

**MINUTES OF THE
NEW YORK STATE ENERGY PLANNING BOARD MEETING
HELD ON JUNE 19, 2009**

Pursuant to notice dated June 12, 2009, the fourth meeting of the New York State Energy Planning Board (“Board”) was convened on June 19, 2009 at 1:00 p.m. in Room 250 of the State Capitol Building in Albany, New York, and was webcast.

The following Energy Planning Board Members (or designees) were present:

- Paul A. DeCotis, Deputy Secretary for Energy and Chairman of the Energy Planning Board
- Judith Enck, Deputy Secretary for the Environment
- Judith Lee, designee of Garry Brown, Chairman of the New York State Public Service Commission
- Francis J. Murray, Jr., President and CEO of the New York State Energy Research and Development Authority
- Dan Shapiro, designee of Lorraine Cortes-Vasquez, Secretary of State
- Robert Chinery, designee of Richard Daines, Commissioner of the New York State Department of Health
- Stanley Gee, Acting Commissioner of the New York State Department of Transportation
- Jared Snyder, designee of Alexander “Pete” Grannis, Commissioner of the New York State Department of Environmental Conservation
- Todd Scheuermann, designee of Laura Anglin, Director of the New York State Division of Budget
- Jennifer McCormick, designee of Marisa Lago, President and CEO of Empire State Development Corporation.

Also present were Thomas C. C. Congdon, Assistant Secretary for Energy and the Executive Director of the Board; Sarah Osgood, Assistant Secretary for Renewable Energy and Assistant Director of the Board; Hal Brodie, NYSERDA General Counsel and Counsel to the Board, and David Munro, NYSERDA Deputy Counsel and Secretary to the Board. In addition,

the meeting was attended by members of the Energy Coordinating Working Group (“Working Group”) as well as members of the public.

Chairman DeCotis called the meeting to order, and presented the agenda items for the meeting: (1) review the status and development of the draft State Energy Plan; (2) hear a summary of public comments received on the 2009 State Energy Plan Interim Report that was published by the Working Group on March 31, 2009; and (3) establish the schedule for release of the draft Plan.

Mr. DeCotis stated that the minutes of the Board’s third meeting on December 11, 2008 stand approved, unless any Board member raises an exception. Since none was raised, the minutes were approved.

Mr. DeCotis acknowledged that development of the Plan has raised a number of difficult and often competing policy issues, requiring agencies to attempt to strike the right balance in addressing the State’s future energy needs. He also stated that the resulting collaboration among the involved agencies in developing the Plan has been beneficial in and of itself, perhaps as important as the content of the final Plan. Mr. DeCotis thanked Board members, agency heads and Working Group members for their extensive efforts to date.

Judith Lee and President Murray both stated that their respective agencies- DPS and NYSERDA- are moving forward on a number of initiatives, without waiting for the Plan to be finalized. Ms. Lee stated that DPS is working closely with various other agencies, including DEC and NYSERDA. President Murray identified a number of new initiatives, including the following: creation of an Energy Efficiency Clearinghouse website that provides “one stop shopping,” enabling schools, hospitals, universities and other entities to access various programs offered by state agencies and authorities (see <http://www.nyserda.org/clearinghouse/default.asp>); creation of an Energy Policy Institute, designed to bring together the knowledge base and expertise found at New York’s public and private institutions of higher education to provide analysis, insights, and guidance to State decisionmakers on important energy technology and policy issues; launching of the NY Battery and Energy Storage Technology Consortium (NY-BEST); and creation of a Smart Grid Consortium.

Mr. DeCotis acknowledged the important work of two other bodies that has informed the efforts of the Board: the Governor’s Renewable Energy Task Force, and the NYS Commission

on State Asset Maximization, which recently released a report stressing the importance of public and private sector partnerships in the areas of energy efficiency.

Mr. DeCotis then asked Thomas Congdon to give a report on behalf of the Working Group. Mr. Congdon first addressed several “housekeeping” issues: (1) the Working Group has now completed 16 issue briefs and assessments, and Mr. Congdon requested signoff on those documents from agency heads by the end of June; (2) the Working Group expects to provide the draft Plan to members of the Board within the next 7-10 days; (3) the Plan will be released for public comment sometime in July, to be followed by a 60-day public comment period; (4) the Executive Order creating the Board calls for six public hearings on the draft Plan, but the Working Group intends to hold nine hearings across the State; the first hearing is currently scheduled for August 12, 2009, but the schedule is subject to change.

Judith Enck suggested that no hearings be held during the last week in August, and Mr. Congdon agreed to revisit the schedule.

Mr. Congdon then reminded the Board that the Interim Report contained a number of preliminary findings, intended to convey a sense of direction for the Plan and to enable public comment on substantive issues under consideration by the Board. Mr. Congdon stated that the Working Group received 45 sets of written comments on the Interim Report. He advised that the Working Group welcomes continued stakeholder input on Plan development by mail or electronic submission to the Planning Website, and any comments will be considered as the draft Energy Plan is being prepared. Mr. Congdon’s presentation, which can be found on the State Energy Plan’s website, www.nysenergyplan.com, is summarized below.

Mr. Congdon then presented an overview of the comments raised by stakeholders on the Interim Report. Comments addressed the following general areas: Clean Energy; Renewable Portfolio Standard; Energy Costs and Economic Development; Climate Change/Regional Greenhouse Gas Initiative (RGGI); Non-renewable Generation; Markets; Infrastructure; and Plan Scope and Schedule.

Clean Energy

- Further expand clean energy programs to all sectors, i.e., beyond electric and gas;
- Increase accessibility to clean energy programs for all segments of the population customers by expanding outreach efforts (and address language and income barriers);
- Provide a larger role for utilities in clean energy investments (beyond energy efficiency);

- Increase consistency and coordination between State agencies in developing the State’s energy goals [Mr. Congdon noted that this is the ultimate goal of the energy planning process];
- Support smart grid technology investments and time of use pricing to enable more demand response (e.g., enable customers to see when they are using maximum amounts of energy);
- Provide for more frequent updates of energy codes [Mr. Congdon advised that the Governor introduced a program bill to address this].

Renewable Portfolio Standard

- Support full funding of RPS;
- Adjust RPS goal to MW rather than a percentage;
- Provide a regular RPS procurement schedule;
- Tie RPS renewable energy certificates (RECs) to electricity production from bidders, not specific projects;
- Examine the RPS procurement model.

Mr. Congdon noted that the Public Service Commission is currently considering how to implement the Governor’s call for 45 percent of the State’s electricity needs to be met through improved energy efficiency and clean renewable energy by the year 2015 (“45 by 15” goal), as well as the needed design elements; the Plan will defer to the PSC proceedings.

Energy Costs and Economic Development

- Provide extensions of the NY Power Authority’s economic development programs;
- Reform NYPA’s economic development programs for consistency with the State’s clean energy goals, e.g., extend NY’s Power for Jobs program;
- Consider energy price impacts of energy and environmental policies.

Climate Change/Regional Greenhouse Gas Initiative (RGGI)

- NY needs to take aggressive action to address climate change;
- Expand RGGI to cover all sectors, including transportation (since power plants are only responsible for 25% of total greenhouse gas emissions);

Mr. Congdon noted that proposed federal Waxman/Markey legislations cover all sectors.

Non-renewable Generation

- Allow coal to remain in the State’s electric generation mix as a means to keep prices low;
- Phase out fossil fuel use as more renewables come on line;
- Encourage development of “advanced coal” technology;
- Encourage compressed natural gas for transportation purposes;

- Consider need for new or expanded natural gas pipelines;
- Use of nuclear generation (comments were submitted both in favor of and against relicensing Indian Point).

Mr. Congdon noted that the Governor has a program bill that would create a carbon capture and sequestration pilot project at a plant in Jamestown, and the State has applied for federal economic stimulus monies to help fund the project.

Markets

- Recognize the success of competitive energy markets (particularly electricity);
- Increase New York Independent System Operator's (NYISO's) transparency;
- Encourage greater NYISO coordination with DPS on electric system planning.

Infrastructure

- Create a mechanism to fairly address cost allocation for transmission and distribution infrastructure investments;
- Allow for timely recovery and returns of utility investments;
- Note the potential value of unbundling transmission rates from overall rates to facilitate new transmission investments;
- Need for a fuel-neutral power plant siting law.

Plan Scope and Schedule

- Scope of Plan is too broad;
- Overly ambitious timeline for Plan; public comment period is too short;
- Issue briefs and assessments should be released prior to draft Plan release;
- Provide detail on modeling assumptions.

Mr. Congdon stated that the Issue briefs and assessments will be released as part of, rather than prior to, the draft Plan.

After Mr. Congdon completed his overview of the comments raised by stakeholders on the Interim Report, Mr. DeCotis asked whether state agencies have reached consensus on the major policy recommendations. Mr. Congdon responded that the Working Group is still “fine tuning” the recommendations, and he expects that the Working Group will have reached consensus by the time the draft Plan is provided to the Board.

At the request of Mr. DeCotis, the Board directed the Working Group and agency heads to finalize the draft Plan as soon as possible. Mr. DeCotis stated that the goal for release of the

draft Plan is the end of July, but he added that the Board would understand if the Working Group needed a bit more time.

Mr. DeCotis asked if there was any other business. There being none, the meeting was adjourned.