

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 126th Program Planning Committee Meeting
Held on January 29, 2025

Pursuant to a notice and agenda dated January 17, 2025, and a revised agenda issued on January 28, 2025, the one hundred twenty-sixth (126th) meeting of the Program Planning Committee (the “Committee”) of the NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY (the “Authority”) was convened at 12:30 p.m. on Wednesday, January 29, 2025 at the NY Green Bank (“NYGB”) Office located at 1333 Broadway, Suite 300, New York, New York, at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York and at the New York State Department of Transportation (“NYSDOT”) located at 50 Wolf Road, Albany, New York. The three locations were connected by videoconference.

The following Members of the Committee were present:

Sherburne Abbott, *Committee Chair* attended from NYGB

Richard Kauffman, *Chair of the Authority* attended from NYGB

Charles Bell, *Vice Chair of the Authority* attended from NYGB

MarieTherese Dominguez attended from NYSDOT

Dale Bryk attended from NYGB

Lindsay Greene attended via videoconference

Jennifer Hensley attended from NYGB

JoAnne Hewett attended from NYGB

Jay Koh attended from NYGB

Also present were Doreen Harris, President and CEO; John Williams, Executive Vice President for Policy and Regulatory Affairs; Pam Poisson, Chief Financial Officer; Anthony J. Fiore, Chief Program Officer; Peter J. Costello, General Counsel and Secretary to the Authority; Sara L. LeCain, Senior Counsel and Secretary to the Committees; and various other staff of the Authority.

Committee Chair Abbott called the meeting to order and noted the presence of a quorum. Member Lindsay Greene participated by videoconference as per the extraordinary circumstances exception under the New York Open Meetings Law and the Authority's By-laws. Member Greene was able to participate in the discussion and votes, but Member Greene's attendance did not count toward quorum. Notice of this meeting was provided to the Committee Members on January 17, 2025 and to the press on January 21, 2025. A revised notice and agenda was issued on January 28, 2025.

Committee Chair Abbott indicated that the first item on the agenda concerned the approval of the minutes of the one hundred twenty-fifth (125th) Committee meeting held on October 23, 2024.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the minutes of the one hundred twenty-fifth (125th) Committee meeting held on October 23, 2024 were approved.

Committee Chair Abbott indicated that the next item on the agenda was proposed revisions to the *Operating Plan for Investments in New York Under the CO₂ Budget Trading Program and the CO₂ Allowance Auction Program* ("RGGI Operating Plan"). Executive Vice President ("EVP") for Policy and Regulatory Affairs, John Williams stated that the Committee was being asked to recommend approval of amendments to the RGGI Operating Plan. The RGGI Operating Plan is amended each year and provides a three-year proposal of revenue assumptions and program allocations. The draft RGGI Operating Plan was released to the public on November 29, 2024 and the proposed amendments were presented to a group of interested stakeholders at a webinar on December 5, 2024. Written comments were accepted through December 23, 2024.

EVP Williams indicated that the revenue projections were based on an estimated proceeds price of \$15.71, developed this year by using an average of the past ten auctions, consistent with recent past precedent. The revenue projections have been translated into recommended funding allocations to advance the initiatives presented in the three-year program plan.

In response to an inquiry from Member Koh, EVP Williams stated that the RGGI Operating Plan is somewhat flexible within the Authority's regulatory parameters.

In response to an inquiry from Member Koh, EVP Williams explained that there is always an opportunity for the Authority to recalibrate the portfolio over time.

In response to an inquiry from the Chair, EVP Williams explained that RGGI proceeds provide an important mechanism to allow the Authority to reach its market development goals.

In response to an inquiry from Member Dominguez, EVP Williams stated that the RGGI proceeds allow the Authority to have more diverse funding sources and thus less reliance on federal funding.

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

Resolution

RESOLVED, that revisions to the "Operating Plan for Investments in New York Under the CO₂ Budget Trading Program and the CO₂ Allowance Auction Program" as presented to the Members for consideration at this January 29, 2025 meeting, with such non-substantive, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, are recommended for approval.

Committee Chair Abbott indicated that the next item on the agenda was the consideration of the Authority's Fiscal Year 2025-2026 Budget. The Authority's Chief Financial Officer ("CFO"), Pam Poisson, presented this item.

CFO Poisson stated that the Committee was being asked to recommend approval of its portion of the Authority's Budget for the fiscal year ending March 31, 2026 ("FY 2025-26 Budget"). CFO Poisson stated that the FY 2025-26 Budget reflects continued momentum on initiatives enabled by the Clean Energy Fund ("CEF"), Clean Energy Standard, RGGI allowance proceeds, the NYS Environmental Bond Act, and NYS appropriated funds for special initiatives.

It also reflects early-stage expenditures for various federal grants including U.S. Department of Energy (“DOE”) DOE’s Home Efficiency Rebates Program (“HER”) and Home Electrification Appliance Rebates Program (“HEAR”) and the U.S. Environmental Protection Agency (“EPA”) Solar for All grant. CFO Poisson noted that the FY 2025-26 Budget does not reflect additional funding that may materialize through subsequent New York State Public Service Commission (“PSC”) orders, or federal grant awards or sub-awards.

CFO Poisson reported that the Authority’s net position based on the FY 2025-26 Budget is projected to be \$2.4 billion, comprised of four components: funds restricted for use on specific programs; NY Green Bank’s net position; net capital investment; and a small unrestricted portion for urgent unforeseen needs, consistent with prudent financial planning practices.

Next, CFO Poisson reported that the Restricted Net Position was projected to decrease approximately \$20.9 million to \$1.22 billion primarily due to the timing of program revenues and expenditures as well as NY Green Bank’s net position which was anticipated to increase to \$1.2 billion. In addition, CFO Poisson advised that the Unrestricted Net Position was anticipated to be \$25.9 million, providing sufficient resources to meet working capital needs and unanticipated expenditures.

With respect to revenues, CFO Poisson reported that total revenues are projected to increase by \$2.4 million to \$2.23 billion primarily from projected increases in the Large-Scale Renewables portfolio due to higher collections from RECs and ZECs, and slightly higher utility surcharge assessments. The increase in utility surcharge assessments is consistent with the Clean Buildings and Innovation and Research program estimates as the Authority carries momentum into the close of the CEF period and beyond, as well as draws of federal grant funding for HER, HEAR and Solar for All. Furthermore, CFO Poisson indicated that these increases are mostly offset by the expiration of a prior year NYS appropriation to launch EmPower+ that was not renewed, and RGGI allowance auction proceeds projected to normalize after atypical clearing prices during this fiscal year.

Next, CFO Poisson discussed the program expenditures noting that the total budget increased by \$207 million from the last fiscal year's approved budget of \$2.19 billion. Program expenditures are set to increase by \$193 million to \$2.03 billion primarily driven by a relative increase in port/supply chain investments, clean energy generation payments, RGGI funded investments pursuant to the RGGI Operating Plan, as well as an increase in Market Development and Innovation and Research Investment. These increases are offset in part by a non-renewal of the previous special NYS appropriation to launch EmPower+ over the past two years, and a slight reduction in projected NY-Sun expenditures mainly due to project timing.

With respect to salary and benefits, CFO Poisson reported that the Authority's work scope has materially increased. Commensurate with that trend, the prior fiscal year's budget reflected new authorized headcount to be hired over the course of the year. The FY 2025-26 Budget includes a full year of salary for these new hires and an assumed average full-time equivalent ("FTE") headcount of 525. The compensation budget reflects anticipated salary and fringe expenses based on the FTE planning assumptions; salaries aligned with the State Management/Confidential ("M/C") employee salary grades including an anticipated 3% cost-of-living adjustment if/as authorized by the State; an allocation for potential performance based salary increases and payments comparable to those which may be authorized for state employees; and anticipated fringe benefits that reflected pension costs based on an average of the past ten years' pension expense, higher health premium costs, and higher voluntary contribution plan costs.

CFO Poisson reported that program operating costs are budgeted at \$6.8 million, an increase of \$1.4 million from the FY 2024-25 Budget, primarily due to an increase in travel, memberships, and sponsorships consistent with the scope and goals of the Authority's programs.

Next, CFO Poisson discussed the general and administrative costs, advising that such expenses are budgeted at \$24.5 million. This is an increase of \$1.6 million from the FY 2024-25 Budget, reflecting investment in technology services and professional development to improve customer experience and staff skills and effectiveness.

Lastly, CFO Poisson reported that the FY 2025-26 Budget proposes up to \$9.5 million in capital asset investment, an increase of \$438,000 from last year's budget which mainly represents funds set aside for office update and consolidation.

CFO Poisson also discussed NYSERDA's budgeted investment portfolio allocations, reflecting the approach developed with its investment advisor and approved investment policy.

In response to an inquiry from Committee Chair Abbott, President and CEO Harris explained that the next step in the Authority's planning is the development of the Authority's Strategic Outlook which is informed by both the Authority's Budget and the Governor's Budget. In addition, EVP Williams indicated that if there are PSC activities that fall outside the Authority's fiscal year budget, a mid-year review may be conducted and brought to the Members.

In response to an inquiry from the Chair, President and CEO Harris stated that the Authority can revise the FY 2025-26 Budget as needed to adjust to changing external circumstances..

Next, the Committee Members engaged in a discussion regarding the parts of the FY 2025-26 Budget that are affected by federal uncertainty. It was agreed that a reassessment of the FY 2025-26 Budget will be done on a quarterly basis.

In response to an inquiry from Vice Chair Bell, President and CEO Harris stated the Authority has considered partnerships that may be beneficial to support achievement of State goals. .

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

Resolution

RESOLVED, that the proposed fiscal year 2025-2026 Budget and Financial Plan submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, be and it hereby is recommended for approval by the Board for submission to the persons designated in Sections 1867(4) and 2801 of the Public Authorities Law.

Committee Chair Abbott indicated that the next item on the agenda was an update on the Authority's various programs. The Authority's Chief Program Officer, Anthony J. Fiore; NYGB President, Andrew Kessler; Vice President for Clean and Resilient Buildings, Susanne DesRoches; and the Director for NY-Sun, Max Joel provided the Committee with an update regarding the achievement of market transformations across market sectors.

In response to an inquiry from Member Greene, NYGB President Kessler stated that NYGB is seeing traction on both EV passenger and commercial vehicles.

In response to an inquiry from the Chair, NYGB President Kessler indicated that the market mobilization will not depend on subsidy and records.

In response to an inquiry from Vice Chair Bell, NYGB President Kessler explained that the Community Development Financial Institutions ("CDFIs") do not reach all parts of the State, but may over time.

In response to an inquiry from Member Koh, NYGB President Kessler indicated that it is too early to determine whether the focus on clean energy, energy efficiency, and building electrification in the market has had any impact on CDFIs.

In response to an inquiry from Member Hewett, VP DesRoches explained that heat pumps typically cover one room.

In response to an inquiry from the Chair, CPO Fiore explained that the heat pump is the best product, as it requires no skill to install or uninstall, is low-profile, and is lower risk than other options.

In response to an inquiry from Committee Chair Abbott, CPO Fiore stated that the design of the heat pumps is already applicable to many window types and advancing to be applicable to more.

In response to an inquiry from the Chair, VP DesRoches explained that the strategy for the commercial market is to show it at scale using the New York City Housing Authority (“NYCHA”) as a model.

In response to an inquiry from Member Hewett, VP DesRoches explained that the Authority uses the Empire Building Challenge to target office buildings for the installation of heat pumps.

In response to an inquiry from the Chair, CPO Fiore explained that the Authority has not coordinated with other states in terms of cost reduction.


In response to an inquiry from Member Koh, VP DesRoches stated that the NYCHA system will be capturing and managing the resiliency benefits.

In response to an inquiry from the Chair, CPO Fiore explained that the heat pump units have technology embedded in them that could be connected with an aggregation and that the Authority may need to look into offering different types of incentives to keep clean energy manufacturing in New York State.

Committee Chair Abbott indicated that the last item on the agenda was other business. There being no other business, Committee Chair Abbott called for a motion to adjourn.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members, the meeting was adjourned.

Respectfully submitted,

A handwritten signature in cursive script, reading "Sara L. LeCain". The signature is written in black ink and includes a long, horizontal flourish at the end.

Sara L. LeCain
Secretary to the Committee

NOTICE OF MEETING AND AGENDA

January 17, 2025

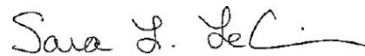
TO THE MEMBERS OF THE PROGRAM PLANNING COMMITTEE:

PLEASE TAKE NOTICE that the one hundred twenty-sixth (126th) meeting of the PROGRAM PLANNING COMMITTEE of the New York State Energy Research and Development Authority ("Authority") will be held at the NY Green Bank Office located at 1333 Broadway, New York, New York, and at 17 Columbia Circle, Albany, New York, on Wednesday, January 29, 2025, commencing at 12:30 p.m., for the following purposes:

1. To consider and act upon the Minutes of the one hundred twenty-fifth (125th) meeting of the Program Planning Committee held on October 23, 2025.
2. To consider and act upon a resolution recommending approval of revisions to the plan entitled *Operating Plan for Investments in New York Under the CO₂ Budget Trading Program and the CO₂ Allowance Auction Program*.
3. To receive a report from the Chief Financial Officer and to consider and act upon a resolution recommending the approval of the Authority's fiscal year 2025-2026 Budget.
4. To receive a report on the Authority's advanced nuclear strategy.
5. To receive a program update.
6. To transact such other business as may properly come before the Committee.

Members of the public may attend the meeting at any of the above locations or via the video conference which can be accessed at <https://www.nyserda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.

The Authority will be posting a video and a transcript of the meeting to the web as soon as practicable after the meeting. The video and transcript will be posted at <http://www.nyserda.ny.gov/About/Board-Governance/Board-and-Committee-Meetings>.



Sara L. LeCain
Secretary to the Committee

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10018-7842
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REVISED NOTICE OF MEETING AND AGENDA

January 27, 2025

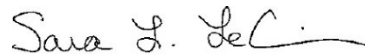
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Secretary to the Committee

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