

Case 10-T-0139

Champlain-Hudson Power Express Project

Environmental Trust Governance Committee Meeting Minutes

December 9, 2016

On December 9, 2016, the Governance Committee for the Hudson River and Lake Champlain Habitat Enhancement, Restoration, and Research/Habitat Improvement Project Trust (the “Trust”) held its regularly scheduled meeting.

The meeting took place at the NYS Public Service Commission, 19th Floor Conference Room, Albany, New York, with videoconference connections to the Commission’s 4th Floor Conference Room in New York City, DEC’s Region 3 Office in New Paltz, New York and DEC’s Region 5 Office in Ray Brook, New York.

Attendees:

PSC Offices in Albany: Certificate Holders, DPS, DEC, DOS, City of New York

PSC Offices in New York City: Riverkeeper via videoconference

DEC Region 3 at New Paltz: Scenic Hudson via videoconference

DEC Region 5 at Ray Brook: APA via videoconference

Via teleconference: HRF

Agenda Items:

1. Approval of September 29, 2016 meeting minutes
2. Project Update
3. Trust Administrator Agreement
4. Trustee Bank Agreement
5. Next meeting date

Preliminary Items:

Meeting was called to order at 10 a.m. and a quorum was confirmed.

- The minutes of the September 29, 2016 meeting were approved, with a correction to the spelling of Donna Giliberto’s name.

Project Updates:

Certificate Holders reported on the status of the Project. Project activities discussed included:

- The Class Year 2015 Facilities Study at NYISO was approved on December 2, 2016. Certificate Holders are now in 30-day period wherein it can accept or reject its cost allocation. If all projects in study accept, security posting will be due January 10th. If any projects reject their cost allocation, there will be an additional 7 days for other projects to accept if they are affected.
- If Certificate Holders post security in January 2017, financial close (and first payment to the trust) will possibly occur in Q4 of 2017.
- Once the decision is made whether to post security, the possibility still exists for early disbursement to the Trust Administrator.
- Navigation Risk Assessment as a condition of Army Corps of Engineer permit is complete. Concurrence letter from U.S. Coast Guard to ACOE expected soon.

Trustee Bank Agreement

- The Trustee Bank Agreement is virtually finalized. Once Certificate Holder is “within reasonable sight” of trust funding, it will engage the bank.

Trust Administrator Agreement:

- Certificate Holder stated that it has looked over HRF’s redline briefly but has not had time to confer, so anything discussed at this meeting should not be considered final input or approval.
- Hire of experts – GA states that TWG members are uncompensated, do we need an exception?
 - Betsy reviewed chart of categories of advisors/experts. Peer reviewers typically not paid, whereas technical consultants are typically paid.
 - Dennis stated HRF’s belief that the funds required for this will typically be small, and there are ways to handle it within project budget as approved by GC or as minor expenses within HRF’s contracts.
 - Betsy’s chart is guidance for the Governance Committee, it is an internal document only.
- Priority projects must be revisited. **Those who proposed priority projects will take a look back at the list and bring relevant updates or context back to the Governance Committee ASAP.**
- **Betsy will circulate criteria by which to rank possible projects.** Ranking and fleshing out priority projects will be done by Trust Administrator working with TWGs. TWGs will be convened shortly after financial close.

- HRF questioned what the process was to approve payment for work done prior to financial close. HRF expects they will invoice an amount short of total expenses incurred.
 - Certificate Holder is fine with this reimbursement but needs assurance from DPS that this payment will count towards CH's total obligation to the Trust.
 - **George will send email to Donna with a proposal for how this prepayment could be accommodated to see if it comports with DPS' understanding.**
 - Every GC member present conceptually approved that prepayment strategy.
- **GC members will come back with any further edits/questions on HRF redline by date TBD.**

Meeting Dates for 2017:

Weeks of March 19, June 19, September 21 and early December were suggested. **Donna will circulate specific proposed dates.**
