

nyecc

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BOARD MEETING MINUTES

Wednesday, February 10th, 2021 – 8:30 AM
VIDEO CONFERENCE CALL

Attendees: Andy Anderson, Daniel Avery, David F. Bomke, John Bowen, Henry Celestino, George Diamantopoulos (*Counsel*), Matt Duthie, Daniel Egan, John Ferrante, Jonathan Flaherty, Brian Flaherty, Michael Forese, Avi Itzikowitz, Jason McCalla, Daniel Palino, Lauren Brust Moss, John Pierce, Alec Saltikoff, Phil Skalaski, Zach Steinberg, Edward Strauss, Diana Sweeney, Sheila Sweeney and Ben Wallack.

Absent: Michael Byrnes, Dominick Chirico, Adin Meir, Samantha Pearce, Luis Rios and John Soden.

Guests: David Ahrens, Gene Boniberger, Tony Cargaine, Joe Cassisa, H.G. Chissell, Phil Clark, Adam Courtney, Tom Damsell, Molly Dee, Niall Freeman, Jeff Gracer, Jennifer Kearney, John Mari, Charlie Marino, Kevin Martinsen, Robert Meier, Steve Mosto, Margaux Nguyen, Michael Reed, Lou Schoen, Tristan Schwartzman, Lawrence Skennion, Doug Staker, Tom Twomey and Brett Wu.

CALL TO ORDER Phil Skalaski / Daniel Egan

Daniel Egan called the February 2021 Board Video Conference Call Meeting to order at 8:34 AM.

APPROVAL OF MINUTES Phil Skalaski / Daniel Egan

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

TREASURER REPORT Ed Strauss

Ed Strauss stated the NYECC has begun receiving 2021 Dues. The Chase Checking balance is \$181,767. The CIT Savings balance is \$304,118. Ben Wallack stated the NYECC has received thus far \$188,440 in 2021 dues, with \$92,000 outstanding.

CO-PRESIDENT REPORT Phil Skalaski / Dan Egan

- Member Check-In

Mike Forese noted that spot prices on electric and natural gas have spiked due to cold weather. All owners are encouraged to review their supply strategy to ensure they are protected. Tenant COVID positive rates in commercial buildings have been spiking in the last month

since slightly more workers have been coming in. Current plans are to return to the office more steadily around Labor Day. Many owners are looking at ionization in spaces, MERV 16, increasing outside air flow, and testing of employees before they are allowed into the work space.

- Invoice Approvals

Phil Skalaski requested review of the January NYECC invoices from EnergyWatch and 3 Point Energy. The invoices were moved for approval by David Bomke, seconded by John Bowen and unanimously approved.

EXECUTIVE VICE-PRESIDENT REPORT

Lauren Brust Moss

- Energy New York Awards 2021

The ENYA event will be held virtually in late Spring. Alec Saltikoff will continue to chair the event.

EXECUTIVE DIRECTOR REPORT

Diana Sweeney

- Governor’s Proposal for Renewable Energy Certificates

Governor Cuomo’s budget proposal includes a provision for Tier 2 Renewable Energy Credits (“RECs”) to be used for Local Law 97 compliance to reduce emissions. NYECC has been meeting with REBNY and BOMA and may write an op-ed or letter supporting the aspects of the budget that align with NYECC members’ goals.

Tier 4 RECS are newer renewable power existing in NYC or transmissible to NYC. Non-Hydropower renewables must achieve commercial operation after October 15, 2020 to be eligible for Tier 4. They will be used for compliance in the future. Tier 2 RECS are from existing renewable resources or zero carbon resources that were commercially operational prior to January 1, 2015. It will take years for Tier 4 RECS to be available for compliance. Maintaining Tier 2 RECs, i.e., existing renewables, is important because if not purchased in-state, then they can be purchased out-of-state and thus become unavailable for in-state goals. Also, Tier 2 RECs are requested to be available until Tier 4 RECs become available. An issue is raised as to where the money will go and how this may offset money from ratepayers.

NYS and environmentalists such as The League of Conservation Voters and NRDC do not agree with the use of Tier 2 RECs for LL97 compliance. The NYECC will need to assess if the Tier 2 compliance mechanism in the new budget makes energy more affordable and reliable for ratepayers. There should not be a constantly moving goalpost for CLCPA goals. The NYECC desires to keep energy affordable and allow landlords to keep funds available for energy efficiency, reducing energy consumption and increasing electrification. This position needs to be illustrated clearly and show what the benefits are.

REGULATORY UPDATE

George Diamantopoulos

Energy-Related Executive Actions Taken By The Biden Administration

1/20/21 – Energy-Related Executive Orders signed by the President:

- has the U.S. re-entering the Paris climate accords on February 19, 2021;
- revoked the permit for the Keystone XL pipeline;

- reversed the rollbacks to vehicle emissions standards;
- enforced a temporary moratorium on oil and natural gas leases in the Arctic National Wildlife Refuge,
- re-established a working group on the social cost of greenhouse gases, and
- placed a freeze on all new regulations put in motion by the prior administration to give the new administration time to evaluate which ones it wants to move forward.

1/27/21 – Additional Energy-Related Executive Orders signed by the President:

- announced a moratorium on new oil and gas leasing on public lands as the likely first step towards an outright ban on new drilling (trade group Western Energy Alliance has already sued to block the moratorium);
- federal agencies have been directed to end fossil fuel subsidies;
- called for a task force to plan for reducing greenhouse gas emissions;
- declared climate change a national security priority for the first time.

Interesting Fact: According to the U.S. Geological Survey, the extraction and consumption of oil, gas and coal from federal lands and waters accounts for nearly 25% of the nation's total CO2 emissions.

1/21/21 – Jennifer Wilcox, an expert in carbon removal technologies was named as principal deputy assistant secretary for fossil energy at the U.S. Dept. of Energy

Other Energy-Related News

1/22/21 – Elon Musk's latest philanthropic endeavor is a \$100M offer towards a prize for best carbon capture technology. A November Scientific Reports study says that even if GHG emissions are stopped under the Paris climate agreement, that at least 33 metric gigatons of CO2 would need to be sucked out of the atmosphere each year using carbon capture (roughly the CO2 emitted by the fossil fuel industry globally in 2018).

1/26/21 – According to the US Energy Information Administration, US natural gas consumption fell 2.5% in 2020 compared to 2019. Consumption is expected to continue to decline in 2021 by 2.8% and in 2022 by 2.1% due mostly to rising prices and less use of natural gas in the power sector.

15-E-0751 – (VDER Proceeding) 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 – Staff and NYSERDA Whitepaper filed on proposed ACOS methodology for NYS utilities to use in designing Standby and Buyback Rates.
- 1/27/21 – First Technical Conference on the Whitepaper held.
- 2/5/21 – The due dates for Initial Comments and Reply Comments on the Whitepaper have been extended further to 3/8/21 and 3/22/21, respectively.
- 2/23/21 - Staff will hold a Second Technical Conference and will continue discussions on the proposed ACOS methodology including issues raised at the First

Technical Conference regarding the ACOS Decision Tree, a walk through of the ACOS Excel Model, Costs and SIR by DER handling in ECOS study, Bill Impacts re: exemption buyback contract demand exemption. Interested parties will be allowed to present alternatives to Staff's proposals.

- Late Spring 2021 – Staff recommendation for PSC determination
- Summer 2021 – Utilities updated ACOS studies.
- Fall/Winter 2021 – PSC approval/denial/modifications of utilities updated ACOS filings.

Con Edison and Con Edison Rate Cases

- 12/30/20 – 19-E-0065 - Con Edison files Petition for Approval to Recover Costs of Certain Transmission Reliability and Clean Energy Projects for an Order no later than 4/15/21 (to ensure projects are in service by their need dates) that:
 - o 1. Authorizes cost recovery for 3 transmission project (the Rainey to Corona Project, the Gowanus to Greenwood Project, and the Goethals to Fox Hills Project) and authorization of a surcharge mechanism for any project in service prior to 1/1/23;
 - o 2. Approves and authorizes cost recovery for the 3 transmission projects because they are necessary to: (a) meet specific reliability needs that occur in 2023 and 2025; and/or (b) achieve CLCPA goals, and, as such, these projects are approved, and cost recovery is authorized, if meeting the reliability need is otherwise no longer necessary;
 - o 3. Authorizes the costs of the 3 transmission projects, while initially from Con Edison's customers, to be included in the CLCPA cost tracker; and
 - o 4. Adopts a halting mechanism that would authorize the Company to recover all costs incurred for the 3 transmission projects, if any of the projects is halted for any reason, whether prior to or following the suspension of construction, and including, but not limited to, any financial obligations to third parties.
- NYSDEC adopted a regulation that limits allowable nitrogen oxide ("NOx") emissions from simple-cycle and regenerative combustion turbines ("peakers") during the summer "ozone season" (from May 1 to September 30). The NYSDEC Rule requires peakers with a nameplate capacity of at least 15 megawatts that inject power into the T&D system, other than black start resources, to comply with the new emissions limits.
- 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.
- Con Edison has provided some discovery responses to DPA Staff.
- NYECC should consider drafting comments to meet Con Edison's ask for PSC for action by April 15, 2021 that the PSC should approve funds to Con Edison before the current rate case concludes at the end of 2022 and before Con Edison can make its earliest filing for an increase in rates at the end of January 2022.

- 1/22/21 - Con Edison is facing an additional \$25M in penalties (in addition to \$15M in revenue reductions already applied for the same outages) and possible license revocation or modification from the PSC following an investigation for failure to provide safe and adequate service for failure to respond to outages that left over 100,000 customers without power for two days in Manhattan and Brooklyn in July 2019.

- 2/1/21 - 19-E-0065 and 19-G-0066 - Con Edison attained only 87% of its \$59.7M target in Business Cost Optimization savings in 2020 called for under the current electric and gas rate plan

19-G-0309 and 19-G-0310 NGRID Gas Rate Cases - Settlement Negotiations

- 2/8/21 - A further extension was requested to reach settlement by extending the suspension period yet again (with new rates effective 6/1/21) subject to previously agreed to make whole provisions.

REPORTS FROM COMMITTEES

- Education Committee - Lauren Brust Moss, Chair

The committee is planning the next event on tenant energy efficiency. Any interested members or their tenants/clients should contact the Chair.

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

A new member application will be presented to the Board of Directors.

- Outreach Committee - H.G. Chissell, Chair

Update provided combined with DEI.

- Regulatory Committee - Daniel Avery, Chair

Update provided during Governor's Proposal discussion.

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

The committee will issue an award and fellowship within the ENYA targeted to achievements among diverse young professionals within energy. The committee is also seeking out new collaborations and partnerships with other organizations serving High School and College students. To be presented in April.

OTHER BUSINESS

Phil Skalaski adjourned the February General Board Meeting at 9:39 AM

BOARD MEMBER ONLY MEETING

- New Member Vote

Steve Mosto introduced 375 Pearl Street, who submitted a Principal Member application sponsored by Jennifer Kearney. Sheila Sweeney moved the application for approval, it was seconded by David Bomke and unanimously approved.

At the January Board Meeting, the Secretary position was discussed. Sheila Sweeney volunteered for the officer position. Members voted unanimously to elect Sheila Sweeney as Secretary.

Ben Wallack commented that multiple companies sent checks in 2021 which included the early payment 10% discount applicable in year 2020 for 2021 dues. There is about a \$4,500 decrease between checks received and invoiced amounts. This could be due to delayed payment systems from members. It was agreed to excuse the differential for members where this issue is applicable.

ANTICIPATED ADJOURNMENT

9:30 AM

Daniel Egan adjourned the February Board Member Only Meeting at 9:52 AM.

DRAFT