

NEW YORK STATE ENERGY RESEARCH AND DEVELOPMENT AUTHORITY
Minutes of the 122nd Program Planning Committee Meeting
Held on January 24, 2024

Pursuant to a notice and agenda dated January 17, 2024, the one hundred twenty-second (122nd) 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 24, 2024 at the NY Green Bank (“NYGB”) Office located at 1333 Broadway, Suite 300, New York, New York and at the Authority’s Albany Office located at 17 Columbia Circle, Albany, New York. The two 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

Jay Koh attended from NYGB

Sadie McKeown attended from NYGB

Members Arturo Garcia-Costas, Frances Resheske and Marie Therese Dominguez were unable to attend.

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. Notice of this meeting was provided to the Committee Members and to the press on January 17, 2024.

Committee Chair Abbott indicated that the first item on the agenda concerned the approval of the minutes of the one hundred twenty-first (121st) Committee meeting held on October 4, 2023.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, the minutes of the one hundred twenty-first (121st) Committee meeting held on October 4, 2023 were approved.

Committee Chair Abbott indicated that the next item on the agenda was proposed revisions to the Regional Greenhouse Gas Initiative (“RGGI”) operating plan. Executive Vice President for Policy and Regulatory Affairs, John Williams, stated that the Committee was being asked to recommend the approval of an amendment to the *Operating Plan for Investments in New York under the CO2 Budget Trading Program and the CO2 Allowance Auction Program* (“RGGI Operating Plan”) for the period April 1, 2024, through March 31, 2027. Executive Vice President Williams stated that the RGGI Operating Plan is amended each year and provides a three-year proposal for the Members to consider for both revenue assumptions and program allocations and indicated that the proposal has been presented to a group of interested stakeholders at a webinar in December 2023 and was issued for receipt of written comments made available through December 29, 2023, on the Authority’s website.

Executive Vice President Williams indicated that the revenue projections were developed this year by a lookback average of the past ten auctions arriving at an \$12.32 value and reflected a degree of current pricing. The revenue projection advances the initiatives presented in the three-year program plan.

In response to an inquiry from the Chair, Executive Vice President Williams explained that flexibility with the RGGI funds allow the Authority to utilize successful program platforms on a statewide basis.

In response to an inquiry from the Chair, Executive Vice President Williams indicated that the Authority focuses on depth as opposed to breadth to ensure that the Authority is creating degrees of impact within program activity and explained that RGGI funded activities are combined

with other program funds enabling the Authority to provide these program services on a statewide basis.

In response to an inquiry from the Chair, Executive Vice President Williams confirmed that the RGGI funds are gap filling and not additional funds on current activities.

In response to an inquiry from Member Koh, Executive Vice President Williams stated that the Authority would examine any RGGI funds surplus within the course of a year and allocate those funds to activities that would benefit from those additional allocations.

Whereafter, upon motion duly made and seconded, and by unanimous voice vote of the Committee Members present, 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 24, 2024 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 2024-2025 Budget. The Authority’s Chief Financial Officer, Pam Poisson presented this item.

CFO Poisson stated that the Committee is being asked to adopt a resolution recommending the approval of its portion of the Authority’s Budget for the fiscal year ending March 31, 2025 (“FY 2024-25 Budget”). CFO Poisson stated that the FY 2024-25 Budget surpasses the \$2 billion benchmark and reflects opportunities to leverage federal funding to complement New York State investments and efficiently achieve substantive progress. In addition, CFO Poisson noted that the FY 2024-25 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 for the FY 2024-25 Budget will be just over \$2 billion and noted the four components that it consists of: funds restricted for use on specific programs; NY Green Bank's net position; net capital investment; and a small unrestricted portion that can serve as a temporary internal backstop should unforeseen but urgent financial needs arise.

Next, CFO Poisson reported that the Restricted Net Position is projected to increase \$894 million primarily due to the timing of program revenues and expenditures and the NY Green Bank's net position is anticipated to increase to \$1.1 billion. In addition, CFO Poisson advised that the Unrestricted Net Position is anticipated to be \$13.5 million and provide 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 \$380 million, about 21% from the FY 2023-24 approved revised budget to \$2.22 billion primarily from an increase of \$292 million in New York State appropriations; slightly higher utility surcharge assessments; and the Environmental Bond Act. CFO Poisson also reported that the increase in utility surcharge assessments consistent with the Clean Energy Fund Bill-As-You-Go finding mechanism. Furthermore, CFO Poisson indicated that an increase of approximately \$25 million is expected from federal grants which reflects the recent addition of awards under the HER/HEAR home energy rebate programs; \$30 million from loan interest based on projected loan balances and market rates; and \$17 million from the expected collection of outstanding zero emission credit ("ZEC") payments receivable based on last summer's PSC ZEC Backstop order.

Next, CFO Poisson noted that the FY 2024-25 Budget for interest earnings reflected the planned use of two additional investment types for improved diversification and discussed how those investment types might be utilized.

CFO Poisson discussed the program expenditures noting that the total budget increased by \$324 million from the last fiscal year's approved budget to a total of \$2.12 billion. Program

expenditures are set to increase by \$314 million to \$1.97 billion primarily related to anticipated ports investment and the utilization of Bond Act funding.

With respect to salary and benefits, CFO Poisson reported that the Authority carefully assessed its projected work scope and identified the human capital needed to carry that out satisfactorily. Based on that assessment and informed by recent PSC Orders; state appropriations; the RGGI Operating Plan; and other approved work scope and funding, the budget reflects an assumed average employee headcount of 494 full-time employees (“FTE”). Furthermore, CFO Poisson reported that the compensation budget reflects anticipated salary and fringe expenses based on the FTE planning assumption and noted other factors reflected in the budget: new authorized positions added in phases during the upcoming fiscal year and turnover consistent with actual experience over the past two years; 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 cost based on staffing levels and market trends, and higher voluntary contribution plan costs due to higher enrollment.

CFO Poisson reported that the program operating costs are budgeted at \$5.4 million an increase of \$340,000 or 6.8% from the FY 2023-24 budget primarily due to an increase in work scope and resulting addition of temporary staffing and consulting services, as well as overall inflationary impacts on prevailing rates for products and services.

Next, CFO Poisson discussed the general and administrative costs advising that such expenses are budgeted at \$23 million, an increase of \$4.7 million from the FY 2023-24 budget, reflecting an investment in improved technology solutions; increased insurance coverage; further training and professional development; and expanded communication and consumer support services.

Lastly, CFO Poisson reported that the budget proposes up to \$9.1 million in capital asset investment, an increase of \$5 million from last years' budget which mainly represents funds set aside for office update and consolidation. CFO Poisson noted that the proposed building investment is contemplated to support potential office space consolidations to monetize underutilized spaces, in turn freeing up funds for building improvements needed for health, safety, productivity, and emissions reductions and that a portion of the amount included in the FY 2024-25 Budget is a rollover of estimated investments originally included in the FY 2023-24 budget. In addition, CFO Poisson reported that the capital budget also reflects \$1.5 million for a road upgrade to Saratoga Technology + Energy Park ("STEP") to help facilitate the timely sale of the remaining portions of the property.

In response to an inquiry from Member Koh, CFO Poisson indicated that the Authority is working on a long-term financial plan through 2030 that fully utilizes federal grants.

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

Resolution No.

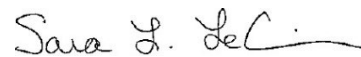
RESOLVED, that the proposed fiscal year 2024-2025 Budget and Financial Plan submitted to the Members for consideration at this meeting, with such non-material, editorial changes and supplementary schedules as the President and Chief Executive Officer, in their discretion, may deem necessary or appropriate, 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 federal workstreams. Program Manager for Government Affairs, Matthew Brown provided the Committee with an overview of the Authority's leverage on federal funding and Director for Single Family Residential, Courtney Moriarta provided the Committee with an overview of the status of the Home Electrification and Appliance Rebate ("HEAR") Home Efficiency Rebate ("HER") programs.

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 black ink that reads "Sara L. LeCain". The signature is written in a cursive style with a long horizontal flourish at the end.

Sara L. LeCain
Secretary to the Committee



NYSERDA

KATHY HOCHUL
Governor

RICHARD L. KAUFFMAN
Chair

DOREEN M. HARRIS
President and CEO

NOTICE OF MEETING AND AGENDA

January 17, 2024

TO THE MEMBERS OF THE PROGRAM PLANNING COMMITTEE:

PLEASE TAKE NOTICE that the one hundred twenty-second (122nd) 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 24, 2024, commencing at 12:30 p.m., for the following purposes:

1. To consider and act upon the Minutes of the one hundred seventeenth (121st) meeting of the Program Planning Committee held on October 4, 2023.
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 2024-2025 Budget.
4. To receive a report on the Authority’s federal workstreams.
5. 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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