NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 227th Meeting

Held on June 18, 2015

Pursuant to notice and an agenda dated June 9, 2015, the Annual Meeting (227th meeting) of the New York State Energy Research and Development Authority ("Authority" or "NYSERDA") was convened on June 18, 2015, at 1:30 p.m., in the Authority's Albany Office at 17 Columbia Circle, Albany, New York; and in the Authority's New York City Office at 1359 Broadway, 19th floor, New York, New York.

The following Members of the Authority were present:

Richard Kauffman
Sherburne Abbott
Charles Bell
Kenneth Daly
Jay Koh
Joseph Martens
John McAvoy
Gil Quiniones
Jigar Shah
Elizabeth W. Thorndike, Ph. D.
Mark Willis
Audrey Zibelman

Member Joan McDonald was unable to attend.

Also present were John B. Rhodes, President and CEO; David L. Margalit, Chief Operating Officer; Janet Joseph, Vice President for Innovation and Strategy; Jeffrey J. Pitkin, Treasurer; Noah C. Shaw, General Counsel and Secretary; Sara L. LeCain, Esq., Senior Counsel; Cheryl M. Glanton, Director of Contract Management; Patrick O'Shei, Director of Performance and Market Standards; Dean Gessler, KPMG, LLP; Anthony Belsito, New York State Department of Public Service; Michael Bailey; and various other staff of the Authority.

The Chair 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 June 9, 2015. Mr. Kauffman directed that a copy of the notice and agenda be annexed to the minutes of the meeting.

Mr. Rhodes provided the Members with an update on recent activities of the Authority including the Authority's progress on the Clean Energy Fund ("CEF").

The Chair indicated that the first two items on the agenda pertain to matters considered by the Program Planning Committee ("PPC"). Mark Willis, Chair of the PPC, reported that the PPC met shortly before the Board meeting. The PPC received a report from Jason Doling, Program Manager for Energy Storage, on the New York Battery and Energy Storage Technology Consortium ("NY-BEST") activities and recommendations for modifications to the Clean Air Interstate Rule ("CAIR")/NY-BEST Operating Plan.

The PPC unanimously recommended approval of these amendments to the CAIR/NY-BEST Operating Plan.

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

Resolution No. 1423

RESOLVED, that revisions to the "Clean Air Interstate Rule (CAIR)/New York Battery and Energy Storage Technology Consortium™ (NY-BEST) Program Plan" presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, are adopted and approved;

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

Mr. Kauffman stated that the next agenda item was for the Members to consider a resolution approving revisions to the Regional Greenhouse Gas Initiative ("RGGI") Operating Plan. Mr. Willis reported that David Coup, Assistant Director of Energy and Environmental Analysis, described the stakeholder process and proposed changes, which included input from the RGGI Advisory Group and the general public.

The PPC unanimously recommended the approval of the proposed amendments to the RGGI Operating Plan.

Mr. Daly noted that the PPC discussed the funding levels and asked that management have a process in place to monitor the budget and report back to the PPC. The PPC will then determine whether the Members need to take action.

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

Resolution No. 1424

> RESOLVED, that revisions to the "Operating Plan for Investments in New York Under the CO_2 Budget Trading Program and the CO_2 Allowance Auction Program" as presented to the Members for consideration at this meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate, are adopted and approved;
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> AND BE IT FURTHER RESOLVED, that the Members direct the President and Chief Executive Officer to develop a revised operating plan incorporating such revisions as soon as reasonably possible.

The Chair then asked Mr. Willis to report on the remainder of the discussions at the PPC. The PPC received reports from Doreen Harris, Program Manager for Grid-Tied Renewables, on recent activities regarding large-scale renewable (or, "LSR") energy development, which is being addressed as part of both the larger Reforming the Energy Vision ("REV") regulatory proceeding and the Clean Energy Fund ("CEF") proceeding before the New York State Public Service Commission ("PSC") and from Alfred Griffin, President of the NY Green Bank, on the recent NY Green Bank activity.

Mr. Willis indicated that Mr. Griffin described several instances in which the NY Green Bank brought parties together, but did not participate in the transaction. The PPC requested that Mr. Griffin provide the PPC with a report on all transactions, not just on transactions closed.

The Chair indicated that the next item on the agenda was a report on the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report. Patrick O'Shei, Director of Performance and Market Standards, indicated that in accordance with the requirements of Section 2800 of the Public Authorities Law, the Members are requested to approve the 2014 Operations and Accomplishments and Mission Statement and Measurements Annual Report. The report contains the Authority's accomplishments as well as a listing of material changes in operations and programs. Of significance in the 2014 report are: the organizational changes that were taken to support the strategic focus under the CEF and to streamline operations of the Authority; and the start of NY Prize, the Authority's innovative Micro-Grid competition. The Authority achieved progress across all of its major areas of focus although 2015 targeted increases are suppressed by transition away from Energy Efficiency Portfolio Standard and System Benefits Charge funding and strategies.

Mr. McAvoy commended the Authority on the amount of savings achieved and indicated that it was a testament to the long-term success of the Authority.

In response to an inquiry from Mr. Daly, Mr. O'Shei explained that the metrics show the overall residential activities undertaken as opposed to the actual measures incorporated.

In response to an inquiry from Mr. Daly, Mr. O'Shei indicated that the Authority reviewed how it was meeting its goal of training workers for the clean energy market. Based on the results, the Authority has refocused its training efforts to more specialized areas such as solar as opposed to general training for the residential market. Mr. Margalit explained that the Authority will be looking at placement and career advancement as it develops its future training initiatives.

In response to an inquiry from Ms. Zibelman, Mr. Daly indicated that the utilities could work with the Authority and schools to develop training for industries entering the market.

With respect to developing future measures, Mr. Koh suggested that the Authority look at the resiliency of the measure itself and whether it is adaptive. Mr. Quiniones suggested that future reports should list the metrics as red, yellow, green so that the Members can focus on the areas that may need improvement.

In response to an inquiry from Mr. Daly, Mr. O'Shei indicated that the metrics are developed based on a comparison to previous targets. However, Mr. O'Shei explained that for this year's report, the Authority focused on its ability to fund additional targets. Mr. Margalit added that these metrics are legacy metrics, which will be adjusted in the coming year.

In response to an inquiry from Ms. Zibelman, Mr. Willis suggested that the PPC should devote some time at a future meeting to developing the Authority's future metrics.

In response to an inquiry from Mr. Shah, Mr. Kauffman explained that the Authority is transitioning to become an enabler of markets. The goal remains doing things that are of benefit to customers. Mr. Daly stated that if assumptions are made based on factors that change, then the Authority needs the flexibility to make adjustments. Ms. Zibelman concurred, but cautioned that there is still a need to understand how the Authority plans to meet its goals. She stated that the Authority will need to propose activities to the PSC and once approved, the Members will be able to determine the metrics. Mr. Kauffman agreed and indicated that the Authority's filing will include proposed activities and corresponding metrics.

Ms. Joseph stated that staff would welcome the Members' input on what indicators should be put in place. Ms. Zibelman added that the PSC should be reviewing the same information as the Members. Mr. Koh indicated that the Members should seek suggestions from staff and then schedule a PPC meeting to discuss the concepts.

Dr. Thorndike requested that the Members be provided a new organizational chart that better describes the various programmatic units.

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

Resolution No. 1425

> RESOLVED, that the Authority's Operations and Accomplishments and Mission Statement and Measurements Annual Report as presented at this June 18, 2015 meeting is adopted and approved for submission under Section 2800 of the Public Authorities Law.

Mr. Kauffman stated that the next several items on the agenda pertained to matters addressed by the Audit and Finance Committee ("A&FC") earlier that day, and he asked Committee Chair Jay Koh for a report. Mr. Koh stated that the A&FC reviewed the Annual Investment Report for the fiscal year that ended March 31, 2015, and the proposed 2015 Investment Guidelines. The Investment Report was reviewed in both open session and in executive session with only the independent auditors present. The Report indicates that the Authority's overall investments increased from $1.4 billion to $1.6 billion, principally from collections for the Renewable Portfolio Standard, the Energy Efficiency Portfolio Standard, RGGI auction proceeds, and an increase from the NY Green Bank from the collection of a receivable from the prior year. Total interest earnings for the fiscal year ended March 31, 2015 were $9.7 million, compared to $8.1 million for the prior year. The rate of return remained the same at .7%.

Mr. Koh stated that the Authority's independent auditors reviewed the Investment Report and said that nothing came to their attention that indicated that the Authority was not in compliance with the Investment Guidelines. No changes to the Investment Guidelines for the upcoming fiscal year are recommended. Mr. Koh stated that the A&FC unanimously recommended that the Board approve the Annual Investment Report and Investment Guidelines.

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

Resolution No. 1426

> RESOLVED, that the “Investment Guidelines, Operative Policy and Instructions (June 2015),” as presented at this June 18, 2015 meeting, are approved and adopted; and
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> BE IT FURTHER RESOLVED, that the Authority's “2014-15 Annual Investment Report,” for the year ended March 31, 2015, as presented at this June 18, 2015 meeting, is approved and adopted as the annual investment report of the Authority required by Section 2800 and Section 2925(6) of the Public Authorities Law.

The Chair then asked Mr. Koh to report on the Annual Investment Report for the NYSERDA Other Post-Employment Benefits (“OPEB”) Trust for the year ended March 31, 2015 and the “Investment Policy Statement for the NYSERDA OPEB Trust (June 2015).” Mr. Koh stated that the A&FC reviewed the Annual Investment Report for the year that ended March 31, 2015, and the proposed 2015 Investment Policy Statement for the NYSERDA OPEB Trust. The Investment Report was reviewed in both open session and in executive session with only the independent auditors present. The Authority has contributed $28.2 million to the Trust, has earned about $6.1 million in investment income, has expended about $3.4 million in benefit payments, and has incurred about $120,000 in administrative expenses, leaving a balance of $30.8 million in the Trust as of March 31, 2015. The market value of the Trust’s assets on March 31, 2015 was $34.8 million, reflecting an appreciation of $4 million in the Trust’s assets and resulting in a 40.9% total return on the Authority’s contributions for the year. Mr. Koh stated that no changes are recommended to the Investment Policy Statement.

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

Resolution No. 1427

> RESOLVED, that the "NYSERDA OPEB Trust Investment Report" for the year ended March 31, 2015, as presented at this June 18, 2015 meeting, is approved and adopted as the annual investment report of the NYSERDA OPEB Trust required by Section 2800 and Section 2925(6) of the Public Authorities Law; and
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> BE IT FURTHER RESOLVED, that the "Policy Statement for the NYSERDA OPEB Trust (Retiree Health Insurance Benefits Trust)" as presented at this June 18, 2015 meeting, is approved and adopted.

Mr. Kauffman stated that the next agenda item was a review of the Financial Statements of the Authority for fiscal year 2014-15, and he asked Mr. Koh to present this item. Mr. Koh stated that the A&FC reviewed the Financial Statements for the recently completed fiscal year. Peter Mahar, Controller and Assistant Treasurer, summarized significant changes compared to last year's financial statements. After Mr. Mahar's presentation, the A&FC met in executive session with the independent auditors, where there was ample and detailed review of the Authority's investments and financial condition. No substantive problems were identified.

Mr. Koh stated that the independent auditors will issue an unqualified opinion on the Financial Statements and that the A&FC unanimously recommended approval of the Financial Statements.

Mr. Koh noted that the Authority has consistently received clean audit reports for the past 25 years. Mr. Koh also noted that the NY Green Bank financing statements are audited as part of the Authority's financial statements. However, the audit is not a traditional analysis because the NY Green Bank does not operate on the same profit and loss assumptions.

In response to an inquiry from Mr. Willis, Mr. Koh explained that these are backward looking and that deficits will appear as an impact to cash on the balance sheet. As actual disbursements of commitments occur, these deficits will be listed. Mr. Koh indicated that the A&FC was comfortable with the Authority's forward position and the controls that management has put in place to monitor these deficits.

In response to an inquiry from Mr. Daly, Mr. Pitkin indicated that the improvement of receivables reflects the reporting of some receivables for the Renewable Portfolio Standard versus the underlying expenditures. Mr. Pitkin explained that this was merely a factor of the timing of revenue recognition.

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

Resolution No. 1428

> RESOLVED, that the Authority's Financial Statements and the Financial Statements of the NY Green Bank as of March 31, 2015, as presented at this June 18, 2015 meeting, are adopted and approved as the financial reports required by Sections 1867(1) and 2800 of the Public Authorities Law; and
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> BE IT FURTHER RESOLVED, that the Authority's Four Year Financial Plan, as contained in the Financial Statements, is approved for submission as required by Section 2800 of the Public Authorities Law.

The Chair stated that the next agenda item was approving the appointment of the Authority's independent auditors for fiscal year 2015-16, and he asked Mr. Koh to address this item. Mr. Koh stated that the Members are asked to approve a resolution appointing KPMG, LLP ("KPMG") as the independent auditors of the Authority which includes an audit of the NY Green Bank and the NYSERDA OPEB Trust for the fiscal year ending March 31, 2016. KPMG was competitively selected under an RFP issued in 2011. The Authority may renew the agreement annually for four one-year extensions, with annual adjustments to the fees. This will be the fourth and final annual renewal. Mr. Koh stated that the engagement letter from the auditors indicating the services they will provide in conjunction with the audit was provided to the Members and is consistent with the prior independent auditor's services. The proposed fee for both audits for fiscal year 2015-16 will not exceed $86,000. Mr. Koh stated that the A&FC unanimously recommended that the Members continue to retain KPMG.

In response to an inquiry from Mr. Quiniones, Mr. Koh indicated that KPMG will be able to respond to the Authority's solicitation, but will need to do so with a different team.

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

Resolution No. 1429

> RESOLVED, that the Chair is authorized to retain the firm of KPMG, LLP as independent auditors for the Authority and for the NY Green Bank for the fiscal year ending March 31, 2016.

Mr. Kauffman stated that the Board would next consider approval of the annual bond sale report, and he asked Mr. Koh to address this item. Mr. Koh stated that the report indicates that, during fiscal year 2014-15, there were no issuances completed. He stated that the A&FC unanimously recommended approval by the Members of the Annual Bond Sale Report.

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

Resolution No. 1430

> RESOLVED, that the Authority's Annual Bond Sales Report for the fiscal year April 1, 2014 through March 31, 2015, and the information contained therein, as presented at this June 18, 2015 meeting, is adopted and approved for submission pursuant to Section 2800 of the Public Authorities Law.

The Chair indicated that the next item considered by the A&FC was a proposed issuance of bonds on behalf of the Authority to help finance the Authority's Green Jobs-Green New York ("GJGNY") Program. Mr. Koh explained that the Members received a report from Treasurer Jeff Pitkin on the request for the Members to adopt a resolution authorizing the issuance of recipient bonds to the New York State Environmental Facilities Corporation ("EFC") in an aggregate principal amount not to exceed $50,000,000 in connection with State Revolving Fund Revenue bonds expected to be issued by EFC through the State Clean Water Revolving Fund ("SRF").

The Bonds will be issued to finance residential energy efficiency loans issued pursuant to the GJGNY Program. Specifically, $30,000,000 of the Bond proceeds will be used to redeem the Authority's Residential Energy Efficiency Financing Revenue Notes (Series 2014) issued in

September 2014. The remaining Bond proceeds (up to $20,000,000) will be used to finance additional loans anticipated to be issued through the program through March 2016.

The Bonds will include $30,000,000 offered through subsidized financing. As long as the Authority is in compliance with its obligations under the implementing Project Financing Agreement with EFC, the Authority will benefit from an interest rate subsidy of one-half of the interest rate on EFC's SRF Bonds. The balance of the Bonds in an amount not to exceed $20,000,000 will be unsubsidized, with the Authority's interest rate being determined by the interest rate on EFC's SRF Bonds.

The Bonds will be issued as fixed-rate, taxable bonds with scheduled maturities (serial bonds or term rate bonds with mandatory sinking fund redemptions) structured to generally correspond to scheduled cash flow payments due from pledged loans. The final maturity will be no greater than approximately fifteen years. The Bonds will bear interest at a fixed rate determined at the time of pricing of the SRF Bonds, not to exceed 5% (prior to EFC's subsidy).

The draft Project Finance Agreement sets forth the proposed terms and conditions of the Bonds. The Resolution presented to the Members requests the Authorized Representatives be authorized to execute the Project Finance Agreement and related documents, with such amendments as necessary.

The A&FC unanimously recommended approval of the Residential Energy Efficiency Financing Revenue Bonds.

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

Resolution No. 1431

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

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

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

WHEREAS, pursuant to the Green Jobs-Green New York Act of 2009 (Chapter 487 of the Laws of 2009) as from time to time amended and supplemented (the “GJGNY Act”), the Authority has been authorized to use innovative financing mechanisms to finance energy efficiency improvements through energy cost savings (herein called the “Green Jobs-Green New York Program”); and

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

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

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

WHEREAS, on September 30, 2014, the Authority participated in the Short-Term Financing Program of the New York State Environmental Facilities Corporation ("EFC") under EFC's Clean Water State Revolving Fund Program and issued the Residential Energy Efficiency Financing Revenue Notes (Series 2014) (the "2014 Notes") to EFC in the aggregate principal amount of $30,000,000; and

WHEREAS, in anticipation of redeeming the 2014 Notes and further financing up to $20,000,000 of residential energy efficiency loans through the issuance of bonds under the 2013 Indenture or other bonds under a separate indenture, the Authority will participate in the Long-Term Financing Program under EFC's Clean Water State Revolving Fund Program; and

WHEREAS, it is expected that participation by the Authority in EFC's Long-Term Financing Program will require the Authority to (i) enter into a State Clean Water Revolving Fund Project Finance Agreement (Leveraged Financing Program) with EFC (the "Project Finance Agreement"), a copy of a draft form of which has been presented to this meeting, (ii) issue its bonds to EFC in an aggregate principal amount not to exceed $50,000,000 (the "Series 2015 Bonds") (iii), as security for the Series 2015 Bonds, pledge loan repayments from residential energy efficiency loans issued to date and not previously pledged for the Series 2013 Bonds plus additional loans expected to be issued through March 31, 2016 pursuant to a pledge agreement (the "Pledge Agreement") to be entered into by the Authority in connection with the issuance of the Series 2015 Bonds; (iv) covenant to apply all or any portion of the moneys, if any, which are on deposit in the GJGNY Revolving Fund (excluding amounts held in the Collateral Reserve Account established under and defined in the Reimbursement Agreement, dated as of August 1, 2013, entered into between the Authority and EFC (the "Reimbursement Agreement") as Guarantor in connection with the Series 2013 Bonds) which are legally available for the purpose of making any payment due under the Series 2015 Bonds or the Project Finance Agreement for which other moneys pledged to secure the Series 2015 Bonds are insufficient; and (v) enter into an amendment to the Reimbursement Agreement.

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

Section 1. The offering, issuance, sale, and delivery of the Series 2015 Bonds, and receipt of the financing proceeds, upon the terms and conditions and for the purposes described in this resolution are hereby authorized. The Series 2015 Bonds shall be issued in one or more series in an aggregate principal amount not to exceed $50,000,000 and shall bear interest at rates determined by EFC and approved by the Chair, the Vice Chair, the President and CEO, the Chief Operating Officer, the Vice Presidents, the Treasurer, or the Secretary of the Authority (individually, an Authorized Representative and collectively, the "Authorized Representatives"). The Series 2015 Bonds shall bear interest at a fixed rate of interest not to exceed five per cent (5%) per annum. The Series 2015 Bonds shall mature approximately sixteen years after the date of issuance thereof. The Series 2015 Bonds shall be dated, have the final maturity, have the designation or designations, be subject to redemption, be payable as to principal, premium, if any, and interest, and have such other provisions all as set forth in the 2013 Indenture as the same shall be supplemented by a Second Supplemental Series Indenture (together, the "2015 Indenture"). The form of the Series 2015 Bonds and all other provisions with respect thereto shall be as set forth in the 2013 Indenture or determined in the manner set forth therein. No Series 2015 Bonds shall be issued pursuant to this resolution after June 18, 2016, provided that amounts may be advanced subsequent to such date under any 2015 Bond once issued in accordance with the terms of the Project Finance Agreement and this resolution.

Section 2. Subject to the limitations set forth in Section 1 hereof, the Authorized Representatives are each also hereby authorized to: (i) determine on behalf of the Authority with respect to the Series 2015 Bonds the particular loans and principal amounts thereof to be pledged as security for the payment of the Series 2015 Bonds; and (ii) pledge any payments on any residential energy efficiency loans not pledged to or financed by the Series 2013 Bonds as security for the Series 2015 Bonds.

Section 3. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver any amendment or supplement to the 2013 Indenture (including a Supplemental Series Indenture), any amendment or supplement to the Reimbursement Agreement, the Project Finance Agreement and a Pledge Agreement, each with such terms, conditions, amendments, supplements, changes, insertions, and omissions as such Authorized Representative shall approve. Execution of such documents by an Authorized Representative shall be conclusive evidence of any approval required by this Section. Any Authorized Representative, the Assistant Treasurer, and the Acting Secretary of the Authority are each hereby authorized to affix the seal of the Authority on such documents and attest the same.

Section 4. The Authority hereby authorizes the execution and delivery to EFC of supporting documentation for financial assistance from the State Clean Water Revolving Fund, including the Project Finance Agreement.

Section 5. The Authorized Representatives are each hereby authorized and directed to execute and deliver any such other agreements, documents or certificates, to do and cause to be done any such other acts and things and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 1 through 4 of this resolution as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution, the Project Finance Agreement, the 2015 Indenture, the Reimbursement Agreement or the Pledge Agreement delivered pursuant hereto.

The Chair indicated that the next item on the agenda was a report from the Waste and Facilities Management Committee ("W&FMC"). The WFMC Chair, Dr. Elizabeth Thorndike, reported that the Committee met on June 1, 2015. At its meeting, the Committee received a status report from Director Paul Bembia on Western New York Nuclear Service Center Site Management Program activities.

Next, the W&FMC received a report from the Authority's General Counsel Noah Shaw regarding the Third Supplemental Agreement to the Cooperative Agreement between the Authority and the United States Department of Energy ("DOE"). Mr. Shaw described the history of the agreements with DOE which provide the framework for implementation of the federal West Valley Demonstration Project Act by both agencies. He stated that the Third Supplemental Agreement identifies the evaluation framework the agencies will use for the Phase 2 decisions, and it governs the responsibilities of the Authority and DOE in regard to preparing the studies needed to make the Phase 2 decisions. The Third Supplemental Agreement splits the costs of most of these studies evenly to give the Authority and DOE equal voice in the process.

Mr. Shaw reported that the expected costs of the activities covered under the Third Supplemental Agreement will average about $1 million a year for the next five years.

The W&FMC unanimously recommended approval of the Third Supplemental Agreement to the Cooperative Agreement between the Authority and DOE.

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

Resolution No. 1432

> RESOLVED, that the President and Chief Executive Officer or his designee is hereby authorized to enter into a Third Supplemental Agreement with the United States Department of Energy, in accordance with the terms and conditions presented to and discussed with and by the Members, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in his discretion, may deem necessary or appropriate.

Mr. Kauffman stated that the next agenda item concerned the Authority's Annual Report on the Disposition of Real and Personal Property, as well as the Authority's Guidelines for disposal of property. Jeff Pitkin, the Authority's Treasurer, explained that the Members are requested to adopt a resolution approving the Annual Report on Disposition of Real and Personal Property for the fiscal year ended March 31, 2015 for submission pursuant to Title 5-A of the Public Authorities Law. There was one disposition during the reporting period which was in connection with a property easement at the Saratoga Technology + Energy Park ("STEP"). The Members are also requested to adopt a resolution approving amendments to the Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property. No changes to the Guidelines were recommended.

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

Resolution No. 1433

> RESOLVED, that the "Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2015)," as presented at this meeting, are approved and adopted; and
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> BE IT FURTHER RESOLVED, that the Annual Report on Disposition of Real and Personal Property (June 2015), as presented at this meeting, is adopted and approved as the Annual Report on Disposition of Real and Personal Property required by Section 2800 of the Public Authorities Law.

The Chair stated that the next agenda item concerned the Authority's Annual Procurement Report and the Guidelines on Procurement Contracts. He asked Cheryl Glanton, Director of Contract Management, to provide a summary of this item. Ms. Glanton stated that

New York Public Authorities Law Section 2879 requires the Authority to annually review and approve its Procurement Contract Guidelines, Operating Policy and Instructions and its Annual Report on Procurement Contracts. The Guidelines set forth the Authority's policy and procedures on the use, awarding, monitoring, and reporting of its procurement contracts. Ms. Glanton stated that the June 2015 Guidelines provided to the Members for review and approval contain no changes from the Guidelines approved by the Members in June 2014.

Ms. Glanton stated that the Members have also been provided with a copy of the Annual Report on Procurement Contracts. The annual report lists all contract actions exceeding $5,000 that were executed or modified by the Authority between April 1, 2014 and March 31, 2015, and details all contracts involving contractor performance extending beyond a one-year period that are open. Section 1 of the report indicates that during the period covered by this Annual Report, the Authority initiated or modified a total of 12,266 contract actions. Approximately 98% of these actions were competitively selected, and 96% of the dollar amount committed this period resulted from competitive procurement. Section 2 of the report lists 12,261 procurement contracts extending beyond a one-year period that are open. Section 3 of the report lists 803 non-contract payments equal to or greater than $5,000 in the aggregate made to vendors. Ms. Glanton stated that the Authority is in compliance with the Guidelines in its selection of contractors.

Ms. Glanton stated that the Members have also been provided with an annual report on Authority compliance with Article 15-a of the Executive Law. Of the 82 contracts subject to Article 15-a which were initiated or modified during the reporting period, 45% were awarded to certified Minority and Women-Owned Businesses ("M/WBEs"), representing 55% of the total contract dollar amounts.

Mr. Daly requested that the Members be provided with an aggregate of how much each of the Authority's contractors receive under their various contracts. Specifically, he would like to see who is receiving the most funds from the Authority.

Mr. Kauffman stated that the Authority's Counsel's office had compared the lists provided by Members of entities with which each Member is associated and which he or she believes may enter into contracts with the Authority to the list of contracts in the Annual Procurement Report. Counsel's office reported just a few potential conflicts. Specifically, the Authority has entered into or anticipates entering into contracts with AERTC and National Grid, identified by Ken Daly; Cornell University, Paul Smith's College, and University of Rochester, identified by Liz Thorndike; JP Morgan Chase and New York University, identified by Mark Willis; Syracuse University, identified by Shere Abbott; and Con Edison Solutions, Consolidated Edison Company of New York, Inc., Intrepid Museum, and Orange and Rockland Utilities, Inc., identified by John McAvoy.

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

Resolution No. 1434

RESOLVED, that the "Procurement Contract Guidelines, Operative Policy and Instructions (June 2015)" as presented at this meeting, are approved and adopted; and

BE IT FURTHER RESOLVED, that the Authority's 2014-15 Annual Procurement Contracts Report, as presented at this meeting, is adopted and approved as the annual report of the Authority required by Section 2800(1)(a)(6) and Section 2879 of the Public Authorities Law.

The Chair stated that the next item to be considered is the periodic procurement contracts report, and he asked Cheryl Glanton to provide a brief summary of this item. Ms. Glanton stated that pursuant to Public Authorities Law Section 2879, the Members are requested to adopt a resolution approving the Periodic Procurement Contracts Report. The Periodic Report covers the period April 1, 2015 through May 15, 2015. The report summarizes 1,146 procurement contracts exceeding $5,000 that were initiated or modified during the period. Over 98% of the procurement contracts were competitively selected. All of the actions were in compliance with the procurement contract guidelines. The report also summarizes an additional 1,496 procurement contracts that are expected to be executed by the Authority, that have a period of expected performance in excess of one year. These contract actions total approximately $418 million. Ms. Glanton stated that the Members have also been provided with a periodic report on Authority compliance with Article 15-a of the Executive Law. Of the 15 contracts subject to Article 15-a which were initiated or modified during the reporting period, five were awarded to certified M/WBEs, representing 42% of the total contract amounts.

Mr. Kauffman stated that the Authority's Counsel's office had compared the lists provided by Members of entities with which each Member is associated and which he or she believes may enter into contracts with the Authority to the list of contracts in the Periodic Procurement Report. Counsel's office reported just a few potential conflicts. Specifically, the Authority has entered into or anticipates entering into contracts with AERTC and National Grid, identified by Ken Daly; University of Rochester, identified by Liz Thorndike; JP Morgan Chase and New York University, identified by Mark Willis; and Syracuse University, identified by Shere Abbott.

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

Resolution No. 1435

> RESOLVED, that the Periodic Procurement Contracts Report, covering the period April 1, 2015 through May 15, 2015, as presented at this meeting, including but not limited to the contracts identified therein which have been, or are expected to be, executed and which do have, or are expected to have, a period of performance in excess of one year, is hereby approved in accordance with Public Authorities Law Section 2879.

The Annual Prompt Payment Policy Report was next on the agenda, and Mr. Kauffman called on Authority Treasurer Jeff Pitkin. Mr. Pitkin explained that the Members are requested to adopt a resolution approving the Authority's Annual Prompt Payment Policy Report for the fiscal year ended March 31, 2015.

The report notes that all but three of 85,081 vendor invoices were paid within 30 days as required by the prompt payment policy. The three exceptions resulted in no interest payments to vendors, were isolated occurrences of non-compliance, and processes have been re-enforced with staff.

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

Resolution No. 1436

> RESOLVED, that the Annual Prompt Payment Policy Report presented to the Members of the Authority at this June 18, 2015 meeting is adopted and approved as the annual report required by Section 2880 of the Public Authorities Law.

The Chair then turned to the next agenda item, a report from the Governance Committee ("GC"). GC Chair Shere Abbott reported that the first item considered by the GC was the Authority's compensation schedule. She stated that Mr. Rhodes explained to the GC that the Authority is required to submit a compensation schedule listing all employees in decision-making or management positions with salaries in excess of $100,000 as part of its Annual Report pursuant to Section 2800 of the Public Authorities Law. In addition, pursuant to the Public Authorities Reform Act of 2009, the Section 2800 Annual Report must include biographical information on each employee included on the list.

The GC unanimously recommended approval of the compensation schedule and submission of the biographical information.

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

Resolution No. 1437

> RESOLVED, that the Authority's compensation schedule presented at this June 18, 2015 meeting, is adopted and approved as the compensation schedule to be submitted pursuant to Section 2800 of the Public Authorities Law; and

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

Mr. Kauffman indicated that the next item considered by the GC concerned a proposed salary increase for the Authority's Officers. Ms. Abbott indicated that Chairman Kauffman stated that the Members are required to approve the compensation of Officers, including salary increases. Historically, the Authority has provided its employees with benefits comparable to those provided to Management Confidential employees by the State. Mr. Kauffman explained that recently, an agreement was put in place, retroactive to April 1, 2015, and prescribes a salary increase of 2% per year, beginning April 1, 2015.

The Members are asked to approve the same percentage salary increase for the President and CEO, Chief Operating Officer, the Vice President for Innovation and Strategy, the Treasurer and Internal Control Officer, and the General Counsel and Secretary. These funds have already been included in the 2015-2016 Budget.

The GC unanimously recommended approval of the salary increase for the Officers.

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

Resolution No. 1438

RESOLVED, that the proposed 2% general salary increase retroactive to April 1, 2015, payable as appropriate to the President and CEO, Chief Operating Officer, the Vice President for Innovation and Strategy, the Treasurer and Internal Control Officer, and the General Counsel and Secretary is hereby approved.

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

In addition, the Members would convene in executive session to discuss the employment history of particular persons.

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

Resolution No. 1439

> RESOLVED, that pursuant to Section 108 of the Public Officers Law, the Members of the New York State Energy Research and Development Authority shall convene in private session for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation of the Authority; and
>
> BE IT FURTHER RESOLVED, that pursuant to Section 105 of the Public Officers Law the Members of the New York State Energy Research and Development Authority shall convene in executive session on June 18, 2015 for the purpose of the employment history of a particular person.

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

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

Resolution No. 1440

> RESOLVED, that the Authority's Annual Confidential Board Member Performance Evaluation Report as presented at this June 18, 2015 meeting, is adopted and approved to be submitted pursuant to Section 2800 of the Public Authorities Law.

Mr. Kauffman indicated that the last item on the agenda was other business. Dr. Thorndike reported that a meeting between Authority staff and environmental group stakeholders was held in early June. A summary of the discussions will be provided to the Members.

In response to an inquiry from Mr. Koh, Mr. Kauffman suggested that the Members receive a formal report at a future meeting on the Authority's data security measures.

In response to an inquiry from Mr. Daly, Mr. Shaw indicated that staff would review the best method for delivering documents and materials to the Members in advance of meetings.

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

June 9, 2015

NOTICE OF MEETING AND AGENDA

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

PLEASE TAKE NOTICE that the Annual Meeting (the 227th) of the New York State Energy Research and Development Authority will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and in the Authority's New York City Office at 1359 Broadway, 19th floor, New York, New York, on Thursday, June 18, 2015, commencing at 1:30 p.m., for the following purposes:

1. To receive information from the Program Planning Committee and:

   a. to consider and act upon a resolution approving amendments to the *Clean Air Interstate Rule (CAIR)/New York Battery and Energy Storage Technology Consortium™ (NY-BEST) Program Plan;* and

   b. to consider and act upon a resolution approving revisions to the plan entitled *Operating Plan for Investments in New York Under the CO_2 Budget Trading Program and the CO_2 Allowance Auction Program.*

2. To consider and act upon a resolution approving the Operations and Accomplishments and Mission Statement and Measurements Annual Report.

3. To receive information from the Audit and Finance Committee and:

   a. to consider and act upon a resolution approving the Annual Investment Report of the Authority and the *Investment Guidelines, Operative Policy and Instructions (June 2015);*

   b. to consider and act upon a resolution approving the Annual Investment Report for the NYSERDA OPEB (Other Post-Employment Benefits) Trust for the year ended March 31, 2015 and *the Investment Policy Statement for the NYSERDA OPEB Trust (June 2015)*;

c. to consider and act upon a resolution approving the Financial Statements of the Authority and the NY Green Bank for fiscal year 2014-15;

d. to consider and act upon a resolution approving the appointment of the Authority's independent auditors for fiscal year 2015-16;

e. to consider and act upon a resolution approving an annual bond sales report; and

f. to consider and act upon a resolution authorizing the issuance of bonds to the New York State Environmental Facilities Corporation to finance residential energy efficiency loans issued through the Green Jobs - Green New York Program.

4. To receive a report from the Waste and Facilities Management Committee and to consider and act upon a resolution approving a *Third Supplemental Agreement to the Cooperative Agreement between the United States Department of Energy and the New York State Energy Research and Development Authority to Support Phase 2 Decisionmaking for the Decommissioning and/or Long-Term Stewardship at the West Valley Demonstration Project and Western New York Nuclear Service Center.*

5. To consider and act upon a resolution approving the Annual Report on Disposition of Real and Personal Property and the *Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property (June 2015).*

6. To consider and act upon a resolution approving the Annual Report on Procurement Contracts and the *Procurement Contracts Guidelines, Operative Policy and Instructions (June 2015).*

7. To consider and act upon a resolution approving the periodic procurement contract report.

8. To consider and act upon a resolution approving the annual report on the implementation of the Authority's prompt payment policy.

9. To receive information from the Governance Committee and:

   a. to consider and act upon a resolution approving a compensation schedule;

   b. to consider and act upon a resolution approving a salary increase for Officers;

   c. to consider and act upon a resolution to enter into private session for the purpose of reviewing the Annual Confidential Board Member Performance Evaluation Report and to enter into executive session for the purpose of discussing the employment history of a particular person; and

   d. to consider and act upon a resolution approving the Annual Confidential Board Member Performance Evaluation Report.

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

Members of the public may attend the meeting at either of the above locations. Video conferencing will be used at both locations and the Authority will be posting a video of the meeting to the web within two business days of the meeting. The video will be posted at http://www.nyserda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings.

Noah C. Shaw
Secretary