

Case 10-T-0139

Champlain-Hudson Power Express Project

Environmental Trust Governance Committee Meeting Minutes

September 24, 2014

On September 24, 2014, Governance Committee for the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust (the “Trust”) held the third regular meeting of the Governance Committee.

The meeting took place at the NYS Public Service Commission, 3rd Floor Board Room, Albany, New York.

Preliminary Items:

Meeting was called to order at 10:10 a.m. and a quorum was obtained. Minutes of June 17, 2014 approved.

Attendees:

Certificate Holders, DPS, DOS, Trout Unlimited, DEC and City of NY.

DEC Region 3 at New Paltz – Scenic Hudson and DEC

NYC VC Room 4th Floor – Trout Unlimited and Hudson River Foundation

Raybrook New York - APA

Agenda Items:

Proposed Agenda for today’s meeting is as follows:

1. Updates
2. Trust Administrator Agreement
3. Trustee Bank Agreement
4. Other Issues
 - a) Technical Working Groups
5. Next meeting date in December

Updates:

Three things driving the timeline: Appeal in the Third Department, oral argument was September 5th and we are awaiting a decision. The Federal permits – we are hopeful for action in the near future from DOE (Record of Decision and Presidential Permit) and the ACOE. Awaiting results of the NYISO interconnection process. NYISO is doing a clustered Class Year study. Once a report is completed, NYISO process continues until a stable solution is reached.

A new deposit to NYISO will need to be posted by CH. System Facility upgrades (SUF's) are approximately \$160M. There are no SDU's (System Delivery Upgrades). Assuming process is over by December, financial close will be as soon thereafter – b/t Q1 and Q2 2015.

Entergy's issue is that the Commission erred in granting Certificate as they feel the facility is not economic. Impacts were not considered regarding EMF and sturgeon. Entergy feels that ACOE's position conflicts with the Certificate. Law Office Failure and jurisdiction are big issues in the Appeal.

Financial Close consists of a promise of money so the Project has the line of credit to build the project.

Trust Administrator Agreement:

CH has nothing to report. We have not seen a draft of the Agreement. Can we expect a draft before our next meeting in December? Deadline of November 25th set to have a draft from HRF.

HRF would like to list in broad terms what they will be doing and amount of their administrative fee. Structure of decision making and operation needs to be decided.

The agreement will have structure regarding the 3 TWG's. HRF will coordinate emails with GC members.

GC will formalize the agreement at our December meeting.

Trustee Bank Agreement:

BNY Mellon drafted a letter to merge with our Pro Forma Agreement. Issue regarding who will be the beneficiary. Qualified Settlement fund set up? We want favorable tax treatment. There may be a problem having a state agency as the beneficiary. Who is authorized to act on behalf of the GC? After looking at the duties of the officers in the Certificate, it appears to be the Chairperson (DPS) and Vice-Chair (DEC – Betsy). Term ends in March 2015. HRF will be doing tracking of monies and record keeping.

Other Issues:

TWG's – for purposes of exploration, we will split up into 3 groups of 4 members each: NYC Harbor group (lower Hudson, Harlem & East Rivers), Hudson River group and Lake Champlain

group (including Champlain Canal). Some discussion had regarding meetings of TWG and Open Meetings Law. Should we draw a line regarding the location of the groups? Below Haverstraw Bay for NYC Harbor group or move the line to below Piermont (south end of Tappan Zee). There was no line drawn regarding the priority projects. May be some fishery issues and we should be willing to combine groups and work together to coordinate efforts.

TWG's will make recommendations to the GC.

Steve Blow will get back to the group today or Monday regarding number of members in each TWG. This will be followed by an email discussion regarding members of each TWG.

Next meeting date: Third week of December. Everyone will get back to Steve Blow by 9 a.m. on Monday the 29th.

Meeting adjourned at 12:00 p.m.
