

nyecc

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BOARD MEETING MINUTES

Wednesday, October 13th, 2021 – 8:30 AM
VIDEO CONFERENCE CALL

Attendees: Andy Anderson, Daniel Avery, David F. Bomke, John Bowen, Michael Byrnes, Henry Celestino, George Diamantopoulos (*Counsel*), Daniel Egan, John Ferrante, Michael Forese, Avi Itzikowitz, Jason McCalla, Adin Meir, Lauren Brust Moss, Steve Mosto, Daniel Palino, Luis Rios, Phil Skalaski, Edward Strauss, Diana Sweeney, Sheila Sweeney and Ben Wallack.

Absent: Dominick Chirico, Matt Duthie, Brian Flaherty, Jonathan Flaherty, John Pierce, Alec Saltikoff, John Soden and Zach Steinberg.

Guests: David Ahrens, Jonah Allaben, David Alonso, Joe Cassissa, Mat Chamish, H.G. Chissell, Jeannine Cooper, Alex Gulagaci, Derek James, Jennifer Kearney, Corey Letcher, John Mari, Charlie Marino, Jessica Prata, Michael Prefi, John Rice, Lou Schoen, Joe Szabo and Jeff Wall.

CALL TO ORDER

Phil Skalaski / Daniel Egan

Dan Egan called the October 2021 Board Video Conference Call Meeting to order at 8:33 AM.

APPROVAL OF MINUTES

Phil Skalaski / Daniel Egan

Daniel Egan requested review of the September 2021 Board Meeting minutes. The minutes were moved for approval by Phil Skalaski, seconded by John Ferrante unanimously approved.

TREASURER REPORT

Ed Strauss

The Chase Checking Account balance is \$76,743. The CIT Savings balance is \$386,445.

CO-PRESIDENT REPORT

Phil Skalaski / Dan Egan

- Member Check-In

Vornado Realty Trust has hit 30% occupancy. RXR Realty has hit 23%. Durst Organization has hit 28%. More employees are in midweek than Mondays and Fridays. Some firms are targeting November and others January for full staff return to work. The

occupancy percentages are based on different metrics since daily totals reflect part-time return in some cases. Crime is up sharply in midtown where many members have offices.

Tenants are asking for air filtration in their spaces and for help enforcing vaccination safety questions and requirements. Labor unions are involved. Landlords are letting tenants dictate the rules regarding vaccinations. Many want only vaccinated people on their floors with exceptions for NYPD, FDNY and others. NYU is working with larger and smaller tenants on rent, abatements and other issues. Some tenants are measuring carbon dioxide in their spaces to monitor spread of Covid.

- Durst / NYECC Study

Durst Organization has retained London Economics Institute to investigate Con Edison's readiness to transition to electrification. LEI has started information gathering from State agencies, NYISO, ConEd forecasting, 2019 long term plans for Gas and Electric, filings from PSC, rate cases and long-term transmission planning. LEI is targeting the end of November for the final draft report, with interim findings on November 8. The report should be available before the Con Edison rate cases are filed and can be used for policy discussions in the rate cases. Utilities will need to articulate ideas which takes time, and the study will contribute to the conversation. One of the prompts for the Study is that if utilities fail in their plans, owners end up with additional costs and responsibilities for carbon reductions.

The NYECC is waiting to hear the climate change policies of likely incoming Mayor Eric Adams. The new City Council in 2022 may be more progressive.

- Invoice Approvals

Daniel Egan requested review of the September NYECC invoices from EnergyWatch and 3 Point Energy. The invoices were moved for approval by Phil Skalaski, seconded by John Ferrante and unanimously approved.

EXECUTIVE VICE-PRESIDENT REPORT

Lauren Brust Moss

- Communications & Outreach Committee

Corey Letcher is the new Chair of the Communication and Outreach Committee. They are meeting with the DEI Committee for 2022 programming. Educational activities will drive new one-page white papers on issues.

- NYECC Website

The NYECC is redesigning its website. An update will be provided next month.

EXECUTIVE DIRECTOR REPORT

Diana Sweeney

- Gas Ban Bill 2317-2021 -- Reported by Dan Egan in Diana Sweeney's absence.

Thanks to John Rice, John Ferrante and Corey Letcher for contributing to the Gas Ban Bill letter regarding limitations on carbon emissions that can be combusted on site at buildings. The ban starts with new construction and existing buildings' major renovations, two years from passage. There is a potential opening for "protected cause" generation of

steam. The NYECC is sending a letter to City Council Chairperson on Environmental Protection Jim Gennaro. The highlights of the letter include:

- Policy in the bill needs to be accompanied by a feasibility study from ConEd evaluating how to support the transition to major electrification of on-site combustion. There needs to be a confidence in the utilities ability to support the system. Two years is a short timeframe for implementation.
- Larger and taller buildings will have difficulty complying by replacing heating with electrified solutions. Heat pumps will be smaller and less expensive in the future. NYECC proposes a phased in approach starting with buildings of 50,000 square feet, three stories or less and step up from there.
- Law must be very clear on what renovation means. Compliance will be much more difficult.
- Two exemptions are proposed:
 - If ConEd cannot cost-effectively provide electrical service to a new building.
 - Cooking gas in apartments should be exempted because it is not a significant use of gas. The bill has exemptions for commercial kitchens, laundromats and emergency generators.
- The bill mentions hardship as a reason for exemption or adjustment. "Hardship" should be explicitly defined.
- NYC owned buildings should be included to lead by example.
- Standby generators used for load curtailment should be exempt as they bolster grid resiliency.
- District steam should be explicitly exempted. Resiliency requires a backup source.
- Hybrid options should be available with detailed review such as boilers and heat for safety and resiliency for multifamily properties with penalties for over use of hybrid options. Heat pumps are inefficient in colder weather.

The Durst Organization conducted a study for its Halletts Point property identifying costs and carbon impact had it been built with heat pumps. NYC needs to understand the impacts. NYECC can contribute to the political process with suggestions and articulate thoughts. It is critical to know what year the gas ban becomes effective, as two years is not reasonable for implementation. The utilities will need to show what they are capable of in terms of affordability and safety of energy and paying for infrastructure to get electrification in place. Many organizations are submitting comments. Ratepayers and owners should not have to pay, but owners need to start identifying how to comply and build with electrification and resiliency. It is important to understand the cost of laws and what members need to do to be electric ready.

- Hybrid Meeting Format

The NYECC is looking at hybrid meeting formats for November and December. Attendance has increased since the change to remote only meetings. Ideally twenty people can be accommodated in person and the remainder can attend online.

The Con Edison/NYECC member meeting is scheduled for October 21st from 9AM to 10:30AM. Topics will include: ConEd programs, Energy Efficiency, Demand Response, Electric Vehicles, Electrification, Storage, Nonwires Solutions, Billing, AMI Meters, Incentive Programs, Timelines, 2022 Codes and Heat Pumps. Members are curious how peak loads and DER will be accommodated with EV charging in garages.

REGULATORY UPDATE

George Diamantopoulos

New York Energy Consumers Council, Board Members’ Meeting, Wednesday, October 13, 2021

Presenter: George Diamantopoulos, Esq., Counsel to the NYECC

Energy News

Energy News Follow-Up by Mr. Marino

9/1/21 – Recommendations due from the interagency working group on the social cost of greenhouse gases (“SC-GHG”), regarding areas of decision-making, budgeting, and procurement by the federal government where SC-GHG estimates should be applied. Interim social cost of carbon (“SCC”), metrics were issued in January that reinstating the working group by Executive Order after it was dismantled by the former administration who lowered the SCC using a discount rate as high as 7 percent compared to the recommended 3 percent level. The SCC, created in 2008, quantifies the long-term economic damage that results from one metric ton increase in carbon dioxide in a year. Metrics from methane and nitrous oxide were established in 2016 under the Obama administration, facilitating a wider SC-GHG metric, which has been used in regulatory benefit-cost analysis for over a decade.

1. The cost continues to rise. The following documents show how it has risen in a short period of time as per the IWC analysis, what most States use as their reference:
 - a. 2016 Interagency SCC Report:
https://obamawhitehouse.archives.gov/sites/default/files/omb/inforeg/scc_tsd_final_clean_8_26_16.pdf

Table ES-1: Social Cost of CO₂, 2010 – 2050 (in 2007 dollars per metric ton of CO₂)

Year	5% Average	3% Average	2.5% Average	High Impact (95 th Pct at 3%)
2010	10	31	50	86
2015	11	36	56	105
2020	12	42	62	123
2025	14	46	68	138
2030	16	50	73	152
2035	18	55	78	168
2040	21	60	84	183
2045	23	64	89	197
2050	26	69	95	212

- b. 2021 Interagency SCC Report: https://www.whitehouse.gov/wp-content/uploads/2021/02/TechnicalSupportDocument_SocialCostofCarbonMethaneNitrousOxide.pdf?source=email

Table ES-1: Social Cost of CO₂, 2020 – 2050 (in 2020 dollars per metric ton of CO₂)³

Emissions Year	Discount Rate and Statistic			
	5% Average	3% Average	2.5% Average	3% 95 th Percentile
2020	14	51	76	152
2025	17	56	83	169
2030	19	62	89	187
2035	22	67	96	206
2040	25	73	103	225
2045	28	79	110	242
2050	32	85	116	260

2. The LL97 penalty amount, \$268/tCO_{2e}, is directly related to this topic, and is currently the highest social cost of carbon (SCC) cost rate among those recommended. However, it is possible for other SCC rates could surpass LL97.
3. The following resources provide insights for what each State office is referencing, including NYSERDA. The SCC plays a role for how different climate change solutions are incentivized, such as DERs. Additionally, the Cost of Carbon website has useful tools for receiving updates related to different States:
 - a. <https://www.oregon.gov/energy/energy-oregon/Documents/2020-Social-Cost-of-Carbon-Primer.pdf>
 - b. <https://costofcarbon.org/calculator>
 - c. https://www.dec.ny.gov/docs/administration_pdf/vocmemorev.pdf
 - d. https://scholar.harvard.edu/files/stock/files/gillingham_stock_cost_080218_posted.pdf
 - e. https://www.epa.gov/sites/default/files/2016-12/documents/social_cost_of_carbon_fact_sheet.pdf
- 9/27/21 – Ms. Cooper provided additional research supporting this topic. According to the U.S. Energy Information Administration latest short-term outlook, the U.S. power sector is expected to add 6.3 GW of wind capacity and 16.3 GW of utility-scale solar capacity in 2022, including significant additions in Texas. The share of electricity generated from natural gas is expected to decrease from 39% in 2020 to 34% in 2022.
- 9/28/21 – 20-M-0266 and 14-M-0565 – Mr. Marino provided additional research supporting this topic. The PSC held the first meeting of the Energy Affordability Policy, or EAP, working group tasked with developing priorities and objectives for EAP improvements and specific COVID-19 relief. The PSC, in a recent Order, directed DPS Staff to establish the EAP working group and adopted changes to improve the low-income energy bill discount programs administered by the major electric and gas utilities. The changes increased the EAP annual budget by \$129M to

\$366.7M. The PSC is striving to reach a goal of no more than 6% energy burden for low-income customers. The goal is to establish generic arrears management plans to address COVID-19 arrears and other issues.

- 9/30/21 – AD21-11-000 –EIA The FERC at its Annual Reliability Technical Conference will discuss policy issues related to the reliability of the bulk power system. Panels will examine challenges to the system and actions to address them on topics such as the swift transition to variable energy resources, increased use of natural gas generating units, growing frequency of extreme weather events and how they impact generation and transmission resources, and cybersecurity threats. The conference will also explore issues around the changing resource mix, which is becoming more diversified with increasing distributed generation and many weather-dependent resources.
- 10/5/21 – The Nobel Prize in Physics went to three scientists. Syukuro Manabe and Klaus Hasselmann were awarded half of the prize together for the physical modelling of the Earth's climate, "quantifying variability and reliably predicting global warming." The other half of the prize went to Giorgio Parisi "for the discovery of the interplay of disorder and fluctuations in physical systems from atomic to planetary scales."
- 10/11/21 – Flooding Threatens 25% of Critical U.S. Infrastructure
 - A study from nonprofit R&D First Street Foundation found roughly 25%, or around 36,000 facilities, are at risk of failure due to flooding, and over the coming decades, climate change will make matters worse.
 - In addition to the critical infrastructure at risk of becoming inoperable today, 23% of all road segments throughout the country are at risk of becoming impassable. An additional 20% of all commercial properties, 17% of social infrastructure facilities like schools, and 14% of all residential properties also face operational risk.
 - 17 of the top 20 riskiest counties are in Louisiana, Florida, Kentucky and West Virginia.
- 10/20/21 – 10-T-0139 – PSC Public Statement Hearing on Champlain Hudson Power Express' (1,250 MW) High Voltage Direct Current Circuit from the Canadian Border to New York City to amend the Certificate of Environmental Compatibility and Public Need to allow the addition of a new interconnection point in the Capital Region to enable upstate renewable generation facilities to transmit electric power to New York City, and to reconfigure the High Voltage Alternating Current interconnection.
- 10/31/21 – 11/12/21 – The United Kingdom will host the 26th United Nations Climate Change Conference of the Parties (COP26) in Glasgow to accelerate action for the goals of the Paris Agreement and the UN Framework Convention on Climate Change.

Con Edison Rate Cases

- 9/28/21 – Climate Change Implementation Plan Working Group Meeting held focusing on the following 7 areas:
 - Worker safety – lightweight flame retardant clothing pilot, heat stress industry studies and benchmarking
 - Load forecasting – incorporating a 1-degree temperature variable per decade starting in 2030, electric summer peak expected to increase 700-900MW by 2050 due to 1 degree TV per decade
 - Load relief planning – incorporating climate change increases in load and deratings in 10- and 20-year load relief plans
 - Reliability planning – modeling includes climate change adjusted load forecasts and projected increases in TV, consider extreme heat and potential for cold snaps
 - Asset management – at least every 5 years to assess effect on ratings by temperature changes, flood design standard to account for increasing sea level rise
 - Emergency response activations – will plan for drills and exercises based on projected pathway criteria
 - Facility energy systems planning – updating designs to provide more flexibility for modifications during HVAC system replacement, seeking to reduce storm water runoff by adding green roofs, rain gardens and pervious paving materials in Company facilities
- 11/18/21 – Con Edison Annual Stakeholder Innovation Hub Information Session, a Company initiative to identify and support new innovative approaches to help meet Company goals around safety, operational excellence, and customer experience.

Tier 4 – New York City Renewable Energy

- 10/15/20 - PSC's Order establishes a new Tier 4 within the Clean Energy Standard (CES) in response to NYSERDA's CES White Paper. The new Tier 4 will increase the penetration of renewable energy into New York City (NYISO Zone J), which is dependent on polluting fossil fuel-fired generation.
- Through Tier 4, the State will procure the unbundled environmental attributes (in the form of Tier 4 RECs) associated with renewable generation delivered into Zone J, including the avoidance of GHG emissions, as well as the avoidance of local pollutants such as NOx, SOx, and fine particulate matter.
- Tier 4 is open to the following renewable energy systems: solar thermal, photovoltaics, on-land wind, hydroelectric, geothermal electric, geothermal ground source heat, tidal energy, wave energy, ocean thermal, and fuel cells which do not utilize a fossil fuel resource in the process of generating electricity.
- Compensation under Tier 4 – the resource must either be located in Zone J or delivered to Zone J over a new transmission interconnection (that electrically connects after October 15, 2020). Non-hydropower renewables must achieve

commercial operation after October 15, 2020 to be eligible for Tier 4. Hydropower resources must be existing or already under construction as of June 18, 2020.

- Offshore wind RECs will be procured separately from Tier 4 resources. Behind-the-meter resources are not eligible under Tier 4.
- In response to New York’s Tier 4 solicitation, NYSERDA received Step Two bids from seven proposers for seven projects with 35 alternative configurations representing:
 - Catskills Renewable Connector
 - Champlain Hudson Power Express (CHPE)
 - Clean Path NY (CPNY)
 - ConnectGen Solar Portfolio
 - Excelsior Connect
 - MACS 911
 - Tier 4 Connector
 - A total of over 35 million megawatt hours of renewable energy per year – the equivalent of powering five million homes; and
 - Nearly 7,500 megawatts of new renewable transmission capacity – nearly five times the capacity sought through the solicitation.
- In September 2021, Governor Kathy Hochul announced two recommended contract awards for the Clean Path NY (CPNY) and Champlain Hudson Power Express (CHPE) Projects that will deliver wind, solar, and hydropower to New York City. These awards are the result of New York’s competitive large-scale renewable energy solicitation, issued by NYSERDA in January 2021, to help create a modern transmission system capable of responsibly delivering an increasing amount of renewable electricity to high-demand areas in downstate New York.

These projects will bring the following benefits to New York State:

- Approximately 10,000 family sustaining jobs statewide with \$8.2 billion in economic development investments, helping accelerate the State’s economic recovery from COVID-19.
- Investing approximately \$460 million in community benefit funds to create pathways to green energy jobs, support public health, advance capital improvement projects, realize habitat restoration and improve the environmental footprint of buildings in disadvantaged communities.
- Delivering approximately \$2.9 billion in public health benefits that will result from reduced exposure to harmful pollutants – including fewer episodes of illness and premature deaths, fewer days of school or work missed, less disruption of business, and lower health care costs.
- Commitments to prevailing wage and project labor agreements with the State’s trades to ensure quality, good-paying jobs for New Yorkers.

- Combined, projects are expected to reduce greenhouse gas emissions by 77 million metric tons over the next 15 years, the equivalent of taking one million cars off the road.
- NYSERDA will submit the recommended contract awards to the PSC for review, public comment, and approval. If approved, the developers can begin their detailed development work including permitting efforts, securing supply contracts, workforce development, and infrastructure development for the project. As it is already permitted, CHPE could begin construction upon award approval. NYSERDA payments under these awards will not commence until the project has obtained all required permits and local approvals, and delivers power to New York City, which is expected in 2025 for CHPE and 2027 for CPNY.

REPORTS FROM COMMITTEES

- Education Committee – Jennifer Kearney, Chair

The Committee is discussing Education Seminars on Tier 4 RECS and a penalty cost of \$77/Mwhr. and on a Rate Case Seminar.

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

The Committee is focusing on membership categories and fee structures for non-profits and emerging professionals. Joe Szabo will be joining the Committee.

- Communications & Outreach Committee – Corey Letcher

There was no update.

- Regulatory Committee – Daniel Avery, Chair

The committee is working on the Gas Ban Bill reply letter. In regard to the Local Law 97 working groups, the 2030-2035 proposed coefficients for fuel sources should be released in the first quarter of 2022. Regarding carbon trading, there has been no recommendation to the Advisory Board.

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

The Committee is working with the Outreach Committee on scheduling open houses at members offices to showcase projects.

OTHER BUSINESS

None.

ANTICIPATED ADJOURNMENT

Daniel Egan adjourned the October Board Meeting at 9:50 AM.