

**POWER AUTHORITY OF THE STATE OF NEW YORK  
SUMMARY OF THE TRUSTEES'  
MEETING MINUTES OF**

**September 29, 2015**

*Introduction*

*Chairman Koelmel welcomed the Trustees and staff members and guests who were present at the meeting. He noted that Trustees' Flynn and Kress were excused from this meeting. Chairman Koelmel also said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.*

**1. Adoption of the September 29, 2015 Proposed Meeting Agenda**

*Upon motion made and seconded the meeting Agenda was adopted.*

<b>RESOLUTION</b>	Moved: J. Foster	Seconded: A. Picente	Adopted: 5/0
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**2. Consent Agenda:**

<p><b>a. Governance Matters</b></p> <p style="padding-left: 40px;">i. Minutes of the Regular Meeting held on July 30, 2015</p> <p><b>b. Rate Making</b></p> <p style="padding-left: 40px;">i. Decrease in New York City Governmental Customer Fixed Costs – Notice of Proposed Rulemaking -- Resolution (Egle Travis)</p> <p style="padding-left: 40px;">ii. Increase in Westchester County Governmental Customer Rates – Notice of Proposed Rulemaking -- Resolution (Egle Travis)</p> <p><b>c. Power Allocations</b></p> <p style="padding-left: 40px;">i. Contract for the Sale of Western New York Hydropower – Transmittal to the Governor -- Resolution (Keith Hayes)</p> <p style="padding-left: 40px;">ii. Western New York Hydropower Allocations and Notice of Public Hearing -- Resolution (Keith Hayes)</p> <p style="padding-left: 40px;">iii. Preservation Power Allocation and Notice of Public Hearing -- Resolution (Keith Hayes)</p> <p style="padding-left: 40px;">iv. Transfers and Redistribution of Power Allocations -- Resolution (Keith Hayes)</p> <p><b>d. Procurement (Services) Contracts</b></p> <p style="padding-left: 40px;">i. Procurement (Services) Contracts – Business Units and Facilities – Awards, Extensions and/or Additional Funding Award -- Resolution (John Canale)</p>
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<ul style="list-style-type: none"> <li>ii. Procurement (Services) Contracts – White Plains Office – Garage Centroplex Repairs – Phase 4 – Contract Award -- Resolution (Andrea Luongo)</li> <li>iii. Procurement (Services) Contract – Coopers Corners Shunt Reactor Project – Revision to Capital Expenditure Authorization Request and Increase in Contract Authorization -- Resolution (Andrew Sumner)</li> </ul> <p style="text-align: center;">NIAGARA</p> <ul style="list-style-type: none"> <li>iv. Procurement (Services) Contracts – Niagara and St. Lawrence River Flow Forecasts – Technical Consultation – Contract Award -- Resolution (Bradford Van Auken)</li> </ul> <p style="text-align: center;">BLENHEIM-GILBOA</p> <ul style="list-style-type: none"> <li>v. Procurement (Services) Contract – Blenheim-Gilboa Power Project – Cellular Communication Improvement Project – Contract Award – Resolution (Andrew Sumner)</li> </ul> <p><b>e. Real Estate</b></p> <ul style="list-style-type: none"> <li>i. Marcy-South Transmission Facilities – Hudson River Crossing – Renewal and Extension of Easement – New York State Office of General Services -- Resolution (John Canale)</li> </ul> <p><b>f. Finance</b></p> <ul style="list-style-type: none"> <li>i. New York Power Authority Nuclear Decommissioning Trust Funds: Selection of Fixed-Income Investment Managers -- Resolution (<b>Brian Liu</b>)</li> <li>ii. Issuance of the Series 2015 Revenue Bonds Resolution -- Resolution (<b>Brian McElroy</b>)</li> </ul>
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**Conflicts of Interest**

*Members declared no conflicts of interest based on the list of companies provided by the Corporate Secretary for their review.*

<b>RESOLUTION</b>	Moved: J. Foster	Seconded: E. Nicandri	Adopted: 5/0
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**Discussion Agenda:**

**3. Staff Reports:**

**3a. Report of the President and Chief Executive Officer:**

*President Quiniones provided the following report on the Authority’s performance for August 2015 (Exhibit “3a-A”):*

**Performance Scorecard**

*President Quiniones said although some of the measures were below target for the month of August, all measures are now trending positively. Overall, NYPA continues to perform well.*

**Generation Market Readiness**

*As previously reported, the Authority had issues with some of its assets, namely, the 500 MW Generator Step-up Transformer repairs; ice conditions at the STL/FDR Hydro Plant; B-G Unit 1 heat exchanger tube failure; and a rotor rebuild at the Pouch Small Clean Power Plant, located in Staten Island. Because of these issues the Generation Market Readiness measure will not meet its year-end target. Nevertheless, the performance is trending in the right direction.*

**Energy Efficiency**

*The Energy Efficiency measure did not meet its target because of timing issues; however, the Authority expects to meet this target by the end of the year.*

**Safety**

*The DART (Days Away, Restricted or Transferred) Rate, the Authority's health and safety measure, is below target. Authority staff continues to work toward meeting its aggressive target for this measure, instituting various activities at the sites and administrative offices on safety and accidents issues, striving for zero DART injuries.*

**Debt Coverage Ratio**

*As previously reported, it has been a challenging year for the Authority in terms of price of wholesale electricity and also water flows in the early part of this year. As a result, the debt service coverage ratio measure did not meet its target.*

**Strategy Dashboard**

**Strategic Initiatives**

*The six key strategic initiatives have been launched. Progress has been made with each of the initiatives and the Authority is undertaking pilot programs and demonstrations in some of the initiatives such as Process Excellence, with short-term projects being completed throughout the year.*

**Financials**

*Revenues and other benefits associated with the initiatives will start being measured and reported in 2016.*

**Performance Metrics**

*Implementation efforts for the initiatives are underway. The teams have been directed to develop initial performance metrics for each initiative by the end of the year. These metrics will be aligned to, and integrated with, the Authority's corporate metrics which are currently being redefined to reflect its 2020 vision.*

*In response to a question from Trustee Foster, President Quiniones said, to date, approximately \$17.5 million has been spent to launch the six strategic initiatives. Responding to further questioning from Trustee Foster, President Quiniones said since new groups are being formed, such as Customer Energy Solutions, components of that spending include hiring staff and for consulting studies. Mr. Lurie added that, in addition, large capital expenditures will be undertaken in future years; therefore, the Authority will also need to determine the amounts of those expenditures as part of the consulting analysis.*

*In response to a question from Chairman Koelmel, President Quiniones said the Budgeted Expenditures would be defined as those expenditures that are presented at submittal of the Business Plans for the initiatives. And Mr. Lurie said Expected Expenditures include the amounts forecasted to be spent on the initiatives during the year. At the present time, the Authority is behind in the amounts it originally expected its expenses to be because of delays in expending funds for hiring and consulting services.*

**Implementation Capability Gaps**

*The gaps identified with the implementation of the six new initiatives are being addressed through the Strategic Planning governance structure. These include:*

- 1. **Communications** – A well-defined communication plan is needed to make sure that all employees have a sense of ownership for the strategic initiatives.*
- 2. **Change Management** – In executing the new Strategic Plan, it is important to keep the enthusiasm of the staff in driving the Plan forward.*
- 3. **Enterprise technology and Governance** – Technology and the utility industry is rapidly changing; therefore, the Authority has to make sure it is able to adapt to the changes, and determine how it will integrate new technology innovations with what it currently has at the Authority.*

4. Access to Necessary Resources – *The Authority is competing with other utilities and large OEMs for the same talent. Although the Authority can acquire talents from internal employees, it also necessary to have a pool of consultants and contractors to supplement its needs and/or provide specific expertise when it may not be prudent to hire full-time.*

*Mr. Lurie continued that the Authority will need to increase its pace with regards to gaps and barriers, making sure staff is aligned with the strategic initiatives and that it has a governance process in place to make quick decisions.*

*The Authority plans to introduce corporate metrics at the top level of the organization and drive those metrics down into each of the strategic initiatives, then to all the business units and finally tie it into individual performance reviews. In January, he will be introducing to the Board the strategic initiative level performance metrics being developed by each of the initiative teams.*

*In response to a suggestion from Trustee Foster and also Chairman Koelmel, President Quiniones said staff will work on standardizing the Performance Scorecard to include more specific information for the Trustees' edification.*

*President Quiniones continued that the Governor has asked that state agencies be more visible at the local and regional levels of the state. To that end, he and Trustee Picente and participated in cabinet meetings on "Capital for a Day" in Utica where they provided information on value-added services the Authority could offer the various local customers in the Mohawk Valley region. He also plans to attend another "Capital for a Day" event in Central New York.*

*President Quiniones ended by saying that, as part of the Transmission Life Extension and Modernization Program, the Authority has to install fiber optic cables between its transmission towers to digitize its transmission system. He invited the Board to view a video showing examples of the work being done by Operations staff to get equipment to the facilities in order to put in the right communication infrastructure in the Authority's transmission system.*

*In response to a question from Chairman Koelmel, President Quiniones said in the next five years the Authority will be completely different than it is today, primarily because of the low price of wholesale electricity. The*

*belief is that gas prices will continue to be persistently low, which means that electric prices will continue to be low. Also, the view is that the Authority's Net Income will be in the range of \$50 - \$100 million. To that end, bearing in mind the key investments that can be made with its capacity for the benefit of its customers and the state, the Authority has to change its outlook regarding productivity savings while, at the same time, making sure that it is creating an environment that will enable its staff to execute the new Strategic Plan.*

*In response to comments by Chairman Koelmel, President Quiniones said the Authority has the necessary conditions for the transition with the new strategic investments. In addition to the resources, the Authority has a supportive Board, state government and staff to execute the Plan. The goal is to reimagine and fully transform the Power Authority. In his view, after three to five years the New York Power Authority will be the most innovative utility in the country.*

**3b. Report of the Chief Risk Officer**

*Chairman Koelmel welcomed the new Chief Risk Officer, Mr. Soubhagya Parija to the meeting and asked him to present his report to the Board.*

*Mr. Soubhagya Parija provided highlights of NYPA's top risks and the process changes being introduced in order to make the Authority's Risk Management Program more robust and the findings easier to communicate. The goal is to aid risk-based decision-making and assist management in protecting and enhancing the value of the organization. (Exhibit "3b-A")*

**Risk Dashboard**

*The Risk Dashboard has been grouped in three categories: External, Internal and Strategic.*

**EXTERNAL RISK** – *Risk events that are beyond the Authority's control. The Authority has to make sure it has processes in place to manage external risks events. Examples of external risk events are market volatility, cyber security, hydro volumes and catastrophic events.*

- **Commodity Price Risk** – *in a low energy price environment the market volatility is also low. However, this is an exposure that needs to be tracked and managed appropriately.*

- Cyber Security – Risk Management staff is taking steps to understand the ramifications of cyber and physical security risks in the context of NYPA’s business and to protect the Authority’s cyber assets from hackers.

*A Cyber Security Insurance has recently been procured.*

- Hydro Volumes – Approximately seventy percent of the Authority’s energy comes from NYPA-based electricity. Since the Authority has been exposed to low water flows in the Niagara River this year, hydro volumes will be a high risk event.
- Catastrophic Events – The Authority has a plan in place to address catastrophic events.

**INTERNAL RISKS** – Risks that are caused by lack of internal processes or their failures.

- Workforce Skills – One third of the Authority’s workforce is scheduled to retire over the next 5 – 6 years. Risk Management staff is working on strategies to address the effects of employees leaving the workforce.
- Critical Asset Failure – Risk Management staff, working with the Generation and Transmission group, is in the process of defining the critical assets so that the Authority can have a plan in place to address this risk.

**STRATEGIC RISKS** – Risks that are considered to be value-added.

- Disruptive Technology – the Authority needs to react to risks as they relate to the changing energy landscape, while at the same time be the lead in the energy industry in managing those risks.
- Shifting Customer Preferences – Customers now have control over what kind of electricity they want to consume and how they want to consume it. The Authority has to develop a strategic plan to address those issues.

- Low Energy Prices – Risk Management staff is working with the Strategy Team to address this issue in terms of the Authority’s options since some capacity will probably leave the market because they cannot continue to produce in this low energy price environment.

*Mr. Parija said from his interviews with the Executive Management Committee, Executive Risk Management Committee and front-line managers, the foregoing is the general consensus view of the top risks at NYPA. He will continue to review those risks and quantify them appropriately. He ended by saying that at the next meeting of the Board he will report on the action plans in place to address these risks and how the Risk Management staff is tracking the progress.*

*In response to a question from Chairman Koelmel, Mr. Parija said NYPA has already developed a draft paper on Risk Appetite. However he will be working to operationalize this concept.*

**3c. Report of the Chief Operating Officer**

*Mr. Joseph Kessler, Senior Vice President of Power Generation, provided highlights of the Chief Operating Officer’s report to the Trustees (Exhibit “3c-A”).*

**Generation Market Readiness**

*Generation Market Readiness was below target for the month of August.*

- *There were no significant forced outage events in August.*
- *Several significant maintenance outages have been scheduled as follows:*
  - *LPGP 2 - LEM*
  - *Autobank #4 – T-LEM*
  - *Flynn [9/29-11/21]*
  - *500 MW - 15 day outage [10/2-10/19]*
  - *Gowanus 5*
  - *CR Unit #3 & VF Unit #4 - LEM*
  - *BG Unit #2 Rotor repair*
  - *STL Generator 17 Rotor*

Transmission

*Target for August was not met; however, it is expected that the target will be met by the end of the year.*

*There were no Transmission events for the month of August.*

Environmental Incidents

*There were three reportable environmental incidents in August:*

- *500 MW - Unit 4 condenser coil 52 lbs R-22 Release – reportable to NYDEC70 – repairs complete.*
- *NIA - Unit No. 6 – governor oil line – 30 gallons – contained, but reportable.*
- *STL – Air Conditioning Unit at Line crew building 8.7 lbs R-22.*

Safety

- *The DART (Days Away, Restricted or Transferred) Rate for August is 0.92. For the year, the DART Rate is 0.92 compared to the target of 0.78.*
- *The Operations DART Rate for August is 1.24. For the year, the DART Rate for Operations has a target of 1.08.*
- *There were no lost time incidents in August that met the DART criteria.*

*APPA-American Public Power Association 2014 average DART rate for similar-sized (Group G) public electric utilities is 1.74.*

*In response to a question from Trustee Foster, Mr. Tartaglia said the ratio is calculated based on the number of incidents per the number of hours worked.*

Employee Engagement.

- Post-Collective Bargaining Agreement

*Operations Department is planning employee training programs to re-engage the union workers.*

- *Apprenticeship Program – discussions are ongoing with the managers to invigorate that program focusing on the need for skilled crafts competency in the organization to be back up and running.*
- *Safety – Chuck Evans was engaged to address staff at all of the sites and the White Plains office regarding an industrial accident he had on the job and how it impacted him and his family; this was well-received by the staff. Operations plan to continue engagements of this nature in order to raise employees' safety awareness, going forward.*

- *Walk-around – Operations senior management conducted safety “walk-around” at each of the sites in order to get an understanding of employees’ issues and concerns. This was also well-received by the staff and management received positive feedback from the staff regarding this activity.*

**Strategic Initiatives**

- *Asset Management and Smart Generation & Transmission Initiative is being accelerated.*
- *Maintenance program and training underway.*
- *GAP analysis moving beyond the study phase towards the implementation stage.*

**3d. Report of the Chief Financial Officer**

*Mr. Robert Lurie presented highlights of the Chief Financial Officer’s report to the Trustees (Exhibit “3d-A”).*

- *During the month of August, the Authority had net income of \$25.1 million, which was \$3.1 million less than the budgeted \$28.2 million, due primarily to a lower net margin on sales (\$10.2 million), partially offset by lower operating expenses. The lower net margin on sales was substantially attributable to lower market energy prices. Hydro production for the month was 7% above the budget.*
- *Net income for the year-to-date was \$46 million, which was \$108.8 million lower than budgeted due to lower hydro production (\$56 million), and lower market energy prices (\$114 million), partially offset by lower O&M expenses (\$61 million). Lower production resulted from low precipitation and a less than normal winter ice thaw early in the year. Lower O&M and other expenses reflect delays in programs including Five City Master Plan, Western NY Workforce Development and Customer Energy Solutions.*
- *Increased hydro volume expected towards the end of 2015 and for 2016. The September update includes a .1Twh increase in hydro production related to 2015 (compared to last month’s projection).*
- *Energy Zone A (Western NY) prices continue to be significantly below budget. Current projection is 22% below budget for the year.*
- *Net income for the year is projected to be \$39 million, \$167 million lower than the budget primarily due to the lower hydro production and lower market energy prices (projections for hydro production increased .1 Twh since last month, and energy margins are projected to be slightly higher than previously anticipated).*

New Metrics

*Mr. Lurie said the Performance Scorecard will be changed to reflect three major areas of metrics at the top corporate level, namely: 1) Customer Value – which measures how much energy the Authority saves its customers; 2) Financial – to measure Return on Invested Capital (“ROIC”). ROIC is the measure used to assess how much of a return the Authority is making on its investments each year; and 3) Operational – which measures whether the Authority is earning enough on capital investments compared to the cost incurred to raise the capital for that investment.*

*In response to a question from Chairman Koelmel, Mr. Lurie said the cost of capital is a weighted average of the cost of borrowing debt, looking forward. For example, if the Authority has to borrow debt today, it would have to determine what its new cost of capital would be on its debt. A market index is used to calculate the cost of borrowing based on how much money we get from debt vs how much money we get from equity and we come up with a weighted average that we use which is 7%. This is also the same methodology that regulators use to measure how much we should be setting our prices at to compensate us for our cost of capital and other expenses. In addition, this is an accepted methodology for the regulatory authority (FERC) and regulatory law.*

*In response to a question from Trustee Foster, Mr. Lurie said the low Net Income is due, in part, to delay in expenses; therefore, based on the risk factors we are seeing this year the Authority is looking at ways to be more cost-efficient in the way it conducts its business, by looking at ways to streamline its expenses.*

*In response to a question from Trustee McKibben, Mr. Lurie said, as indicated at the last meeting, the Authority will be reevaluating its forecasting methodology. Every month staff updates its forecast using the forecasts that are available by the experts, including its own. The scorecard represents an update in the numbers as opposed to a change in them.*

*In response to a question from Chairman Koelmel, Mr. Lurie said at this point the Authority is taking the assumption that the low energy prices will be sustained. Electricity prices are low and indications are that it will remain that way. President Quiniones added that, at the sustained prices, some of the generators will not be able to survive and may have to exit the market. If the situation changes and there is an upward push on price, since the Authority’s assets are very competitive, it will disproportionately harvest the benefits of a recovery.*

*In response to a question from Chairman Koelmel, Mr. Lurie said for the fourth quarter the Authority will see a continuation of some of the expenditures on the initiatives and a continuation of the very low energy prices which is not going to help offset some of those operating expenses. Expenses, however, are under control for the remainder of the year.*

*In response to a question from Trustee Nicandri Mr. Lurie said the forecast expectations are conservative this year; the Authority plans to mark down its hydro forecast by at least five percent for next year’s budget.*

**4. Power Allocations and Proceeds – Awards of Fund Benefits from the Western New York Economic Development Fund Recommended by the Western New York Power Proceeds Allocation Board**

*Mr. Keith Hayes provided highlights of staff’s recommendation to the Trustees. In response to comments from Chairman Koelmel, Mr. Pasquale said, unlike the applicants for hydropower allocations, applicants for Proceeds funds can submit their applications through a “Track” that does not require job creation. Mr. Hayes added that since its inception, the Proceeds Board has approved 33 projects; \$30 million in total awards; more than \$305 million in project investments; and more than 3100 jobs has been retained or created.*

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: T. McKibben	Adopted: 5/0
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**Introduction to Capital Expenditure Authorization items:**

*Mr. Philip Toia, Vice President of Transmission introduced the next two transmission projects being recommended for funding request. He said the first project is the replacement of the Plattsburg-Vermont (PV-20) submarine cable that runs under Lake Champlain and connects to the New York and Vermont electrical grids. The new cable will replace cables originally installed in 1958 and 1970 and is part of the multi-year Transmission Life Extension and Modernization (T-LEM) Program scheduled to be completed in 2025. The T-LEM program includes other projects that will upgrade, rebuild and replace equipment at NYPA’s substations and transmission lines.*

*The second project is the Moses-Adirondack 230 kV transmission line rebuild, also known as SMART Path. This project will replace two overhead transmission lines originally constructed more than 70 years ago. While not technically part of the T-LEM program, this project is part of the overarching plan of reinvestment in NYPA’s transmission and generation assets.*

*These two projects represent a portion of the significant investment NYPA is making in its Transmission system. These facilities are integral parts of the New York State electrical grid and demonstrate the commitment NYPA has made in strengthening the system to benefit the residents of the State for decades to come.*

*Mr. Toia ended by saying that getting these projects to this point involved a cross-section of NYPA employees with considerable stakeholder management, both internally and externally, and he wanted to acknowledge the tremendous efforts of NYPA staff. He then invited Ms. Daniella Piper to present the item on the PV 20 Project and Ms. Patricia Meehan to follow with the presentation on the SMART Path Moses-Adirondack project.*

*In response to a question from Trustee Foster, Mr. Toia said the decision to replace equipment is part of the Asset Management program. Operations and Transmission departments have always done a portion of it, but the process is now being formalized. The Authority’s engineers and staff continually review the optimal time for reinvestment versus replacement of the Authority’s assets. Mr. Lurie added that the technical analysis will determine whether the future expenses will be better for maintaining or replacing the assets. A financial analysis is done to determine the return on investment.*

*President Quiniones said rebuilding this transmission line is a critical project for the Authority and so he wanted to commend Ed Welz, Phil Toia and the rest of the Operations team working on this project. He also wanted to commend Jill Anderson and her team for their decision-making efforts that led to the Authority going forward with this project.*

**5. Capital Expenditure Authorization Request – Transmission Life Extension and Modernization Program – PV-20 Submarine Cable Replacement – Capital Expenditure Authorization Request and Contract Award**

*Ms. Daniella Piper provided highlights of staff’s recommendation to the Trustees. In response to a question from Trustee Nicandri, Ms. Piper said the old cable will be removed and disposed of.*

*Responding to a question from Chairman Koelmel, Ms. Piper said three companies responded to the RFP. However, one of the requirements of the RFP was that the bidder be the original equipment manufacturer, so that the person replacing the cable is also the manufacturer of the cable and this company met that requirement.*

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: J. Foster	Adopted: 5/0
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**6. Licensing of the SMART Path Moses-Adirondack 1 & 2 Rebuild Project and Award**

*Ms. Patricia Meehan provided highlights of staff’s recommendation to the Trustees. In response to a question from Trustee Nicandri regarding upgrading the line to 345 kV, Ms. Meehan said that NYPA considers the Moses-Adirondack line a transmission line, but it is really half of a transmission line. The Adirondack substation is a switching station and does not distribute to load. The other half consists of the Adirondack-Porter transmission line which is owned by National Grid. The Adirondack-Porter transmission line was built 20 years after the Moses-Adirondack line and National Grid has stated that they do not plan to upgrade their portion of the line at this time.*

*In response to a question from Trustee Nicandri, President Quiniones said the optimum configuration for*

*this project is to keep the voltage at 230 kV and using better technology and conductors increase its transfer capability. He continued that, as mentioned by Ms. Meehan, this project is a back-up to the Authority's 765 kV line, therefore, when National Grid replaces their line transfer capability will be increased.*

*Responding to further questioning from Trustee Nicandri, Ms. Meehan said the amount the Authority will recoup for the copper conductor being disposed of will depend on commodity prices; however, it is currently estimated at approximately \$5 million. At the time of actual construction, the contract will be reduced by the value of the copper being recycled.*

*In response to still further questioning from Trustee Nicandri, President Quiniones said the new line is not going down the middle of the two existing lines, but offset on the side.*

*In response to a question from Trustee McKibben, Ms. Meehan said the height of the new structures will be taller than the height of the existing structures. The existing wood pole structures are about 70 feet tall on average. The final design of the new poles is not yet completed, it is anticipated that the mono-pole will be approximately 105 feet tall. So even though the mono-pole will be a taller structure, it will not be as tall as the Authority's 765 kV structures which, on average, are 150 feet tall.*

*In response to further questioning from Trustee McKibben, Ms. Meehan said staff is now requesting funding to start that project which includes environmental studies and public outreach.*

*In response to a question from Trustee Foster, Ms. Meehan said construction is anticipated to start in 2018. The project requires two years for licensing, two years for design, and then actual construction.*

*In response to a question from Chairman Koelmel, Ms. Meehan said the existing Moses-Adirondack infrastructure consists of 77 miles of wood structures which is approximately 1700 structures in total.*

*President Quiniones added that this project puts a real perspective on the kinds of modernization and investment that NYPA is undertaking. These assets, once built, will be in place for more than 70 years. The interchange between Vermont and New York will be facilitated; and the interchange between not only the Authority's power plant but also Quebec and New York, will be enhanced.*

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: J. Foster	Adopted: 5/0
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7. **Energy Efficiency – Energy Efficiency Program – Authorization to Expand Program Funding and Award Services Contracts to Support the Program**

*Mr. Eric Alemany provided highlights of staff’s recommendation to the Trustees. In response to questioning from Trustee McKibben and Chairman Koelmel, Mr. Lurie said the program actually serves as short-term loans to program participants, New York City being the largest participant, and the loans are usually repaid in three to ten years. President Quiniones added that the Authority provides construction and financing to government entities and, to date, the Authority has recovered its financing in full.*

*In response to a question from Trustee McKibben, Mr. Alemany said although the \$700 million under the original contract approval has not yet been allocated, it has already been assigned to specific contractors.*

*In response to a question from Trustee Nicandri, President Quiniones said the projects in the program are structured; hence, when the Authority finances a project there is a net positive cash flow over the ten years.*

<b>RESOLUTION</b>	Moved: J. Foster	Seconded: A. Picente	Adopted: 5/0
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8. **Informational Item: New York State Energy Plan**

*Chairman Koelmel invited Mr. John Rhodes, President and Chief Executive Officer of the New York State Energy Research and Development Authority (‘NYSERDA’) to address the Board on the New York State Energy Plan (Exhibit “8-A”).*

*President Quiniones said NYSERDA is the lead agency that develops the State Energy Plan and NYPA is one of the many groups that are integral to its implementation. NYSERDA has recently issued the Plan which Mr. Rhodes will present to the Board.*

*Mr. Rhodes then provided highlights of the State’s Energy Action Plan to the Trustees which comprise the following categories:*

- *Renewable Energy*
- *Buildings and Energy Efficiency*
- *Clean Energy Financing*
- *Sustainable and Resilient Communities*
- *Energy Infrastructure Modernization*

- *Innovation and Research and Development and*
- *Transportation*

*He said the Plan is a comprehensive plan which touches every state agency that deals with energy and is an extension of the Governor’s “Reforming the Energy Vision” (“REV”) initiative to build a clean, resilient and affordable energy system. Mr. Rhodes also said that NYPA is the most advanced utility in the country in terms of putting technology to work as it relates to the Energy Infrastructure Modernization initiatives.*

*In response to a question from Trustee Nicandri, Mr. Rhodes said the state has certain standards that are required for school construction. The rate of rebuild for schools in NYS is not high. There are approximately 4400 schools in the state; the number of rebuild is 10 per year and the number of significant renovations is also low. Therefore, based on the standards in place for school construction in the state, energy efficiency projects for school campuses will not be completed for more than fifty years.*

**9. Motion to Conduct an Executive Session**

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: J. Foster	Adopted: 5/0
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**10. Motion to Conduct an Executive Session**

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: J. Foster	Adopted: 5/0
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**11. Next Meeting**

<b>RESOLUTION</b>	Moved: E. Nicandri	Seconded: J. Foster	Adopted: 5/0
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