

# NYSERDA'S 125<sup>TH</sup> PROGRAM PLANNING COMMITTEE MEETING

October 23, 2024

Clean Copy of Transcript

**Sherburne Abbott:**

15, 2024 and to the press on October 16, 2024, a revised agenda was issued on October 22, 2024. This meeting is being conducted in person and by video conference. The Authority will post a video and the transcript of this meeting on square to confirm that we have a quorum and I would like each of the Committee Members to introduce themselves. I'm Shere Abbott, Chair of the Committee.

**Charles Bell:**

Chuck Bell, Member of the Committee. Member of the Board.

**Dale Bryk:**

Dale Bryk, Member of the Committee and the Board.

**Jennifer Hensler:**

Jennifer Hensley, Member of the Committee and of the Board.

**Lindsay Greene:**

Lindsey Greene, Member of the Committee and of the Board.

**Chair Kauffman:**

Richard Kauffman, Chair of the Authority.

**Sherburne Abbott:**

Okay. Thank you. The first item on the agenda is the approval of the minutes of the hundred 24th Committee meeting held on June 24, 2024. Are there any comments on the minutes, like the fact that Jay Koh and I had a robust and climate dynamics? It sounded like we talked to each other. We probably did. May I please have a motion approving the minutes?

**Charles Bell:**

So moved.

**Dale Bryk:**

Second.

**Sherburne Abbott:**

All in favor?

**Members of the Committee:**

Aye.

**Sherburne Abbott:**

Opposed? The next item on the agenda is proposed revisions to the *Operating Plan for Investments in New York Under the CO<sub>2</sub> Budget Trading Program and the CO<sub>2</sub> Allowance Auction Program*. The RGGI Operating Plan, John Williams, Executive Vice President for Policy and Regulatory Affairs will present this item.

**John Williams:**

Thank you Shere. And the Members are asked to recommend approval of an amendment to the RGGI operating plan. This is actually what we would call a mid-year kind of amendment to the plan. Typically we would go through an annual cycle to do a rolling three year budget and we'll be actually conducting that and we'll be in front of the Board for that next three year plan in the January. But what we have seen with the RGGI auctions are allowance prices that are coming in excess of what our projected revenue and projected allowance price in the standing operating plan is. When we were looking at the level of the revenue coming in, we were feeling like that money could be put to good use through the RGGI operating plan. So that's the purpose of this mid-year assessment that we're doing right now. And actually we have about \$140 odd million dollars that is going to be additionally programmed as a result of this amendment.

But considering it was a significant amendment, we did engage our routine stakeholder process. So we did hold a webinar with interested stakeholders on September 19th. There was some question and answer. We had some clarifications of some of the issues we were going on there. We also had a written comment process where we accepted comments from stakeholders through October 4th. We only received two comments during that process and all of that was accommodated in the proposal before the Board Members today. Maybe just two or three highlights of what we have here because these were a significant additional funding going to our EV electric vehicle rebate program. The market for EVs is really quite strong in New York and this amendment will allow us to make sure that we're maintaining that interest in the New York state market for those individuals looking for both the EV as well as the support that is necessary to make sure they can actually fit to that purchase, putting some additional funds into our disadvantaged community schools and affordable buildings program.

This is leveraging some environmental bond back money that we're starting to roll out and we're seeing that there is going to be some good uptake, particularly in getting to some work in schools. So also some increased funds for our successful Building Challenges programs. This is challenging the design and construction community to push the envelope as it were in terms of the design and the outcomes of those buildings, as well as additional fronts for the green job screen New York loan program. The one thing that we have not really been able to do here, but we will do in our annual update is take a look at the entire portfolio and then calculate the total percentage of the portfolio to disadvantaged communities. We will do that with these new funds in the annual cycle, but we did include what we believe would be estimated contributions to those outcomes in each of the programs that will be receiving from. So that's in the table that you've all received. So you've got the information for the entirety of these revisions. And just a reminder again, we'll be back with you in January for our review of budget cycle, but looking for this midyear amendment to occur now and happy to take any questions.

**Sherburne Abbott:**

Can I ask you a top level question, which is you look at the analysis of RGGI, the cap hasn't directly impacted the emissions reductions that much. I mean most of the analysis says that it would tell you that the allocation of revenues for the allowance is more meaningful. Do we have an assessment of the emissions reductions that are associated with each of these expenditures?

**John Williams:**

Part of, yes. So part of our annual reporting on the RGGI programs, we'll look at the overall emissions reductions of the portfolio, but we'll look at the contributions from those activities that we would have predicted would have direct emissions reduction. Some of the work that we do doesn't necessarily directly have emission reduction associated with that. That's not part of our portfolio look, but that is something that we are trying to see quite. How does some of that kind of secondary work also help to impact the way we think about the markets and how that helps to generate emissions.

**Chair Kauffman:**

Can you talk about the dynamics of the pricing and whether you think this is likely to continue or this is yeah, it's generous moment.

**John Williams:**

It's a good question, Richard. And we have seen some volatility actually happening the last several auctions. We've seen really quite elevated prices. I think we would say there has been a lot of interest in the program review process that the RGGI participating states are in. It's been going on for a little bit of a while, but I think it has been generating some interest, particularly among what we would call markets participants, not necessarily the obligated entities in the RGGI program. We did make announcements on the RGGI program about a month or so ago that on where we were thinking the program review was, at least at the time. I think some of that has led to folks revisiting what their own strategies were with RGGI would've been. And we actually have seen a decline in the price as a result. So I do think it is a question of where the market is going to feel the opportunity space is going to reside when we finish the program review and get all of that put into place. And that will, I think, recalibrate the market for the allowances over the long run. So I think that there has been a little bit of speculation in the market just as a result of pending outcome from the program.

**Lindsay Greene:**

Can I ask a question about the building programs, the building challenge. Can you speak to how the engagement is with that program? Who are the folks most engaging doing the best work? Are there patterns in who that is?

**John Williams:**

I am actually going to ask a colleague to kind of set them. I don't

**Anthony Fiore:**

Yeah, sure mean. So this program engages some of the largest folio holders in the state. So it's both commercial and all that family and then engages architects and design engineers. The program is extremely well received. In fact, there was a discussion with DOE in the White House

on Monday and California was their California Energy Commission and they're looking to adopt that model and bring it to California. All the information from these challenges are compiled into a playbook that is published

So that we can scale this beyond just the participants. We also hold public events so that other building owners, other architects and design engineers that haven't been participating in the program but have interest in it can speak with those that have participated so that they understand how do you really do this? And it's both the design, construction and cost information that is shared. And then we also hold design charettes where folks that haven't participated in the program but are doing this in practice to provide additional technical assistance for them in the design phase. So I think this has been one of the most successful programs that we have out there that really can lead to scale.

**Lindsay Greene:**

Great. Can I just recommend a field trip then? They were just right around us. We don't have to go all the way to West Valley just because during climate week I went to the ride throw and it's a senior, it's affordable housing for senior, not open yet, but it was a great tour. It was just what you said. They have all the economics and the architects were there and it's really cool. And that's new construction and retrofit. I guess I'm usually curious for retrofit.

**Anthony Fiore:**

That was new construction, but we do retrofit as well and we're looking to expand into other building typologies as well. So I think it's going to be really great going forward.

**Lindsay Greene:**

Awesome. Thank you.

**Sherburne Abbott:**

Any good questions? Alright, may I please have a motion recommending approval of the amendments to the RGGI Operating Plan.

**Dale Bryk:**

So moved.

**Lindsay Greene:**

Second.

**Sherburne Abbott:**

All in favor?

**Members of the Committee:**

Aye.

**Sherburne Abbott:**

Opposed? The amendments for the RGGI operating Plan are recommended for approval. Thank you, John. The next item on the agenda is consideration of revisions to the Authority's fiscal year

2024-2025 budget to be presented to the Authority's Vice President, Finance and Controller Peter Mahar. Haw, Peterson. Peter, Peter, you're on mute. You're on mute.

**Peter Mahar:**

Shere, can you hear me now?

**Sherburne Abbott:**

Yep. Yep.

**Peter Mahar:**

Thank you Shere and good afternoon to everyone. NYSERDA monitors financial developments regularly. It is our practice to amend our budget midyear when substantive business decisions, awards or orders drive material budget impacts NYSERDA signaled last January the potential to present to the Members in amended budget for consideration, which we are doing now. The Members are requested to adopt their resolution approving their revisions to the Authority's budget originally approved at the January, 2024 Board meeting. The details of the proposed updates are reflected in your Committee meeting packet. I will just briefly summarize a few. First, the beginning of your total net position was revised to reflect the final ending net position from our audited financial statements, which was higher than budget due to strong RGGI Auction proceeds last year and NY Green Bank results. Second, the revenue budget was increased by \$6 million net to \$2.23 billion. The main components of the net increase are as follows, state appropriation revenues for the offshore wind development initiative were reduced by \$156 million.

Due to the timing of planned investments, which stretched out due to commercial complications, the original appropriate amounts remain intact and future projects will draw upon these approved authorizations over time. Collectively, more than offsetting that timing adjustment are three increases. The first is utility surcharge assessments that increased by \$12.1 million, primarily from the recently approved energy storage six gigawatt public service commission order. Second federal grant revenue increased by \$8.3 million based on reimbursable expenditures under the recently approved US Department of Energy home rebate and appliance grants. The full award of these two grants is approximately \$318 million. The balance of which will be realized over time as work ramps up on those two grants and three RGGI auction proceeds were increased by \$139.4 million in light of recent auction results, which is consistent with the revised RGGI operating plan that was just presented and budgeted interest income increased by \$2.3 million, mainly due to higher temporary cash balances in the RGGI Fund.

On the expense side, the program expenditure budget decreased by \$136.9 million to \$1.98 billion. This is mainly due to the revised timing of the offshore wind supply chain expenditure. Thank offset in part by new investments in the energy storage program and the federal home energy rebate and appliance grants. As we are entrusted with additional scopes of work, NYSERDA takes the steps necessary to ensure that we have the right resources needed to conduct that work effectively and timely accordingly. With the approval of the energy storage and the federal grants, we approximate approximately 10 additional positions to be filled in the next several months. The current budget is sufficient to accommodate these resources. Looking

ahead, our proposed budget in January for the next fiscal year will be presented for your approval. Let me pause here before we go to resolution to see if there's any questions.

**Sherburne Abbott:**

No questions. All right. So no questions. May I please have a motion to approving the resolution? Recommending approval of the revisions for the Authority's fiscal year 2024. 2025. Budget.

**Jennifer Hensley:**

So moved.

**Charles Bell:**

Second.

**Sherburne Abbott:**

All in favor, the revision for the Authority's fiscal year 2024 and 2025 budget have been recommended for approval. The next item on this agenda is a report on the State Energy Plan from Carl Mas, the Vice President for Policy, Analysis and Research.

**Carl Mas:**

Great. And I should have some slides. Excellent. So there's no action needed here. I just wanted to brief you all on this process that we've just gotten going again. So in September the Energy Planning Board met to initiate a new energy planning process. At this meeting, the Board approved a resolution to commence the state energy plan and directed the publication of the draft scope for the plan. Next slide. So I want to echo a couple of the topics that Doreen and I spoke about to the Energy Planning Board. First, realizing our future energy economy outcomes requires a deliberative and thoughtful planning process. We understand that energy planning is inherently multidisciplinary exercise, which is evident by the construct of the Board, which you can see up on the screen here. So the Board represents our public health and workforce, our state resources from our physical assets to our economic assets.

Also our security, reliability and resilience and the integration of education into our energy planning. As seen by the chancellor joining us for the first time across spectrum of advanced research at our universities in the development of technical skills needed to install and operate our energy systems has never been more critical. We also understand that energy planning is inherently multi interest and we need the engagement of local communities, our workforce, our businesses, and our energy providers to be able to come together to ensure that all interests are accounted for. And that's why there are multiple rounds of public comment and a lot of different type of stakeholder engagement in the process. Next slide.

So we are excited to officially kick off the energy planning process, which is primarily an opportunity to look forward in planning for the continuation of the clean energy transition over the next 15 years. Ensuring we maintain a commitment to comprehensive energy planning is the core value at NYSERDA. We understand the dislocation that can happen if it is disrupted. We understand the need for collaboration to ensure all disciplines are appropriately considered and heard. There are two main themes that I brought up to the energy planning Board and I also want

to emphasize here. So the first one is synthesis. So really this affords us the opportunity to bring together all the important energy initiatives around the state, right? We have all state agencies at the table. So some of those items that we're looking forward to bring together are economy wide cap invest efforts, our examination of the future of the electric and natural gas systems, the continue electrification of our buildings and vehicles.

Again, looking at a multifaceted exploration of a just transition both for disadvantaged communities as well as the workforce and growth of the clean energy system to support our economic development, which is a theme of our recent summit. So the second theme is really thinking about New York as a part of a larger whole. And so while state may be made up of thousands of islands, we are not an island, right? We need to understand that we're part of a national and global transition where our leadership can help build new markets and drive technology and business innovation, but also reflect on and leverage the transformation that's happening around us. And that's the duality of the type of leadership that we have. We need to both lead with innovation and new ideas, but we have to respond to what's happening globally. The energy plan again affords us the opportunity to take a look at those trends. And so as this slide shows, we'll be looking at the reliability of the system. We'll be looking at the implications on decarbonization public health affordability for all New Yorkers. We are looking at issues of equity as well as economic development. Next slide. So I'm not going to read through all the details of these subsequent slides. They're in the draft scope document and hopefully you all have these PowerPoints. But I will touch on a couple of the key points.

General format of the scope, which is now up out for public document is it outlines the key questions that the Energy Planning Board may explore. And that's really the point of that scope. It's to help us think about what are the areas that we need to do further research. And so we weave the themes of the energy plan across different aspects of energy systems. So as you can see up here on the Board, climate change mitigation adaptation are one of those core themes. Climate justice and just transition are another. Innovation and economic development are another theme where we weave the more traditional sectoral view through these different lenses. Next slide. And then the scope. Encourage us to look at an overview of the energy system. So first we take a large view of what are the energy trends. We then do a deeper dive into the electricity system itself.

We're going to be looking at nuclear energy as a potential, as a current energy provider. And then the future opportunities that it offers us. We'll be looking at our traditional fossil system and the important role that it plays today. And then we'll be looking at alternative fuels, and that's everything from certain bioenergy feedstocks to hydrogen. Next slide. We'll also be looking at the energy system through the lens of our end use sector. So we'll be looking at buildings, load and buildings needs. We'll look at our industrial system and how it's changed over recent years and a view into the future. We'll be looking at transportation, so not just personal transport, but the need for mobility more generally and the ways that we can decarbonize and shift our energy system through multiple modes. We'll be looking at smart growth, which is about thinking about how our communities can change over time, that can better utilize smart transportation systems and security and energy assurance will be a key aspect of the chapters of our work.

Next slide. And so the final set of questions that we are asking of the public to help us think about the scope are to help us look at the opportunities for collaboration, both collaboration at the federal level where we're able to leverage the resources of the IRA and other opportunities. But more importantly, even looking at regional and local collaboration. How can the state best empower and leverage our local resources? And then we'll be doing a deep dive into the quantitative impacts of the plan. We'll be looking at what do we anticipate would be the impacts of the existing policies and then any new recommendations in terms of affordability, health, greenhouse gases. And so in some ways that mirrors what we did for our scoping plan out of the Climate Action Council, where we looked at the benefits and the incremental costs that might be associated with any new ideas.

So that's a very quick tour of what the scope has to share in terms of key questions and themes. Next slide will give you a sense of the process. So it's outlined here on this slide, but we have four stages with three phases. And so we have the draft scope we've just put out for public comment and comments are due at the end of November, right before Thanksgiving. We will then deliberate and share with the Board what we've learned and we'll have a final scope that then sets our direction for the energy plan itself. And by statute, we will publish a draft energy plan and we will have a set of hearings and public comment and then we'll take on in that information and publish a final energy plan. And so that's a quick outline of the process for the hearings. We'll do at least three upstate hearings in three downstate, and we anticipate that we would have that public comment period at the midpoint next year. And with that, I think that's my last slide. The next one will confirm. Yep. So that's the website. That's where we're taking in public comment. It's where you can see previous plans that we've published. You can see the makeup of the energy planning Board. So with that, I'd be happy to take any questions. Again, there's no action needed. I just wanted to share with you what we're doing.

**Dale Bryk:**

When was the last plan?

**Carl Mas:**

So we last updated the plan in 2020, and we did that because we needed to, but also because the climate law required us to update the plan in response to the climate act. So that's where we adopted all of the goals that were in statute. So that was four years ago.

**Lindsay Greene:**

Can I ask a question? Where in the process would regulatory agencies, and this is probably the local government question, who have to approve the adoption of the technologies needed to achieve the goals of the plan, where do they get engaged?

**Carl Mas:**

So we have obviously state agencies directly at the table then have to put forward regulations in terms of local government

**Lindsay Greene:**

Mostly I'm talking like buildings and fire departments,



**Carl Mas:**

Right? So we have a communities team at NYSERDA and we have folks at the Department of State and other agencies who are directly our stakeholder liaisons. And so during the course of the writing of those chapters, they will be doing their direct stakeholder engagement. So that's a less formal path. And then there's a formal path. Those local governments can also formally submit comments on the scope and the draft plan.

**Chair Kauffman:**

Carl, I see the Rich Dewey is on the Board, on the Board. So market structure because by 2040, I don't know what the wholesale market's going to look like. Are we thinking about market at this point?

**Carl Mas:**

So we've teed up in the scope that we want to explore what does the future of the organized marketplace look like. We're already working right now with the ISO, various state agencies on incremental changes to their markets. So they're thinking about new products, but we anticipate it's not just a matter of creating one new product. So we want to work very closely with the ISO with other state agencies like staff at DPS to think about where do we think these markets need to go and how do they need to evolve as our distribution network, our DSOs get off the ground and start to grow. So there's an interaction there between the grid of the future proceeding and how the wholesale markets are going need to evolve, but it's absolutely on our agenda. So in terms.

**Charles Bell:**

Of planning for energy resilience, you have the department of or division of Homeland Security and Emergency Services serves up the Board. So do they have a separate planning process to plan for increased extreme weather events and weather volatility, or does it take place in the context of this planning?

**Carl Mas:**

So there's a belt and suspenders approach to making sure that our system is working. So we have a separate energy assurance and resilience plan that might serve to actually by statute leads and works with Homeland Security and others. So we do a dedicated focus look at what's the future of our energy system, what are the vulnerabilities of that system today? And as we might anticipate them being in the future and have a standalone document that addresses how we will respond to those emergencies. We feel it's important for the energy plan to reflect on that and to show how we're doing a full integrated approach to the plan, which looks at all aspects of the economy. So it's really in two venues that NYSERDA runs bulk of.

**Charles Bell:**

Our focus is on the energy infrastructure and development. But suppose we have all this intelligence and knowledge about increased velocity of rainfall for people, right? So do they plan and make recommendations for the other consequences of flooding or extreme weather to tell the state how to budget and prepare for those?

**Carl Mas:**

Yeah, I mean, so we collaborate closely with DEC kind of on the broader impacts of a changing climate on all aspects of the economy. But I think as we briefed the Board previously, we did a very recent climate impact assessment. And so again, it's in our house. And so we leverage that work to both inform the energy plan, our security planning, the utilities leverage our climate forecasts, and as the PSE regulates them and requires them to do their own planning, our climate impact assessment becomes a hub for that information, which then can be informing other processes.

**Charles Bell:**

Terrific. Thank you.

**Lindsay Greene:**

And that accounts for testing potential fail points in the new systems that are going to come online, whether it's the offshore wind or the hydro,

**Carl Mas:**

Right? So it's not just the vulnerabilities or existing system, but looking around the corner so we can anticipate future vulnerability

**Lindsay Greene:**

The way the defense department just tells people to go break it so that they know how it breaks, but that's how they work. It sounds crude, but it's actually pretty effect. Not that I want to see a turbine break, break it on purpose in a lab. That's certainly better.

**Sherburne Abbott:**

Any other questions?

**Carl Mas:**

Well, thank you Shere.

**Sherburne Abbott:**

Great. Thank you. Thank you Carl. Great excuse, this is only an informational item. Sorry, sorry. But I was remiss in not noting that JoAnne Hewett and MarieTherese Dominguez have joined us. I didn't see you were online, so I didn't see you up there, but welcome. Okay, so the next item on the agenda is a report on the recent activities of the NY Green Bank from its President, Andrew Kessler.

**Andrew Kessler:**

Thank you. Good afternoon everyone. It's great to be back with an update of our work. Next slide please. So overall, NY Green Bank had a very strong first half this year. I'll cover three highlights on this slide. We closed eight transactions totaling \$89 million with at least \$30 million or about 34% of that being commitments, benefiting underserved communities. Second, we closed three additional community decarbonization fund transactions totaling \$48.3 million. And that brings our CDF commitments to date up to \$133.3 million across seven transactions. So that means we've now committed a little bit more than half of the \$250 million that we dedicated

to this product. And we launched that, as you may recall last year, a little bit over a year and a half ago now, later in this presentation I'll share a little bit more about some of the examples of the use cases on the projects that are being financed with this capital. And lastly, I did want to say that, well, since I presented to you in April, we conducted additional sector specific round tables. We've had 10 one-on-one climate focused equity stakeholder meetings to inform our 10 year CEF petition filing, which I plan to again speak more about in the coming slides. That's due October 31st next week in a filing with the Department of Public Service. Next slide please.

So where does this activity from the first half of this fiscal year put us on a sort of cumulative since inception basis? As you can see, since inception through June 30th of this year, we've committed \$2.4 billion, which has led to the development of approximately \$8.8 billion in clean energy and sustainable infrastructure in New York State and almost \$49 million metric tons of emissions reductions. In addition to the \$89 million we've closed this year, you can see that we currently have a healthy pipeline of \$384 million in potential transactions that our team is actively working

On. Next slide please. I want to spend a little time now on progress that we've made towards our 2024-2025 annual deliverables as filed in our annual business plan with the Department of Public Service. One thing to note is that many of these goals are set to be achieved by the end of our fiscal year in March 31st, 25. And therefore, as you can see, many of these goals remain in progress at this mid-year, stage of the year as it relates to objective one closing funding gaps in our priority markets. I'm going to cover that in the next slide, so stay tuned. As for objective two, our climate equity deliverables, we are 60% of our way toward our goal of committing \$80 million new \$80 million of commitments to our community decarbonization fund this year. And we're very close to achieving our minimum goal of 35% of our capital benefiting disadvantaged communities. We're also at the very early stages of planning our annual equity roundtable, which we plan to hold in the first quarter of next year.

All of our deliverables under objective three are underway, each serving a different function to improve transparency and knowledge sharing. These include one sharing anonymized transaction data on our website to increase transparency on what we're seeing, clear the market in New York State Clean Energy transactions, two, hosting underwriting workshops and teach-ins with our private sector lending partners. And three, sharing takeaways from the Climate Risk and Resilience assessment that we are currently undertaking. That's something we launched this year and we're looking forward to a final report to be able to share that out to the public. And lastly, everything in objective four relates to NY Green Bank's CEF petition filing or the Greenhouse Gas Reduction Fund. Two topics that again, I will also cover in a slide or two coming up. Next slide please.

So with respect to our target priorities, we're approaching our goal of ensuring that a minimum 35% of our capital is benefiting disadvantaged communities in New York State through June 30th of this year. Our DAC commitment stands at 34%, and we have a strong line of sight that we will reach our minimum target this fiscal year. NY Green Banks investment activities also supports a goal of \$150 million in financing for affordable housing. You can see on the chart we've closed \$70 million or about 46% of that goal to date as well. We have a goal of a hundred

million dollars to support energy efficiency and building electrification projects in disadvantaged communities by 2025. And we've closed \$78 million or 78 of that percent of that goal to date.

**Dale Bryk:**

Can I just, I'm sorry. Clarify question is what's the difference between building DECARB and affordable housing?

**Andrew Kessler:**

That's just other buildings that are not housing.

**Andrew Kessler:**

That's right. There's a little bit of, can be overlap between those two, but we wanted to measure those separately. One is focused exclusively on affordable housing use cases. I've already covered where we are on our CDF targets, but as you can see, we've committed over 50% of the \$250 million allocated for that funding pathway. And on the right hand side, you can see that we're officially past the halfway point towards our \$200 million energy storage target, and we've got a pretty healthy and active pipeline of potential storage transactions that could put us well past that goal. And lastly on this slide, we are continuing to support the development of clean transportation. Of course, we've got a hundred million dollars public commitment in that area. We've closed \$19 million to date. And while our progress in terms of dollars committed remains slower in this area than in other sectors, we're pretty encouraged by our current pipeline, we've got \$65 million that could significantly enhance our ability to meet our goal and continue to support the sector in general.

And that transaction would represent our first ever transaction that supports the development of charging infrastructure in New York State. Next slide please. I want to talk a little bit about the changing nature of our portfolio mix. Our portfolio composition continues to diversify as more clean energy technologies and use cases come to market since 2021. Building decarbonization as an example, as a percentage of our total portfolio increased from 7% to now standing at 28%. Energy storage first appeared in our portfolio in 2023 and it's now 5% of our portfolio. I've just talked about some of the pipeline, robust pipeline that we're working on that should continue to enhance that. And of course, these diversification trends have resulted in a continued compression of our solar exposure, which has fallen from 47% in 2021 to 40% of our total portfolio today. And we're expecting this diversification trend to continue as clean transportation use cases and continued momentum in building decarb and energy storage continued to expand and accelerate.

Next slide please. So the last time I presented a case study along this line to you in April, I highlighted the community development financial, excuse me, the community development financial institutions, CDFIs that we've been partnering with and lending through our CDF product. Today, I want to talk about some of the ways they've been putting that capital to work. I'm happy to share that \$59 million or about 44% of our total \$133 million in commitments in that fund has now been deployed in new projects. And obviously happy to share more detail, but I've highlighted four examples, illustrative examples of that. One was a four and a half million dollars efficiency. First rehabilitation of a 390 unit residential building complex, 65% of which was naturally occurring affordable housing at 80% a MI or lower. Another example is a \$16

million loan that one of our CDFI borrowers made for actually two went together and did a combined \$16 million for new construction of an all electric school building, serving students from low income families and communities in Queens. Another example is \$2 million for an Efficiency First rehabilitation. It was 398 units in a public housing development in Harlem. And the last one I'll highlight is a \$3.3 million investment for new construction of a seven story affordable housing projects. A hundred percent of units were below 80% a MI and 60% SMI and that was located in Brooklyn. Collectively, these transactions have helped fill financing gaps primarily in pre-development and construction for financings of various sustainable infrastructure projects that are benefiting underserved communities in New York state. Next slide please.

So as mentioned, a big initiative we started last fiscal year, actually that's continued to be a significant work stream, has been the preparation of our CEF petition filing, which we will be filing next week. The petition is part of NY Green Bank's 10 year review and contains three core components. First of all, we're going to be presenting a qualitative and quantitative summary of our performance and impact to date. We'll also cover key lessons learned and findings from relevant evaluations that we've had done independently. And importantly, we will be talking about proposals of any potential programmatic modifications to further our ability to maximize the impact that we have on executing our mission. The bulk of the early stage of this process really involved stakeholder outreach and engagement. We held six sector specific round table discussions and 10 one-on-one climate equity focused stakeholder meetings, which really helped inform us about which sectors are continuing to face funding gaps and where we should be focusing our efforts on a go forward basis. We spent most of this summer and early part of this fall drafting and now finalizing the petition, which once filed, we'll initiate a public comment sometime this winter and eventually the expectation of the issuance of A DPS order potentially in the summer of next year. Slide please.

Finally, I want to spend a moment on an important anticipated source of incremental liquidity and funding from the National Clean Investment Fund or CIF for short. CIF is one of three competitions on the Greenhouse Gas Reduction Fund. We talked about that this in past briefings, the \$14 billion CIF was passed as part of the IRA couple of years ago, and we've now finally reached the stage where we're anticipating money's starting to flow. In April of this year, vice President Kamala Harris announced the winners of the \$14 billion NCIF competition and one winner was the Coalition for Green Capital with whom NY Green Bank is a coalition Member and sub awardee partner on August 16th, two year anniversary of the IRA. The EPA obligated, the NCIF funds, two award recipients including \$5 billion to the Coalition for Green Capital, NY Green Bank and other sub awardees in that coalition are working to finalize sub awardee agreements and we're expecting to finalize those by the end of this year or earlier. This concludes my update. I'd be happy to answer questions if time allows the CDF. Yeah,

**Chair Kauffman:**

That certain amount of that is construction, so I really want to know about the recycling of that money.

**Andrew Kessler:**

Sure. So just to level set, we're not making the loans. So this is the capital that we're providing to the CDFI that ultimately is the lender. But yes, some of those use cases involve construction lending. That loan is the CDF product is a 12 year duration maturity product. So there's a hard cap on that, but we've created some incentive mechanics in there to encourage the recycling of that capital. So there's, for example, borrowing is allowed through that 12 year period. If as the capital comes back in, they can put it out the door at the same low cost capital rate. So I think through that mechanic, we're hoping to encourage high velocity type lending so we can maximize the impact of these dollars.

**Chair Kauffman:**

Will we be able to see that it would be useful?

**Andrew Kessler:**

Absolutely. We are just kicking off to keep track of that. The advances are finally starting to come out. We did \$56 million of the 133 that we've committed. So as further capital comes out the door and importantly as it comes back to the CDFIs, we'll be working with them closely to encourage continued recycling.

**Dale Bryk:**

So on the flip side of that 12 year money for buildings is sort of a mismatch based on how we finance buildings over a much longer period of time. So is that, I mean I've generally heard very good things from this whole effort from people who are involved in doing it, but how are you grappling with that connect?

**Andrew Kessler:**

I think what these CFIs are able to do is ultimately refinance that exposure out as necessary. The important thing is to get the objective of that capital was to establish the concessionary funding necessary for many of these to actually start green lending practices and in some cases expand existing ones. So that's the real catalyzing nature of this. It's not meant to be permanent subsidized capital that we can't recycle and continue to be impactful for with our billion dollar allocation, but through refinancings, which we would anticipate them being able to do, yes, potentially probably at higher rates. But these projects at that point would've been well stabilized and should be able to access market-based capital, which in the case of most CDFI use cases somewhat semi or concessionary in nature.

**Anthony Fiore:**

I'll just add Green Bank did extensive outreach to folks in the industry. So we didn't just come up with the 12 year. That was kind of the sweet spot that came out of those consultations.

**Andrew Kessler:**

Yeah, in fact, the minimum that folks really felt was important was 10. So we added two to create an availability period to allow them to put the money to work.

**Lindsay Greene:**

It sounds like most of it or not most, but a decent chunk of the mix is early funding in the project life cycle facilitates planning, which traditional and even traditional CDFI structure, you don't tend to have,

**Andrew Kessler:**

Don't tend to have. And if it's funded, it's funded equity, scarce equity of the developers. And so we think this is pretty catalytic in nature being.

**Lindsay Greene:**

And are they tracking for you when it is pre-development expense versus a construction expense so that you know where the money's being used as, so it is taking it out to the extent that it's getting paid back later driven process?

**Andrew Kessler:**

Yes, we have reporting and monitoring all of that, both on the upfront basis through advanced requests as well as ongoing reporting and monitoring. Right.

**Dale Bryk:**

Can I ask another, oh, sorry.

**Andrew Kessler:**

No, go ahead.

**Dale Bryk:**

The CGC is that, is the dollar figure of the Not finalized yet?

**Andrew Kessler:**

Not finalized yet.

**Dale Bryk:**

End of the year.

**Andrew Kessler:**

Get a lot I'm hoping. Yes. End of the year for sure. But yes, hopefully the next time we meet actually, we'll probably be pushing that out once that's finalized through various communications avenues.

**Dale Bryk:**

Excellent, thank you.

**Anthony Fiore:**

Can I just add something apart from this? I want to introduce, we have a new Vice President for Innovation and Research, so Brandon Owens. Brandon is in Albany. We thought we were going to have a meeting there. We arranged his schedule to be up there for weeks. Hi, Brandon lives here. He works down here normally. Yes. So we're excited to have Brandon. He's got over 25

years of experience. Brandon started his career at NREL, and so we're happy to have the connection to the national labs. And he still has a strong network with not only NREL, but the other national labs. Brenda also worked at s and P Global where he did renewable power research and then at Cambridge Energy Research Associates, where he worked on energy scenarios and forecasting and then spent many years with GE in their global research center on energy efficiency and renewable energy. And then just before coming to NYSERDA, he founded his own consulting firm on providing advisory services to global Energy clients, and I will say is an accomplished author. So he has a book out about the wind power. It's a good read if folks want to take a look at that. Available I think on Amazon, right Brandon?

**Brandon Owens:**

But really excited to, yeah.

**Anthony Fiore:**

Yeah, we worked out a deal. I get a speak of the person. Yeah. Brandon, if you want to just say hello, that'd be wonderful.

**Brandon Owens:**

Absolutely. Thank you Anthony. I didn't know you were going to provide the whole bio there, so you just made my day. But I'm really excited to be here, happy to be part of this group and really excited about our mission, particularly on the innovation team to help accelerate the energy transformation. So look for more exciting news from the innovation group moving forward. But thank you again, Anthony. I'm just really excited to be part of this whole thing.

**Chair Kauffman:**

Welcome.

**Members of the Committee:**

Yes, welcome, welcome.

**Sherburne Abbott:**

Thank you. It's great to have you here. So no formal action is required on this agenda item for the NY Green Bank. Any other, the last item is on any other business. Any other business before the Committee? Hearing none, may I Motion to adjourn.

**Chair Kauffman:**

So moved.

**Charles Bell:**

Second.

**Sherburne Abbott:**

Got. To be adjourned. Okay, we're done.