

**MINUTES OF THE
NEW YORK STATE ENERGY PLANNING BOARD MEETING
HELD ON JANUARY 7, 2014**

Pursuant to notice dated January 3, 2014, the tenth meeting of the New York State Energy Planning Board (“Board”) was convened on January 7, 2014 at 10:00 a.m. at the Albany office of the New York State Energy Research and Development Authority, 17 Columbia Circle, Albany, New York. A copy of the meeting Notice is annexed as Exhibit A.

The following Energy Planning Board Members or their designees were present:

- John B. Rhodes, President and CEO of the New York State Energy Research and Development Authority and chair of the Board
- Audrey Zibelman, Chair of the NYS Public Service Commission
- Joe Martens, Commissioner of the NYS Department of Environmental Conservation (Jared Snyder, designee)
- Kenneth Adams, Chairman and CEO of Empire State Development (James Held, designee)
- Joan McDonald, Commissioner of the NYS Department of Transportation
- Peter Rivera, Commissioner of the NYS Department of Labor (Anthony Joseph, designee)
- Jerome Hauer, Commissioner of the Division of Homeland Security and Emergency Services (Charles Phillips, designee)
- Dr. Nirav Shah, Commissioner of the NYS Department of Health (Kevin Gleason, designee)
- Cesar Perales, Secretary of State (George Stafford, designee)
- James Bays, Acting Commissioner of the NYS Department of Agriculture & Markets
- Assemblywoman Amy Paulin (Stephanie Amann, designee), Appointee of the NYS Assembly
- Tom Coakley, Appointee of the NYS Senate
- Stephen Whitley, President and CEO of the New York Independent System Operator (Henry Chao, designee)

Jamie Winebrake, Appointee of the Governor, was unable to attend.

Richard Kauffman, Chairman of Energy and Finance for the State of New York, participated by telephone.

Mr. Rhodes welcomed the Board Members and advised that activities were ongoing to complete the draft of the State Energy Plan. After some introductory remarks, the Board would review the minutes from the prior meeting and would hear from staff on the status of the Draft State Energy Plan.

Mr. Kauffman thanked the Board Members and members of the agency staff. He stated that a very substantial effort was undertaken in developing the State Energy Plan and that it is a critical document for State energy policy.

Introductory Remarks

Mr. Rhodes stated that he was pleased to chair his first meeting of the State Energy Planning Board with the task of presenting a Draft Plan to the Board for consideration of its release to the public. Mr. Rhodes stated that he was looking forward to working with the Board Members as the 2014 State Energy Plan is completed, and into the future as the Board works to realize the success of the State energy policies. Mr. Rhodes also thanked all in attendance, particularly the staff from the many agencies that have contributed to the development of the Draft State Energy Plan.

Mr. Rhodes acknowledged certain events that occurred over the past months that revealed new issues and reconfirmed existing issues in the State's energy policy, including the work of the several Commissions convened in response to Superstorm Sandy. He stated that, while those events may have delayed the Draft Energy Plan from being released in accordance with the Board's original schedule, they collectively have contributed to making the Draft Energy Plan more comprehensive. Mr. Rhodes stated that the 2014 New York State Energy Plan sets forth a new direction for New York's energy policy landscape.

Mr. Rhodes described the Draft Energy Plan as identifying several long-range goals for the State's energy policy while setting the stage for working toward those goals with actionable, near-term initiatives. The initiatives are designed to provide a framework from which private industry can create new business opportunities in New York. The initiatives will help to meet business objectives while simultaneously helping the State to achieve its public policy goals.

Finally, Mr. Rhodes expressed his belief that the focus on increasing customer options will also foster opportunities for more resilient energy systems, greater economic energy choices, and additional environmentally-preferred energy sources. He also stated that the policies of the

Draft Energy Plan have the potential to establish the right approach to achieving greater scale of clean energy technologies in the State's economy. These policies should also provide the appropriate environment for the development of new technologies and business opportunities in New York.

Approval of Minutes of August 29, 2013 Meeting (Agenda Item No. 1)

Mr. Rhodes stated that a copy of the draft Minutes of the August 29, 2013 meeting was provided to Board Members on January 3, 2013. Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the Minutes of the August 29, 2013 meeting were approved.

Status Report on the State Energy Planning Process (Agenda Item No. 2)

Mr. Rhodes introduced John Williams, Director of the Board's Working Group and Director of NYSERDA's Energy Analysis Program, to present an overview of the Draft State Energy Plan, its long-term policy goals, the various recommended near-term action initiatives, meaningful metrics, and the process that will be undertaken to bring the State Energy Plan to a final document.

Mr. Williams described the Draft State Energy Plan as articulating the 20 to 25 year vision for the energy system in New York, while also describing the current context of the energy system. The Draft Energy Plan envisions a flexible and clean energy system that empowers residential customers, businesses, and communities to receive the reliability and affordability valued by each sector. Initiatives to achieve this vision focus on five areas: improving energy affordability; unleashing the power of private sector energy financing; providing a more resilient and flexible power grid; giving customers more control over their energy use; and aligning energy innovation with market demand.

Mr. Williams described the long-term energy policy goals as: Improved Energy Affordability – Residential electric bills will be kept below the national average as a percentage of median household income; A Cleaner Environment – Reduce the intensity of carbon emissions from the energy sector by 50% by 2030; Robust Economic Activity – Increase the total investment in the clean energy economy; and Increased System Efficiency – Increase the utilization of existing electric infrastructure. Mr. Williams proceeded to describe the near-term initiatives that are articulated in the Draft State Energy Plan and that will be undertaken to achieve the longer-term energy policy goals. The near-term initiatives will be measured by meaningful metrics that address the energy, economic, resiliency, and environmental aspects of the actions.

Mr. Williams presented the process and schedule that will be undertaken in advancing the Draft State Energy Plan to a Final State Energy Plan. Once approved by the Board, the Draft State Energy Plan will be issued for a 60-day public comment period during which time written comments will be accepted. Six public comment hearings will also be held across the State for the purposes of accepting public comments. At the conclusion of the public comment period, the substance of the public comments will be taken into consideration in the development of a final State Energy Plan. It is anticipated that a Final State Energy Plan will be presented to the Energy Planning Board for consideration in Spring 2014.

With regard to initiative number 7, "Support community-based energy planning," Mr. Bays asked how community-based planning is taken into account in the planning process. Mr. Williams responded that initial participation is typically generated by communities that have recognized the value of the initiatives. Mr. Williams also mentioned the success of the Cleaner, Greener Program in driving community awareness. Mr. Rhodes added that, when referring to a community, NYSERDA does not merely interpret this as a defined municipal jurisdiction, but as supporting such actions more broadly at the local level.

With regard to initiative number 15, "Foster a clean energy workforce," Ms. McDonald stated that she was pleased to read that community colleges and technical institutions are contemplated in this initiative, in addition to institutions of higher education.

With regard to initiative number 12, "Increase transportation alternatives and vehicle diversity," Ms. McDonald stated that she views the transportation issues as two-fold: addressing the reliance on fossil fuels and enhancing alternative fuel vehicles and infrastructure; and fostering improvements in air quality and efficiency through vehicle retrofits. Mr. Williams confirmed that the initiative was intended to include retrofits of fleet vehicles, such as buses and snowplows.

In response to a comment by Mr. Coakley regarding the Draft Plan's focus on residential energy rates and whether there should be equal emphasis on rates for commercial and industrial consumers, Ms. Zibelman explained that there has been a considerable amount of effort undertaken in managing industrial energy rates. She added that, last year, the rates for that sector are now below the national average. Ms. Zibelman also stated that the markets appear to be working well for industrial consumers, but have not yet provided the same advantages for the residential mass market consumers. She stated that by focusing on the mass market consumers, not only will it drive rates down for those consumers, but it will also drive the market prices down for industrial consumers, as they tend to be leaders rather than followers.

In response to an inquiry by Mr. Joseph regarding the interplay between the State's workforce development plans and those of the State's economic development regions, Ms. Zibelman agreed that there is movement away from centrally-planned efforts, toward more distributed energy resources and energy planning to encourage stronger local economies. Mr. Rhodes stated that there may be an opportunity in the final State Energy Plan to more clearly define the approach between the Statewide efforts and the local efforts, particularly given the successful efforts of the Regional Economic Development Councils.

In response to an inquiry by Mr. Coakley, Mr. Williams provided information on the statutory requirement for a biennial report to address progress toward the recommendations in the final State Energy Plan. Mr. Williams reminded the Members that the strategies, policies, and initiatives contained in the State Energy Plan are revisited every four years.

Ms. Zibelman concluded the discussion by congratulating the agency staff that worked on the Draft State Energy Plan, calling it a plan that addresses all of the issues and sets New York on a needed path.

Mr. Rhodes then invited the public to participate in the public statement process by providing comments in writing, on-line or in person at any of the public forums that will be held.

Resolution Regarding the Issuance of the Draft State Energy Plan for Public Comment
(Agenda Item No. 3)

Mr. Rhodes called for consideration of Resolution No. 6, authorizing the issuance of the Draft State Energy Plan, as presented at the meeting, for public comment. Whereafter, upon motion duly made and seconded, and by unanimous voice vote, the resolution to authorize the issuance of the 2014 Draft New York State Energy Plan for public comment, was approved.

Other Business

The final agenda item was other business. There being none, upon motion duly made and seconded, the meeting was adjourned.



Valerie S. Milonovich, Secretary to the Board
Senior Counsel, NYSERDA