And then our third agenda item was an update on Authority facilities. CFO Pam Poisson provided a report on the Authority's facilities, including an update on the Authority's two Albany locations. Members had an opportunity to ask questions and were satisfied with the answers. And then our final agenda item was an Executive session. The Committee met in an Executive session to, to discuss a proposed sale of real property. No formal action was taken. Mr. Chairman, this concludes my report.

Chair Kauffman:

Mr. Vice Chairman. Thank you. Other questions for Chuck? Okay, so no formal actions required. Okay. So the next item on the discussion agenda is report on the items discussed by the Audit and Finance Committee. That Committee's Chair, Jay Koh will discuss this item.

Jay Koh:

Thank you, Mr. Chairman. The Committee met earlier today and a forum was present throughout. First, the Committee received a report from the Authority's ' Chief Financial Officer Pam Poisson on the Authority's recent risk assessment. He was able to ask questions and was satisfied with the discussion. I just wanted note that that included a review of the current assessment regarding cybersecurity and over a series of different control processes. And there's a discussion about the balance between effective controls and efficiency in the operations of the authority. They also discussed the increasing profile and importance of NYSERDA and its mission and the energy transition here in the state, and the increasing non potential interest that folks might have in in attacking the Authority's, cyber architecture, et cetera, et cetera. And that result of that is a continued vigilance and focus on this in accordance with good practices of that line somewhere with third party advisor. Next Mary Peck, the Director of Internal Audit, provided the Committee with a report on internal audits, recent activities and adjustments to the internal audit rotation plan.

We also received an update that potentially revised plan may be delivered to the Board in April timeframe. But it's consistent review process of how we're doing internal audits on different aspects of the, of the Authority's operations. The Committee had no concerns with the result of the recent audits. Just wanted to also note my thanks to the professional staff of the agency that was involved in the risk assessment and to Mary Peck and her leadership on the internal controls process, which I think is very important. Sometimes not as highlighted as exhibit. That concludes my report.

Chair Kauffman:

Thank you, Jay. Questions for Jay. And again, I, I would like to encourage any Members that are interested in joining the Audit and Finance Committee. It's always a stimulating meeting.

Jay Koh:

Thank you.

Chair Kauffman:

Okay. No formal actions required. So the next item on the discussion agenda's report on the recent activities of the NY Green Bank from its President, Andrew Kessler, Andrew.

Andrew Kessler:

Thank you. Next. Yeah, super. Alright, thank you. Good afternoon. Thanks for the opportunity. Present today as Richard Set. I'm Andrew Kessler, president of NY Green Bank. Next slide, please. So this is kind of our dashBoard. So since our last presentation to the Board in October, we've been very busy closing out the year with our second strongest quarter ever. We closed nine transactions totaling \$188.4 million in new commitments, including our first electric vehicle transaction fiscal date. Year to date, a NY Green Bank has closed 14 transactions totaling \$219 million and new commitments with \$55 million or about 20% of that benefiting disadvantaged communities. This brings us in, in aggregate very close to achieving our annual commitment goal of \$225 million, which we expect to exceed literally this week with the closing of a \$23 million pre-development loan for the rehabilitation of NYCHA Owen multi-family building buildings located in eight disadvantage.

So we're pretty excited about announcing that later this week. Also, during the quarter, we continue to execute into our community decarbonization fund, work stream readying this initiative for launch. By the end of this fiscal year, we've also been very busy evaluating opportunities arising from the historic passage of the Inflation Reduction Act, including participating in both the EPA and the Environmental Finance Advisory Board Stakeholder engagement process. Which basically with were a series of RFIs to inform the design of that \$27 billion Greenhouse Gas Reduction Fund. I'll talk more about that later. It's super important. We've also been working closely with our NYSERDA colleagues and external PR firm to develop a strategy for elevating NY Green Banks public profile, including web enhancements, media planning, and a campaign to celebrate our 10 year anniversary. Yes.

More to come on now. We're pretty excited to roll that out in the coming fiscal year. As part of our liquidity management effort, we've identified a portfolio late loan sales process as a viable tool to enhance our liquidity. And we've actually already started pre-qualifying several institutions for admission into what we're calling NY Green Bank's eligible purchaser pool to you know, to enable us to efficiently close into those transactions with future loan sales. All this activity, obviously is happening on top of our regular business as usual activities, including addressing staffing needs and also organizational optimization efforts. So with that summary, I think I'll be able to move fairly quickly hitting some of our key annual deliverables. Next slide, please.

So with respect to commitment of funds, as I mentioned, our, we've got a \$225 million annual commitment goal. We are very close, as I've mentioned, to achieving that already. We're having closed 14 transactions totaling \$219 million and we've got about a \$300 million, \$300 million pipeline of opportunities that we're, we're pretty encouraged about a go forward basis to continue to drive deployment. Our pipeline continues to present exciting opportunities with respect to our priority segments, including clean transportation, energy storage, affordable housing, and building organization. Over the past quarter, we closed, as I mentioned, our first clean transportation transaction, which we'll talk a little bit more about. We're excited to see progress against that, that goal. We have a hundred million goal, just as a reminder in that asset class to be achieved by the end of 2025. And on the top of the slide, you'll see the cumulative impact of our progress since, in inception, 1.96 billion, pretty close to the \$2 billion milestone of committed capital. We've already exceeded that with respect to deployed capital. We've got some revolvers that we're, we're recycling about 1.5 billion successfully re repaid since inception. And importantly, while we're doing this in the first place, mobilizing over \$5.5 billion of capital resulting in 441.5 million metric tons of emissions emission notions. Next slide please.

With respect to the CDF, our, our key component of our disadvantaged community strategy certainly we've made a lot of, of, of progress advancing those on a bilateral basis. But our most significant commitment in this in this area is the development of our community decarbonization fund, which is meant to provide \$250 million of low-cost capital to lenders. So, for example, CDFIs or community development financial institutions and other impact-oriented specialty fin codes to expand their capital base for funding decarbonization projects and disadvantaged communities. They're already very active in these communities, and we wanna make sure that they have the capital to shift, in some cases shift, and in other cases, expand their focus in decarbonization oriented investments. We're nearing the con conclusion of this work stream, including our engagement with a third-party advisor who helped us with some key support and assistance in standing up this important funding pathway. My work included a detailed market assessment to better understand market needs, demand for the product and, and the identification of target borrowers. Now we're working to execute the launch, including logistics such as finalizing communications plan development of our RFP for proposers to respond into operationalizing and integrating the CDF into our existing functions and operations. We're on track to meet this to meet our launch goal by the end of this fiscal year. Next slide, please.

So in addition to launching the CDF, we are driving forward on, on our other commitments to support financing solutions to underserved communities. Since January 1st, 2020, 21% of NY Green Bank's investments have supported underserved communities, which is really excellent progress towards our goal of achieving at least 35% by 20, by December 31st, 2025 fiscal year to date fi of this fiscal year to date, we've already closed, as I mentioned, \$55 million or about 25% of our capital into disadvantaged communities, including \$22 million in affordable housing projects, and \$33 million in building electrification projects. Next slide, please.

With respect to our public commitments and other key asset classes, we're making excellent progress toward closing funding gaps and energy storage and clean transportation. We've executed \$54 million in energy storage transactions and have \$110 million in identified pipeline opportunities in that asset class in clean transportation. As previous previously mentioned, we close our first transaction in November \$10 million. And in the next slide I'll do speak briefly

about that specific transaction. And, and we've got about \$57 million in identified pipeline opportunities within clean transportation. Next slide, please. So, November, 2022, we close the \$10 million revolving credit warehouse facility with tenant. This facility contains an accordion feature that provides up to an additional \$15 million of capital to support financing of electric passenger vehicles in New York State. Based on our modeling, this transaction has a potential to reduce up to 65,000 metric tons of CO2 emissions over the lifetime of the investment.

We're very excited about this transaction and our role in helping tenant expand their business in New York State and encourage the adoption of, of electric vehicles. This is exactly the, the type of sort of precedent setting gap filling activity that, that we think, you know, can be replicated and scaled and into other sectors in order to fund the energy's transition. Next slide, please. Does, how does it work? Yeah, so basically we're providing capital to tenant, which is providing you know, loans for electric vehicles. That's what they're focused on. The, the particular risk profile associated with those types of, it's not near traditional ice or, you know type, which is obviously a very mature lending market already many of us have carload or whatever. But this, this particular one is a, a dedicated and targeted financing product that I think is gonna help folks, you know, many of whom are currently purchasing outright cash.

But we want to encourage the adoption by enabling the financing of these vehicles as well. In, in turning now to our communications priorities for the year, New York Greenbank engaged a third party firm to help scope out a strategy for advancing our, a broadening profile EL elevation in alignment with our 10 year anniversary campaign. This work stream is progressing well and efforts are underway to evaluate media opportunities and look for ways to utilize media analytics to inform communication best practices, ensure that media is reaching target audiences. Our 10 year anniversary campaign will highlight our key milestones our impact with respect to our financings on clean energy markets since inception. And finally, we're working with NYSERDA to, to launch a refresh web website to make it easier for potential borrowers and other stakeholders to navigate and access our resources. Next slide, please.

So, in, in anticipation of further liquidity needs as I mentioned, we did launch an effort last year, June 20th, 2010, 22, to pre-qualify interested party parties into what we're calling our eligible purchaser pool. Thus far, 13 institutions have been a admitted, including banks, asset managements firms, impact investors, all of whom are accredited investors, and meet the definition of a qualified institutional buyer demand for purchasing NY Green Bank, underwritten loans, strong and this provides uswith, with, with the comfort that we do have a good liquidity pathway as we need it to enhance our balance sheet. Next slide, please.

I think this is just about wrapping up on the last key point, which is enhancement of our operations and portfolio management capabilities. And so I'm just gonna touch on four quick specific deliverables under that umbrella that are either on the well underway have been completed or are nearing completion on the climate resiliency front we have developed a scope of work and an RFP develop is under development to identify a third party to assess and score our portfolio from a risk climate risk perspective. With respect to metrics and reporting, we continue to monitor criteria being developed by the Climate Justice Working Group to ensure that we're accurately and clearly presenting our benefits to the benefits of our investments especially those in relation to underserved communities. With respect to the transition from

LIBOR to SOFR that, that transition is largely completed we've done the work necessary to enable us to efficiently convert our existing loans from LIBOR base to SOFR base base rate.

And going forward, we're closing in into our new transactions on a sofa basis. And finally, on process improvements we conducted a self-assessment of NY Green Bank's processes and procedures. Basically, how do we work smarter without compromising our underwriting and portfolio management quality without compromising our prudent legal and risk controls? Through this process, we identified three key areas to prioritize efficiency, training and risk and return. Those, each of those have work streams associated with them, and we're, we're expecting some real value to come out of that, which hopefully I'll have more say in the coming quarters. Last slide, please.

Yes. So last but not least, lemme say just a few words about the historic passage of the Inflation Reduction Act here at Green Bank. Along with NYSERDA colleagues have been evaluating a variety of federal funding opportunities that could materially enhance our ability to close funding gaps and accelerate the development of decarbonization projects in New York State. Part of the IRA, the key part that we're focused on is the \$27 billion Greenhouse Gas Reduction Fund, which is to be administered by the EPA. On December 5th, we responded to the EPA a's request for information to inform the, the design of the program. We expect the EPA to release its notice of funding availability imminently by February 12th that will land and we will be studying that very carefully that will launch the application process for that funding pathway. We're working closely with our NYSERDA colleagues and in some cases across the State with other agencies to coordinate on how best capitalize on this historic opportunity for the benefit of the state. That slide please. That's it. Yeah. So thank you very much for the opportunity to update you on our activities. This concludes my prepared remarks. Happy to address any questions.

Chair Kauffman:

Got a couple questions. That's okay. So in terms of the ability, the abilities for selling your loans, I'd like to know how much of that is risk management and how much of that is the fact that you have more demand for lending than you have available capital?

Andrew Kessler:

It's much more the, the latter than the former. Okay. and we've developed a pretty, I think at this point, robust financial model that really gives us a, as, as clear of a line of sight as to when we're gonna need more capital. When we actually retained service party provider last year to help us, you know, put together a model that really is informed by best practice. So, you know, at this point if there's nothing near term that, that, that that I'm prepared to, you know, to highlight or, or any anticipated we will for, for, for a portfolio asset sale. But we're, the important thing is that the process plumbing the identification of pre-qualified buyers is all ready to go, you know, as we need it, we can close in pretty efficiently.

Chair Kauffman:

So the, the other question I had is so you lend a floating on floating rate?

Andrew Kessler:

Basis, so on construction loans and during loan, during the, the point portion of loans that have an availability period, we're, we're, we're landing on a floating basis. Quite often, if, unless it's a club deal or a syndicated deal we typically fix at the end of the availability period, or at the time a construction loan turns out we fix.

Chair Kauffman:

Okay. So that migration from LIBOR relates to short-term construction types?

Andrew Kessler:

It does, except for during club deals. For the most part, those continue even on a term basis to be to be floating with the requirement of the borrower to, to hedge.

Chair Kauffman:

Okay, thank you.

Arturo Garcia-Costas:

So with, with respect to the community tradition fund are you, could you describe a little bit the outreach that you're doing? The trust has, has partnered with NYU to create a, a searchable database of, of portfolios of mortgage lenders that are subject to Local Law 97 and the and the carbon emitted by their individual buildings. And I just wanna make sure that they're connected to what is happening right now, to put that data in there as, as needed. And also CDFIs across the State are, are doing like training sessions or, or consultations, that kind of thing. I'd like just to know what's going on with that?

Andrew Kessler:

Yeah. So just as a reminder, this is a pathway to enhance the balance sheet of CDFIs and other Yeah. Yeah. So we are working with them to provide them with those types of resources so they can look efficiently. We talked, it was some talk about this earlier, and I can follow up with you say on, on some of the discussions we've had about specific products that are already underway to help lenders assess across their sort of target area focus, you know, which buildings, you know, could be, you know good opportunities mm-hmm. <Affirmative>, you know, for, for upgrades. And so yes, we're working on tapping into those and connecting them to the CDFI communities that, that we're, we're expecting to effectively, you know, lend into, through this, through this program. It's a very, you know I think from their perspective, very attractive program relative to the, the cost of the capital that, that they've seen before.

So we, we'll, we'll be able to announce the specifics, you know, pretty soon. But it is a highly subsidized rate. It has a long tether. And I think it's, it's very easy to comply with in terms of not having an amortization profile that is effectively a long-term bullet and there's some sweet mechanics in there. In other words, lose it or, you know, use it or lose it type concept so that we can get our capital back program is not operating as expected with the particular borrower. So the capital will be there and either enable folks that are already doing this work to have, you know, pro-actively price capital to do more of it, or in some cases provide them with the incentive to shift away from some of the traditional types of investing activities that they have been doing and, and focus more on decarbonization type projects.

And whether it's helping connect them to nester programs that could help, you know, help them understand and connect with their, with their underlying borrowers. Some of the incentive programs that could help you know, better pencil these projects or connecting them to other resources like you mentioned that, that help them as lenders assess where the opportunities might align those. That's all the work we're, we're certainly intending to do. So it's not just about writing a check, it's really about, you know, dialoguing with them and helping, helping them understand how to, you know, how, how to, how to use that capital the most effective.

Vice Chair Bell:

I had a question about that program as well. For all the different geographic areas that we seek to serve, you listed like six different types of entities like CDFIs and community banks. Are there some areas that are not served by institutions doing this type of lending? I would say could we get enough geographic coverage, cover all the disadvantaged communities?

Andrew Kessler:

Our intent would be, yes. You know one of the things that our consultant did was a, a market outreach to all of these CDFIs and other impact-oriented specialty FICOs, both nationwide as well as those operating in New York State, nationwide. Importantly, to say, you know, why aren't you in the stable, right? What can we do to, you know, what is, is there something about your charter? Is there some restriction? You know, so we want to, we want to dialogue with all of them even those that are more regionally close for whatever reason. And talk to them about opportunities in New York state. We want talk on a national basis to make sure that, you know, yes, you have a national remit, this is a great opportunity here, let's focus, let's talk about that. And of course, those that are already New York centric, making sure that they cover not just downstate, but you know, mid-state and upstate as well.

Vice Chair Bell:

Thank you.

Sadie McKeown:

I think one of the challenges is that they're there, there's, there's a huge footprint so that there's coverage from all these types of lenders, but they might not do the green lending,

Andrew Kessler:

Right.

Sadie McKeown:

And so the, the ability for the NY Green Bank to provide the technical capacity to help them learn how to do it, I think is, is really think it's, it's really important cuz they don't have a source of capital to address climate. So they don't, doesn't mean they don't want to, it just means they just, they can't at the moment. So I think it's a great opportunity. It'll, it'll work for some very well for some things not so well for other things like longer term investments, but I think it's a great way to, to get those institutions to really start to address climate.

Andrew Kessler:

And there was an effort by New York Fed, you know, left sort of mid, mid to wrapped up late last year. That was super helpful. And, you know, bringing folks to the table, I think you were very key part of those discussions. Not that I thought that was super helpful to get folks around the table to understand where the opportunity is line where they can deliver their, their strengths, how set others' weaknesses. So collectively.

Sadie McKeown:

Right.

Andrew Kessler:

You know, folks are well, well attuned to, you know, how best to, to approach the role challenges we discussed, discussed is, is, is decarbonizing these buildings, it's the, it's the hardest part of the value chain.

Chair Kauffman:

I'd like to thank Sadie cuz she is really very helpful in the development of this whole strategy. Yep.

Sadie McKeown:

I had a question on the grievance gas reduction fund. How much do you think you will be able to access?

Andrew Kessler:

Great question. Hundred percent. Yeah.

Sadie McKeown:

It could be transformative. All the liquidity needs and secondary. So

Andrew Kessler:

Yeah, look, I look we will, we'll give you a range. So, you know, we're, we're, we're likely gonna be, you know, somewhere hovering in the, you know, high nearing a billion to \$3 billion across not just NY Green Bank, but, but across State. That would be my best guess today. But, but of course that's subject to continued feedback and analysis by all of the different business units at NYSERDA, you know, that, where that, that capital can be quite relevant. So, you know, that is where that's, that's the work that's currently being done, but it's a big number. And, and you know, we are very, very plugged in to, to try to optimize, you know, sort of maximize the opportunity for the force.

Sadie McKeown:

And where did you get the February 12th date?

Andrew Kessler:

So I, I think the law requires the EPA to commence making funding available by some number of days,

Arturo Garcia-Costas:

180 days.

Andrew Kessler:

180 days following the passage of the law. And if you do that math, the math, you bet, excuse me. Now that assumes that they meet the return that, well, they're not going to start funding hundred and 80, but I think the way EP is interpreting it is that by commencing the application period, that will satisfy that requirement. But there, there's no funding event commencing 180 days after the Yeah. But, but we think that, that, that, that, that because of that, that's our, at least have to make that, that nofo available.

Sadie McKeown:

Yeah, no, I, I I'm with you on the date. I just thought maybe you had heard from someone. Yeah, EPA is pretty tight. But yeah,

Jay Koh:

A couple quick comments if I could. The first is obviously I think that's a critical question because it addresses the fact that we spent 10 years in New York State building of vibrant, efficient, effective mechanism to deploy the funding against exactly the same sets of priorities. If not, we're deeply thinking about LMI and a few other these areas. And I hope that in the outcome of that engagement, it's not just sourcing funding, additional funding for the State of New York, but also bringing forward a lot of those lessons learned. I think it's be a shame if we spend another 10 years rebuilding an entire institution from scratch and learning all the lessons that we had to learn along the way. We got to break even faster. We were able to put together the right teams. So I think having sat on the advisory Committee to the New York Greenbank since 2014, it's been great just to see the execution notes.

So I hope really and strongly applaud and encourage more engagement in that process. And to the extent that New York State can be a model for other states or other institutions that are going after similar kinds of funding the case study that is how do you take an institution and green it green existing institutions or build it? And lessons learned, I think could be valuable and serves the mission. And I serve, broadly speaking, to examination about how to strategically affect that transition. So I strongly encourage that to follow up around that. But the second point is it's always great to see resilience show up. I'm glad there's an RFP being drafted around it. It's, it's nice to see a start in the ex post analysis of the portfolio. I think it's earlier conversations we had today in the Program Planning Committee. I would be really interested in an x anti analysis about where there's, where there's a really clear metric, like what are we gonna measure here that actually tells us whether something is or isn't resilient. And if we're designing energy storage for energy demand, that was okay in 2010, but it's gonna be completely obsolete by 2025 because we'll have these spikes in heat events in every, so right. Extreme weather events. If we're doing transmission and distribution investments, then I'm counting for gram dramatically more extreme wind events or storm events will simply have credit losses. And the success of this kind of mechanism will be dramatically undermined.

Andrew Kessler:

So yeah. And, and, and the credit's just the credit's really important obviously, but the idea isn't just to fix the credit.

Jay Koh:

Yeah.

Andrew Kessler:

We don't want these things built in place where they're not gonna last in the first place. Right. Even if you have insurance and other.

Jay Koh:

Absolutely.

Andrew Kessler5:

To cover the credit. That's, that's not, that's not, so that's not what we're looking to do from this analysis. This analysis is meant to score us to say, how have we done historically and where could we improve so that going forward we're underwriting into assets that, that have the resiliency we're looking for. Of course, we'll, we'll add the bells and whistles for credit mitigation, you know, for the, for these types of risks. But importantly, we wanna make sure that our IES and other advisors that we work with are helping us make good, you know, good investment decisions about where the, where these assets are located and how they're built.

Jay Koh:

Well I think in that sense you know, this is the current part of NYSERDA's engagement with the financial sector. We just talked about CDFIs in greening that sector. If there are lessons learned about our own performance financially that can be transmitted as we say, look, you know, we're doing building retrofit for decarb. You should look at the following flood projections, not blood projections from 1970, which is about 30% of FEMA flood match right now or more. And so I think if there's ways to begin a process of thinking through how to transmit practical lessons or in the underwriting process, or we begin to require that kind of analysis that takes advantage of NYSERDA's expertise, we can do the resiliency analysis ourselves. Say, look, you know, flood projections will look different going forward if we're gonna go through the brain damage of, you know, transforming 2 million homes into climate friendly. They better be climate resilient. If we're gonna work with other institutions that are beginning to get into the decarbonization investment area, we should teach them about and start to set standards around, you know, how those buildings survive to 2030, 2050 and beyond because we're gonna be underlying backstops to those things, we can actually have a much bigger effect. So it's not just crowding in capital. It's also crowding in these kinds of standards.

Andrew Kessler:

Right.

Jay Koh:

And so I'd strongly, we

Andrew Kessler:
Don't exist today

Jay Koh:
that piece. Yeah.

Andrew Kessler:
We're building that.

Jay Koh:
Well luckily we have some technical expertise in the rest of the agency.

Sadie McKeown:
I think the lesson is beyond just the Green Bank, it's NYSEERDA.

Jay Koh:
Absolutely.

Sadie McKeown:
To make sure. What's happening in New York is, is the template for what the IRA is gonna drive nationally.

Jay Koh:
I hope so.

Sadie McKeown:
The need, the tech, I mean the reason New York is where it is from my perspective, having worked with NYSEERDA for 25 years of NYSEERDA programs is because NYSEERDA has been there moving the ball forward and educating owners and people and legislation and informing everyone about how to do this. So there's a lot of, there are a lot of lessons for lenders with the money coming into the Greenhouse Gas Reduction Fund for sure with the NY Green Bank. But more broadly, just all of the work that NYSEERDA has done to advance. Cuz there are lots of things that don't, that haven't taken

Jay Koh:
Absolutely.

Sadie McKeown:
Climate seriously yet. And so they'll, there are templates here that, and I'm not looking to put more work on or explain it here but I think naturally it's just gonna happen. Yeah.

Jay Koh:
The last comment here is I think it's great that we're gonna celebrate the successes of the Green Bank and increase its <inaudible> because we should. And it does serve that lighthouse function as a model for other institutions. And we, we see it in the global context to <inaudible>. There's been multiple analyses done in the international development context about how the NY Green

Bank has operated in success. Just putting on my audit and finance hat on again, at the same time that you increase the profile and the website presence and everything else, please take account of the fact that also that paints a bigger target on NYSERDA and in your agreement from a security standpoint and to think through the timing of that. So we're prepared in case, you know, we start to get a lot more inbound of a kind that we don't necessarily want. Yeah, I think it's a great, great opportunity.

Sadie McKeown:

More over, if you take federal grant,

Jay Koh:

Hundred percent

Sadie McKeown:

There's a huge spot. So that's another

Jay Koh:

Thanks for your report.

Chair Kauffman:

Thank you. Other questions or comments? Albany? Anything for Andrew?

Basil Seggos:

No, sir. All good.

Chair Kauffman:

Okay. Thank you all. Andrew. Thanks again. So we now turn to the consent agenda. There's one item on the consent agenda. Resolution number 1686 would approve the periodic contracts report. Council's office has compared the list provided by Members of entities with which each Member is associated, which he or she believes may enter into contracts with assert to the list contracts in the periodic contracts report. Council's office reports, there are two potential conflicts. The Cadmus Group identified by Jay Koh and Alliance for Sustainable Energy LLC identified by me. I will recuse myself from the vote on this contract. And Jay, can we assume that you will recuse yourself from the vote on the Cadmus contract?

Jay Koh:

I recuse myself from that.

Chair Kauffman:

Are there any questions on this item? May I have a motion then for resolution number 1686.

Vice Chair Bell:

So moved.

Jay Koh:

Second.

Chair Kauffman:

Okay, great. All in favor?

Members of the Board:

Aye. Aye.

Chair Kauffman:

Any opposed? Thank you. The resolution's approved. We now turn to other business. We have one item under other business at the end of February. Each of the Members will receive the Annual Board Member Evaluation is required by the Public Authority's Law. This will be emailed to you using an online tool. Qualtrics, as you know, this is an important opportunity for the Members to provide feedback on the workings of the Board and its Committees and encourage all of you to take the time to respond. We ask you to complete the confidential form. Return it by the first week of March, 2023. Your responses will be compiled in the annual report and any recommendations will be reviewed by the Governance Committee later, the full Board. Are there any other matters the Members like to discuss? In that case, we have a motion to adjourn the meeting.

Vice Chair Bell:

So moved.

Jay Koh:

Second.

Chair Kauffman:

All in favor?

Members of the Board:

Aye. Aye,

Chair Kauffman:

Meeting adjourned. Thank. Take care everyone.