

NYSERDA BOARD MEETING

April 26, 2023

Clean Copy of Transcript

Vice Chair Bell:

Good afternoon. I call this meeting to order. This is the 261st meeting of the New York State Energy Research and Development Authority. Notice of the meeting was provided to the Members on April 12, 2023, and to the press on April 19, 2023. I direct that a copy of the notice and agenda be annexed to the minutes of this meeting. Welcome to the meeting. This meeting is being conducted in person and by video conference. The Authority will post a video and transcript of this meeting on the web to confirm that we have a quorum of at least seven Members present. I would like each of the Members to please introduce themselves. I am Chuck Bell, Vice Chair of the Authority, the Authority's Chair. Richard Kaufman was unable to attend today's meeting, and so I will be leading the meeting in his absence. I would like to ask each of the Members in New York City and then in Albany to please introduce themselves.

Frances Resheske:

Frances Resheske, Member of the Board.

Arturo Garcia-Costas:

Arturo Garcia-Costas, Member of the Board.

Sadie McKeown:

Sadie McKeown, Member of the Board.

Commissioner Dominguez:

Marie Therese Dominguez, Member of the Board.

Commissioner Seggos:

Basil Seggos, Member of the Board.

Sherburne Abbott:

Shere Abbott Member of the Board.

Vice Chair Bell:

And in Albany, please.

Rory Christian:

Rory Christian, Member of the Board.

Vice Chair Bell:

Thank you. We have a quorum. First item on the discussion agenda is a report from the Authority's President and CEO Doreen Harris. Who will provide an update on activities for NYSERDA. Doreen.

Doreen Harris:

Thank you, Vice Chairman. Good afternoon everyone. If we turn to the next slide, please. Certainly I'm here to report on a number of developments related to our progress over the last quarter, but also, I, I had a specific number of updates related to our work in the federal context. I know throughout this meeting, we've really been talking about specific areas that we've been focusing on. But to bring that back a bit for each of you, we thought would be timeline. However, before we really dig into the substance, next slide, please. I do have to introduce our new Chief of Staff Lindsey Fuller. Lindsey is here in New York City has just joined us as of Monday. Certainly comes well recommended by our colleagues at the division of Homeland Security, where she was the Chief of Staff prior to coming here as well as with New York City Mayor's Office of Operation. So Lindsey, welcome. We're thrilled that you're here. And we also have to offer a sincere thanks to one Sarah Osgood for stepping in as our acting Chief of Staff over the last number of months. She really can wear multiple hats, it seems. I'm just so appreciative, Sarah, you filling in in that capacity. And, and again, welcome Lindsey to the team.

So if we turn forward we had actually had a briefing from our buildings team during the Program Planning Committee Meeting. But whenever we have a nice team photo and, and trophies or awards to hand out, I have to show the photo because we did have an event earlier this year celebrating our buildings of excellence third round of award. And I, and I bring this up because although it's the third round, it has been so interesting to see the ways in which not only this program has advanced over those rounds, but also specifically the buildings themselves and the projects that are advancing are becoming more and more consistent with our climate law and as they should be, but also with the basic premise, premise of creating clean and resilient buildings at the same time. And so this event telling the American Institute of Architects was so interesting to see the people who are actually sort of starting these concepts and competing against one another to bring forward these truly excellent buildings.

So, just a moment to, to be proud of the progress we're making through a Clean Energy Fund, which does fund this program in large part. Next slide, please. Sequentially it's important to note this is a, this is a critical, critical aspect of our climate law in New York in which the Climate Justice Working Group in March actually did approve and adopt the final criteria for Disadvantaged Communities. Here you see the map laying out the census tracts that are relevant now within that definition, 1,736 census tracts all of which are going to be used fundamentally to not only direct investments, but also track for a lot our compliance with the Climate Leadership and Community Protection Act. So a big milestone and, and I have to specifically acknowledge the partnership of the DEC team in, in getting from here to there with your exceptional team as well.

Next slide, please. And also a major milestone was hit in this timeframe in which we at NYSERDA led an application to the US Department of Energy to achieve and be awarded. We are, are certainly hopeful of a US Hydrogen Hub. This was pretty unique opportunity for New York to lead a partnership of seven States and more than 100 partners to submit an application that we're particularly proud of because of multiple things, not just the partnerships that it represents, but also the fact that we believe the unique value proposition of our hub is that it is going to be comprised of clean electrolytic hydrogen production in the first instance, and the utilization of hydrogen in hard two electrify sectors like medium and heavy duty transport

industry and, and beyond. Ultimately, we think we presented an extraordinarily strong application again, \$3.62 billion proposal for \$1.25 billion from the federal government with announced awards expected this fall. So that's, that's a major milestone. I have to specifically acknowledge our innovation team who led the way in, in getting us from here to the proposal. And certainly more to come there. Next slide, please.

And of course, we have just concluded another busy Earth Week. We picked three highlights here to share with you today, but there were myriad others across the State. I think importantly and relevant for the Commissioners, certainly that are Members of our Board, we have launched a Statewide listening tour to advance the Environmental Bond Act. This is gonna start in Buffalo in May. And I note this because not only we've learned through the discussions today that these funds will be utilized in part for some of the work we're doing in the transportation and building, but also for many, many other projects across the State. So that is getting, moving through that listening tour and, and more certainly to come in that respect. I know we were just talking about the fact that we are making significant progress in the grid from the perspective of the build out of our grid and, and in Earth Week, you can see here we cut the ribbon on an upstate solar project, importantly noting that this year we have completed eight large scale renewable energy projects.

That number is low, but the impact is high. When we think about eight projects and the collective impacts that they'll have, you can see that that's enough to power more than 150,000 New York homes. So we're, we feel very good about the progress we're making, and obviously critical for the other work that we are doing together in other sectors of our economy. And an exciting milestone on Long Island with our colleagues of the New York Power Authority focusing on first municipal Solar plus storage project. So it was a great Earth Week. Lots of milestones to celebrate together. Next slide, please.

So, turning to federal opportunities, I thought it'd be helpful to see a status update. I know we've spoken about this as a Board multiple times. We, at NYSERDA really recognized very quickly that we needed to be organized in order to capitalize on these federal funds and not only respond to competitive opportunities, but also to contribute to I'd say <inaudible> cross agency collaborations as well, which I have a few examples of here today. Most recently though, I do want to note that we've not only responded to a large number of RFIs, a very large number of RFIs, and provided dozens of letters of support supporting important market activities. In addition to the Hydrogen Hub proposal that I just described, we also submitted a \$10 million proposal to the Department of Energy's Resilient and Efficient Codes Implementation program.

We've been talking about codes, and this is going to be a proposal to develop an online code compliance platform. Something we think is going to be quite critical to be more efficient, transparent, and responsive in, in the code enforcement process. So this would be \$10 million to our approved CEF funding to advance these efforts in New York State. We also have our eyes on several anticipated funding opportunity announcements. We just got recently updated guidance from the US Environmental Protection Agency about the design of the \$27 billion Greenhouse Gas Reduction Fund. So it's going to be comprised of three funding opportunity announcements. One \$7 billion portion that States can apply to directly for \$14 billion, for two to three national

entities responsible for making direct investments for GHG reductions, including building electrification and third a \$6 billion Disadvantaged Community only competition.

So, so ultimately the Greenhouse Gas Reduction Fund is something we are coordinating significantly on, but in the meantime, it is also the case that Department of Environmental Conservation just submitted a letter of intent to participate in the EPA's Climate Pollution Reduction Grant Fund program with NYSERDA as an implementation partner for, for community planning and implementation. And then there's a number of other opportunities you see listed here. We do intend to apply for each of them in, in various ways, and I would say generally and importantly there's several resources that can be quite helpful in navigating this complex circumstance. Some of you may have heard, we launched a website in the past month that is intending to bring all of this together for consumers. So you can see the website for IRA Consumer Assistance that's available here. And then more recently a new Department of Energy Savings Hub Web resource was issued to help individuals take control of their decision making as well. So this is obviously a huge lift. I have to specifically thank the many teams across the Authority for their hard work and helping to bring these federal dollars in as leverage to address our goals. I would say this is the beginning, not the end, but we are keeping up and contributing fully to the, those opportunities as an Authority.

And then the last topic we turn to the next slide is the State Budget. So while we await the finalization of the State's Executive Budget, I did want to briefly just mention a few aspects of Governor Hochul's proposals that are being contemplated through that negotiation. Next slide, please. First there are implications contained within her budget proposal associated with NYSERDA funding. First, an increase to NYSERDA's 18A funding but also additional funds for West Valley to match the federal contributions at that facility, as well as the Empower+ Program, which we just spoke about through the Program Planning Committee with the \$200 million appropriation for the Empower+ Program, as well as the Bond Act, which I had described a bit ago. Next slide, please.

Those all are significant elements relative to NYSERDA's work that are currently part of the negotiation. Notably changes with respect to the zero emission approaches for both new construction and fossil fuel replacements that were part of her Executive Budget proposal that we referred to in our buildings presentation through the PPC, as well as the Cap and Invest Program which is consistent with the recommendations of the Climate Action Council, and ultimately would advance this proposal through the coming years consistent with the requirement for DEC to promulgate regulations for those limits by the beginning of next year, but also to create a fund, which would create a rebate program to all New Yorkers to these two accounts that are listed here, really with a strong focus on affordability. So we certainly are watching and participating in this budget negotiation process. I'll report fully to the Board when it is completed, but in the meantime, we certainly have a lot of connectivity with this year's budget and, and a strong year ahead as we look to implement the Climate Act in, in various ways. So with that, I will turn the floor back to the Vice Chair with my thanks.

Vice Chair Bell:

Thank you so much, Doreen. Are there questions or comments for Doreen?

Arturo Garcia-Costas:

I have a quick question. Doreen, the IRA Consumer Assistance Resource that you mentioned, what, could you share a little bit more about what that is and what kind of consumers it's gonna serve?

Doreen Harris:

Oh, certainly. So this is, this is literally a single place where an average consumer can access resources both relating to the programs and approaches that we're taking as a State, but also to pair them with the federal available funds as well. So, by assistance, it is I'd say an inventory, if you will, to help people understand where they can go for the, the various resources that are available. Of course, we at NYSERDA handle many, many questions from directly from consumers and understanding that it's confusing at a minimum for your average consumer to access all of these. We wanted to fill a gap on our part, and in the meantime, we're seeing very good tools now emerging on the federal front as well.

Arturo Garcia-Costas:

So it's, it's a search searchable you don't have to it.

Doreen Harris:

Yeah, I, I probably a tab tabular tab tabular by use case.

Arturo Garcia-Costas:

Okay.

Doreen Harris:

Resource.

Vice Chair Bell:

Okay. Any more questions from New York or from Albany? Hey, thank you so much, Doreen.

Doreen Harris:

Thank you.

Vice Chair Bell:

Next item on the agenda was to be an executive session, but this item is no longer necessary for today's meeting. Instead, we're going to move on to the remainder of the meeting. Next item on the agenda is the reappointment of Shere Abbott, Jay Koh, and me to our various Committees. Nothing are asked to consider reappointment of Shere Abbott as the Chair of the Program Planning Committee, and Jay Koh as the Chair of the Audit and Finance Committee, and myself as Chair of the Waste and Facilities Management Committee. I think I can speak for all of us when I say we are happy to continue serving in these capacities with the pleasure of the Board. So may I please have a motion for Resolution Number 1687 reappointing Shere Abbott and Jay Koh to the Audit and Finance Committee, and reappointing Jay Koh as the Chair of the Audit and Finance Committee reappointing Shere Abbott, Jay Koh, and myself to the Governance Committee, reappointing Shere Abbott, Jay Koh, and myself to the Program Planning Committee and reappointing Shere Abbott as the Chair of the Program Planning Committee, and

reappointing Shere Abbott and myself to the Waste and Facilities Management Committee, and reappointing me as the Chair of the Waste and Facilities Management Committee.

Arturo Garcia-Costas:

So moved.

Sherburne Abbott:

Second?

Vice Chair Bell:

Second. Okay. Thank you. All in favor, please say aye.

Members of the Board:

Aye.

Vice Chair Bell:

Any opposed? Okay. Thank you. The Resolution is passed. The next item on the discussion agenda is a report of the on the items considered by the Governance's Committee meeting from the Committee's Chair, Arturo Garcia Costas, Arturo.

Arturo Garcia-Costas:

Thank you, Mr. Vice Chair. So the Governance Committee met earlier today and a quorum was present throughout the meeting. The Committee received a presentation from the Authority's General Council Peter Costello on proposed amendments to the Authority's Conflict Policy for Board Members and the Conflict Interest Policy for Employees specific. Typically, the policy revisions update references the Committee on Ethics and Law. Government otherwise consists of non substantive ministerial or clarifying changes. Committee unanimously recommends the Board approve the revisions to the Conflict of Interest Policy for Board Members and the Conflict of Interest Policy for Employees.

Vice Chair Bell:

Are there any questions for Arturo? Okay, hearing none. Thank you, Arturo. We will now consider resolution on the Conflict of Interest Policies as part of the consent agenda. May I please have a motion for resolution number 1688 oh, approving the adjustments to the Compensation of Officers?

Arturo Garcia-Costas:

So, actually, I, I you didn't finish that

Vice Chair Bell:

Oh, I'm so sorry.

Arturo Garcia-Costas:

That's okay. So, the Committee, executive Committee, yes. Sorry, sorry. So the Committee met executive session. I, I, I, I thought perhaps you were gonna give you Committee met an executive session, discussed the informed history of particular person. No formal action was

taken during the executive session. The Committee also met in private session, discussed the result of the Member's evaluation of the Board's performance. This will be presented to the Members at the June 2023 Board meeting. In addition, the Committee received a report from the Diversity, Equity and Inclusion Officer, Michelle Andry, on the Authority's DEI work.

And finally the Committee discussed the compensation of the Officers and received a report from the Chief Financial Officer, Pam Poisson. The Authority's Law requires the Board to establish policies regarding compensation of Authority Officers and Article III, Section 3 of the Authority's By-laws requires Board approval of, of the Officers' compensation. Ms. Poisson explained that NYSERDA's overall policy practice has been to provide its employees with compensation generally comparable to that provided to State Management/Confidential/C employees serving in similar roles as per resolution 1629 at the June, 2021, NYSERDA Board meeting Officer level compensation is calibrated with that of other staff to keep Officer salaries aligned with both State trends and overall Authority. Staff compensation Officer salaries are currently calculated based on the salary cap for the M7 salary range for the State Management/Confidential employees via a formula that was established through a review of peer organization.

Concurrent with that resolution, the court requested a regular review by NYSERDA of this convention to ensure it remains per rational and largely consistent with practices of similar organizations. Such a review was conducted in early 2022 and confirmed that the approved formula still aligned with other New York State entities practices as reported to the Board last year. Since that time, additional bench marking has empirically indicated one refinement to this convention to update the basis for Officer level salaries to retain internal parity. Consistent with the Board's intent in the 2021 resolution, the basis would change to the cash the basis would change the cash compensation cap for the M7 grade level rather than the salary cap for that same level. Other than the update to this basis, the formula used to determine Officer level salaries is not proposed to change, has proposed this change will be affected as of April 1st, 2023, 2, I'm sorry, <laugh>. The, the Committee unanimously recommends that the Members approve the salary increase for Chief Officer Yep. For the Officers, yes. Mm-Hmm. <affirmative>. Hey are there questions?

Vice Chair Bell:

For Arturo or comments on this matter?

Rory Christian:

Just point of clarity? We were discussing two Resolutions just now, the salary change and the, the Conflict of Interest. Is that right?

Vice Chair Bell:

Yes. Yes. Thank you. Thank you. So we will consider the Resolution on the Conflict of Interest Policies as part of the consent agenda at the end of the meeting. And so we're just, we're going to turn now, though, to act on the issue relating to the compensation of the Officers.

Rory Christian:

Thank you. Clarify. Thanks.

Vice Chair Bell:

Okay. Any more questions or comments? Clarify comments? Yes, Jay.

Jay Koh:

Just make one, one comment. I mean, this, this matter was discussed in the Governance Committee and reflects the, the unanimous recommendation of that Committee based on imbalance. And you see the need to recruit, retain the appropriate personnel in a fair way for, to serve the mission of the agency, and the same time is taking a very careful account for any programmatic activities, the agency. So I just wanted to commend the Governance Committee Chairman for the leadership and discussion on that issue.

Vice Chair Bell:

Okay. Thank you. Any more questions or comments? May I please have a motion for resolution number 1688, approving the updated basis for Officer salary compensation?

Commissioner Seggos:

So moved.

Vice Chair Bell:

Second.

Arturo Garcia-Costas:

Second. Second.

Vice Chair Bell:

Thank you. All in favor, please say aye.

Members of the Board:

Aye. Aye. Aye.

Vice Chair Bell:

Any opposed? Any opposed? The motion is carried. Resolution is proved. Thank you so much, Arturo. The next item on the discussion agenda is a report on the items considered by the Audit and Finance Committee. The Committee's Chair, Jay Koh will present this item. Okay.

Jay Koh:

Thank you, Mr. Vice Chairman. The Committee held a de a de heard a detailed presentation from KPMG. It's proposed process for conducting the fiscal year 2022-2023, independent audit of the Authority's financial statements, and NY Green Bank's financial statements. The Committee was able to ask questions and thought the approach was reasonable, and the final financial statements would meet the requirements of the Public Authority Accountability Act and the State Controllers, reg regulations, including the delivery of all required opinions. No action was required on this item. Make two, two further additional notes. One is in keeping with best practices, there will be a rotation of the lead audit partner at KPMG. And there's also been an agreement in principle to, as we have recommended periodically to review any changes in best

practices recommendation for the reporting of the agency's financial Statements and its audit interim controls process.

I wanted to thank KPMG and others for the coordination. The last note is, of course, to continue to, to note that the agency has had a extremely long history of unqualified external audit opinions and, you know, suggest that that is a result good coordination between obviously the management of the agency itself, external auditors, and then good execution of agency. Next, the Committee received a report from the Authority's Director of Internal Audit, Mary Peck, on her proposed Internal Audit Plan for Fiscal Year 2023-2024. Following a discussion, the Committee voted to approve the 2023-24 Audit Plan. Next, the Committee considered the proposed financing of the Green Jobs-Green New York program that would sell a participation interest in the Green Jobs-Green New York program loans to community banks or credit units. The details of this transaction were included in your meeting package. The Committee unanimously recommends approval of the Green Jobs-Green New York financing. And that concludes my report.

Vice Chair Bell:

Thank you. Are there any questions for Jay? So we'll consider the Resolution that you just brought up as part of the consent agenda. Next item on the discussion agenda is a report on the items considered by the Program Planning Committee from the Committee's Chair, Shere Abbott. Shere.

Sherburne Abbott:

The Committee matter earlier today, and the quorum was present throughout the meeting, the Committee received a report from the Authority's Chief Program Officer, Anthony Fiore, and Vice President for Clean Energy, Clean and Resilient Buildings on the Authority's Clean and Resilient Buildings initiatives. The presentation summarized the Authority's current work and future goals, and the Committee was able to ask questions that was satisfied with the discussion. I'd like to highlight two points, which I'm sure I will not capture appropriately. So I'm hoping Jay will, will, will try to recapture his comments and, and the others. With respect to the first being continuing vigilance in evaluating the effect of these programs on the already existing challenges of high cost of, of, of the housing market, especially when we talk about building codes and insurance and, and, and other things. That was one bucket of conversation. And the other was about the, the, the tiering and approach over thinking about for further discussion for the Committee on tiering and consideration of the timing of programs as they, as they roll out. And what are the contributions to the State's energy transition and climate goals as during that rollout, so that we get a sense over the long term of how they connect up with achieving the goals.

Jay Koh:

The second point in, in previous Board meetings.

Sherburne Abbott:

Sorry.

Jay Koh:

In discussion about the aggregate targets under New York State policy to achieve, you know, 50% electricity by 2030 and a hundred percent zero emissions electricity by 2040. And there have been aggregations of the programmatic activity of the agency that gave visibility north of 90% at the 2030 target. And I think that there was a sense that among the Committee would be helpful to understand how the major components of that are supported by a NYSERDA activities, including buildings and in the insurance and innovation area aggregate up per program into achieving that 2040 target. And then thought again to, you know, making sure that we're paying attention to the timescale, which that actually, so I think, you know, it, it was a, a, I think a hopefully a useful discussion. And then the, the Board and the Program Planning Committee, we look forward to you know, future discussion of that, or a presentation of the aggregation of night service, programmatic activity to achieve the 23 and 24 among others.

Sherburne Abbott:

Any other comments? What and I just have to say from, from the perspective of the Committee, this was an extremely comprehensive and interesting report from, from the two. So we were, it was really interesting. Thank you. This concludes.

Vice Chair Bell:

Okay. Are there any further questions for Shere and the Program Planning Committee? Okay. So these were informational items. No formal action is required. Thank you so much, Shere. Next item on the discussion agenda is a report on the recent activities of the NY Green Bank from its President, Andrew Kessler. Andrew.

Andrew Kessler:

Hi. Thank you. Good afternoon. I'm Andrew Kessler, President of NY Green Bank

Andrew Kessler:

Pause. Next slide. Great. since my last update to you in January we had a very strong finish to our fiscal year end closing the total over the year of 16 transactions and bringing the total capital committed since inception to just shy of \$2 billion. We closed \$252 million of new investments last year surpassing our annual commitment target of \$225 million by \$27 million. And importantly, about a third of those commitments were associated with transactions that benefited Disadvantaged Communities, and that was about \$85.1 million supporting us in reaching these investment targets. We, we added a new dedicated business development function into our team. And as do mentioned, we've, we have remained heavily engaged in discussions on federal opportunities, including most specifically for NY Green Bank, the \$27 billion Greenhouse Gas Reduction fund and we continue to evaluate pathways to access this historic funding over the remaining few weeks until the application period is expected to open up in early summer. With those headlines, I'll move quickly to, to address progress towards achieving each of our key annual plan goals. Next slide, please.

Great. So I won't go in in much detail here other than to say this slide represents the totality of the deliverables that we committed to through the fiscal end, March 31, 2023, which I have been updating you all on each quarter. It's been a very busy year. We had quite a few ambitious goals that that all of which with just two exceptions, we moved forward with, and completed

successfully. The for example, one that we're still working on is associated with the closing out of the great efforts associated with finalizing the definition of Disadvantaged Communities towards the end of the, by the Climate Justice Working Group. And we're now working to update our metrics plan to reflect this new definition and its impact on how we manage and disclose our progress on these important topics. So, more to come on that next slide, please.

So, just with respect to committed funds, as mentioned, we did surpass our \$225 million capital commitment goal in January 2023 when we closed \$23 million transaction that we're calling Reid and Park Rock. I'll have a short case study on that in in a minute. We closed the year out with a very strong pipeline of about \$400 million in active transactions that we're working on right now. And the pipeline continues to, to represent pretty exciting opportunities across a broad range of different segments, geographies, and technologies. In the last quarter of the year, we made further progress against our commitment to invest \$150 million in affordable housing projects by December 31, 2025 by closing another transaction with a Nitrogen Pack project. And on the top of this slide, you'll see the cumulative impact of our progress since inception through December 31, 2022, at least like \$1.96 billion of committed capital, \$1.5 billion of capital successfully repaid and \$5.5 billion of capital mobilized by our activity, resulting in over \$41 million metric tons of emissions reductions. We're excited to highlight these results during our 10-year anniversary campaign, which is set to launch this over the next several weeks when we surpassed our \$2 billion milestone, which we expect will, will happen at the closing of our next transaction. Next slide, please.

Arturo Garcia-Costas:

Can I interject by saying

Andrew Kessler:

Yes.

Arturo Garcia-Costas:

Hey, thank you.

Andrew Kessler:

We do appreciate having the entire team guys tell you quickly here. Just with respect to our Disadvantaged Communities effort, since January 1, 2020, 22% of NY Green Banks investments have supported underserved communities, which has continued and steady progress towards the achievement of our minimum 35% goal by the end of December 31, 2025 during last fiscal year, \$85 million, as I said, of investments benefited underserved community, including \$45 million in affordable housing projects, and \$33 million in building electrification projects, as well as some Disadvantaged Community claims that we made associated with some of our community distributed generation projects. Next slide, please.

One example of some of the activity that we've been doing in this area is, is set forth here. We, in January 2023, we closed the Reid and Park Rock transaction, which commits up to \$23 million to finance pre-development expenses in connection with conversion of approximately 1700 units of former public housing. This transaction is expected to reduce nearly 16,000 metric tons of CO₂ emissions. NYCHA is working with a number of private partnerships and, and community

based organizations to bring comprehensive upgrades to public housing, including decarbonization building electrification and resiliency and improvements. NYCHA pack designee require upfront capital to develop plans and complete the milestones that are necessary to obtain construction financing. These funding gaps, funding gaps persist in this marketplace, and we're addressing those. This transaction demonstrates that these kinds of financing structures supporting future lending, clean energy and energy efficiency projects that benefit Disadvantaged Communities and can be replicated and scaled to mobilize the private capital necessary to fund the actual decarbonization of these improvements. It's achievable. This is not the first one we've done. We've done a few of you already in the past, and we won't, we expect to continue to do so as we pull in other partners into this area. Next slide, please.

And finally, a few words about our other public commitments, as well as our overall business development efforts last year. With respect to our public commitments and energy and, and clean transportation, we continue to make very steady and progress in energy storage. For example, we executed \$54 million in energy storage transactions and are actively working on \$55 million in potential new commitments as we speak in clean transportation. We close. Our first transaction in November 2022 was a \$10 million transaction, and we've got six \$68 million in the pipeline. On the business development front, we evaluated over \$500 million gallons of proposals last year. And we are identifying really each, almost every week new opportunities to close funding gaps in the clean energy markets by engaging in the marketplace. For example, we participated in 11 events just this last quarter and over 35 events last year. Were actively one events and, and other opportunities to engage with stakeholders next here. And perhaps we'll see some of you in the coming months. That concludes my prepared remarks. I'd be happy to answer any questions.

Vice Chair Bell:

Thank you, Andrew. Any questions about the Green Bank.

Rory Christian:

Just one quick question, if you don't mind. The public housing that you mentioned, one of the prior slides, can you, where are those located? Those are in New York City housing?

Andrew Kessler:

That is they are New York City. I believe I see that's I believe they are. I can get back to you on the, on the exact address.

Rory Christian:

Okay.

Andrew Kessler:

After afterwards, not afterwards.

Rory Christian:

Thank you. Okay.

Andrew Kessler:

Yeah.

Arturo Garcia-Costas:

I wanted to congratulate you on the project you basis January 2020. In terms of channeling investment Disadvantage Communities, that's called for in the CLCPA. Just a quick question. You're, you're, you've stated the goal is to have 35% at minimum of 35% by 2025. Is, is your sense that, is there any kind of low hanging fruit dynamic going on here? Have you gotten the, sort of the easier ones to get, or are there more of those, or do you think you're, you're gonna start having more problems getting to the 35% at 2025 or easier?

Andrew Kessler:

It's a great question. I don't think what, what we've been doing, I would characterize it as hitting just a low hanging fruit. What we've been doing is identifying the funding gaps and actually maybe in a, and in some ways it's the opposite because we've been investing the time into where there's the biggest challenges mm-hmm to start to make progress and chip away at those mm-hmm and we're starting to see that momentum build. There was some period of time where there was just a lot of upfront work to try to get to the point where we were identifying actionable funding opportunities in the area. What we've now got part, part of that beat up leads to, as you know, we've been working on the Community Decarbonization Fund, which we do anticipate launching at some point soon which would be another, taking that, that effort to, on a more wholesale basis by providing capital to Community Development Financial Institutions, CFIs and others, help them get, get the capital that they need to shift increasingly towards funding decarbonization projects in their local communities. So that's another, another element of this program.

Vice Chair Bell:

Yes. Marie Therese.

Commissioner Dominguez:

Just a quick question. What, can you give us a sense, you said you were conducting a number of meetings and outreach opportunities. Can you give us a flavor for what that looks like?

Andrew Kessler:

Yeah, we're talking to, a lot of those are, are sessions, panels, keynotes, and so forth at events across the State, including the city range from opportunities within the are conferences that are focusing on various technologies or use types, could be affordable housing in, in, in nature. It could be solar in nature, it could be battery storage in nature. So I'm happy to get you a list of those.

Commissioner Dominguez:

I'm just curious about the diversity of the groups that your talking.

Andrew Kessler:

Yeah, and, and we typically are, are looking to send is, you know, a, a, a decent diversification of our team out there so that, you know, folks are engaging with a variety of different Green Bank pro professionals. And we're building those relationships up and down the you know, the stakeholder community chain.

Arturo Garcia-Costas:

Great. Follow up. So the spade work that you described respect to the strikes me in this, my mission is that it's gonna really position New York quite well. There's \$6 million greenhouse assets are gonna be now reserved Disadvantage Communities in the Greenhouse Gas Reduction Fund. Is that your sense also?

Andrew Kessler:

Per value to united that State funding pathway there is a \$5 million per awardee cap on that which does present challenges. And we're looking to identify ways of, of optimizing around that. So this is all, this is all guidance that came out just last week. Nonetheless, you know, there is the \$7 billion State only pathway for Disadvantaged Communities that does have a prioritization list that that's less expansive than, than some of the other channels are funding. But nonetheless, that's an opportunity that doesn't have a cap like that. And then the \$14 billion that is not set aside explicitly for Disadvantaged Communities, but could, can absolutely be used to benefit Disadvantaged Communities remains a, a viable alternative as well.

Vice Chair Bell:

Jay?

Jay Koh:

Maybe three, three quick comments. First not to interrupt again, but I, I did want to just commend the management and the leadership of the Green Bank and NYSERDA programmatically for achieving these milestones. The \$2 billion deployment of funding which I'll be happy to hooray again when it actually happens and, and really the, the, you know, hitting plan again, exceeding plan, really making progress, I think ambitious and rightly ambitious goals for Disadvantaged Communities as it's, you know, continually developing target is a really a, a really laudable achievement that that's occurred. And so in that I think NY Green Bank is one of the great examples of what can happen if you really engage the market and have the programmatic activity, but that's by dent of a lot of hard work. And so to you and your team, congratulations and do more work.

But, but that's 1, 2, 2 is you know, the Green Bank's come up multiple times in various conversations around different parts of the sort discussion, even as recently as two days ago in the discussion of the Resilience Advisory Committee where there's now evaluation of the resiliency requirements and then the climate risk, then NYSERDA zone programmatic activity. And its ability to affect as a standard center, as a market participant at the resilience and project that's supported. So I'd highly encourage three areas that have emerged of alignment. One would be a discussion about how resilience, and I know this being done operationally at the NY Green Bank can be really practically baked into the kinds of financing that the Green Bank's doing itself. Right. in other words, like are there specific metrics? Is there an accepted methodology? Is there a way where the kinds of transactions you know, now almost \$2 billion of the, the Green Bank is supporting, can really push forward by requiring some analysis on the risk side or considering how to bake in standards of performance, those components of the resiliency section.

Similarly, today there's discussion about the insurance innovation strategy. Again, my know understanding is that insurance is never is never bought. It's sold besides they want to go buy

some insurance that day. And a large amount of what could be done to drive forward the innovation would be to pilot it or incorporate that or understand how practically it supports the actual value of the types of transaction that the Green Bank itself supports. Right? We said this kind of insurance would work, or we need this kind of data to make sure that these types of projects are just ultimately more successful. The, the tool of the market engagement that the Green Bank is, I think represents a great potential for that. So, and again, encourage you to make sure that those, those dots are joined up. And so the innovation serves the purposes, not just of innovation, which is great, but also amplifies the activities of the Green Bank.

And the third piece is, as you've alluded to the federal side of it, right? And that's not only accessing we hope is New York's fair share would say that should be very large of what might come out of IRA the Federal Green Bank types of strategies, but also looking to see if there's coordination that could occur in joint funded projects between the State and the federal government. In other words, if we're looking at low middle income housing or Disadvantaged Communities, there's a variety of co-founders of those types of activities. If we can clearly demonstrate what we think is best practices is an energy efficiency and resiliency in the way that we're designing these projects, then why don't we make that New York standard, the federal standard or Vice versa, instead of having this long harmonization process between 50 different jurisdictions inventing different ways to approach what could be there, we have an enormous database of activity and real performance mm-hmm.

Because we have done the hard work in New York State and over almost \$2 billion for the projects that should be a great source of information and jointly developed best practices for us and the Feds and anybody else that wants work. So I, again, on the, you know, I think Shere and I have been pounding a drum on Fed State kind of engagement. And I think that's, that's one last thing. The third, the third piece is just to follow up on the comment that was made on the Program Planning Committee, which is, would be very helpful to me as a, as a Board Member to be looking over the, the State's objectives and understand historically, if it's not a ridiculous amount of work to understand how much contribution the Green Bank has made towards the 2030 objective and how much programmatic support the Green Bank and other programs at NYSERDA can do to support achievement of those 2030 and 2040 objectives.

You know, we have very ambitious goals and we should, and we have excellent programs and great examples. Like the Park Reid project you just mentioned. How scalable is that? How, how much aggregation, how do we manage to get to the finish line in time? What has the Green Bank done in terms of getting us this far down the path of taking this been quite material? And how much further can we get by using that instrument? And maybe simplistically, I I, I know that we've done this analysis in the past and we've seen over 90% visibility on the 2030 target as I think I mentioned being able to simply describe that. And I think also being able to describe that achievement from the New York State perspective to other States, to the federal government, I think would be very useful to me at a minimum of being able to, you know, adequately describe what the achievements in the mission of NYSERDA and NY Green Bank. So to the extent that that's possible as a follow up at some point in the future, just a simple aggregation and then here's what the Green Bank contributed, here's what we could do I think would be a very useful demonstration as you come to the 10th anniversary in the \$2 billion crossover market. I think

there's, there's a lot more to do, but we should, we should absolutely chuck our wins in the way that really describes how we're serving the objectives of the agency.

Andrew Kessler:

Well, thank you Jay. I, all of this, you must have sat in on our planning session earlier today. You're, you're really touching on a lot of the things that we are that are on our list. I put the slide up there that, that included all of our last year's objectives. Objectives, yeah. You'll see the next, when we do make that public, you'll see themes of what you just talked about on that, on that new page.

Vice Chair Bell:

Thank you. Are there any more questions or comments about the NY Green Bank? Yes Sadie?

Sadie McKeown:

On the, with respect to the ninth redevelopment loan there's definitely a gap. Redevelopment lending in affordable housing. There's professional, especially if that's size cuz they're 1700, a large transaction. My question is, are you able to, since your capital's objective is to drive as much clean energy as possible, are you able to influence the scope of work at the project as the pre-development lender? Or are you simply filling a gap for something that's gonna meet what has become somewhat of a green business as usual standard? Like how much further can we push?

Andrew Kessler:

It's a great question. You know, right now we haven't imposed anything more stringent than what the, what the requirement is. But we are encouraging why are you doing this move, move forward with, you know, with improvements that, that can go beyond that. And so we're engaging with our buildings team Yeah. Yes. You know, to, to help create the, the talking points and necessary analysis to support, you know, not incentivizing, but trying to

Sadie McKeown:

Literally, if your money is paying for the reports up front, the engineering to include the higher level audits and,

Andrew Kessler:

And ultimately those reports

Sadie McKeown:

And the menu of what they

Andrew Kessler:

Exactly.

Sadie McKeown:

Yeah.

Andrew Kessler:

Reports can't dictate, but ultimately will be, will happen. But while you're at it

Sadie McKeown:

Or, or plan for,

Andrew Kessler:

You can find the scope

Sadie McKeown:

Over time, you should be able, you should be achieving these things because frustration of a pre-development lender is don't really get to influence what happens during construction cuz you're not in during construction. But if you can at least influence what could be done over time if it can't be done at the time of the financing, that's a great, I think that's really important, particularly with NYCHA because it's such a hand to mouth venture.

Andrew Kessler:

Yeah.

Sadie McKeown:

That if you're establishing, because oftentimes what happens in those reports is you then set out reserves or reserve requirements for what happens at the building over time. Yeah. And so if there could be a level of, if you want our pre-development money, you sh you need to hit this threshold and these reserve requirements and address these things over time. Yeah. It's just a thought. Cause I know how hard it is to influence at the, at that level, but then also, you know, just to get as much as possible done at the time of the financing so much we're an, we're an investor in a large 1700 unit NYCHA bundle. We push really hard to get to the highest levels of sustainability. And it, we were one of the first bundles it got engineered out. Right?

Andrew Kessler:

Yeah.

Sadie McKeown:

Just was like, we can't afford to do all that now.

Andrew Kessler:

Right. but if it's not even on the menu of options,

Sadie McKeown:

Right.

Andrew Kessler:

It's not considered,

Sadie McKeown:

they're not thinking about it.

Andrew Kessler:

Right.

Sadie McKeown:

Even if you can push them to think about it, that's critically different.

Jay Koh:

And then maybe to that point, this is a point in the workflow where you could inject, should you do climate risk analysis for resiliency? What's the standard report that actually tells us how we compare this building versus this building, versus this building versus this building? And if there are gaps there, you know, if there's insurance innovation or risk cover that makes the financing cheaper or makes the performance of the asset more predictable, then that's the moment of intervention, right? When you have, you know, you, you get homeowner insurance because mortgage lender requires that you get it. Right. and so I think that's the same kind of, you know, you have the ability to influence as a market participant.

Arturo Garcia-Costas:

And, and to Jay's earlier point about you making New York a model, I think the existence of the Green Bank and, and what you're doing right now when it comes to CDFIs in New York State and this the Greenhouse Gas Reduction Fund that's on the horizon I really think that the CDFIs in New York with your health mm-hmm.

Could actually come up with templates with things that really get emotional with the way there, because my experience CDFIs is in New York State is that they keep reinventing the wheel over and over and over again and that exhausts them and they fall back on these passives, these resistance or same old same old practices. So trying to figure out a way of like taking 'em to the next level and coming up with approaches that are 70 or 80% of the wave where we want them to be might be a very significant contribution at a moment where CDFI practice across the nation could change.

Andrew Kessler:

We're working close more closely with the CDFI community than we ever had before. And a lot of the accounts was that was the Greenhouse Gas Reduction fund collaboration necessary to engage with that, that ecosystem. That's been very valuable. And we're always looking for ways to leverage what others are doing. Not never gonna be quite, you know, product out of a box, but there are programs that people have developed that can be replicated, adopted customized for CDFI use cases and other, other for other players in New York State that maybe weren't invented here but could be applicable and vice versa, where we're exporting our best practices out into the commutes. So point well taken.

Vice Chair Bell:

Okay. Thank you. Any more questions for Andrew? Going once, going twice. Well thank you so much for your report, Andrew. We want to congratulate the NY Green Bank on 10 years of highly successful operations. Thank you for your leadership.

Andrew Kessler:

Thank you.

Vice Chair Bell:

And on our next to last item, we would now turn to the consent agenda. There are three Resolutions to be considered. Information on each of these items was included in your meeting materials. Resolutions Numbers 1689 and 1690 were recommended for approval by the Committees. Resolution Number 1691 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 NYSERDA to the list of contracts in the Periodic Contracts Report, Counsel's Office reports, there is one potential conflict Cadmus, which is identified by Jay Koh. Jay, can we, I assume that you will be recusing yourself from voting on that particular item?

Jay Koh:

Yes.

Vice Chair Bell:

Thank you. Are there any questions on the items on the consent agenda? Yes. Further discussion? None. Okay. Hearing none. May I please have a motion for Resolution Numbers 1689 1690 and 1691.

Commissioner Seggos:

So moved.

Vice Chair Bell:

All in favor please say aye.

Members of the Board:

Aye. Aye. Aye.

Vice Chair Bell:

Opposed? Okay. the Resolutions are approved. Thank you so much. We now turn to other business. Are there any other matters the Members would like to discuss?

Vice Chair Bell:

Okay. Hearing none may please motion to adjourn the meeting?

Arturo Garcia-Costas:

So moved.

Commissioner Seggos:
Second.

Vice Chair Bell:
A second? All in favor, please say aye?

Members of the Board:
Aye.

Vice Chair Bell:
The meeting is adjourned. Thank you so much to the NYSERDA staff and our logistics team.
Thanks everybody.