

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY

Minutes of the 228th Meeting

Held on September 21, 2015

Pursuant to notice and an agenda dated September 11, 2015, the 228th meeting of the New York State Energy Research and Development Authority (“Authority” or “NYSERDA”) was convened on September 21, 2015, at 1:30 p.m., in the Authority’s Albany Office at 17 Columbia Circle, Albany, New York; and by videoconference 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, Chair of the Authority

Sherburne Abbott

Charles Bell, *by videoconference in New York City*

Ken Daly

Jay Koh, *by videoconference in New York City*

John McAvoy

Gil Quiniones

Jigar Shah, *by videoconference in New York City*

Elizabeth W. Thorndike, Ph. D.

Mark Willis

Members Driscoll and Zibelman were unable to attend.

Also present were John B. Rhodes, President and CEO; David L. Margalit, Chief Operating Officer; Janet Joseph, Vice President for Technology and Strategic Planning; Jeffrey J. Pitkin, Treasurer; Noah C. Shaw, Esq., General Counsel and Secretary; Sara L. LeCain, Esq., Senior Counsel; Anthony Belsito, New York State Department of Public Service; Nathan Putnam and Suzanne Hagell, New York State Department of Environmental Conservation; Conor Bambrick, Environmental Advocates of New York; 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 on September 11, 2015 and to the press on September 15, 2015. Mr. Kauffman directed that a copy of the notice and agenda be annexed to the minutes of the meeting.

Before turning to the formal agenda, the Chair asked John B. Rhodes, the Authority's President and CEO to provide the Members with an update on the Authority's recent activities. Mr. Rhodes made a few remarks.

Mr. Kauffman then stated that the first item on the agenda was proposed revisions to the Authority's Fiscal Year 2015-2016 Budget. The Chair of the Program Planning Committee ("PPC"), Mark Willis, provided a report on the portion of the revised budget considered by the PPC.

The PPC unanimously recommended that the Members adopt the resolution approving revisions to the Fiscal Year 2015-16 Budget.

The Chair then called upon Dr. Thorndike to report on the portion of the revised Budget considered by the Waste and Facilities Management Committee ("W&FMC").

The W&FMC unanimously recommended that the Members adopt the resolution approving revisions to the Fiscal Year 2014-15 Budget for the Western New York Nuclear Service Center ("West Valley") and Radioactive Waste Policy and Nuclear Coordination activities.

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

Resolution No. 1441

RESOLVED, that the Fiscal Year 2015-16 Budget and Financial Plan (Revised September 2015) submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as

the President and CEO, in his discretion, may deem necessary or appropriate, be and it hereby is approved.

The Chair indicated that the next item on the agenda was approval of the Preliminary Spending Plan and the State Budget Request for Fiscal Year 2016-2017. Mr. Willis stated that the PPC heard a report regarding the Authority's Preliminary Spending Plan and State Budget Request for the next Fiscal Year, which is submitted annually to the Division of the Budget and sets forth the Authority's request for funding to be provided through the State Budget.

The PPC unanimously recommended that the Members adopt the resolution approving revisions to the Fiscal Year 2016-17 Budget.

Mr. Kauffman then asked Dr. Thorndike to report on the portions of the Preliminary Spending Plan and State Budget Request for Fiscal Year 2016-2017 considered by the W&FMC.

The W&FMC unanimously recommended that the Members adopt the resolution approving the proposed State Budget Request for Fiscal Year 2015-2016 for West Valley and Radioactive Waste Policy and Nuclear Coordination activities.

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

Resolution No. 1442

RESOLVED, that the proposed State Budget Request for Fiscal Year 2016-2017 submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and CEO, in his discretion, may deem necessary or appropriate, be and it hereby is approved for submission to, and at the request of, the New York State Division of the Budget.

The Chair indicated that the next item on the agenda was a report on the remaining items discussed by the PPC. In addition to the two budget items, the PPC also received a presentation on the proposed strategic outlook entitled *Toward A Clean Energy Future – A Strategic Outlook 2015* (the "Strategic Outlook"). Mr. Willis indicated that the PPC heard from the Janet Joseph,

Vice President for Technology and Strategic Planning; David Margalit, Chief Operating Officers; and Sarah Osgood, Chief of Staff on the Authority's role in the State's overall comprehensive energy strategy, as well as the Authority's organizational and operational transformation and investment areas.

The PPC unanimously recommended that the Members adopt the resolution approving the Strategic Outlook.

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

Resolution No. 1443

RESOLVED, that the outlook for the Authority's energy, economic environmental program priorities and strategic vision entitled "Toward a Clean Energy Future - A Three-Year Strategic Outlook 2015-2018," submitted to the Members for consideration at this meeting with such non-substantive, editorial changes and supplementary schedules as the President, in his discretion, may deem necessary or appropriate, is adopted and approved as the Authority's updated Strategic Outlook.

The Chair indicated that the next item on the agenda was a resolution to enter into executive session for the purpose of discussing the Authority's Information Security policies and procedures and to enter into a private session for the purpose of the transfer of land at the Saratoga Technology + Energy Park.

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

Resolution No. 1444

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 September 21, 2015 for the purpose of discussing the Authority's Information Security policies and procedures and to enter into private session for the purpose of discussing the Saratoga Technology + Energy Park.

The Chair reconvened the meeting in open session and stated that no official action was taken during executive session and private session.

Mr. Kauffman indicated that the next item on the agenda was a report on the remaining items considered at the W&FMC meeting. Dr. Thorndike explained that the W&FMC received a status report from Director Paul Bembia on West Valley activities including items relating to the State-Licensed Disposal Area and the West Valley Demonstration Project. Dr. Thorndike suggested that the Members would benefit from a presentation by Mr. Bembia at a future Board meeting.

The Chair indicated that the next item on the agenda was a report on items considered by the Audit and Finance Committee (“A&FC”), including a resolution authorizing the issuance of the Residential Solar Loan Revenue Bonds Series 2015, and called upon Jay Koh, the A&FC’s Chair, to provide a report. Mr. Koh stated that the A&FC received a report from the Authority’s Treasurer, Jeffrey Pitkin on the proposed issuance of bonds in an aggregate principal amount not to exceed \$50,000,000. The Bonds will be issued pursuant to a credit facility to finance loans issued through the Green Jobs – Green New York Program (the “Program”) to finance the installation of residential photovoltaic (“PV”) systems (“Solar Loans”).

The A&FC unanimously recommended approval of the resolution authorizing the issuance of the Residential Solar Loan Revenue Bonds Series 2015.

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

Resolution No. 1445

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 the bonds and notes and the payment of interest on 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 special act of the Legislature of the State of New York (Title 9-A of Article of the Public Authorities Law of New York, as from time to time amended and supplemented, herein called the "Green Jobs – Green New York Program"), the Authority has been authorized to use innovative financing mechanisms to finance energy efficiency improvements and technologies eligible for net metering through energy cost savings; and

WHEREAS, the Authority will issue bonds in one or more series at one or more times not later than September 30, 2016, in an aggregate principal amount not to exceed \$50,000,000 to be designated "Residential Solar Loan Revenue Bonds, Series 2015" (the "Bonds") and with such additional or different designations as may be set forth in the Credit Agreement (hereinafter defined) for the purpose of financing loans through the Green Jobs – Green New York Program for the installation of residential photovoltaic, or PV, systems ("Solar Loans"); and

WHEREAS, the Bonds are to be issued pursuant to a credit agreement (the "Credit Agreement"), between the Authority and Manufacturers and Traders Trust Company ("M&T") pursuant to which M&T will agree, subject to certain conditions set forth therein, to advance moneys to the Authority to finance Solar Loans, a copy of the draft form of which have been set before this meeting; and

WHEREAS, the Authority has entered into an agreement with Wisconsin Energy Conservation Corporation d/b/a Energy Finance Solutions, a not-for-profit corporation, to serve as a loan originator under the Green Jobs – Green New York Program; and

WHEREAS, the Authority has entered into an agreement with Concord Servicing Corporation who will act as the loan servicer and will be the custodian of the original promissory notes for the Solar Loans issued under the Green Jobs – Green New York Program; and

WHEREAS, the proceeds of the Bonds will be used to reimburse the Green Jobs-Green New York Program revolving loan fund for Solar Loans heretofore originated and outstanding and to provide funding for new Solar Loans originated and to be originated thereafter; and

WHEREAS, the Authority will pledge principal and interest payments on, and prepayments of, Solar Loans as security for the Bonds pursuant to the terms of a trust indenture (the "Trust Indenture"), a copy of the draft form of which has been set before this meeting ; and

WHEREAS, Jeffries LLC, is acting as placement agent (the "Placement Agent"), in connection with the placement of the Bonds to Manufacturers and Traders Trust Company (the "Purchaser"); and

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 Bonds upon the terms and conditions and for the purposes described in the Credit Agreement and this resolution are hereby authorized. The 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 in accordance with the Credit Agreement. Eighty percent (80%) of the principal amount of the Bonds shall bear interest at a fixed rates of interest determined at the time of each advance under the Credit Agreement not to exceed seven per cent (7%) per annum and twenty percent (20%) of the principal amount of the Bonds shall bear interest at a variable rate of interest determined in accordance with the Credit Agreement not to exceed 11%. The Bonds shall mature no later than September 30, 2026. The 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 Credit Agreement. The form of the Bonds and all other provisions with respect thereto shall be as set forth in the Credit Agreement or determined in the manner set forth therein. No Bonds shall be issued pursuant to this resolution after September 30, 2016.

Section 2. Subject to the limitations set forth in Section 1 hereof, the Chair, the Vice Chair, the President and CEO, the Vice Presidents, the Treasurer, or the Secretary of the Authority (collectively, the "Authorized Representatives") are each hereby authorized to determine on behalf of the Authority with respect to the Bonds: the aggregate principal amount, the interest rates the Bonds shall bear and the particular redemption and purchase provisions of the Bonds. Any such determination shall be conclusively evidenced by the execution and delivery by an Authorized Representative of the Credit Agreement or other document setting forth such determination.

Section 3. The Authorized Representatives are each hereby authorized to execute, acknowledge, and deliver the Credit Agreement and the Trust Indenture, with such amendments, supplements, changes, insertions, and omissions to the forms presented to this meeting 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 Bonds shall be executed in the manner and upon the terms and conditions provided in the Credit Agreement. Manufacturers Traders and Trust Company is hereby designated Trustee for the Bonds. In the event that Manufacturers Traders and Trust Company shall resign as Trustee, or otherwise be unable to act as Trustee, the Authorized Representatives of the Authority are each authorized to designate a successor to act in such capacity.

Section 5. Jeffries LLC is hereby designated as the Placement Agent and the Authorized Representatives are each hereby authorized and directed to execute and deliver any such other agreements, documents, or certificates, to evidence such designation.

Section 6. The Authorized Representatives are each hereby authorized and directed to execute and deliver any such other agreements, documents, or certificates, including certificates confirming on behalf of the Authority the accuracy and completeness of information relating to the Bonds, the Authority, the Solar Loans and the Green Jobs – Green New York Program delivered to the Purchaser to do and cause to be done any such other acts and things and to make such other changes, omissions, insertions, revisions, or amendments to the documents referred to in Sections 1 through 5 of this resolution as they may determine necessary or proper for carrying out, giving effect to, and consummating the transactions contemplated by this resolution, the Credit Agreement or the Trust Indenture, delivered pursuant thereto.

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

Mr. Kauffman indicated that the next item on the A&FC agenda was a report from the Director of Internal Audit on recent activities. Mr. Koh stated that the A&FC had received a report from Mark Mitchell, Director of Internal Audit, on his proposed Internal Audit Plan for fiscal year 2015-16 and his recent activities. Mr. Koh indicated that the A&FC was able to ask questions and was satisfied with the discussion. The A&FC voted to approve the Internal Audit Plan as proposed.

The Chair indicated that the next item on the agenda was a resolution approving a salary increase for the Officers. Mr. Kauffman explained that the Public Authorities Law requires that the compensation for Officers be approved by the Members.

Historically, the Authority has provided its employees with benefits comparable to those provided to Management/Confidential (“M/C”) employees by the State.

The New York State Division of Budget released a budget bulletin providing guidelines for the payment of a 2% General Salary Increase to M/C employees and other unrepresented employees in the Executive Branch, including all NYSERDA staff, retroactive to July 1, 2015.

These funds were included in the 2015-2016 Budget.

Whereafter, upon motion duly made and seconded, the following resolution was adopted.

Resolution No. 1446

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

The Chair stated that the next item on the agenda was the periodic procurement contracts report by Cheryl Glanton, Director of Contract Management. 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 covering the period May 16, 2015 through August 15, 2015. The report summarizes 2,270 procurement contracts exceeding \$5,000 that were initiated

or modified during the period. Over 98% of the procurement contracts were competitively selected, and 98% of the dollars committed resulted from competitive procurement. Furthermore, all of the actions were in compliance with the procurement contract guidelines. The report also summarized an additional 444 procurement contracts expected to be executed by the Authority and that have a period of expected performance in excess of one year. These contract actions total approximately \$134 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 25 contracts subject to Article 15-a which were initiated or modified during the reporting period, 15 were awarded to certified Minority and Women-Owned Business Enterprises, representing 53% of the total contract amounts.

Mr. Kauffman reported that counsel's office has 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 NYSERDA to the list of contracts in the Periodic Procurement Contracts Report. Counsel's office reports just a few potential conflicts. Specifically, the Authority has entered into or anticipates entering into contracts with Syracuse University, identified by Sherburne Abbott; Cornell University and University of Rochester, identified by Dr. Thorndike; Con Edison Solutions, identified by John McAvoy; National Grid Energy Management LLC, identified by Ken Daly; and New York University, identified by Mark Willis.

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

Resolution No. 1447

RESOLVED, that the Periodic Procurement Contracts Report, covering the period May 16, 2015 through August 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 Chair then indicated that the last item on the agenda was other business.

The Chair advised that Authority staff has contacted each of the Members' offices and provided meeting dates for Board and Committee meetings in 2015 in order to have the dates marked on Members' calendars. He encouraged everyone to keep those dates reserved so that the Board can obtain the quorum needed to do business and also have the benefit of the participation and expertise of as many Members as possible.

Dr. Thorndike announced that the Authority is responsible for hosting the 2015 international acid rain meeting that is convened every 5 years across the globe. The meeting will be held in Rochester and Governor Cuomo is expected to attend.

Mr. Koh recommended that the Members consider a formal resolution on the Authority's 40th anniversary commending the Authority and its staff for their work in furthering energy research and development. Thereafter, upon motion duly made and seconded, and by unanimous voice vote of the Members, the resolution was approved.

Mr. Kauffman then asked if there was any other new business.

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

A handwritten signature in black ink, appearing to read 'Noah C. Shaw', is written over a horizontal line.

Noah C. Shaw
Secretary



ANDREW M. CUOMO
Governor

NYSERDA

RICHARD L. KAUFFMAN
Chair

JOHN B. RHODES
President and CEO

September 11, 2015

NOTICE OF MEETING AND AGENDA

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

PLEASE TAKE NOTICE that a regular Meeting (the 228th meeting) of the New York State Energy Research and Development Authority will be held in the Authority's Albany Office at 17 Columbia Circle, Albany, New York, and by webcast in the Authority's New York City Office located at 1359 Broadway, New York, New York, on Monday, September 21, 2015, commencing at 1:30 p.m., for the following purposes:

1. To receive from the Program Planning Committee and the Waste and Facilities Management Committee reports concerning, and to consider and act upon a resolution approving, revisions to the Authority's Fiscal Year 2015-16 budget.
2. To receive from the Program Planning Committee and the Waste and Facilities Management Committee reports concerning the Authority's Fiscal Year 2016-17 Preliminary Spending Plan and the Authority's State Budget Request For Fiscal Year 2016-17, and to consider and act upon a resolution approving the State Budget Request for Fiscal Year 2016-17.
3. To receive a report from the Program Planning Committee and:
 - a. to consider and act upon a resolution approving the strategic plan entitled *Toward A Clean Energy Future - A Strategic Outlook 2015*; and
 - b. to consider and act upon a resolution approving the transfer of land at the Saratoga Technology + Energy Park.
4. To receive a report from the Waste and Facilities Management Committee.
5. To receive a report from the Audit and Finance Committee and
 - a. to consider and act upon a resolution approving the issuance of the Residential Solar Loan Revenue Bonds Series 2015; and
 - b. to receive a report from the Director of Internal Audit on recent activities.

New York State Energy Research and Development Authority

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6. To consider and act upon a resolution approving a salary increase for Officers.
7. To consider and act upon a resolution approving a periodic procurement contracts report.
8. To consider and act upon a resolution to enter into executive session for the purpose of discussing the Authority's Information Security policies and procedures.
9. To receive a report on the status of the Regional Greenhouse Gas Initiative budget.
10. To receive a report on Community Distributed Generation.
11. 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>.

A handwritten signature in black ink, appearing to read 'Noah C. Shaw', written over a horizontal line.

Noah C. Shaw
Secretary