

nyecc

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ANNUAL MEMBER MEETING MINUTES

Wednesday, January 20th, 2021 – 8:30 AM
VIDEO CONFERENCE CALL

Attendees: David Ahrens, Andy Anderson, Daniel Avery, David F. Bomke, Gene Boniberger, Michael Byrnes, Tony Cartagine, Joe Cassissa, Mat Chamish, H.G. Chissell, Adam Courtney, Leo Cutone, George Diamantopoulos (*Counsel*), Tom Damsell, Molly Dee, Matt Duthie, Daniel Egan, John Ferrante, Jonathan Flaherty, Brian Flaherty, Michael Forese, Eric Gatchalian, Robert Gisolfi, Jeff Gracer, Avi Itzikowitz, Jennifer Kearney, Michael Keaveney, John Mari, Jason McCalla, Robert Meier, Adin Meir, Lauren Moss, Steve Mosto, Karen Oh, Samantha Pearce, Luis Rios, Alec Saltikoff, Lou Schoen, Phil Skalaski, John Soden, Doug Staker, Edward Strauss, Diana Sweeney, Sheila Sweeney, Thomas Twomey, Ben Wallack and Brett Wu.

CALL TO ORDER

Phil Skalaski / Daniel Egan

Daniel Egan called the January, 2021 Annual Member Video Conference Call Meeting to order at 8:35 AM.

APPROVAL OF MINUTES

Phil Skalaski / Daniel Egan

Daniel Egan requested review of the January 2020 Annual Member Meeting minutes. The minutes were moved for approval by David Bomke, seconded by Ed Strauss and unanimously approved.

TREASURER REPORT

Ed Strauss

Ed Strauss noted the NYECC holds \$304,095 in the CIT Savings Account and \$166,890 in the Chase Checking Account. Dues collections are on path for 2021. 2020 expenses were significantly lower than the previous year as there was no rate case. Revenue was also down as there was no ENYA event. The NYECC is on solid financial footing heading into 2021.

ANNUAL REPORT

Phil Skalaski / Dan Egan / Lauren Brust Moss / Diana Sweeney

Daniel Egan announced that 2020 was a year like no other for all, including the NYECC. Meetings were transitioned to virtual and many efficiencies were identified. Thanks to many Members and Board Members attending month after month for productive meetings and check-ins. Discussions centered around occupancy, building electric demand, tenant usage, employee safety measures and disinfectant technologies for airborne and surface contaminants. Also discussed

was: energy transformation to renewables and a clean grid as a driver for new jobs and the impact on energy prices, emission levels and taxes. It will be an exciting year ahead, focusing on Local Law 97 and the CLCPA with direct and indirect effects on ratepayers, the ramifications of becoming fully electrified and carbon free by 2040 and how it will be paid for and resources to ratepayers to comply. Dan Egan thinks we will see changes to law that are more implementable and less punitive. Dan Egan also mentioned protection of water resources, energy efficiency, decreasing electric demand, modernization of transmission, distribution and storage resource and not adversely affecting ratepayers and alternate funding sources.

Phil Skalaski noted the NYECC has been involved in many important initiatives in 2020, including the ConEd rate cases, Electric Power Research Institute studies, electrification, higher peak demand in NYS, climate change, storm hardening, landlord tenant energy efficiency, ConEd member meetings, the CLCPA, NYC utility infrastructure and transmission projects.

Lauren Moss stated the NYECC hosted events throughout 2020, including an event on gas regulations in February and an event on Local Law 97 in June. In May, the NYECC and the NYC Mayor's Office held a virtual event on the Champlain Hudson Power Express. The NYECC created a new Diversity, Equity and Inclusion Committee, co-chaired by Lauren Moss, Luis Rios and H.G. Chissell. New NYECC Directors in 2020 included Jonathan Flaherty of Tishman Speyer, Lauren Moss of NORESO, John Pierce of Rockefeller Group, Paul Rode of RXR Realty and John Soden of Taconic Management Company. NYC Climate Alliance became a new member.

Diana Sweeney appreciated members' participation in monthly meetings during 2020 including expertise from many people from different disciplines. The "gold card" consumer advocate role with utilities will continue, with Matt Duthie serving as point person to help members deal with issues with Con Edison and National Grid. Members will be electing Directors. New Nominees include Samantha Pearce from Bright Power, John Soden from Taconic Management Company, Brian Flaherty from Fisher Brothers, John Ferrante from RXR Realty, and Zach Steinberg from REBNY.

DIRECTOR ELECTION

via survey

John Bowen of Brookfield Properties, Michael Byrnes of SourceOne, Matthew Duthie of Newmark Knight Frank, Michael Forese of Constellation Energy, Avi Itzikowitz of ATCO Properties and Management, Jason McCalla of Silverstein Properties, Alec Saltikoff of JPMorgan Chase & Co., Lauren Moss of NORESO and John Soden of Taconic Management were elected as Directors to the Class of 2023.

Samantha Pearce of Bright Power and Brian Flaherty of Fisher Brothers were elected as Directors to the Class of 2021.

John Ferrante of RXR and Zach Steinberg of REBNY were elected as Directors to the Class of 2022.

2021 BOARD MEETING DATES

via email

Board of Director meeting dates were distributed via email.

REGULATORY UPDATE

George Diamantopoulos

\$2.3 Trillion in Spending Approved

On December 27, 2020, the President signed legislation authorizing \$2.3T in spending across energy, healthcare, defense appropriations (\$696B), and other sectors, with over \$35 billion marked for R&D. The legislation includes energy investments, broadband expansion and an 85% phaseout of hydrofluorocarbons (a super GHG – globally warms 1000 to 3000 times that of CO₂) by 2036.

Over \$900B is for **COVID-19 relief**, including \$600 stimulus checks to many Americans (\$166B) and \$300/week for unemployment benefits (\$120B), funds for vaccines (\$69B), testing, \$82B to mitigate effects of pandemic on schools and universities, and health providers (\$69B); \$325B for small businesses including the Paycheck Protection Program (\$284B, \$20B is for NY), Save our Stages Act funding for performance venues (\$15B); a new federal electric bill assistance for renters (\$25 billion); public transit agencies support (\$14B, \$4.2B is for the MTA); federal eviction ban extended through January.

Grid Modernization investments in the next five years are over \$2.2 billion, development of model grid architecture studies, strategies, and demonstration projects which model future scenarios for the grid, including different quantities of DER; emerging technology; net metering; renewable integration; and other scenarios. An “Integrated Energy Systems” R&D program will develop a strategic plan related to future grid possibilities. Also included are a grid modernization advisory committee, guidance on local distribution planning, distribution integrity management plans, storage integration pilots, and an integrated microgrid systems program.

Renewable Energy

Extension of the Investment Tax Credit (“ITC”) through 2022 (though a new offshore wind ITC was extended through 2025) and the Production Tax Credit was extended through 2021. An additional ITC class was created for waste-to-energy projects, and carbon capture technology was slated for research, tax credits, and pilot programs. The Secretary was directed to establish national goals to develop at least 25 GW of electricity from renewable energy on federally-owned lands by 2025. Additional funds were dedicated to energy storage research and pilot programs, and hydroelectric incentive programs were expanded.

Energy Efficiency

Legislation creates a new smart buildings program; an energy-saving information technology plan; energy and water conservation pilot programs; coordinated school retrofits; rebates for efficient motors and transformers; and other programs. Tax incentives supporting home energy efficiency improvements and new construction for an extension, and the “U.S. Data Center Energy Usage Report” from 2016 was updated with special considerations for energy-efficient operation of government data centers. The federal Weatherization Assistance Program was reauthorized with a small increase in funding (\$1.7B) with a requirement to add renewable energy options to the program, while the DOE’s Office of Energy Efficiency & Renewable Energy (EERE) will maintain its current level of funding.

General Trends Since COVID-19

- Analysis of customer meter data has taken on increased importance following stay at home orders resulting in diminished in-person interactions especially as it pertains to commerce for Demand Side Management;

- Utilities have been revenue challenged due to the vast majority of the commercial sector spending a decent amount of time offline leading to significant impacts to utility volumetric energy sales – energy sales in the Spring were extremely low compared to a year ago;
- Moratoriums on shutoffs have created various degrees of cash flow problem for utilities which affects other utility customer programs;
- Acceleration of the transition to utility digital solutions to interact with customers focused more on automation and self-service;

20-E-0586 – PSC Proceeding Investigating the Utilities Preparation and Response to August 2020 Tropical Storm Isaias and Resulting Electric Power Outages

- On 8/4/2020, Tropical Storm Isaias caused extensive damage to electric distribution infrastructure leading to lengthy outages for approximately one million customers, and roughly 1.5 million New York customers experienced power outages during this event.
- On 11/19/20 the PSC asked the utilities to show cause why penalties should not be imposed on them for apparent violations of laws, regulations, and orders designed to ensure the safety and reliability of the electric system.
- Utilities including Con Edison face potential penalties totaling \$137.3 million in the PSC’s investigation into the apparent failure of the state’s electric utilities to adequately prepare and respond to the storm.
- The Special Counsel for Ratepayer Protection at the PSC scheduled four virtual forums held in December and January (Con Edison is 4 p.m. on January 5, 2021) to receive comments on holding utilities accountable regarding potential damages and harm to ratepayers as a result of electric service providers’ performance in response to Tropical Storm Isaias.
- The alleged violations include, among other things, alleged failures to properly track the storm and secure adequate staffing to promptly restore power; properly communicate with, and receive complaints from, the public; and properly ensure the safety of life support equipment customers.

15-E-0751 – DPS and NYSERDA Staff Whitepaper on Allocated Cost of Service Methods Used to Develop Standby and Buyback Service Rates

- 2/28/20 – NYECC filed Comments regarding Standby Rate Design especially as it pertains to Con Edison.
- 11/25/20 – Whitepaper and Notice Soliciting Comments Issued. Initial Comments are due by 2/15/21 and Reply Comments are due by 3/1/21. Staff will hold a Technical Conference on 1/27/21.

Con Edison and Con Edison Rate Cases

- 1/1/21 – Rate Year 2 of the Con Edison Electric and Gas Rate Plan. An additional \$370.3 million (5.7% increase in delivery) increase in electric revenues and an additional \$176.3 million increase (11.4% increase in delivery) in gas revenues on an annual basis commenced.

Electric

RY	Rev.	Rqmt.	delivery %	SC8	SC8TOD	SC9	SC9TOD	SC12	SC12TOD	NYPA
RY2:	\$370.3M		5.7%	5.4%	6.5%	5.9%	5.6%	5.7%	5.9%	6.6%

Gas

RY	Rev.	Rqmt.	delivery %	SC2 Rate I	SC2 Rate I, Rider H (DG Rate)
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- Owners/Operators of **all** peakers in Con Edison's service territory submitted compliance plans in March 2020 indicating their intention to retire or not operate during the summer ozone season thereby reducing or eliminating operation of approx. 1,500 MW (net operating capability) of fossil fuel generating facilities.
- The **\$860M cost of the 3 transmission projects** in the 11/18/20 filing in case number 20-E-0197 has been **reduced to \$780M** in the 12/30/20 filing in case number 19-E-0065.
- 12/4/20 - Con Edison's Demand Response Team held a webinar to discuss the Company's two new competitive RFP (for multi-year contracts) procurement programs, to provide load relief in fixed 4-hour call windows on weekdays with at least 21 hours' notice as part of the Term Dynamic Load Management (Term DLM), **or** with at least 10 minutes notice, 18 hours per day, 7 days per week, as part of the Auto Dynamic Load Management (Auto DLM). Similar annual RFPs are expected going forward 18 months in advance of the capability period except that this procurement will be for both the 2021 and 2022 capability periods.
- 12/16/20 - One Seventy-Four Power Global and Con Edison have signed a 7-year dispatch rights agreement for the development of a 100-MW battery storage project, expected to be one of the largest in NYS. One Seventy-Four will build and own the battery system for the East River Energy Storage System in Astoria, Queens, on land leased from NYPA at the redevelopment of the Charles Poletti Power Plant property. The designed storage system will balance peak electricity demands and provide grid reliability by delivering reactive power, voltage support, and frequency stability, and is necessary to include more renewable power generation in development. Commercial operation is expected on 1/1/2023.
- 12/28/20 19-G-0066 - The gas rate case study examining the feasibility of deploying geothermal district energy systems instead of replacing leak prone gas pipe has identified 19 potential locations, with potential customers in three out of four counties in the Company's service territory (5 locations in the Bronx, 3 in Queens and 11 in Westchester). Con Edison excluded New York County (Manhattan) due to the need for replacement of old cast iron or unprotected steel with new steel pipe in the Steam franchise footprint.
- 12/29/20 Climate Change Implementation Plan filed by Con Edison. The Plan explains incorporating climate change projections for heat, precipitation, and sea level rise into its operations to mitigate climate change risks to its assets, and establishes an ongoing planning process. A public summary update on the 2020 process will be released in late January. The next working group meeting will be scheduled either in March or April 2021.

State-Set Carbon Pricing and Wholesale Market Electricity Prices

- 11/16/20 – NYECC filed Joint Comments with REBNY and BOMA at the FERC regarding the FERC's Proposal regarding State-set Carbon Pricing and Wholesale Market Electricity Prices. The Joint Comments emphasized the continuing access to Renewable Energy Credits (RECs) for buildings especially in the short term until RECS are no longer needed.
- 12/1/20 – Some Parties filed Reply Comments with the FERC.
19-G-0309 and 19-G-0310 NGRID Gas Rate Cases – Settlement Negotiations
- 11/20/20 – A further extension was requested and subsequently granted to reach settlement by extending the suspension period yet again (with new rates effective 4/1/21) subject to previously agreed to make whole provisions.

REPORTS FROM COMMITTEES

- Education Committee – Lauren Moss, Chair

The Committee is working to organize a session on changes to building operations and energy use in a post-COVID environment and looking for panelists.

- Membership Committee – Mike Forese & Steve Mosto, Co-Chairs

The Committee added a few new members in 2020 and welcomes conversations with any potential new members about the benefits of NYECC membership.

- Outreach Committee – H.G. Chissell, Chair

No update was provided.

- Regulatory Committee – Daniel Avery, Chair

No update was provided.

- Diversity, Equity, Inclusion Committee – H.G. Chissell, Lauren Moss & Luis Rios, Co-Chairs

The Committee is preparing for an upcoming ENYA award, featuring the JEDI Award and Fellowship to promote leadership in companies led by people of color in NYS.

OTHER BUSINESS

Advanced Energy Group will be having Rich Dewey of NYISO present regarding the social price of carbon in the future.

ANTICIPATED ADJOURNMENT

10:00 AM

Daniel Egan adjourned the January, 2021 Annual Members Meeting at 9:41 AM.