

Case 10-T-0139

Champlain-Hudson Power Express Project

Environmental Trust Governance Committee Meeting Minutes

October 23, 2013

On October 23, 2013, Governance Committee for the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust (the “Trust”) held the second regular meeting of the Governance Committee.

The meeting took place at the NYS Public Service Commission, Third Floor Hearing Room, Albany, New York.

Preliminary Items:

Meeting was called to order at 2:08 p.m. and a quorum was obtained.

Attendees:

Steve Blow (DPS), Vance Barr (DPS), Sacha Spector (Scenic Hudson) Bill Wellman (Trout Unlimited), Patty Desnoyer (DEC), Betsy Blair (DEC), Jay Goodeman (CNY), Kari Gathen (DOS), Clay Hiles and Jim Lodge (HRF), Rick Chase (TDI), Ekin Senlet (TDI), George Pond (TDI) and Nancy Clarke (TDI).

DEC Region 3 at New Paltz – Hayley Carlock (Scenic Hudson), Phillip Musegaas (Riverkeeper)

NYC VC Room 4th Floor – Roger Olson (Trout Unlimited)

Raybrook – Elizabeth Phillips and Dan Kelleher (APA)

Meeting minutes of August 13th, motion to approve, moved, 2d. All in favor, aye – all ayes.

Minutes of August 13, 2013 approved.

After feedback issues with the video conferencing audio, a call-in number was provided.

Phone: 866-394-2346; Code: 3589178787

Agenda Items:

Proposed Agenda for today’s meeting is as follows:

1. Updates:

- The Pro Forma Trust Agreement has been filed on October 16, 2013.
 - The Executed Trust Agreement needs to be filed on December 13, 2013.
2. Candidates for the Trustee Bank
 1. U.S Trust
 2. Merrill Lynch
 3. Bessemer Trust
 4. Morgan Stanley
 5. TD Bank
 6. BNY Mellon
 3. Update on the selection Trustee Bank selection process
 4. Drafting of the Trust Administrator Agreement
 5. Meeting Date in December.

Updates:

Proforma Trust Agreement was filed with Secretary on October 16, 2013. In filing letter we will work with HRF and candidates for bank. Six were identified. JP Morgan did not work out.

List of 6 Banks:

1. U.S Trust
2. Merrill Lynch
3. Bessemer Trust (they liked the Proforma Agreement)
4. Morgan Stanley
5. TD Bank
6. BNY Mellon

We will reach out to each bank individually, discuss the program and get proposals. Looking for basic services, so any bank should be fine. Should be a fairly simple selection, which is on TDI who will in turn advise GC.

SB: Do you have a preference of bank?

HRF: Not really, but it would be convenient in having the bank or a branch in NYC. Also if we can get them to do it for nothing or very little.

Does HRF have any relationships with the 6 banks?

HRF: No.

TDI has been consulting closely with HRF and banks on the selection of the bank.

During interviews, we will make sure bank has experience with Trusts of this kind.

Drafting of Agreement(s)

TA Agreement first? Technically this could wait because it doesn't have to be filed with the Commission.

Report on TA: Filing deadline was met for filing on 10/16/13. This is a Proforma Agreement which is subject to change pending selection of bank. Hope to wrap up by mid-December

SB: Commission may extend time because of circumstances.

GP: We will advise when bank is chosen. Clay, would you like to discuss the TA Agreement?

Clay: Everything is interrelated with the TA Agreement. Substance of the work will shade the Agreement. We have been discussing projects and how to make best use of the funds. The rest of the funds may be another 3-4 years out. Our goal by the first of year to have draft of the Agreement based on how it will all work regarding projects, etc. We started by speaking with DEC and SH and RK briefly. Also had brief conversations with CNY. We would like to speak to Lake Champlain people and APA as well.

Timing and scheduling will help.

SB: One meeting in December, then once in February or March. We need to have 4 meetings per year. Early December may be better because of the mid-December filing.

Clay: Let's try to set a December date today.

Patty: What would be an updated schedule you could provide? Status report on CHPE and financial close projected to occur?

GP: Critical path item is NYISO 2012 class year interconnection study, which should be completed by December 31, 2014. We are hoping it will be completed prior to that date. This study assumes there are no deliverability upgrade studies required. I don't see any studies for upstate being needed.

Somewhere b/t end of Q4 2014 and this is the best estimate we have today. NYISO costs need to be locked down.

SB: Would there be any scenario under which we would start our pre-EM&CP studies need to be filed. Would they happen before financial close.

GP: Some pre-construction work could be done pre-financial close.

CNY: How much time b/t NYISO 2012 Class Year study and closing.

GP: We will be preparing for closing prior to end of Class Year study.

Sacha: Financial close is not Q1 2014, it's Q4 2014 or Q1 2015.

GP: yes, because of the delay from the NYISO process.

Phil: Other outstanding permits, ACOE 404 and Presidential Permit – are these the only outstanding.

GP: yes, those 2. DEIS was just noticed and the ACOE noticed as well. We can send a link around after the meeting.

SB: Any more questions?

No.

Next meeting date has been scheduled for Thursday, December 5, 2013 at 10:30 a.m. in 19th Floor Boardroom.

SB: We will pick a March 2014 date at this meeting.

Please advise ASAP if you need videoconferencing.

Meeting was adjourned at 2:40 p.m.

New email to add for Roger Olson (TU): rdo@rogerolusonlaw.com