

111th Meeting of the Program Planning Committee
February 2, 2021
Clean Transcript

Sara LeCain:

Okay. We're all set Mark. If you'd like to start.

Mark Willis:

Thank you. Well, good afternoon. And welcome. I call this meeting to order, a notice and agenda for the meeting was provided by the, to the committee members and press on January 15th, 2021. And a revised notice was provided to the members on January 25th, 2021. And to the press on January 26, 2021. This meeting is being conducted by video conference. The Authority will post a video and a transcript of this meeting on the web. To confirm that we have a quorum, I would like to ask Sara LeCain, Secretary to the Committee, to conduct a roll call of each of the committee members in attendance. Sara?

Sara LeCain:

Thank you. I will first note your attendance and now take the remainder of the roll call. When I call your name, please indicate present. Authority Chair, Richard Kaufman.

Richard Kauffman:

Present

Sara LeCain:

Shere Abbott.

Shere Abbott:

Present.

Sara LeCain:

Chuck Bell

Chuck Bell:

Present.

Sara LeCain:

Ken Daly

Ken Daly:

Present.

Sara LeCain:

Jay Koh

Jay Koh:

Present.

Sara LeCain:

Commissioner Dominguez.

Marie Therese Dominguez:

Present.

Sara LeCain:

Okay. With all that we have a quorum. All members are in attendance.

Mark Willis:

Thank you, Sara. The first item on the agenda is the approval of the minutes of the 110th committee meeting held on June 23, 2020. Are there any comments on the minutes? Hearing none, then may I please have a motion approving the minutes.

Shere Abbott:

So moved.

Chuck Bell:

Second.

Mark Willis:

Moved and seconded, all in favor. I guess it's we're doing this when Sara calls your name, please indicate whether you are in favor by saying "Aye" or opposed by saying "No".

Sara LeCain:

Thank you. When I call each name, please indicate your vote. Committee Chair, Mark Willis.

Mark Willis:

Aye.

Sara LeCain:

Authority Chair, Richard Kauffman.

Richard Kauffman:

Aye.

Sara LeCain:

Shere Abbott.

Shere Abbott:

Aye.

Sara LeCain:

Chuck Bell.

Chuck Bell:

Aye

Sara LeCain:

Ken Daly

Ken Daly:

Aye.

Sara LeCain:

Commissioner Dominguez.

Marie Therese Dominguez:

Aye.

Sara LeCain:

Jay Koh.

Jay Koh:

Aye.

Sara LeCain:

Thank you. The minutes have been approved.

Mark Willis:

Sara. Thank you. Thank you to the board as well. Nice to have all of the members here in presence. So thank you for making spot. The next item on the agenda is a report on the Authority's Strategic Outlook. This item will be presented by the Authority's Acting President and CEO, Doreen Harris, Doreen?

Doreen Harris:

Thank you, Mark. And good afternoon to the members. I appreciate everyone accommodating this revised schedule and, and look forward to today's discussion. So the first agenda item as, as Mark Willis just indicated is to discuss our Strategic Outlook. Just by way of background, this is NYSERDA's annual strategic planning process. In this case, it is for 2021 through 2024 that we do operate under a three-year planning horizon. And this strategic outlook is approved by the NYSERDA Board each January. So in the Strategic Outlook, as you'll be hearing from our team today, we summarize multi-year objectives. As I just described, ongoing programming efforts and strategic areas of focus for the coming three years. And as we'll discuss, it continues to be organized around NYSERDA's core mission outcomes of greenhouse gas emissions reductions, renewable energy, energy efficiency, the clean energy economy, and a resilient and distributed energy system. And you'll hear today, as you can see from Members of the Authority who have contributed most notably to this effort, although it is indeed a full effort of the entire NYSERDA team to take stock of our strategy in the coming year coming three years as it is core to our mission.

Next slide please.

So as we had previewed for you at our previous board meeting this past fall in October as part of this effort this year we as NYSERDA's executive team undertook a review of our mission and vision statements for the Authority in the context of the Strategic Outlook and notably within the context of the Climate Leadership and Community Protection Act to ensure that our vision, vision, and mission aligned again with the renewed and revised focus of our state's effort. So we have spent a good number

of months as, first as an executive team addressing these questions of where there were perhaps missing priorities or areas rising in prominence for the Authority. And as part of this work, we also engaged with our staff. We had a staff working team who volunteered to participate in focus groups, to aid and workshop these issues together and to refine the newly drafted language that you see here today, I will note that NYSERDA is not alone in conducting these recent updates to our mission and vision.

In fact, I do know our colleagues at the New York Power Authority as a good example, have recently undertaken a similar effort as well. And so on the screen here, you see the product of what has been many months of work with a revised vision mission, and or reminder of the promise that is part of nicer does work as well. And so reading from these two for your for your internalization, our new vision is, New York is a global climate leader building a healthier future with thriving communities, homes and businesses powered by clean energy and economic opportunities accessible to all New Yorkers. Our new mission is to advance clean energy innovations and investments to combat climate change and proving the health resiliency and prosperity of New Yorkers and delivering benefits equitably to all our promise remains the same.

And in addition, and I'll talk to you in just a second about our ongoing work in diversity equity and inclusion across NYSERDA we will be working in the coming months to add to the series of statements, a focal point around our commitments to our staff, our employees, and then NYSERDA team members themselves. This we would anticipate to be very critical as to the people who are conducting the work and an outcome of our ongoing diversity equity and inclusion efforts. So we will be updating all of our materials and website and the light to reflect this new vision and mission. And I'd like to offer my sincere thanks to all across NYSERDA for their work in conducting this update.

Next slide please.

And as we'll hear about more shortly, this strategic outlook includes a focus area on our external facing equity and disadvantaged community efforts, specifically how we deliver benefits, equitably to populations and communities who have been disproportionately burdened by marginalization and disinvestment. But we also did want to note at the outset, the linkage of this external and market impact equity work with the parallel work we're doing on internal, internal diversity equity and inclusion matters. Another topic we had discussed previously, and as we shared at our last meeting, we are, as an organization undertaking a holistic review of our institutional practices and processes with regard to diversity equity inclusion, which are core to NYSERDA's mission. And we are also prioritizing opportunities within our own organization to include diverse perspectives and promote underrepresented voices wherever possible. So this work, as you can see, as I'm going across NYSERDA, we have an external consultant guiding the effort, but we have a very core and critical staff planning committee that is also engaging fully with leadership across the executive team as well. So our work is well underway. I'm pleased to report with significant progress as to our work with staff and the establishment of principles. As we look to the coming months, we will be establishing tactical plans and communication plans around the implementation of a broader [inaudible] strategic plan. So we aim in our next meeting to present this strategic plan. And as I had said, expand our vision and mission statements accordingly. And with that I will pivot the presentation and the next slide to Janet Joseph to review the Strategic Outlook in more detail.

Janet Joseph:

Okay, thank you, Doreen and good afternoon to members of the Program Planning Committee. So this slide illustrates NYSERDA as five primary mission outcomes. And these five mission outcomes are indeed the same five mission outcomes that we have presented in last year's Strategic Outlook. But I would like to underscore that while the focus of our mission remains constant, the magnitude of the accomplishments that we need to achieve for each and every one of these mission outcomes has increased quite substantially. And given that our need to refine strategies, if all of our strategies has similarly been adjusted and refined over the years. So I'm going to focus in on the mission outcomes, and I'm going to try to highlight the new flavors to, to what we are doing given for some time efficiency. And I want to make sure we leave adequate time to delve into the strategic focus areas that we've outlined.

So if you could move to the next slide, please.

Our first mission outcome is greenhouse gas emissions reductions. And I guess if we have an uber outcome at NYSERDA, this would be the one. Greenhouse gas emission reductions, the CLCPA emboldens our work, the goal of an 85% reduction in greenhouse gas emissions by 2050 and a 40% reduction in 10 years, looms large. And just about everything that we do at NYSERDA. Now, the strategies that we will be pursuing to achieve greenhouse gas emission reductions are shown in the graphic on the lower left-hand side of the chart. So there are really four primary pillars to the greenhouse gas emission reduction strategies that we are pursuing at NYSERDA in New York State first is producing a zero emission electric system that can basically serve as the backbone of our decarbonization strategy. The second is moving toward electrification in a variety of venue sectors, and that could be from transportation to buildings and even parts of the industrial sector.

The third pillar is around energy efficiency, and that is in an attempt to reduce waste and control costs associated with this decarbonization strategy. And the fourth is around a load flexibility and connectivity to the grid, be it building to grid, be it v-, vehicle to grid. As we move to an increasingly renewably intermittent powered grid, we are going to need more and more of that load flexibility. So those are the pillars of the strategies that we're driving at NYSERDA.

As we look at the next year or two or the three years of the planning horizon, the work associated with the climate action council is really quite significant, both in everything from the leadership of the council, which Doreen co-chairs along with Commissioner Seggos, to the staffing of the council, to supporting modeling work, to supporting the panels and ultimately developing the policies that, that will be advanced by the work of the council.

And this year in 2021, the council is slated to advance a draft set of recommendations for consideration 2022. Finalizing those recommendations will really chart the course for NYSERDA's work for years ahead. So this is a very significant piece of work in our overall implementation of the climate legislation.

So moving on to the next slide, our second mission outcome you could flip to the next slide is in renewable energy. Now they're the primary lever that we will be driving progress is certainly in the facilitation of the next decade of steady predictable procurements. The goals that we have in renewable energy are outlined in slide. 70% electricity by 2030, and a goal by 2040 of zero greenhouse gas emission electricity. The progress that's being made in this area is really quite notable. And I know Doreen shared with the board, some of the very exciting announcements that the governor made just, just two weeks ago regarding progress in the renewable energy area, everything from the largest renewable energy

procurement in US history to building out the supply chain associated with offshore wind from Long Island, all the way up to, to Albany and some exciting offshore wind projects that we recently selected.

So the progress in renewable energy is significant. We certainly have much to do, and as we look to kind of new work ahead with increased focus on climate policies with increased focus on climate equity and increased focus on really building out and planning for the renewable grid of the future, the chart on the right, all the way on the right shows some of the progress that's being made. And what I'd like to call to your attention is that we already have either through what's been built or what's under contract or under active development enough renewable power to meet 50% of the projected electric demand associated with our goals. So we have to get these projects built. We have to get the power into the load centers, but we have a line of sight on how we can make very substantial progress toward this important objective.

So if we can move to the next slide, please, which outlines our third mission outcome focused on energy efficiency. So the climate legislation also has an energy efficiency goal, and the target is shown on this graphic of a 2025 target. So it's a nearer term target than, than some of the other clean energy benchmarks in the climate legislation. And it is actually a modest target by comparison to some of the other goals, but it moves us in the right direction. It accelerates our work in energy efficiency going forward. So in terms of strategies on energy efficiency and I, it has been working in this space for a long time. There are a few strategic shifts that we are making as we look to the future. We are moving toward deeper energy and carbon savings in our end use sectors in buildings in particular.

It's no longer good enough to find a project that delivers a 10% savings we have to shoot higher. It is the only way that we will achieve the CLCPA targets, which essentially require close to cutting the energy use or the carbon footprint, I should say, from building sector in half within 10 years. So strategically we are moving toward more work focused on carbon neutral buildings, more work focused on the combination of electric and fuel efficiency as well as building electrification. So that is a strategic shift. The second strategic shift that I would like to highlight for you is the dual track that we will be pursuing going forward. So we have long been driving progress in market-based strategies that spur adoption of energy efficiency and electrification. And we will continue that work. I'll be trying to reach a little bit higher in the performance.

We'll continue that work so that we can work with the early adopters to show what can be done in New York State. But importantly, we are working with equal vigor on a track that will identify a set of policies that can make structural changes in how we use energy in buildings in particular. So by that I'm talking about the necessary changes that will need to be made in the energy code in construction code and standards for appliances that align with the CLCPA targets. And that is a fairly significant strategic shift that we're making at NYSERDA and working in partnership with the Climate Action Council.

So moving on to the fourth mission outcome, next slide please, which is focused on the clean energy economy. So stimulating a clean energy economy has always been important for NYSERDA, but given the economic recession that we are in, this mission outcome rises in its prominence in our world today. The governor has outlined a goal of making New York, the green energy capital of the world. And that's something that we wholeheartedly support. We do believe, and I think we have some very good evidence that with the scale of the investments that we're making in renewable energy, as an example, in energy efficiency, we have a tremendous opportunity to stimulate a local job growth, be it through the supply chain, be it through service providers, be it through installers. So this is a very important part of our clean energy agenda going forward. And while we want to grow jobs and clean energy, we also need to support the goals of building an inclusive, clean energy economy. We need to diversify the

workforce that serves the clean energy industry. And this is something that we will be that we are focusing on and we will be focusing on increasingly in the years ahead.

So the last mission outcome, and the next slide is related to building out a resilient and a distributed energy system. And we will be focusing on a few things in this area over the planning horizon. One is refactoring resiliency goals and objectives into our clean energy infrastructure investments. And we're making good progress on this. We have work ahead, but we NYSERDA are investing billions of dollars in infrastructure, and we need to make sure we're leading by example in terms of addressing resilience through these investments. The second thing that we are doing is partnering with other state agencies to identify and implement best practices around climate resilience. And one that we are very excited about is with the New York Department of Financial Services, where we just established a memorandum of understanding and partnership back in September of this year to drive progress in terms of monetizing and, and addressing climate risk in, in New York State.

The other thing on the resiliency front I'd like to flag is our work to really spearhead the next generation of climate adaptation research and climate data availability. And this is also being coordinated with some of the work that the Climate Action Council is focused on in the area of, of adaptation. So those are a few of the important elements of our work in resiliency and distributed energy systems in the years ahead. Now the next piece that we wanted to focus on as we walk through the Strategic Outlook, really will, will delve into the focus areas. But we should probably take a little pause perhaps, but before we delve into our, our four strategic focus areas, if you could move to the next slide, please just to see if there are any comments, suggestions, questions on, on that material, which I went through fairly quickly, given the scope of it.

Richard Kauffman:

A couple of questions, if it's okay. One is when you talked about renewables, you said we have to get them to the w-, w-, we can build them. We have to get them to low pockets. Maybe you could talk a little bit more about that. And then the second question is you know, one of my favorite topics on energy efficiency you talked about market-based approaches. I think it'd be good if you can just give an update on where we stand on that, because you say that you're actually raising the bar, so let them know where the bar is right now.

Janet Joseph:

Okay. so let me try to address those, both of those points. I, I mentioned we have to get the renewables built and we need to get them into our load centers in the Clean Energy Standard has recently been updated by, through a Public Service Commission order. And one of the elements of the clean energy standard is a new focus on what we call tier four renewable energy credits. And Doreen the please, please jump in as needed here. But the focus of tier four is really to get those renewable resources into, you know, the high density areas of New York City. This is a priority for us as we look to the future. So Richard, that's what I was alluding to it's the, the, the an important objective in the clean energy standard as we move forward. So that was the point about the, the getting into the load centers. I don't know, Doreen anything to add on that?

Doreen Harris:

Yeah, I think for me, thank you, Janet. And thanks, Richard. For me, it also speaks to the broader investments being made by the state with respect to transmission which was the subject of a power grid study that was issued earlier this month, which looked at not only where we are, but where we need to be to integrate the quantity of renewables broadly. In addition to the investments that are already being made, which are substantial just this year alone, we're expecting 250 miles of transmission to be under

construction. But, but I think for me, it's, it's its integration within the world of transmission development as well.

Janet Joseph:

And then Richard, Richard, your I don't know if there's anything else on that I can move on to the question on the market strategies.

Ken Daly:

Janet, I had just a comment and a too and a question. So first comment, just going back to the vision and the mission, you know, a big compliment to the team certainly looks excellent and was really glad to see references to health access to equity in a very, very in tune. What the constituents in New York state are feeling. So thank you for that. In terms of IMD, I would just encourage the authority to create some metrics that you could report out to us. So, you know, hiring, you know, for your new hires to the extent that are employed as a go forward, better match. The population we serve is certainly one of the goals we should endeavor to. So just think through some reporting out so we could see the progress really pleased to see the focus on jobs and job creation, you know, even pre COVID, but certainly coming out of COVID. My question is on housing, you know, fairly ambitious goals to go from, let's say 10%, as you say, 50%, but as you know, in big load pockets in a New York city type markets, it's the housing that creates most of the emissions, not the transportation sector. And I would always feel that it requires hand in hand change in policy, hand in hand change in rules and requirements. And depending on the different of ministrations, I know we've had success in the past with clean heat and other type programs. Just thoughts about how do we kind of jumpstart the policy side of it to make sure we're getting the outcomes we desire.

Janet Joseph:

Yeah. Ken, just to pick up on the, on the housing issue, definitely a ripe topic, I will say by virtue of the creation of the energy efficiency and housing advisory panel that has sort of created a marriage of NYSERDA and housing and community renewal. And I, you know, I'm pleased to report that we are working more closely than ever trying to think through the joint objectives of providing affordable housing and energy. And I think through the recommendations of that panel, we'll start to see some of these issues, some of these recommendations that address housing policy and align it with our, our carbon goals. So it it's, and I agree with your characterization in, in the Metro area, that's a large source of emission. So it's not an easy objective, but where, where we're quite focused on it. And I'm optimistic that we will see some recommendations being forwarded to the climate action council that, that try to solve for both affordable housing and carbon neutrality in buildings. So, Richard, I want to come back to your, Oh, I'm sorry Doreen.

Doreen Harris:

Oh, we have the metrics question to Janet. So we have to, to, to wrap up here, so please finish and I'd be glad to speak to the metrics part. Okay.

Janet Joseph:

Okay. Thank you. So, Richard, you had a question about market-based strategies for EA and realized it didn't address that. So we are still very aggressively pursuing a voluntary partnerships market-based strategies with building owners, with property owners, with portfolio owners across New York state. It, it that work has to proceed as we raise the regulatory. As we establish regulatory signals, we are working. One of the things we'll hear about at the Board meeting later on is a very exciting partnership we have on the Empire Building Challenge, where we are working with close to a dozen of the largest property owners in the New York City area to show how we can de-carbonize, decarbonize

the building stock. So I am pleased that we, we, we have many market leaders to work with in this area. In buildings, we have owners that are going above and beyond the requirements, and even in affordable housing, we're seeing that, which is, which is really promising. But it is the scale, that I believe we will not get to, unless we change an established those, those regulatory signals with, with an adequate duration, those regulatory signals need to be long-term so that the private markets can make investments.

Shere Abbott:

Can I ask you a quick question about what you, what do you mean specifically by the next generation of climate adaptation research, as opposed to the current generation, and because that's also data-driven. So, so I'm curious about specifically, what do you, what does that mean?

Janet Joseph:

Yea, and really, I think what that is referring to is continuing to refine the models that, that are used in, in the climate impact area. It's also sort of referring to building upon some of the landmark work that NYSERDA did a few years ago on climate, where we did the first adaptation studies in the state, really refreshing that, updating that with the latest tools, data, and research. So that that's what, what we were referring to.

Shere Abbott:

Okay.

Mark Willis:

I want to go on a tagline to Ken Daly, a question about residential in local law 97, how are you thinking about that in New York City and coordinating with the efforts there?

Janet Joseph:

Well, Mark, we have a representative from New York City on the energy efficiency and housing advisory panel, and I serve on the local law 97 advisory panel. And we have several staff at NYSERDA who are engaged in the working groups of the local law, 97. We are doing our, our best to ensure that in, in the end, when we put forward a set of policies at the state level we are advancing something that, that works for an entity that might be subject to the regulation who happens to own a building in, in New York City. That work is far from complete, but it's a top priority for us to do that, to sort of walk through a number of use cases in the New York City metropolitan area, and make sure we understand what a state policy might mean for that. So it's a, it's an active work in progress. And Doreen on the DE&I?

Doreen Harris:

Certainly, yes just to finish up the requests, the earlier request with respect to metrics, it is certainly the case that we expect as part of our DE&I strategic plan that we will have close metrics tracked, and also be glad to, to report out on our progress as it is critical to its implementation effectively. Couldn't agree with you more. I also think, you know, I know later in this agenda there is the Clean Energy Fund that we'll be talking about. I think it'd be great. Janet, if you and Jen can be sure to touch on some of the metrics we'll be tracking sort of in a more expanded way as to the Clean Energy Fund investments in, in disadvantaged communities, as well as our work in general and tracking our expenditures in RGGI as well, which is sort of separate and apart, but integrated in the, in approach. So certainly we'd be glad to report out on all of those factors.

Janet Joseph:

W-, well, maybe that's a good segue to our strategic focus areas. And the first one that we wanted to start with is building an inclusive, clean energy economy. So that's sort of the outward manifestation of what we do with our, with our financial resources, with our, our programs. So if we could move to the next slide and I will pass the floor to Chris Coll, who is leading our work in energy affordability and equity across NYSERDA.

Christopher Coll:

Great, thanks Janet. Good afternoon to committee members. So yeah, so as we're thinking about kind of building out an inclusive, clean energy economy you know, as Doreen mentioned in her opening comments, you know, advancing energy equity is a priority here, you know at NYSERDA, but then as we're thinking about our engagements with, with the markets, and with communities we're going to need to really think about how we shift and adapt our strategies and approaches to ensure that we're benefiting residents of disadvantaged communities and that they're able to benefit from, and engage in the clean energy economy that we're developing. You know, so I think, you know, we, we've had some discussions about, you know, affordability issues and environmental justice issues, you know, with, with the board over the last few years, but maybe just as a, as a reminder, as we're thinking about our low and moderate income communities and residents and our environmental justice communities of color and other frontline or otherwise disadvantaged communities you know, we know that there's some disproportionate impacts that those communities are facing when it comes to energy. So, whether it's kind of, you know, energy burden and the cost of, of energy you know, air pollution, localized pollution that comes from, you know, fossil fuel combustion, you know, whether it's, you know, transportation, you know, buildings, heating and cooling electric generation. The, this investment in housing and clean energy infrastructure within environmental justice or frontline communities. And as we're thinking about, you know, the, you know, the, the manifestation of kind of a clean energy economy when it comes to jobs and economic development for, for residents and communities, you know, the, the inequities that have led to, you know, kind of limited opportunities for education and training to, to, to develop, you know, opportunities for jobs, you know, for residents of disadvantaged communities.

We're also really thinking about how, you know, we're engaging with, with communities with respect to, you know, ensuring that, you know local and more regional, you know, barriers and challenges are are considered and addressed as part of these strategies. So, you know, ensuring that there's a path to increase engagement and kind of, you know, voice, you know, voice from the communities into program planning and development along the way. So, you know, kind of what would the CLCPA as the, the kind of underpinning, realizing the goals of the clean energy economy and you know, making sure that we're able to, you know, drive benefits to disadvantaged communities. As we, as we think about the CLCPA, I think many of you are familiar with, and you know, the, the primary goal with respect to equity, to, to drive at least 35% of the benefits of our clean energy and energy efficiency investments to disadvantaged communities, with the goal of 40%. In order to do that, you know, we really need to think about how we're, you know, shifting the way we're thinking and, and strategizing within to, to put our programs and portfolios in a position to, to, to realize that objective of, of, of delivering benefits to disadvantaged communities.

So, you know, looking across the NYSERDA portfolio you know, you're going to see us kind of look at, you know the thing, our investments on areas to kind of continue to improve energy

affordability for, for low- and moderate- income New Yorkers, you know, reducing fossil fuel combustion emissions from fossil fuel combustion in environmental justice areas, and looking to create greater opportunities for economic development for residents of disadvantaged communities. We've included in the Strategic Outlook, a number of initiatives by the various portfolios that, that we're talking about today. But I'll focus on a few here for, for discussion. You know, so number one, you know, building community capacity and improving engagement. So, as I mentioned, we want to make sure that we're providing kind of a linkage from the community whether it's, you know a better understanding of, of the local needs or the barriers kind of within, within communities to engage and benefit from the clean energy economy or, or increasing just awareness and opportunity to participate in existing programs. So one of the things we're working on now kind of with, with, with input in close collaboration with environmental justice in low and moderate income communities is a clean energy health initiative that, that will essentially hope if you can go back to the last slide, sorry.

Yeah. Clean energy health initiative, that that will kind of kind of serve as kind of the focal point for connecting residents to program workforce training opportunities and to, to build overall capacity within those, those, those communities. We're also really kind of interested in, in developing more kind of innovative solutions to develop community scale programs and interventions. So whether that is, you know, advancing you know, geographic eligibility for programs to really kind of focus you know, kind of priority and, and resources on communities that you know, th-, that are in most need for, for services or assistance and streamline enrollment into programs. As well as to look at how we can advance initiatives to increase adoption of energy efficiency or DER in general in communities. So for instance you know, backing down peaker plants in in those EGA areas kind of through kind of increased efficiency, you know local generation and storage and then similarly, you know, looking at how we can provide more ownership you know, within the clean energy economy for disadvantaged community. So we're looking at opportunities to create models for community ownership of, of der. Next slide please.

So, you know, Janet kind of spoke, spoke to this already but prioritize a workforce development you know, for priority populations or disadvantaged communities is going to be, you know a big focus here over the next few years. So building on the work that NYSERDA's done already to create apprenticeships and on the job training opportunities for priority populations, but kind of taking that kind of a, you know, a step or two further focusing on developing a Climate Justice Corps that would support communities, you know, with Corps members coming from, from those communities looking at how we can create a pathway for, for improving access to HVAC career opportunities. And then on the innovation side, looking at how we can you know, create the next generation of Cleantech entrepreneurs that, that, that would be kind of you know, kind of broader in terms of, you know having kind of companies and participation from, from kind of a more diverse population.

In addition, we're, you know, I think we spoke about this at one of the previous Program Planning Committee meetings, but looking at how, you know, as we're, as we're looking to develop models for decarbonization and to increase adoption of, of electrification, and we know that in the low and moderate income space and within affordable housing, there are a lot of institutional barriers when it comes to electrifying. So beyond kind of the, the challenges that we're facing, kind of in, in, in, in the, the rest of the market there's some unique issues related to the affordable housing world. So, you know, we're, we're investing in, you know understanding kind of what those, what those barriers are and how to overcome them when it comes to electrification, to truly develop more scalable models.

We're also focused on coordinating with the, the utilities in the state. So those of you familiar with the Public Service, you know, Commission order and la-, last year to kind of increase the utility

budgets for energy efficiency that also included a requirement for NYSERDA and utilities to develop a statewide LMI portfolio. So there's a lot of work going into kind of scaling up energy efficiency opportunities for low and moderate income households and affordable housing. Really looking at reaching more households year over year than we previously had by making it easier to participate in these programs and increasing the resources being directed to them.

And the last thing I'll mention here is you know, back to the, the, the discussion on affordable housing earlier the, the governor in the State of the State this year advanced the proposal called "Raise the Green Roof", which is essentially, you know, kind of a partnership between NYSERDA and HCR in this case to, to develop models for better integrating you know, subsidies and incentives, pre-development support and clean energy financing into the affordable housing portfolio and specifically affordable housing finance tracks transactions. So, you know, NYSERDA will be working with HCR and HPD and, you know, want to be looking at opportunities to work with other housing agencies and housing authorities to do a better job of you know, increasing adoption of clean energy solutions within affordable housing across the state. So with that, I think I, I am at the end of my slides here, but maybe we could pass it on to Jamie for the next focus area, or should we open it up for discussion here? We should do that.

Mark Willis:

Let me just mention where we probably have another 15 minutes here, so I don't know how many more slides or how much more you want to cover here, but keep that in mind, we have a couple of major agenda items at the end, so that's not really up to you Chris, but up to Doreen and Janet, however they want to organize this.

Janet Joseph:

So why don't we move on? And Jamie can give a quick walk through of the other three focus areas and have open it up for questions at the end of that.

Mark Willis:

Great.

Jamie Dickerson:

All right. So if we can move to the next slide. So our second focus area is on fostering healthy communities which I think in this case really encompasses both new and expanded activities that are planned and underway across a number of our teams. So without, without a doubt, another cross cutting focus area for us. The "why" here, the "why" well, I think it's primarily twofold. Communities currently lack sufficient resources in many cases to adequately address many of the on the ground challenges associated with the energy transformation, especially now with COVID. And, and two, I think highlighting community level action reflects the reality as we've heard today already that the state needs scale to succeed. And so moving quickly beyond a building by building approach, to a neighborhood by neighborhood model and ultimately striving for carbon neutral communities. We've already made the formal announcement of the first key action here. That being the clean energy communities round, which went live last week, which is great to see and we're also going to be focused on providing expanded, clean energy training opportunities for local officials, and really to make use of the newly available remote models that we now know and love. But also meeting communities, trying to meet communities where needs exist and where resources may be constrained. The other major category of work here relates to the siting and construction of renewable and DER projects. The focus here being for us trying to provide community benefits. So that looks like, you know, developing new resources for fruitful developer and community collaboration, seeking opportunities to, to leverage

community choice aggregation where we can and then trying to grow local partnerships to drive clean energy investment, especially on brownfields and under-utilized land.

Another, another element here though that I think really sews together a couple of these sort of disparate threads is health. And so that's sort of the, the healthy, hence the healthy communities title. We know as Chris alluded to that, the disparate health and air quality impacts worn by disadvantaged communities as a result of environmental injustice remain front of mind both underscored and really exacerbated by exacerbated by COVID. But with local action, I think what we're, what we're getting at here is that we can begin to reverse and, and repair these inequitable outcomes by pursuing decarbonized communities which is going to bring improved outdoor air quality through the elimination of, of, you know, emissions from peaker plants and buildings and transportation safer and healthier buildings, the indoor environment through electrification efficiency and, and also measures to guard against airborne pathogens. And then the substantial job opportunities and increased economic activity as well, all working to foster healthy communities.

Go to the next slide.

So Janet hit on a lot of this already. I'll, I'll be brief the “why” on jobs and the economic and the economy is really that, you know, despite the great growth that we've had in clean energy jobs in recent years, clean energy did suffer significant job losses as a result of the pandemic, you know, nearly 20,000 unemployment claims in April 2020 strong rebound from that from that level. But, you know, continued investment is needed both to address, to address the ongoing employment disruption in the, in the near term. And then in the long-term to build the labor capacity that we really need to deliver at the scale needed to meet the CLCPA goals. So I think this is what it means to, to build back better, the common refrain. We're very excited, obviously that many of our recent high profile, large scale renewable and port facility awards have been highlighted for their capacity to bring just that much needed job in economic and economic opportunity at such a critical time for New Yorkers.

The first two bullets on this slide are really you know, things that Chris mentioned earlier, but a new Climate Justice Job Corps that was unveiled at the State of the State, the launch of the Career Pathways program during climate week, last year as Chris Coll alluded to earlier and we're also going to be working to build partnerships and relationships with channel partners on workforce training and access to serve a wider base of workers and priority populations, and really trying to promote greater localization of energy workforce development and economic benefit opportunities. Finally, the Offshore Wind Training Institute, which is alluded to in the final bullet here is another great example of a sort of a sector specific targeted intervention to meet the labor demand coming from that, that burgeoning corner of the industry.

Let's go to the next slide.

So finally, we've teed up here, a major area of emphasis surrounding our work, which is you know, the transition from natural gas to a low carbon future as we've put it and the need to accelerate that transition. Now needless to say, this is not a transition that can play out in just the three-year planning horizon for this outlook, but really it is a multi-decade transition that's beginning to unfold and we'll unfold in pursuit of our long-term CLCPA goals for emissions reductions. It's going to involve significant changes in existing regulatory models, which will have to evolve. And, you know, I think we see several principles guiding this transition. It has to play out safely for the system of physical assets that we have. We have to ensure, as Chris alluded to, that we, that we ensure LMI New Yorkers are not

bearing some disproportionate cost of the transition. And we have to figure out overall how to effectuate the transition as economically efficiently as possible.

You know, so against this backdrop and I served as role in efforts are really focused on basically in three areas on the analytical roadmapping to guide the transmit the transition, building the markets and the scale for the efficient electric alternatives like heat pumps, as Janet mentioned, and on accelerating research development and demonstration of the new technologies, or of new technologies to, for tougher to replace gas-based uses. So, highlighted together here on the slide are the pair of building roadmaps that our teams are advancing, carbon neutral buildings roadmap, and building electrification roadmap. The first being the comprehensive roadmap toward, you know, mid century, trying to attain a carbon neutral building stock statewide, and the second being the complimentary nearer term roadmap, offering deep dives on electrification solutions and needs. The middle bullet here is, is really spotlighting a lot of the work that Janet alluded to sort of what we're doing in near term to drive progress. So electrification, gas efficiency, really trying to sort of make inroads with respect to reducing overall gas demand and peak gas demand, both being sort of drivers of, of infrastructure investment.

So finally, and just sort of racing through things here to keep some time for Q&A, but I finally, we will also play an important role in making investments for gas innovations that will support deep decarbonization and the, and the transition away from gas such as potential solutions like green hydrogen. We expect this to entail effort to support, you know, things like carbon to value R & D and technology transfer R & D gaps analysis for solutions like green hydrogen co-funding of pilots and demonstrations. And I think our major focus areas will be on those hard to electrify and other tougher to replace, tougher to decarbonize gas use cases where, you know, we need new and better technological solutions in the financing and business models to accompany them.

So, in wrapping up, I just know, I think our innovation work will really lead us to success for the long-term phase of the transition. We're striving to decarbonize, you know, roughly a, a thousand or so TBtu's of the thermal load in New York as Janet likes to remind us, and we will need other models to emerge alongside the main tools of, of building electrification and energy efficiency. So things like community scale district and campus, thermal systems use of alternative molecules where appropriate and effective, and then finally better forms of, of thermal storage. So that was a lightning round but we can probably move to the next slide now and talk Q & A and discuss those focus areas.

Mark Willis:

Not up to me necessarily here, but I'll just say we have a few minutes for questions. If there are some over these last areas that we're talking about.

Shere Abbott:

Can I just ask a quick question on, this is all really good. I mean, it's really hard to make these shifts towards the diversity inclusiveness and, and, you know, really deliberately supporting underserved communities, but it's hard. Right. And so, I have a question about what counts and that the 35% ? Is it in terms of expense, is it expenditures is so, so for example, looking Chris mentioned page 42, when you look at the, of this plan and you look at the initiatives by portfolio, if, if you funded me for example, on the resiliency work, but it's focused on underserved and minority communities, does that count or, or is it, does it only count if it is, it, is that, that the funding is directed towards those actually in those communities themselves? I don't, I don't know how the money is, is the question, right?

Doreen Harris:

Sure. Yeah. So, so Shere, just to be clear, what we are counting is benefits per the language of the CLCPA and obviously the benefits to, to the communities. But Chris, do you want to speak a little bit to the Climate Justice Working Group and the process that's underway as well as sort of where we are right now as to how we're looking at this, from my perspective.

Chris Coll:

Yeah. So, so there, there's definitely, you know, a lot here and you know, w w we'll probably be updating you all on this work along the way, but you know, the there's, there's some work happening right now with the Climate Justice Working Group that would essentially, you know, define what a disadvantaged community is. So, so there's that, that group is working on developing draft criteria for establishing a disadvantaged community now. And in parallel we're developing this, you know, benefits framework. So thinking about the broad set of investments, right, that are happening under clean energy and energy efficiency portfolios across the state, you know, looking at what are the benefits that we can attribute to those investments you know, how do we, how do we count them? How do we, how we measure them, how do we track them and report them? And so that includes, you know, not only NYSERDA investments, but you know, investments from other state agencies and utilities. So there's a lot of work happening right now to develop that framework. So currently we're looking at kind of, you know, directing our investments, with the full expectation that we're going to have to be, you know, shifting to account for benefits. You know, as that, that benefits framework has developed. And essentially we'd be tracking these, these initiatives in terms of impact that disadvantaged communities going back to January of 2020 when the law took effect. So, in the interim, we're looking at an investments, however, that will shift as we have more clarity on what the disadvantaged communities are and what the [inaudible].

Shere Abbott:

I'm going to make the link between benefits, investments, and outcomes. Yeah. Okay, great. Thank you.

Doreen Harris:

Yeah. Great question. I'm glad you asked.

Richard Kauffman:

I have a question which relates to again, the, the same, same community and efforts that you described in coordinating with other branches of government. So, I'm wondering how, how we can make things easier, because I know that people in that community spend an enormous amount of time filling out paperwork, and for what seems like very marginal benefits sometimes. And so, I don't know whether, you know, what we're doing to try to coordinate social service activities, just, just to something is what too many of us would seem like, kind of prosaic stuff, but actually it can take a tremendous amount of time and effort.

Janet Joseph:

Yeah, that's a great point, Richard Chris and his team spend a fair amount of time trying to work through those those integrated solutions, wraparound services, Chris, any anything to share in response to this challenge?

Chris Coll:

Yeah. So, you know, there's their systems you know, considerations there's you know, data privacy and protections, you know, that we worked through kind of with, with other agencies. So maybe a couple of things I could, I could point to now that are, that are tangible. You know, simplifying application processes. So, you know, providing an opportunity for, you know a resident or a building owner to apply once to the state. So regardless of the program or the service that they're seeking is something that, you know, we've had as a priority for a while and have started to make some progress in terms of, you know, being able to share information on, on, you know, applicants between agencies that there's a lot of work in terms of developing you know, the systems necessary to facilitate a true kind of one-stop shop for the residents and applicants. So that's something that, you know, is, you know, continuing to be a priority. And there's some, ITS and other systems, you know, solutions that are coming, you know, in a few years that would address that. So for the, the, the current kind of you know, approach really is, you know, kind of ensuring we can, we can make it easier where we can in terms of aligning our application requirements. And a lot of work we're doing right now with the joint utilities is really kind of, you know, thinking about, you know, how to simplify application, you know, across certain utilities, just given that we have, you know, between utilities and NYSERDA bulk of the rate payer funding will all the repair funding going into energy efficiency and clean energy. So, you know, we're starting there and then looking at how we can, you know, kind of continue to drive efficiencies, whether that's kind of an income verification documentation, or, you know, sharing information, you know, on, on applicants to make it easier for them to the programs.

Mark Willis:

I think we're getting near the end of our time here here. Any other questions people have this pressing, cause it's not fair to ask you to vote if you haven't had a chance to a key question. So let me give people a second to consider that. And then if not, I'm going to ask for a motion. Okay. So may I please have a motion recommending approval of the strategic outlook and title toward a clean energy future clean energy future, a strategic outlook, 2021 to 2024. And also I should thank Janet, Doreen, Chris, everybody else who just made a presentation. That was really excellent. May I have a motion?

Jay Koh:

So moved

Chuck Bell:

Second.

Shere Abbott:

Second.

Mark Willis:

All right. Moved and second. Again, Sara here's your calling here then you call the names of the people here and they should indicate whether they're in favor by saying "aye" or opposed by saying "no", Sara?

Sara LeCain:

Okay. Thank you. When I call each name, please indicate your vote. Committee Chair, Mark Willis.

Mark Willis:

Aye.

Sara LeCain:

Authority Chair, Richard Kauffman.

Richard Kauffman:

Aye.

Sara LeCain:

Shere Abbott

Shere Abbott:

Aye

Sara LeCain:

Chuck Bell.

Chuck Bell:

Aye

Sara LeCain:

Ken Daly

Ken Daly:

Aye.

Sara LeCain:

Commissioner Dominguez

Marie Therese Dominguez:

Aye

Sara LeCain:

Jay Koh.

Jay Koh:

Aye.

Sara LeCain:

Thank you. The Strategic Outlook has been recommended for approval.

Mark Willis:

Thank you, Sara. Thank you again for a really excellent presentation and all of the work that went into putting that that together to help us understand there are many, many pages to that report. And I thought it did a great job of covering the topics. So, we'll move on to the next item on the agenda

is the proposed revision to the Regional Greenhouse Gas Initiative Operating Plan. So John Williams, Vice President for Policy and Regulatory Affairs will present this item. John?

John Williams:

Great, thank you, Mark. And good afternoon, everybody. The members are asked to adopt a resolution that would approve an operating plan for the RGGI, for the RGGI program, the Regional Greenhouse Gas Initiative Program. The members will recall that we annually amend our standing operating plan, and we take a fresh look at the next three years, both of revenues that we can anticipate for our program planning purposes, as well as looking at some new program opportunities and several of them that the current proposal for the RGGI operating plan would be supporting activities we've just heard about in the Strategic Plan. We also do an annual process prior to presenting this plan for your consideration. We do propose a, or we do present a draft of this proposal to our stakeholders in order for them to provide us with feedback and information to help inform this plan.

So, this past year we did conduct that stakeholder engagement process on December 10th, we held a webinar for stakeholders to answer any questions on the plan and to receive any comments at that time. And we also did hold a written comment process where stakeholders could submit their thoughts to us through our web portal. And comments on that plan, on that proposal were accepted through January 6th. We did receive over 350 comments, a good number of which were looking for NYSERDA investments in disadvantaged communities pursuant to directions established by the Climate Leadership and Community Protection Act. And as well as a number of other comments, all of which were helping to shape the proposal for you today. After the board takes final action on this proposal, we will post those comments on the website for, for general information.

Now what's contained in the plan is, has been outlined in materials that the members have received, but just very briefly in terms of the revenues that we will use for our program planning purposes, we will be deciding to base that revenue projection on the September auction results. That was \$6.82 cents realized as the closing price for the auction at that time. This is a relatively conservative approach to the program planning. We have already seen one auction in December that, that did have a closing price a little bit higher than that \$6.82 cents. But in order to ensure that we are allocating revenues in an appropriate way for planning, we are recommending adoption of the \$6.82 cents September closing price auction level.

So that those revenues will be supporting a number of different programs that have been outlined. A number of initiatives are being sought for continuation, including support for electric vehicle market build out, continued allocations to the Clean Energy Fund as well as continued support for energy efficiency activities in the Long Island Power Authority service territory funds for continued support in the, in the LIPA energy efficiency program are coming with a bit of a repurpose previously approved dollars that were supporting a storage initiative on Long Island. LIPA has actually looked at different means to help support the growth of the storage market on Long Island, which has allowed us to look to a repurposing of those previously approved funds to continue to support for energy efficiency.

We also are looking at some new initiatives in the current program plan. One of them would be a \$37.4 million initiative to support energy efficiency in schools and buildings in disadvantaged communities. So, this would be building on an existing schools program that NYSERDA is implementing and will allow for statewide implementation of the school's program. And we are also looking at building better understanding, as Chris Coll had previously mentioned, on how we can look to strategies for electrification in public housing, in public housing buildings. So new initiative to help support energy efficiency in those areas.

Also looking for support for engagement of groups in environmental justice communities and climate justice communities, so they can better inform the way that we can be thinking about programs and initiatives supporting those communities going forward. As well as \$11 million supporting statewide on the job training, other HVAC training, and fellowships for individuals in disadvantaged communities to support their aspirations for careers in clean energy on a going forward basis.

The last thing I will mention here is that in our amendment documents, we have also started to look at how investments from RGGI will be advancing our investments in disadvantaged communities. And so our appendix two of the document shows how we are looking at contributions from each of the portfolios investments and how they are contributing to our 35% minimum, 40% goal in achieving benefits from investments for disadvantaged communities. In that document, you will note some progress that we will be making with the portfolio as a result of the proposal of this current three-year operating plan. If you look at our investments in RGGI from a pre-2019 basis we identified that 23% of those investments had been supporting disadvantaged communities. With the current operating plan, what we will look at and from a post-2020 investment projection, that app that we will be able to achieve a 39% investment level in disadvantaged communities. So significant progress being made as a result of thinking about how we look to the RGGI portfolio to provide benefits for disadvantaged communities and how that, how this will also help to advance NYSERDA's responsibilities in meeting the Climate Leadership and Community Protection Act goals. So I'll just leave that brief presentation with you. The members do have the materials before them, but I will be happy to take any questions you might have on that.

Ken Daly:

Excellent report, excellent report in the materials. So thank you for that. You know, a couple of comments, one, good to see the firm pricing on the prices. So that was nice to see. I think you also used the right conservative approach going forward. I'm also really pleased to see the 29, 23 to 39% increase for the disadvantaged communities. So going back to our early admission discussion, it does a great example of bringing it to life. So thank you. My only question is I noticed that the units go up nicely this year, but then they come down in the outer years the units available. So just curious why, why that is

John Williams:

In terms of the allowances for, for sale?

Ken Daly:

Yeah, it is.

John Williams:

Yeah, so this is a result of the way that we were accounting for the overall cap system and how we were making adjustments in the cap as a result of the program review that occurred back in 2017. Some of this was with respect to the way that we were looking at the cap and the annual emissions reductions that we were accounting for. If we have a 2.5% reduction year over year, the way that we had been previously looking at that cap was we were, we were not, we were initially trying to make sure that we were looking at the entirety of the 10 years that the program was pulled out. And with that 2.5% reduction over the 10 years, the way that we had initially calculated it was 2.5% from the previous year. So, we needed to make an adjustment in the way that we had established that cap, so that we had the right allowance is going into the market. So the market could best calculate how they would look to

the purchase strategies for their allowance for compliance. So that's basically the reason why we needed to make that adjustment due to changes that we were, we were making the cap.

Ken Daly:

Thank You.

Jay Koh:

I just wanted to hope to your strategy that we've been pursuing and looking at the budgeting over several years to smooth out the curve. We've had probably seen some more volatility in the past, and that's resulted in some budget adjustments that had to be done on an annualized basis. It's great to see some of the pricing firm up as you, as Ken had said, I applaud the application of his, the thoughtful alignment of the proceeds here with the targeted focus on climate equity and the transition here. So it's great to see that, and I'm happy to continue to see the the strong work and analytics that are being done here along the lines of the finance and audit functioning as well. So appreciate that.

Richard Kauffman:

So, John, in terms of, I know it's still early in the Biden administration, but as you think through the kind of war gaming of different possibilities, what it could mean for, for for the RGGI program. I mean, are there, is there a really positive scenario or is there even a negative scenario with respect to RGGI?

John Williams:

Yeah, well, I guess I would say, I think that there is still kind of focus on the regional program at least at this point in time. And there is continued, I guess I might even say expanding interest in RGGI. So Virginia actually has joined the program as of January of this year. Pennsylvania is also in a, in a process where they are coming close to determining whether they will be joining the program as well. And so and I think that there is interest by other States in RGGI as they are contemplating their own kind of climate strategies and seeing the, the ability of RGGI as a successful program that, that can be relatively plug and play for a number of other States. I would say Richard, if the, if the, the federal government is, is looking to organize around a national program, we would certainly want to work with colleagues at the federal government to ensure that at a minimum, RGGI is a, what we would call sort of a linkable approach to, to any new new, any new program that, that might be established. Considering we do have a platform that is it's pretty well known. It runs actually really quite well. So if, if there is learning that can be happened where I think from a regional basis, we'll be happy to do that. But but certainly if there is still continued interest in the regional approach or in in the way that RGGI is organized, I think that that is still something that we, we'll be looking at. You know, what we have been announcing very recently with RGGI is that the States will be organizing later this year to, in what we call our next program review cycle. And I'm sure as developments in Washington proceed, that will help to you know, shape some of their thinking of the way the States will want to be approaching the program over the next kind of cycle of, of the program.

Mark Willis:

For me, the question, the value of the allowances depends on where they are, what the demands for them are. As we're all including now, New York State racing to decarbonize the generation of electricity, how are you going to make sure that the allowance is aligned with, with the dramatic changes you're expecting in the electrical industry, whether they're driven by us or the federal government?

John Williams:

So, so I think that, you know, Mark there is a lot of policy evolution that is occurring throughout the Northeast and among the RGGI participating States. And, and that really becomes sort of a purpose for those, the program reviews that we will be that we engage in. So certainly we'll be looking at the, the targets of the CLCPA that have been enacted since the, the previous program review completed. So from New York's perspective, we'll want to look at how we will be thinking about trajectories of emissions reduction over the next number of years that the program review will, will consider as well as well, the other States in, in the regional program. And we'll, it will be those types of evolutions in the way we're looking at programs that will, that will inform program review and how the States will we'll look at the cap to the program over time.

Mark Willis:

And ultimately revenue and ultimately the revenue right. That you get from it. Okay.

John Williams:

That would be correct.

Mark Willis:

Are there any other questions for John? That was very helpful. I'll pause for a second here. Okay. May I please have a motion recommending approval of the amendments to the Regional Greenhouse Gas Initiative Operating Plan?

Jay Koh:

So moved.

Shere Abbott:

Second

Mark Willis:

So moved and seconded. Again, Sara, I turn it to you, to you'll call everybody's name and indicate whether the board members are in favor by saying "aye" or opposed by saying "no", Sara?

Sara LeCain:

Thank you. When I call each name, please indicate your vote. Committee Chair, Mark Willis.

Mark Willis:

Aye.

Sara LeCain:

Authority Chair, Richard Kauffman.

Richard Kauffman:

Aye.

Sara LeCain:

Shere Abbott.

Shere Abbott:

Aye.

Sara LeCain:
Chuck Bell

Chuck Bell:
Aye

Sara LeCain:
Ken Daly

Ken Daly:
Aye

Sara LeCain:
Commissioner Dominguez

Marie Therese Dominguez:
Aye.

Sara LeCain:
Jay Koh

Jay Koh:
Aye.

Sara LeCain:
And Gil Quiniones

Gil Quiniones:
Aye

Mark Willis:
Nice of you to join us Gil.

Gil Quiniones:
Sorry. I'm late. Thank you.

Mark Willis:
No, I had to say you let us know, but thank you, sorry.

Sara LeCain:
Based on that, the RGGI operating plan amendments have been recommended for approval.

Mark Willis:
Thank you, Sara. And thank you again, board members. The next item on the agenda is the report on the Authority's recent Clean Energy Fund filing. Janet Joseph, the Authority's Senior Vice President for Strategy and Market Development will present this item. And Janet, you won't be

surprised we're getting tight on time. So between you and the final presentation, we now have about 30 minutes, so.

Janet Joseph:

Okay. So I'll do the short version of this presentation, if we can move to the next slide, please. So this is a really an informational update that follows on the discussion that we had with the Program Planning Committee back in June on the Clean Energy Fund triennial review. If you can move to the next slide, please.

So, when the Clean Energy Fund was established back in 2016, we were required to, or the commission I should say, was required to do a fairly major review of the Clean Energy Fund at roughly three-year intervals. So, we are now looking at the first review of the Clean Energy Fund. To kick off this process, we filed a petition December 29th, right before the end of the year, whereby we outlined the progress that we've made in the Clean Energy Fund, we highlighted some proposed adjustments and refinements of the Clean Energy Fund going forward, and outlined proposed future directions.

Next slide, please.

I'm going to skip this one. I think the group here is all familiar with the major portfolios in the Clean Energy Fund outlined here and, and get right to the issues that we teed up in the petition. So we outlined, if we could move to the next slide, please, the high level CEF performance to date, which is presented here. I won't go through these metrics in, in detail. But I think suffice it to say we're roughly halfway through our, our 10-year program. So, our target goal for, for most of these things would be to, to be at a 50% level. We've put about \$2.3 billion in commitments out into the market for fuel efficiency. We're going above, we're exceeding our target. That's a good thing. We have to make some accelerated progress on electric efficiency for renewable energy, we're exceeding our target. Same with emissions reductions, we're above the 50% line as we are with participant bill savings, leveraged funding. We have to make up some progress, but that's a high-level view.

And again, back to the point of our uber metric being greenhouse gas emissions we are performing a strong relative to the goal that was established. So that's sort of the performance to date. If we look at the next slide, please, you'll see some of the issues that are under consideration in the Clean Energy Fund review. And when we meet under consideration the Department of Public Service is putting out the Clean Energy Fund for public comment. And then the commission is expected to make some recommendations and decisions in the spring summer timeframe. So certainly we've had to incorporate the evolving public policy landscape in the future directions of the program.

And I, I won't go through these changes in the public policy landscape. I think the group is all familiar with, with these major points, and this has been very much underscored in the discussion we just had on the Strategic Outlook. So in terms of the issues that we've teed up in the Clean Energy Fund, we've outlined proposed future directions, we've addressed how we will deliver benefits to disadvantaged communities. We are proposing some changes to goals and metrics really to align with CLCPA, and a few other objectives were also proposing some refinements and performance and portfolio management. And then we are addressing some financial matters in terms of future directions and strategies as outlined on the next slide, please suffice it to say that the strategies that we outlined in the Clean Energy Fund align very much with these four focus areas that we just walked through for the Strategic Outlook, which again, is a shift from where we started from in the Clean Energy Fund back in 2015, when we were mapping this, this work out.

On the next slide we've addressed how we propose to deliver benefits to disadvantaged communities. And I want to just bring to attention of the committee that we are very much in this Clean Energy Fund proposal, kind of leaning in to the commitment to not just strive for the 35% minimum that was outlined in terms of the benefits delivered to disadvantaged communities, but really try to refine and work our portfolio to hit that 40% level. And similarly, we identified a portfolio of well over a billion dollars that is a starting set of portfolios to deliver value to disadvantaged communities. And those are, you know, similar to what Chris talked about for the Strategic Outlook.

In terms of the revised goals and metrics. If you could move to the next slide, please we are proposing some changes to align with CLCPA and I want to pass it to Jen to, to walk through, I guess, very, very quickly the last three slides that we have here.

Jen Meissner:

Got it. Yes, we'll move through very quickly. Thanks, Janet. If you could just flip back a quick explanation on the prior one, the revised goals and, and metrics. We're putting forward a new framework here proposing some performance targets which are carrying forward, you know, many of our traditional metrics albeit in some cases more ambitious targets being set, and we will actually be you know, managing and maintaining the CEF around these performance targets going forward. Energy efficiency, renewable capacity leveraged funds and the 40% of benefits to disadvantaged communities. And then we have another set of other anticipated benefits, which includes the, the carbon emission reductions and participant bill savings that have been part of our you know, important metrics through history here, but adding clean energy jobs and improved air quality with specificity around, you know, we want to ensure that, you know, for the clean energy jobs, we're tracking that in total, but also jobs and training to priority populations for bill savings, ensuring that we have a tracking on in total, but also what are the participants in savings to LMI customers? So we, we have some nuances here and some additional tracking being added too many of these, these metrics going forward.

Let's move to the next slide. In the petition, we also address certain financial matters and requests. We are proposing a modification first and foremost here to the rate payer funding collection schedule by year, but not in aggregate or not in total for the CEF. So this is intended to address the slower than anticipated spend at the beginning of the CEF and the large cash balance that, that does exist at this time and will align well with our latest spending plan. We're also requesting that the remaining funds needed for the expansion the recent expansion of the New York Sun program be authorized for commitment and spending using legacy uncommitted funds. And lastly, we're requesting to manage some anticipated longer-term possible shortfalls in CEF funding by using some of those uncommitted legacy funds, or if need be through collections for New York Green Bank capitalization. But in the case of New York Green Bank, that would be mitigated by the, the future implementation expected of a debt facility. So we'll just move on. There's just a couple more, more points here, and then we can cover any, any questions, Next slide, please.

Janet Joseph:

Jen maybe move on to the next step slide.

Jen Meissner:

Yup. And one more, one more slide. There we go. So DPS has actually issued the, the, the public comment opportunity commenced on the 29th of January, a few days ago. Initial comments I believe are due on the 29th of March, and reply comment opportunity closes, I think on April 12th. So we will be in the interim, conducting some briefings with PSC commissioners. And then we do expect you know,

the analysis and decision-making on the feature of the CEF come, come spring, you know, in the form of a, a PSC order you know, applying any, any updates that are arrived at. You know, NYSERDA will then refile its, its investment plans to kind of get us up to date with the new framework, new expectations and you know, including importantly kind of the shift in metrics from looking at a commitment basis to unexpended and acquired basis. So kind of how the money is really moving into the market and The acquired benefits. So that is the filing in a nutshell, quick overview.

Mark Willis:

I guess I can say thank you for then that no one else has. So it was a little awkward here on the, on, on zoom or whatever we're on WebEx. Are there any questions or thoughts people have on, on the presentation that we just heard?

Okay. I'm not hearing any okay. I guess this was just for information. It doesn't require any further action. Is that correct? Janet and Jen?

Janet Joseph:

That's correct. Mark. That's an informational update.

Mark Willis:

All right. Well, that was very helpful. Thank you very much. Okay. The next item on the agenda is the consideration of the Authority's Fiscal Year 2021 to 2022 Budget to be presented by the Authority's Treasurer, Jeff Pitkin. Jeff, please.

Jeff Pitkin:

Good afternoon, everyone. The budget reflects an increase in total revenues of \$180 million to about \$1.49 billion, primarily from an increase in utility surcharge assessments that reflects amounts that are recovered for expenditures and amounts are required to maintain a two-month working capital balance for various activities that are funded under the bill-as-you-go mechanism. Other significant increases included an increase in zero emission credit assessments based upon a maximum exact price that was set in the PSC order for the next compliance period. Also, an increase in renewable energy credit proceeds due to an increase in the number of RECs to be sold, including the implementation of a new tier to a state mandated program. And lastly, an increase in RGGI auction allowance proceeds by based upon the assumptions of allowance prices and number of allowances that John and I reviewed that were included in the RGGI Operating Plan.

On the expenditure side of the budget, our total expenses are increasing \$267 million to about \$1.47 billion. Majority of that is expenditures. And our various programs overall program expenditures are projected to increase by about \$263 million to \$1.37 billion, primarily due to increases in the Clean Energy Standard, ZEC and REC programs, Clean Energy Fund market development, innovation research program on New York Sun and energy storage. And I would say that we believe that our forecast here at 1.37 billion is reasonably forecasted. It reflects both, both a bottoms up and a top-down risk and probability factor approach. But as we've noted in the past, your program expenditures can be influenced by economy and other factors. So we can see variances.

Our salary cost of the budget or projected projected to decrease \$1.2 million based on decreases and assumed positions. And as noted in the memorandum to the pack bracket include funding for cost of living adjustments and performance-based salary increases, if those were authorized

for state employees, they're not authorized at this time, we were even included in the budget in the event that those are authorized. And we follow practices as we've done in the past.

The budget for fringe benefit cross reflects an increase of \$3.3 million from the prior year, primarily reflecting an increase in pension costs and from the, from the most recent actuarially pension expense allocated from the New York State retirement system. Due to market declines in the, in the retirement systems assets held as of March of 2020, NYSERDA's share of the actuarially determined pension expense for the current fiscal year was \$9 million an increase over the prior year's amount of 4.4 million, and an increase over the \$4.8 million that we had budgeted. Unfortunately, the state retirement system doesn't provide any forecast of expected future costs, they provide some projections on the contribution side and for most, most state government entities there, they work off of a cash basis. Their focuses on the contributions that they're making. And we're, we're on a [inaudible] system, we are on an accrual basis. So, for us kind of the accrual basis of accounting matters. So this actuarially determined expense amount is the amount that we're actually carrying in our budget. So in the absence of any, you know, information from the retirement system, you know, we discussed the situation with our auditors, KPMG, who also happened to serve as auditors and actuary for the retirement system. They noted that, you know, since there's been a broader market rebound since March, it is reasonable to anticipate that in the next actuarial valuation this added charge that we were assessed will go down and kind of return back to prior levels. But at the end of the day, end of the day, these actuarial determinations can be influenced by many factors.

And so the amount that we've budgeted \$6.7 million reflects taking an average of the prior year and the current year's announced. And we reviewed that methodology with KPMG and they thought that was a reasonable improvement approach to take from a budgetary standpoint.

The budget for program operating costs are \$4.5 million, reflects an increase of about \$960,000 due to increase in temporary service costs from the Green Bank. Our G&A costs, or general and administrative costs reflected increase of \$2.4 million, primarily an increase in temporary service costs as well as increased costs in information technology investments in costs.

The capital budget includes \$1.8 million for capital asset purchases, a decrease of about a half a million dollars from the prior year. Our overall net position, which reflects the difference between cumulative revenues and expenses, for the amount that's restricted for our program activities that changes very little about \$4 million increase to \$393 million principal just reflecting, you know, timing differences between revenues and expenses.

The New York Green Bank's net position is anticipated to be approximately billion dollars, an increase of \$241 million due to the net effect of the anticipated capital calls, maturing and recycling capital and the cumulative excess of revenues over operating expenses.

And then lastly, our unrestricted net position, which reflects our revenues that are unrestricted by legal restrictions [inaudible] that are projected to stand at about 4 million hours consistent with prior to your plumbing. And we believe in amount sufficient to meet working capital needs and address any unanticipated expenditures, including there was necessarily the maintaining public health and safety at West Valley. And so with that, be happy to answer any questions if you want.

Richard Kauffman:

So, Jeff, on the ZECs that's just a path to, right?

Jeff Pitkin:

Yes, it is. And, and my reference to the increase, the, the order, the order established a series of two-year tranch periods and the original order had set forth kind of a maximum payment amount that would be provided to the upstate nuclear facilities. And so, this budget reflects that maximum of the amounts actually being determined that will be and ultimately cross paths onto the load serving entities for the upcoming compliance period that starts on April 1st.

Richard Kauffman:

I guess when I look at the budget overall, how much would you say relates to pass through stuff and how much is not?

Jeff Pitkin:

Well the pass through stuff is ZEC, something I would say the rest of our budget reflects our investments in the activities funded under the Clean Energy Fund or the Clean Energy Standard, also reflects, you know, some legacy programs that we're also winding down some amount of, you know, federal funding that we received for smaller activities. But like the primary activities that are reflected in, in the budget that are directed by our investments, reflect those under the Clean Energy Fund and Clean Energy Standards. And RGGI, I shouldn't checking on that. RGGI

Ken Daly:

Jeff it's Ken, you know, first and foremost it looks like a very good budget. So big thanks to you and the team particularly for the austerity measures. I know it's a tough time, so appreciate everything the Authority is doing on the pensions. If I heard correctly, you're using March 2020 market returns. We're up, we're up about 60% since then. So I think as you said, hopefully that will reverse itself, you know, when it's updated in the following year. The one question I always have is, you know, is, and I know we didn't have it in here yet, the forecast for expenditures this year, depending on where that lands relative to the budget we set this year, does that then inform where next year's expenditures may land because we're already forecasting, you know, a couple hundred million dollar increase if this year the budget does that then carry over or does it push the whole cycle out? I always have trouble trying to forecast that.

Jeff Pitkin:

Yeah. And in fact, I'll soon be sharing the results through the nine-month period with, with the Board members. And I'll be pleased to report that we're in line, if not slightly ahead of the amount that we had forecasted for the current fiscal year. And so we use that information in formulating the amount that we forecast it for, for next year's budget.

Ken Daly:

And then two small ones forgive me, it's the College President in me, I see that tuition reimbursement forecasts down from 35 to 7. I don't see that as a positive. So just ask the team, look, you know, make sure we're spending enough in training and education the workforce, but I was also surprised to see the OpEx for the green bank coming down. Again, normally that's a positive, I was just surprised that it's still in a growth phase. I thought that would have been increasing or neutral.

Jeff Pitkin:

Yeah. And on that one in particular Ken, and thank you for your first comment on the professional services. And on that one, we had been generally carrying amounts in the Green Bank budget, in the event that certain consulting resources were needed. And I think the budget forget coming period reflects a more, a more clear depiction of actual resources that will contemplate it.

Ken Daly:

Great. Great. Thank you.

Jay Koh:

Do you have, if I could, it's Jay and just wanted to confirm three things first in terms of the estimates and the actuarial adjustments that had to be done on the pension side, we'll see what the market movements look like, but just to confirm that, that kind of analysis, particularly with regard to the actuarial assumptions, comports with what our auditors would consider to be standard practices in the industry. And, you know, if we have some variation going forward and we'll continue to apply the same methodology that we've applied now, is that correct?

Jeff Pitkin:

Right.

Jay Koh:

So then the second question is you know, we had informationally, there will be more additional information coming forward on the potential plans on a potential credit or debt issuance by that, and your agreement in the April timeframe that will also give more shape and, and substance to the way that we're trying to budget out here going forward. Is that right as well?

Jeff Pitkin:

That is correct.

Jay Koh:

And then finally, I guess this is sort of part of a macro qualitative question. It's been a very unusual operating year to say the least on the, on the COVID side, I know that there was some, you know, forward-leaning activity in terms of looking at our priorities to Green Bank loans, and so on. I'm just wondering how you would characterize the net effect on last year's performance from a P and L or a budget perspective due to COVID and what you would anticipate adjustments would look like this year compared to normal operating conditions. Have you guys been able to quantify what that effect has really been on a percentage basis or are there ways of describing it? I just wanted to get a feeling for what the shape of that looks like.

Jeff Pitkin:

Yeah. I would say on the credit side for the Green Bank portfolio we've seen, you know, quite a bit of strength in the portfolio, very little, very little problems from any transactions naturally the market rates have changed. And so to the extent, the portion of the Green Bank's portfolio, that's been set on a floating rate, right. That's going to reduce our revenues in the coming year, and that's been reflected in our revenue forecast. But you know, from a, from a, from a credit standpoint, I would say in the current year overall, you know, we have seen very, very little issues with transactions in the portfolio.

Jay Koh:

That's great. Thank you.

Mark Willis:

Are there any other questions? If not, thank you, Jeff. May I please have a motion approving the resolution recommending approval of the Authority's Fiscal Year 2021-2022 budget?

Chuck Bell:

So moved

Shere Abbott:

Second.

Mark Willis:

Moved and seconded. Thank you. When Sara calls your name, please indicate whether you are in favor by stating "aye" or opposed by stating "no", Sara?

Sara LeCain:

Okay, thank you, when I call each name, please indicate your vote. Committee Chair, Mark Willis.

Mark Willis:

Aye.

Sara LeCain:

Authority Chair, Richard Kauffman.

Richard Kauffman:

Aye.

Sara LeCain:

Shere Abbott

Shere Abbott:

Aye.

Sara LeCain:

Chuck Bell

Chuck Bell:

Aye.

Sara LeCain:

Ken Daly

Ken Daly:

Aye.

Sara LeCain:

Commissioner Dominguez.

Marie Therese Dominguez:

Aye.

Sara LeCain:

Jay Koh

Jay Koh:

Aye

Sara LeCain:

Gil Quiniones

Gil Quiniones:

Aye.

Sara LeCain:

The fiscal year 2021-2022 budget has been recommended for approval.

Mark Willis:

Thank you, Sara. Thank you to the board members.

So we end with a couple of minutes extra here. I just want to take note of that, I felt all these presentations were really excellent and very, very informative. And I thank the staff for that. It's obviously a tough year of working and a lot new challenges, so it's nice to see everybody responding with such strength here. It's time for me to ask if there's any other business to come before the committee, any last questions issues anybody wants to raise? If not, may I have a motion to adjourn this meeting.

Jay Koh:

So moved.

Chuck Bell:

Second.

Mark Willis:

Moved and seconded. Then the meeting is adjourned. Thank you all very much.

{Various Members}

Thank you. Thank you.