

**NYSERDA'S 267<sup>TH</sup> BOARD MEETING**

**June 24, 2024**

Clean Copy of Transcript

**Sara LeCain:**

Okay.

**Richard Kauffman:**

Okay.

I call this meeting to order. This is the 267th meeting of the New York State Energy Research and Development Authority. Notice of the meeting was mailed to the Members and to the press on June 13, 2024. I directed a copy of the notice and agenda and revise agenda to be annexed to the minutes of this meeting. Welcome to the meeting. This meeting is being conducted in person by video conference. The Authority will post a video and a transcript of this meeting on the web. Confirm that we have a quorum. I'd like to ask each of the Members to introduce themselves. I'm Richard Kauffman, Chair of the Authority.

**Jennifer Hensley:**

Jen Hensley, Board Member

**JoAnne Hewitt:**

JoAnne Hewitt, Board Member

**Lindsay Greene:**

Lindsey Greene, Board Member.

**Richard Kauffman:**

Thank you. And in New York City,

**Justin Driscoll:**

Justin Driscoll, Member of the Board.

**Jay Koh:**

Jay Koh, Member of the Board.

**Charles Bell:**

Chuck Bell, Member of the Board.

**Richard Kauffman:**

Shere.

**Sherburne Abbott:**

Shere Abbott, Member of the Board.

**Richard Kauffman:**

Thank you. I'd like to note for the record that we have a quorum, but that Shere Abbott is participating by video conferences per the Extraordinary Circumstances Exception under the Open Meetings Law and our By-laws, Shere's participation will count for votes but will not be included in the count for quorum. So I would now officially like to welcome our new Members, Lindsay Greene, Jen Hensley and JoAnne Hewitt. Dale Bryk has also joined the Board but was unable to attend today's meeting. All four were confirmed by the Senate on June 6, 2024. So again, welcome. We're really delighted to have you all.

**Lindsay Greene:**

Richard, do we have Dale on?

**Richard Kauffman:**

I think we, Dale may be listening not as an official Member of the Board, but she may listen. Okay. So the first item on the discussion agenda is the consideration of two resolutions commending recently departed Members Arturo Garcia-Costas and Sadie McKeown. And so they both provided invaluable counsel and oversight during their respective tenures and the resolutions were in your meeting packet. And so I would ask for motion for resolutions number 1728 and resolution number 1729 commending Arturo Garcia-Costas and Sadie McKeown for their service on behalf of the Authority.

**Jay Koh:**

So moved. The additional comment that you working with both of them and recognize their contributions at the Board level to the discussions and missions agents. Second.

**Richard Kauffman:**

Okay. All in favor?

**Members of the Board:**

Aye.

**Richard Kauffman:**

Opposed? Alright. The resolutions have been approved. Thank you. The next item on the discussion agenda is a resolution appointing Lindsay Greene and Jennifer Hensley to the Audit and Finance Committee, appointing Dale Bryk to the Governance Committee and to serve as Governance Committee's Chair Dale Bryk, Lindsay Greene, Jennifer Hensley and JoAnne Hewitt to the Program Planning Committee and appointing Lindsey Greene to the Waste and Facilities Management Committee, we've spoken to each of the Members and they're willing to serve in this capacity, will benefit greatly from their time and attention to the important work of the Authority. So may have a motion for resolution number 1730 appointing various Members to the Audit and Finance Committee, the Governance Committee, Program Planning Committee, and the Waste and Facilities and Management Committee.

**Charles Bell:**

So Moved.

**Sherburne Abbott:**

Second.

**Richard Kauffman:**

All in favor?

**Members of the Board”**

Aye.

**Richard Kauffman:**

Any opposed? The resolution has been approved. Thank you. The next item of the discussion agenda is a report from the Authority’s President, CEO Doreen Harris on the Authority’s recent activities.

**Doreen Harris:**

Good afternoon everyone. If we turn to our first slide, I would like to echo our chairs. Welcome to our new Board Members. Certainly on behalf of NYSERDA officers as well as the management team, we want to welcome you. There's a beautiful slide with your faces. Next slide please. Certainly we look forward to working with this diverse and exceptional group of industry leaders and certainly the value, experience and insight that you'll be bringing to each of us. So now that you've been officially both appointed to the Board as well as the Committees, we want to say the work is beginning and thank you for your service and of course I'd like to personally extend my gratitude to Sadie and Arturo for their years of service and to New York State as well.

Next slide please. So I work typically the NYSERDA President's report is intended to provide a bit of a broad brush update over the course of the past quarter as to major milestones that we've hit or developments that we would want you as Members of the Board to be aware of. I know the Program Planning Committee spent a good bit of time today talking about the topic of market animation, market transformation, and I wanted to highlight another example for each of you here today, which is the Empire Building Challenge. We have undertaken now the third round of this program, which is really focused on large building decarbonization and certainly through purposeful demonstrations demonstrating that indeed it is possible across the state and in partnership with the real estate industry and solution providers. So in May Governor Hochul announced 11 winners in round three of this challenge, and I think it's important to note that in total 25 of the 29 showcase buildings are in disadvantaged community locations around the state. Certainly notable because it demonstrates the fact that this can be done and it can be done across our state in an equitable manner. The Empire Building Challenge really has benefits about new technologies, how to bring these technologies to market, setting new design standards for high-rise, building market impacts and Greene jobs as we move forward. So we have partnered with 27 real estate leaders focusing on commercial, multifamily and affordable housing as a great example of this program. Next slide please.

At our April Board meeting, I noted that New York was the first state in the US approved for a partial scope application that we submitted under DOE's home electrification and appliance rebate or here program. And I'm pleased to say at the end of May, we became the first in the nation to implement that funding under the Inflation Reduction Act program. We announced the

launch of an expanded Empower+ program as you can see here with Governor Hochul, US Secretary of Energy, Jennifer Granholm, Senate Majority Leader, Chuck Schumer, White House Senior Advisor, John Podesta, and an incredible group of leaders in the building decarbonization space in Queens To celebrate that announcement, I'm also happy to report that a little over a week ago our team submitted its full scope application under this program and if awarded, New York State will receive a total of over \$300 million from the Department of Energy in this program alone. So I want to particularly acknowledge various Members, many Members of the NYSERDA team who helped us. We like to be first always so allowed us to do so and in an expansive way. Next slide please.

I also wanted to provide an update in the ever-evolving world of offshore wind in our portfolio that I did highlight for you at our April Board meeting really as we seek to implement Governor Hochul's 10 point action plan for reinvigorating the renewable energy industry in our state. So in April, I had noted that we had provisionally awarded two projects under our fourth offshore wind solicitation. I'm pleased to report that as of last, the first week of June, the contracts for these projects representing a capacity of over 1.7 gigawatts were finalized. And it's notable that once these projects are operational in 2026, they will represent the largest power generation projects in New York State in over 35 years. And when we look at the impacts of these two projects, Empire Wind One and Sunrise Wind, we see their activity across the state. In fact, you'll see a bit support activity we just celebrated at South Brooklyn Marine terminal, notably with a groundbreaking.

But also just this past Friday, the Federal Department of the Interiors Bureau of Ocean Energy Management announced its approval of Sunrise's Winds construction and operations plan. So now we have both projects ready with shovels in the ground this summer to advance these projects toward operation in 2026. Next slide. I had to show a visual of that South Brooklyn Marine terminal groundbreaking. I joined representatives from New York City government and the Empire Wind One project to mark the groundbreaking at this terminal. It's going to create over a thousand union construction jobs and 200 assembly jobs, certainly aligning with the local Sunset Park community and New York State Union labor for its development. So I have coined this year, this summer, the summer of shovels as we build projects and get steel in the ground. Certainly our top priority Next slide. And those of you participating in the Program Planning Committee meeting, I think it's notable that just last week the Public Service Commission adopted the six gigawatt energy storage roadmap proposal and this was a roadmap filed by NYSERDA and DPS in 2022.

And it is a big deal because it is now allowing us to chart a path toward the goal. An expanded goal of deploying six gigawatts of energy storage by 2030 with specifically expanded programs toward another 4.7 gigawatts of residential, commercial and bulk storage. We at NYSERDA will be leading including a new index storage credit program for bulk storage projects and expansion of existing programs for retail and residential. So I do know that Chair Christian is not here today, but I wanted to thank him certainly for his leadership and moving that forward as well as the staff of the Department of Public Service, the commissioners, and our own NYSERDA team. It's a big deal to really scale up storage as we said, both in the near, mid and long term. Both technologies of today and technologies as tomorrow toward that resilient grid we will be deploying in the coming years. And next slide.

As you can see, the NYSERDA team is very busy getting dollars out into the market with over \$40 million in solicitations represented here just for May and June. I wanted to also note that we completed our review of guidance for the commercial property assessed clean energy or CPACE program. There will be changes to the CPAs guidance including alignment with codes and standards, cost benefit determinations, alignment with all electric building mandates, expansion of pre-qualified measures and inherent customer protections. So we can see New York City alone having an \$80 billion investment opportunity for CPACE when one thinks about compliance with Local Law 97 in particular. And so there were also two additional announcements at the end of last week I wanted to highlight for you. Last Thursday we released an RFP under the land-based renewables program tier one, and on Friday we announced a new clean mobility program, which will make \$32 million available for shared electric transportation services such as micro mobility shuttles and ride sharing services.

So this is going to be in concert with local governments, CBOs and other community led planning and demonstration projects as well. So certainly a busy month of solicitations and programming. And last but not least, to close out my President's report, I would like to show you some data because we love data. I'd like to reflect on last week's heat wave. In particular, I want to flag the fact that the NYISO did a fantastic job preparing for this heat wave event as well as our utilities of course. And the blue symbols in this graph show that they had excellent forecasts of daily expected peak load. New York's grid was well prepared for the extreme heat and distributed solar actually helped to keep the lights on and the air conditioners running and that's something I want to highlight here today. First, the NYISO did call on its emergency demand response programs on Thursday and zone K on Long Island, but in addition, it is improving the fact that as you see from the graph, the two sort of the dotted line versus the solid line that distributed solar actually impacted the grid during the first four days of the heatwave in a very significant way proving to be a good investment for New York.

So when you look actually at the all time New York control area peak, it's 33,956 megawatts back from 2013. For this particular heat wave, the weekly net peak. So that is including behind the meter solar as a load modifier. It was 28,245 megawatts on Friday. And so when you look at this for Friday alone, distributed solar actually reduced New York's system peak by approximately 2.3 gigawatts, which is nearly 8%. So for context, this is a larger contribution to summer peak than nine-mile, our largest nuclear facility in the state. I think it's representative of really where we're heading and seeing this data is reflective of the impact that these investments are having. I wanted to highlight this for the Board because it's demonstrable evidence of the impact specifically of these investments, but also of the ability to really control and plan for these events and what I would view as a very successful way. So had to end with some data there with my thanks again to our colleagues at the utilities in the New York ISO for their commitment to that reliability. In light of that heat wave,

**Richard Kauffman:**

I wonder if there's a way to estimate what the actual financial benefits are.

**Doreen Harris:**

I'm certain that there are, John, you want to certainly could.

**John Williams:**

There would definitely be estimated prices to clear at the dotted lines and what did it actually clear at and we could look at that differently.

**Jay Koh:**

I think is a great example of the dual benefit here in terms of changing the energy mix overall, but also supporting resiliency in the intelligence of the next generation grid here, right? This is exactly the type of situation which has led in other geographies last year. For example, France, California heatwaves causing near crashes of the grid in those two geographies. So the ability to kind of demonstrate and quantify the resilience benefit in the face of what will be increasing numbers of these extreme weather events would be really useful. So if there's other ways we can communicate about this or describe this addition to the quantification that Richard's talking about, I think would be really helpful.

**Doreen Harris:**

Yes, certainly I'll follow up with on that matter, and I know the NYISO is planning their own sort of post look at performance as are the utilities, so we'll make sure we include that in October, if not before. And I think it's also notable that we did have very strong imports from Hydro Quebec during this period, specifically during the peak hours. We were talking earlier today about imports as a critical part of our system mix and I'm pleased to say that we saw major contributions from Hydro Quebec to facilitate that reliability as well. And that is due to the market signals of course that exist for them to do. So that concludes my report.

**Richard Kauffman:**

Okay, terrific.

Any questions for Doreen? All right, the next letter to be considered is the Annual Investment Report and the Investment Guidelines. Pam Poisson, the Authority's Chief Financial Officer, will discuss this highway.

**Pam Poisson:**

Thank you Chair Kauffman. Good afternoon Members. Pursuant to requirements of the Public Authorities Law, the Members are requested to adopt a resolution approving the Annual Investment Report for the year end in March 31, 2024, and to also adopt a resolution approving the Investment Guidelines. NYSERDA is entrusted with the significant amount of program funding and we take our responsibility to steward that quite seriously in managing NYSERDA investments. As a supplement to staff expertise, we are also supported by any PC investment consulting, a firm that was competitively selected for this purpose. The New York State Department of Tax and Finance serves as our fiscal agent executing investment updates per our instructions and serving as an additional control point in that they define a well-vetted suite of investment options. So with that as context, let's actually begin with the investment guidelines. These are reviewed and approved by the Members annually, whether there are changes or not in practice, the guidelines help ensure that temporary cash balances resulting from collections that proceed expenditures are conservatively invested and appropriately monitored.

No changes in the guidelines are recommended at this time. Moving on to the Annual Investment Report, you'll note that the report summarizes investment portfolio composition compared to the prior year by investment type and percentage of total portfolio. The report shows that the Authority's total investments increased by \$163.8 million year over year from about \$1.32 billion last fiscal year end to \$1.48 billion. This fiscal year end, that overall increase is primarily due to four factors. First, RGGI allowance proceeds that were increasing in concert with higher realized auction prices. Secondly, Green Bank net results and loan repayments. Third, the timing of billing and collections of the system benefits charge from which NYSERDA draws from utilities for clean energy fund expenditures and finally receive of alternative compliance payments from load serving entities per the terms of the clean energy standard. These increases were offset in part by several funds experiencing higher expenditures from Green Jobs-Green New York loan issuances in advance of the issuances of bonds backed by those loans per typical practice and from a temporary market reduction, do the plan draws in advance of a market holiday. With all that in mind, investment income for the fiscal year of 24 increased by \$23.6 million. The average annual rate of return seen for all investments was 3.92%. That's up from last fiscal year's, 3.12% and driven mainly by higher average prevailing market rates than the economy at large.

Also included in that return is an unrealized gain of \$4.2 million. While the ultimate gain realized could be slightly higher or lower than this figure as I asserted generally holds investments to maturity, we can state with confidence that at a minimum we will recoup the face value in full plus interest. Finally, please note that the Authority's, independent auditors, have issued a report stating that nothing came to their attention to indicate that the Authority was not in compliance with the provisions of the Investment Guidelines. That concludes my report and I would be happy to take any questions on this topic.

**Richard Kauffman:**

Questions for Pam? So there's negative assurance. This is the normal language?

**Pam Poisson:**

That is typically what we've seen presented from the auditors and certainly there will be time with the auditors. I believe later on the call should be marked to cross verify that.

**Richard Kauffman:**

All right, if there are no other questions for Pam may have a motion for resolution number 1731 approving the Investment Guidelines and Annual Investment Report.

**Jay Koh:**

So moved.

**Charles Bell:**

Second.

**Richard Kauffman:**

All in favor?

**Members of the Board:**

Aye. Aye.

**Richard Kauffman:**

Any opposed? The Investment Guidelines and Annual Investment Report have been approved. The next item to be considered is the Annual Investment Report for the NYSERDA OPPEB Trust in the Investment Policy for the NYSERDA OPEB Trust. So Pam, can you discuss this item?

**Pam Poisson:**

Yes. Thank you. So pursuant to the NYSERDA OPEB Investment Policy statement, the Members are requested to adopt a resolution approving the Annual Investment Report for the year end in March 31, 2024 and to similarly adopt the resolution approving the Investment Policy statement as just a bit of context. The other post-Employment Benefits Trust or OPEB is a fund maintained to support health insurance premiums for retirees meeting certain eligibility criteria consistent with standard New York State government Post-employment benefits programs. Funds are invested with the intent to ensure sufficient coverage over time based on regularly reviewed and updated actuarial provisions. In this fund, we are supported by Milliman Advisors, LLC, who was competitively selected for this purpose. I'm pleased to report that the trust remains in good financial health portfolio rebounded in the latter half of last fiscal year after the market had experienced a pullback earlier in the year due to interest rate hikes and potential government shutdown.

The trust continues to be fully funded investment types as well as Morningstar ratings that we use as a gauge remain in line with the policy parameters. We have continued to focus on ESG principles consistent with past four guidance and of course we do regularly evaluate processes and policies in improving the management of this portfolio. The investment report that was shown in your advance mailing summarizes the contributions investment income benefit payments, and the administrative expenses for the fiscal year just closed. It also reports investment balances in total and by asset category in comparison to the target levels established in the investment policy statement. As of March 31, 2024, the end of last fiscal year, the market value of the trust investments was about \$71 million. That's an increase of about \$4.5 million from the prior year primarily as a result of the market rebound. The total return on the trust investments was 6.2% for the year, which is in line with portfolio benchmark indices.

The lifetime average annual return is 6.2% as well up slightly from last year's 5.9%. That figure is presently below the actuarially estimated long-term expected return of 6.5%, which is in turn based on the actuary's projections for the long-term expected returns for the weighted average indices. That long-term rate has been included in the financial statement footnote disclosures and reviewed and deemed reasonable by the external auditors. Of note, the slight variance between the life to date returned and that actuarially estimated return we do not see as a concern. NYSERDA continues its very conservative practice of adding new funds to the trust annually based on the actuarial projections and while markets and thus the trust investment balances did experience some normal swings over the year. As per the investment policy statement, the investment of these assets is very intentionally being managed on a long-term basis. So we



would expect over time the rates to closely align as one final important point of reference from the most recent actuarial valuation, the trust was 103.4% funded as compared to the corresponding liability.

So layman's terms we're in good shape there. Please note one small item in the investment policy statement that is recommended as a change, and this is really just a ministerial change. We are proposing to update the statement with an amendment on page two simply to update the definition of plan administrator for recent title shifts would replace the specific officer titles that have since become outdated with a more general reference to all NYSERDA to officers as named in Article 3 of the By-laws with the exception of the Chair and vice chair. So thank you. That was a lot in that report. Let me pause and I would be happy to take any questions the Members have.

**Jay Koh:**

Thank you Pam. Maybe two clarifying remarks just to provide some context here. One is, this is the set aside trust for employee benefits for retirees, et cetera. That is a commitment that the Authority's made to current in future current and past employees. Is that the right way to characterize this?

**Pam Poisson:**

That is correct, yes.

**Jay Koh:**

And we continue to invest in alongside the targeted allocations that were recommended to us by third party selected advisor. And we have a periodic process by which we actually rebid that advisory contract. Is that right?

**Pam Poisson:**

Yes, that is correct. We recently rebid and renewed two, I think it was two years ago, and we will do so within a three to five cycle on average three-to-five-year cycle on average.

**Jay Koh:**

Great. And the 103+% current over allocation or over, how would you describe it? The overfunding. It really does position the trust in a good financial position with all the conservative assumptions that we have as part of those processes. Is that right?

**Pam Poisson:**

Yes, I would say that's correct. And just as one way to think about the benefits, payments to date have averaged roughly \$1.3 million per year. The current balance is \$71 million, so that translates to quite a number of decades there. We believe we are appropriately positioned even for market swings.

**Jay Koh:**

Great. No further questions for me. Thank you.

**Richard Kauffman:**

Any other questions in that case? May I have a motion for resolution number 1732 approving the NYSERDA OPAB Trust investment report and the investment policy statement?

**Sherburne Abbott:**

So moved.

**Richard Kauffman:**

Thank you. All in favor?

**Members of the Board:**

Aye. Aye.

**Richard Kauffman:**

Any opposed? NYSERDA OPPEB Trust investment report and the investment policy, excuse me statement had been approved. Thank you Pam. The next agenda item concerns the financial statements of the Authority and NY Green Bank for fiscal year 2023. 2024. Peter Mahar, the Authority's Controller and Assistant Treasurer will discuss this item. Peter,

**Peter Mahar:**

Thank you Richard, and good afternoon to everyone. Nice year to continues to be a good steward of great payer funds and maintains a strong control environment as evidenced at least in part through our recurring record of clean financial audits. Today we are requesting the Members to adopt a resolution approving the annual audited financial statements for the fiscal year ended March 31st, 2024 for the Authority for all divisions including NY Green Bank, and separate standalone financial statements for NY Green Bank. We are pleased to note on both sets of financial statements. We have received an unmodified clean opinion from the independent auditor's KPMG. You'll also note that the additional reports issued by KPMG indicate no instances of non-compliance material weaknesses or uncorrected misstatements, and they offered no management letter comments regarding control, weaknesses or suggestions for improvement. The memo in your Board package summarizes the financial statement amounts that include significant accounting estimates which have been reviewed and found to be reasonable by the independent auditors.

Your packet also includes the full detailed financial statements and I'll now highlight a few significant fluctuations. Let's begin with our net position. Our net position is essentially the cumulative difference between our revenues and expenses. This increased by \$278 million to \$2.2 billion, which is principally due to higher than budgeted RGGI auction proceeds and from NY Green Bank net results. Nearly all of the net position is restricted in nature. The unrestricted portion has increased to \$18.5 million principally for principally from higher investment yields due to increased market rates and the timing of capital asset purchases, but remains less than 1% of the position of the Authority. Moving to the NYSERDA assets, note that total assets increased by \$272 million to \$2.6 billion, mainly as a result of the aforementioned RGGI auction results and Green Bank net, which translated into a natural increase in cash and investments. These increases were offset in part by a decrease in the Green Jobs-Green New York cash balance due

to higher loan originations resulting from increased consumer interest spurred in part by federal incentives in favorable loan interest terms relative to the market.

As the Green Jobs-Green New York cash was converted into loans to support NYSERDA programs, our loans and financial receivables balance. Similarly, increased loans and finance receivables also reflect NY Green Bank loan balances, which excluding a downward valuation adjustment of 15.2 million were largely flat year over year. NY Green Bank's cumulative loss rate remains well below benchmarks our liability on the liability side, our total liability increased \$32 million. The change primarily reflects the actuarial evaluation update of the net pension liability of \$24.3 million plus \$13.3 million in the Clean Energy Standard program. Security deposits received partially offset by a net decrease in our bonds payable program. Moving to the government equivalent of the income statement, note that total revenues of approximately \$1.9 billion were up 14% from last fiscal year. This is primarily from higher RGGI auction proceeds fees and other income and third party reimbursement revenue. These increases were offset in part by lower utility surcharge assessment revenues and certain state appropriations total expenses of \$1.6 billion were up \$156 million or 14% higher than last year.

Program expenditures comprised of more than 92% of the total. As you can see in the pie chart in our financial statement package, these expenditures tended to run lower than budget as we continue to see the impacts of inflation, resource constraints and permitting and interconnection delays on project timelines and viability. However, as the year over year uptick shows we are beginning to see more recovery and within some key programs have built significant momentum, which we expect this trend to continue. Your package also includes separate standalone financial statements for NY Green Bank. Green Bank's activities are reflected in NYSERDA financial statements, which I just covered in the business type activities column. I'll note a few highlights here. NY Green Bank ended the fiscal year with approximately \$1.1 billion in total assets, comprising 42% of NYSERDA total assets. The assets consist primarily of loans and finance receivables of \$667 million, along with \$352 million in cash and investments, most of which is expected to be converted into future loans consistent with the Green Bank's pipeline projections In business model, total revenues of \$69.1 million or \$18 million higher than last year.

While expenses totaling \$16.2 were only up \$686,000 resulting in a net of \$52.9 million. This result was primarily related to the following. Higher interest income and outstanding loan balances, higher interest rates associated with various loans in the portfolio, higher investment income as a result of increased bond yields and reasonable loan transaction fees. NY Green Bank's cumulative net from inception is \$142 million. Now having been self-sustaining for several years, this cumulative net has supplemented the original capitalization realized through the Clean Energy Fund order now bringing Green Bank's net position to \$1.1 billion, almost half of what NYSERDA net asset position is. In closing, our control environment remains strong. We continue to diversify our funding sources. Revenue trends continue upward through strong RGGI Auction Proceeds federal funding and New York State Bond Act support expenditures are rising at an appropriate pace for our work plans and targets. And where challenges have occurred, we've mobilized action plans to address them. NY Green Bank's well positioned to continue financing activities well matched to NYSERDA's overall mission and our ending unrestricted net position remains appropriate to meet working capital needs. This does conclude my report and

we are happy to answer any questions at this time. I'll also note that Mike Fagan is available for any questions for NY Green Bank. Thank you.

**Richard Kauffman:**

Thank you Peter. Questions for Peter.

**Jay Koh:**

Can I make one comment?

Simply? I know that sometimes it starts to feel like there's a sort of a non-event, the annual audit process, which has resulted I think from timing memorial kind of with unqualified opinions through party auditors. But it is a really important event in the annual review of the activities of the Authority overall, I wanted just to commend management and the external auditors for working together to generate this kind of an outcome. It's a little testament to the professionalism of the team and the staff to focus on making sure that we're following these processes and being really good custodians of rate payer and other stakeholder fund. So I just wanted to add my congratulations to this. Again, maybe not very eventful, but happily uneventful outcome, which is a very positive sign of how well we steward the funds that are made available to us.

**Richard Kauffman:**

There's enough drama around the world. This is other questions or comments? Alright, very good Peter. So we'll consider resolution recommending approval of the financial statements after we've met in executive session with the independent auditors.

So the next agenda item concerns an executive session and a private session. Section 105 of the Public Officer's Law authorizes the Members to convene an executive session for the purpose of discussing the financial condition of the Authority, discussing the employment history of a particular person and discussing the proposed sale acquisition or lease of real property. Additionally, Section 108 of the Public Officer's Law and Section ,800 of the Public Authorities Law authorizes the Members to convene in private session for the purpose of reviewing the annual confidential Board Member performance evaluation of the Authority. And for the purpose of discussing attorney client privilege matters as such, may I have a motion for resolution number 1733 to enter into executive session for the purpose of discussing the financial condition of the Authority, discussing the employment history of a particular person and discussing the proposed sale acquisition and lease of real estate. And to enter into a private session for the purpose of reviewing the annual confidential Board Member performance evaluation of the Authority and discussing the attorney-client privilege matters.

**Jay Koh:**

So moved.

**JoAnne Hewett:**

Second.

**Richard Kauffman:**

A lot of enthusiasm for this. All in favor?

**Members of the Board:**

Aye. Aye.

**Richard Kauffman:**

The opposed? Alright. The Members will now enter into an executive session, a private session. During that time, the webcast will remain up. Upon our return, we will reconvene the meeting

**Richard Kauffman:**

I now reconvene the meeting and open session. No formal action was taken during the executive session and the executive private session. The next item on the discussion agenda is a resolution adopting the financial statements of the Authority And the NY Green Bank may have a motion for resolution number 1734 approving the financial statements of the Authority and NY Green Bank.

**Jay Koh:**

So Moved.

**Justin Driscoll:**

Second.

**Richard Kauffman:**

All in favor?

**Members of the Board:**

Aye.

**Richard Kauffman:**

Any opposed? The financial statements of the Authority and NY Green Bank have been approved. Thank you. On the next item on the agenda's report from the Governance Committee, I led the meeting and will provide report. The Committee met earlier today and a quorum was present throughout the meeting. The Committee completed its annual review of the Committee's Charter. No recommendations were made and the Committee unanimously recommends approval of the Committee's Charter. In addition to the Committee received presentation from the Authority's Chief Financial Officer and on the Authority's Annual Report pursuant to section 2800 of the Public Authorities Law, as part of its Annual Report submitted to the Authority's budget office through the Public Authorities reporting information system, Authority's required to submit a compensation schedule that lists all employees in decision making or management positions whose salary exceed a hundred thousand dollars.

In addition, Section 2800 requires the Authority to submit biographical information for each employee. Included on the list Committee unanimously recommends that the Board approve of the compensation schedule and the submission of the vitae. Lastly, Peter Costello, the Authority's General Counsel and Secretary, presented the Committee with proposed amendments to the Authority's Whistleblower Policy, which was established pursuant Public Authorities Law Section 2824(1)(e). The Authority's Whistleblower Policy is based on the Authorities Budget Office recommended guidance and a model policy which requires the

Authorities Budget Office in consultation with the office of the Attorney General to develop a Whistleblower access and assistance program and for Authority's to adopt and adhere to Whistleblower protection policies, revisions being proposed to the Authority's Whistleblower Policy align with the intent of the Internal Controls Manual revision. The Board Members approved in October, 2023. As part of those revisions, the Whistleblower Policy was removed from the Internal Controls Manual to become a standalone policy with the intent of making the manual not just more current but also more understandable and digestible. Revisions to the Whistleblower Policy. Clarify the complaint reporting process, streamline the investigation procedures and remove an outdated statutory reference and add statutory language. The Committee unanimously recommends that the Board prove the amendments to the Authority's Whistleblower Policy. We'll consider these resolutions as part of the consent agenda During the private session, the Members reviewed the Confidential Annual Board Member Performance Evaluation Report, which was unanimously recommended for approval by the Governance Committee at its April 29, 2024 meeting. Is there any further discussion?

There being none may have a motion for resolution number 1735 approving the submission of the Authority's Annual Confidential Board Member Performance Evaluation Report.

**Lindsay Greene:**

So moved.

**Jennifer Hensley:**

Second.

**Richard Kauffman:**

Thank you. All in favor?

**Members of the Board:**

Aye.

**Richard Kauffman:**

Any opposed? Alright. The Annual Confidential Board Member about Performance Evaluation Report has been approved. Thank you. The last item on the discussion agenda is a report from the Program Planning Committee from that Committee's Chair, Shere Abbott. Shere.

**Sherburne Abbott:**

Thank you Richard. Earlier today, the Program Committee met and discussed the following items. First, the Committee reviewed the Program Planning Committee Charter and recommended no changes be made to the Charter. The Committee unanimously recommends approval of the Program Planning Committee Charter. And second, the Committee received an update from Jennifer Meissner, Director of Performance Management on the Authority's programmatic progress and plans along with a number of other staff members on particular programs. And we heard a really excellent presentation set of presentations about progress to date on the overall portfolio toward the Climate Act. 2030 targets in the areas of emissions reductions, renewable energy, distributed solar energy efficiency, disadvantaged communities and energy storage. And a more detailed programmatic focus on efforts towards achieving

market transformations. And I would characterize the discussion as robust and a few items rise to the top, particularly thinking about some questions about what are the thinking about an unknowable future, what are the assumptions that are going into the considerations of the 2030 forecast and adjustments for additional electricity demand issues related to resiliency and variabilities of power generation related to a changing climates are taking into consideration impacts on hydro, for example.

And a very robust discussions about the continuing discussions about metrics, particularly on energy storage and resiliency and how to incentivize resilience and adaptation of the grid to more complex for the climate we're changing towards as well as issues about thinking about the delivery of integrated messages of success. For example, how distributed solar effects has an effect on incentives. Questions about the tracking and defining standards to the resilient buildings performance standards work. What are the experiences of end users towards lower costs and developers towards using the innovations? And finally, some of the discussion was centered on the challenge of thinking about the short versus the long term, especially on energy storage. The needs are different, the definitions are different and the definition of benefits and qualitative as well as quantitative terms. And a discussion about could we think about a different name for a co other than costs co-benefits being cost benefits. So this was a really, really interesting discussion and we had met multiple opportunities. The Committee was pleased with this discussion and I think that completes my report on the Program Planning Committee.

**Richard Kauffman:**

Thank you. Just again, encourage all Members to join this Committee meeting even if you're not officially a Member. So no formal actions required. Thank you, Shere. So in the interest of time, we now turn to the consent agenda. There are 10 resolutions to be considered. Information on each of these items was included in your meeting materials. So resolutions number 1736 and 1737 were recommended for approval by the Governance Committee. Resolution number 1738 would approve the bond sales report. Resolution number 1739 would approve the appointment of the Authority's, independent auditors for fiscal year 2024. 2025. Resolution number 1740 would approve the Charters for the Governance Committee and the Program Planning Committee. The Audit and Finance Committee and Waste and Facilities Management Committee Charters will be considered when those Committees next meet. So we're not approving those Charters now. Right. Okay. Resolution number 1741 would approve the Operations and Accomplishments and Mission Statement and Measurements.

Annual report and resolution number 1742 would approve the Annual Report on Acquisition and Disposition of Real and Personal Property, the Real Property Acquisition Guidelines of June, 2024 and the Guidelines, Operative Policy and Instructions for the Disposal of Real and Personal Property of June, 2024. Resolutions number 1743 and 1744 would approve the Annual Contracts report and the Periodic Contracts report. Counsel's offices compared the lists provided by Members entities with which each Member's associated, which he or she believes may enter into contracts with to the list of contracts in the annual contracts report and the periodic contracts report. Council's office reports just a few potential conflicts. Specifically the Authority's entered into or anticipates entering into contracts with New York Power Authority identified by Justin Driscoll, any tenants at the tenants at the Brooklyn Navy Yard. Identified by Lindsey Greene, Stony Brook University identified by JoAnne Hewitt Cadmus identified by Jay Koh.

And Columbia University identified by me, Justin, Lindsay, JoAnne, and Jay, can we assume that you wish to abstain from the vote to approve contracts with that specified entity?

**Justin Driscoll, Lindsay Greene and Jay Koh:**

Yes. Yes. Yes.

**Richard Kauffman:**

Jay?

**Jay Koh:**

Yes. Yes. Yeah.

**Richard Kauffman:**

And me? Yes. And lastly, resolution number 1745 would approve the Annual Report on the implementation of the Authority's Prompt Payment policy. Are there any questions on these items in that case? May resolution, I'm sorry, may I have a motion approving resolutions number 1736 through 1745.

**Charles Bell:**

So moved

**Members of the Board:**

Second.

**Richard Kauffman:**

Great. All in favor?

**Members of the Board:**

Aye. Aye.

**Richard Kauffman:**

Any opposed? Alright, thank you. Resolutions number 1736 through 1745 have been approved. So I spoke too soon because we do have one last item on the discussion agenda, which is a report on the Authority's, nuclear coordination Activities policy and regulatory affairs Senior advisor, Alyse Peterson, will present this item. Alyse,

**Alyse Peterson:**

Good afternoon everyone. Today I'd like to provide some background information on our engagement on advanced nuclear reactors. This is a burgeoning field that we have not discussed previously for some stage setting, advanced nuclear generally refers to Gen three plus reactors using technology similar to the conventional reactors that are currently operating in the US and Gen four reactors, which will use innovative coolant systems and fuels such as high assay, low enriched uranium, which you may have heard of as halo fuel. The industry focus is on simpler designs that are intended to reduce capital costs and be more fuel efficient and inherently safer. Advanced nuclear can include large reactors up to around 1000 megawatts, small modular reactors known as SMRs, which would come in at around 50 to 300 megawatts and micro reacts



at 50 megawatts or less. It can also include fusion systems, which have made great strides in recent years.

We at NYSERDA have been actively engaged in tracking developments in advanced nuclear energy technologies over the last few years. We are in an exploratory mode though, and want to remain open to serious consideration of these technologies. There are clearly potentially valuable types being developed and we want to be informed and prepared to best take advantage as they approach viability. You may recall the analysis previously completed to support the Climate Action Council's scoping plan, showing the scope and scale of emissions, reducing activity necessary to achieve the Climate Act goal of a zero emission electricity system by 2040, demonstrated a need for dispatchable emissions free resources into the future. The potential for nuclear energy to meet this need is currently under consideration in the PSC proceeding that is investigating the different technologies that will be eligible to contribute to the zero emission electricity system by 2040. And NYSERDA has also initiated a techno economic analysis to help inform this proceeding and which will examine a number of technologies including advanced nuclear technologies.

The market readiness for the technologies is accelerating rapidly and NYSERDA looks to position ourselves and New York at the forefront of this emergent energy dynamic. I have recently taken on the role of co-chair of the newly formed Advanced Nuclear State Collaborative, which is a 31 state effort initiated by the National Association of State Energy Officials, NASEO and NARUC the National Association of Regulatory Utility Commissioners and supported by funding by DOE. Engagement with other states is becoming an important part of the national effort to attract interest and animate the market for these emergent nuclear technologies and applications to reduce costs of first of a kind advanced nuclear installations and to support wider rollout. Deployment of a sufficient number of such early stage installs is essential and requires efforts in multiple states with multiple actors to begin to build a moonshot approach to development of these technologies.

A recent meeting of the advanced nuclear state collective included state participants from NASEO NARUC and also the National Governor's Association. And a good portion of the informational meeting was dedicated to development of an advanced nuclear roadmap framework that when completed by the collaborative, will serve as a tool that the federal government and the states can use in examining the role that new nuclear can play in assessing factors that could influence potential development such as the policy and regulatory environment spent fuel and other wastes, citing issues, workforce development, supply chain issues and opportunities, energy independence and security, public technological readiness, construction costs and timelines and economic development. NYSERDA will remain fully engaged in the frameworks development going forward. Serving as co-chair of the collaborative is providing NYSERDA a seat at the table and also the ability to help steer the collaborative process facing New York in the forefront of discussions.

Back in March, the White House Climate Policy Office and National Security Council reached out to the collaborative leadership to discuss state and federal coordination, federal nuclear strategy opportunities to facilitate more international cooperation and coordination, supply chain issues and general insights on challenges and barriers to moving advanced nuclear projects

forward. It was a good introductory call that led to a further invitation to last month's White House summit on domestic nuclear deployment. That summit was hosted by the White House Climate Policy Office, the White House's Office of Science and Technology Policy, the National Security Council, and the USDOE. The summit brought together representatives from the federal government, electric utility companies, project developers, organized labor, clean energy buyers, academia, and other industry groups. Panel sessions provided broad overviews on making the best use of the existing nuclear fleet, developing small modular reactor projects, building new large nuclear installations, financing international concerns, innovative applications, and the domestic fuel supply chain.

Some limited breakout sessions allowed attendees to delve a little deeper into specific topics and were primarily intended to jumpstart future collaboration. At the conclusion of the summit, the White House announced creation of a federal nuclear power project, project management and delivery working group that will further the cross sector engagement that was begun during the summit with the ultimate goal of delivering efficient and cost-effective deployment of new nuclear energy technologies. NYSERDA will remain engaged in the federal effort and will keep an eye toward any resources or collaborations that may benefit New York. That concludes my presentation. Are there any questions?

**Richard Kauffman:**

Who's the other co-chair?

**Alyse Peterson:**

There are four co-chairs. We have a co-chair from Tennessee and then also one from Arizona and one from Maryland.<sup>1</sup>

**Richard Kauffman:**

And you said how many There are 30. 30. 31 states currently?

**Alyse Peterson:**

Yes.

**Jay Koh:**

Is this tied to also potential access to federal support for research and deployment or development on deployment?

**Alyse Peterson:**

The collaborative, I'm sorry,

**Jay Koh:**

We're not yet.

**Alyse Peterson:**

Is the collaborative tied to it? No.

---

<sup>1</sup> Alyse Peterson inadvertently included Maryland in the list of Co-Chairs. Correct list of Co-Chairs is New York, Tennessee, Arizona and North Carolina.

**Jay Koh:**

Is it seeking it or, I'm just trying to figure out what the, okay. And then so what happens part of the

**Alyse Peterson:**

Sure. So the collaborative is already funded by federal funding, but the collaborative is working with the federal government in development of additional grant opportunities. A good example is one that was just recently issued as a notice of intent by DOE. That's, I believe, a \$900 million opportunity that is focused on SMRs. That opportunity is going to be formalized later this year, but it's been in the works for a bit. And within the collaborative, we've been able to just be part of those formative discussions with DOE.

**Richard Kauffman:**

Any other questions or comments? Well, Alyse, this has really appreciate this report and I'm very glad that NYSERDA is playing a leadership role here. So thank you.

**Alyse Peterson:**

Thank you.

**Richard Kauffman:**

Okay. One last item on the agenda is other business. We have one item under other business regarding meeting dates in 2025. If you can believe it, staff will be contacting each of your offices in this regard. We'll then provide dates to be marked on your calendars. I know you'll do your best to keep those dates reserved so that we can obtain the quorum quorums we need to do business and also have the benefit of the participation and expertise of as many Members as possible. Does anyone have any other matters that they wish to discuss in that case? May I have a motion to adjourn the meeting?

**Members of the Board:**

So moved.

**Richard Kauffman:**

I was worried there for a second. All in favor?

**Members of the Board:**

Aye.

**Richard Kauffman:**

Thank you all for coming.

**Sherburne Abbott:**

Thank you.