

Case 10-T-0139

Champlain-Hudson Power Express Project

Environmental Trust Governance Committee Meeting Minutes

December 18, 2014

On December 18, 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 10:26 a.m. and a quorum was obtained.

- The minutes of the September 18, 2014 meeting were approved.

Attendees:

PSC Offices in Albany: Certificate Holders, DPS, Trout Unlimited, DEC, and City of NY.

DEC Region 3 at New Paltz: Scenic Hudson and DEC via teleconference (video feed was not working).

NYC VC Room 4th Floor: Trout Unlimited.

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. Update on technical working groups
5. Other Issues
 - a) Technical Working Groups
6. Next meeting date in March

Updates:

TDI reported on the status of the Project. As a result of recent developments, the in-service date for the Project is now the fourth quarter of 2018.

Trust Administration Agreement:

The draft agreement was circulated prior to the meeting. HRF expended a lot of money to this point, and would like to sort out the project timeline now the financing has been delayed. A key point in the draft proposed by HRF is the 20% flat fee for the initial five-year period, which started once HRF was designated as the trust administrator in 2013. It is currently only a proposed figure, and other fee arrangements can be discussed. The 20% fee would cover ordinary expenses, but would not include larger projects that would be approved by the GC.

The focus will be on priority projects, with the expectation that 75% of the funds will go to priority projects. Whether the 75/25 allocation will be on an annual or cumulative basis remains an open question as priorities can change year-to-year.

Trust Agreement:

There is nothing new to report. A draft is expected in the next two (2) to three (3) weeks.

There is precedent for the PSC to be named as a “standby beneficiary” so the bank would have what it needs for a beneficiary for the trust.

Working Groups:

The proposed membership is as follows:

Hudson River Group: DEC, City of NY, Scenic Hudson, Trout Unlimited, Riverkeeper, and possibly DPS.

Lake Champlain Group: Trout Unlimited, APA, DEC, and possibly DPS.

The DPS would like to be included in the lists and groups where it can participate. The Certificate Holders have opted to not participate in the working groups.

The extent and reach of the two groups would be demarcated at the dam at Troy.

- A motion was made to approve the concept of two (2) groups, approve the members listed above in each respective group, and to declare the dam at Troy as the geographic demarcation point between the two groups. There being no objections, the motion was passed.

DPS will still need to confirm that it will be a member of each.

Members of the technical groups do not need to be members of the GC. Additional members may be added by two-thirds (2/3) majority vote of the GC.

TDI will explore the possibility of pre-funding work.

It was agreed that the discussion of when the working groups should convene and the focus of each should be tabled until March.

Other issues:

None.

Next meeting date: Third or fourth week of March. Everyone should get back to Steve Blow by Monday the 22nd on availability dates for March.

Meeting adjourned at 12:02 p.m.

DRAFT