

**Regional Greenhouse Gas Initiative, Inc.  
Minutes of the Annual Meeting of the Board of Directors**

**September 27, 2008**

The Annual Meeting of the Directors of the Regional Greenhouse Gas Initiative, Inc., a Delaware non-profit corporation (the "Corporation"), was held on September 27, 2008 and September 28, 2008 at the Baltimore Marriott Inner Harbor at Camden Yards, 110 South Eutaw Street, Baltimore, MD 21201, pursuant to written notice sent to each Director via email on September 11, 2008.

The meeting was called to order by the Chair Alexander Grannis at approximately 3:10 p.m. on September 27, 2008.

**Persons in Attendance**

The following Directors, constituting a quorum, were present for the meeting:

Gina McCarthy, CT  
Anne George, CT  
David Small, DE  
Arnetta McCrae, DE  
David Littell, ME  
Sharon Reishus, ME  
Shari T. Wilson, MD  
Susanne Brogan, MD  
Laurie Burt, MA  
Philip Giudice, MA  
Robert Scott for Thomas S. Burack, NH  
Clifton Below, NH  
Lisa Jackson, NJ  
Sam Wolfe for Jeanne Fox, NJ  
Alexander B. Grannis, NY  
Garry Brown, NY  
W. Michael Sullivan, RI  
Andrew Dyzkewicz, RI  
James Volz, VT  
George Crombie, VT

Robert R. Scott was appointed to serve as an alternate director on behalf of Thomas S. Burack for this meeting. Samuel A. Wolfe was appointed to serve as an alternate director on behalf of Jeanne M. Fox for the term from September 12, 2008 through September 30, 2008. The written designations of the alternates were duly received and are attached to the minutes of this meeting.

Also present by invitation were the following people: Chris Nelson, Valerie Gray, Ben Smith, James Brooks, Diane Franks, Rachel Evans, Nancy Seidman, Bill Lamkin, Joe Fontaine,

Chris Sherry, Lois New, Peter Iwanowicz, Dave Coup, Kevin Hale, John Williams, Robert Callender, Ed McNamara, Dick Valentinetti, and Jonathan Schrag as Executive Director.

**Quorum of Directors**

Mr. Below stated that a quorum of the Directors was present. Ms. Franks kept the minutes of the meeting.

**Motion to Recess**

Mr. Below moved that the meeting recess until Sunday, September 28<sup>th</sup>, 2008 at 8:30 a.m., same location. Mr. Giudice seconded. The motion was adopted and the meeting was recessed.

**September 28, 2008**

**Reconvene**

The meeting was reconvened by the Chair Alexander Grannis at approximately 8:40 a.m. in the same location as the previous day. Secretary Below stated that all of the Directors, including alternate Directors, present when the meeting was first called to order were still present.

**Introduction**

Mr. Grannis thanked everyone for their hard work leading up to the auction. He asked for a resolution from the Board thanking staff from the various states for their hard work. Upon motion duly made (by Sullivan) and seconded (by Littell), it was unanimously

**RESOLVED** that the Board of Directors expresses its profound gratitude to all staff for their commitment and hard work toward successful implementation of the first RGGI auction.

**June 23, 2008 Meeting Minutes**

Mr. Below stated that the draft of the Minutes of the Special Meeting of the Board of Directors held on June 23-24, 2008 had been submitted to each director prior to the meeting. After a brief discussion, and on motion duly made (by Sullivan) and seconded (by Jackson), the Minutes were unanimously approved.

**Executive Committee Report**

Mr. Below presented the Minutes of Executive Committee meetings held since the last Board Meeting (6/30, 7/14, 7/24, 7/28, 8/11, and 9/3). In particular, Mr. Below called the Board's attention to the Auction Proceeds Account Protocol and the Material Information Management Policy. Mr. Below and Mr. Grannis emphasized the importance of information management with respect to the discussion of market sensitive information. The Board took notice of both the Auction Proceeds Account Protocol and the Information Management Policy, and chose to let them remain in effect without Board ratification.

Election of Officers

Mr. Below read from the Corporation by-laws, informing the Board that election of Officers is to occur at the Annual Meeting and that no person should hold the same office for more than two consecutive terms. Mr. Grannis stated that all current Officers had agreed to serve for an additional term. Upon motion duly made (by McCarthy) and seconded (by Burt), it was unanimously

**RESOLVED** that the following-named persons are elected to the offices set forth beside their respective names, to serve until the next annual meeting of the Directors and until their successors are duly elected and qualified:

Chair: Alexander B. Grannis  
First Vice Chair: Lisa P. Jackson  
Second Vice Chair: David Littell  
Treasurer: Philip Giudice  
Secretary: Clifton Below

And that the current members of the Executive Committee shall continue to serve until the next annual meeting of the Directors and until their successors are duly elected and qualified:

Alexander B. Grannis  
Lisa P. Jackson  
David Littell  
Philip Giudice  
Clifton Below  
Susanne Brogan

Mr. Giudice suggested that there may be a need for a rotating transition of Officers. Ms. Jackson informed the Board of her intention to resign her Office on December 1, 2008. Upon motion duly made and seconded, it was unanimously

**RESOLVED** that Ms. Jackson will coordinate a process to fill vacancies that may occur among Officers of the Corporation or among Members of the Executive Committee and that such replacement will occur at the Board Meeting immediately subsequent to the occurrence of any vacancy.

Finance Committee

Mr. Giudice gave the report of the Finance Committee, including the FY 2008 Financial Results through August 31, 2008 prepared by BTQ Financial and the Proposed Budget for 2009 (“Operating Budget: 2008-2011” with 2008 approved budget and preliminary budgets for 2010 and 2011, a Personnel Budget schedule, and an Apportionment of Costs and Revenue Schedule) (copy attached with approval indicated). A general and lively discussion of the Proposed Budget for 2009 followed. Ms. McCarthy asked for greater explanation of the expected pace of RGGI, Inc. hiring of staff and their expected roles. The Executive Director outlined plans to advertise and hire staff positions over the fall of 2008. Ms. Brogan asked for confirmation of the Board’s

prior resolution to use the interest derived from financial security to defray auction administration expenses. Mr. Littell and Mr. Giudice explained the basis for the estimated cost for 2009 legal services, which excludes litigation services. Ms. McCarthy encouraged development of a business plan for RGGI, Inc. and requested that it demonstrate how RGGI, Inc. would reduce the commitment of state agency staff. Ms. McCarthy stated that acceptance of a budget is driven by a business plan and that the two should be developed together. Mr. Sullivan stated that approval of the budget should be conditioned on a business plan being forthcoming. Upon motion duly made (by Grannis) and seconded (by Sullivan), it was unanimously

**RESOLVED** that the Proposed Budget for 2009 as presented by the Finance Committee is **APPROVED** by the Board with the understanding that a business plan will be developed and presented to the Board.

Mr. Giudice and Mr. Sullivan presented a request from the State of Rhode Island to have their payment to RGGI, Inc. deducted out of the proceeds of the first auction due to Rhode Island. Upon motion duly made and seconded, it was unanimously

**RESOLVED** that the Executive Director facilitate payment from the State of Rhode Island out of the proceeds of first auction due to Rhode Island.

#### **Audit Committee**

Mr. Schrag gave an update on behalf of the Audit Committee. The firm Condon, O'Meara, McGinty and Donnelly was selected to perform audit services and will complete the 2007 audit by November 17, 2008.

#### **Special Committee Reports**

The Board received reports on behalf of the Program, Auction, Offsets, EATS, Transition and Communication Committees. Updating of the membership of committees (other than the Executive Committee) was postponed until a future meeting.

#### **Adjournment**

There being no other business before the Directors, upon a motion duly made and seconded, it was resolved to adjourn the Directors' meeting at approximately 10:04 a.m.

Respectfully submitted,

  
Clifton Below, Secretary