



Regional Greenhouse Gas Initiative, Inc.
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**Regional Greenhouse Gas Initiative, Inc.
Minutes of Board of Directors' Meeting
October 4, 2010**

A meeting of the Directors of the Regional Greenhouse Gas Initiative, Inc., a Delaware non-profit corporation (the "Corporation"), was held on October 4, 2010, at the Holiday Inn BWI Airport, 890 Elkridge Landing Road, Linthicum, MD, pursuant to written notice sent to each Director.

The meeting was called to order by the Chair, David Littell, at approximately 9:35 am.

Persons in Attendance

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

- Tracy Babbidge for Amey Marrella, CT
- Philip Cherry for Collin O'Mara, DE
- Phillip Cherry for Arnetta McRae, DE
- Beth Nagusky, ME
- David Littell, ME
- Shari T. Wilson, MD
- Susanne Brogan, MD
- Laurie Burt, MA
- Philip Giudice, MA
- Clifton Below, NH
- Thomas Burack, NH
- Nancy Wittenberg for Bob Martin, NJ
- Rhea Brekke for Lee Solomon, NJ
- Alexander P. Grannis, NY
- Garry A. Brown, NY
- W. Michael Sullivan, RI
- W. Michael Sullivan for Lawrence Kunkel, RI
- Justin Johnson for Jonathan Wood, VT
- James Volz, VT

In addition, John Betkoski, CT was present via telephone.

In addition, consulting Agency Head
Francis J. Murray, NY

Tracy Babbidge was appointed to serve as an alternate director on behalf of Ms. Marrella; Philip Cherry was appointed to serve as an alternate director on behalf of Mr. O'Mara; Philip

Cherry was appointed to serve as an alternate director on behalf of Ms. McRae; Nancy Wittenberg was appointed to serve as an alternate director on behalf of Mr. Martin; Rhea Brekke was appointed to serve as an alternate director on behalf of Mr. Solomon; W. Michael Sullivan was appointed to serve as an alternate on behalf of Mr. Kunkel; and Justin Johnson was appointed to serve as an alternate director for Mr. Wood.

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 (CT), Valerie Gray (DE), Jim Brooks (ME), Diane Franks (MD), Vivek Mohta (MA), Joe Fontaine (NH), Bob Scott (NH), Christopher Sherry (NJ), Dave Coup (NY), Karl Michael (NY), Lois New (NY), Jared Snyder (NY), Mary Jo Krolewski (VT), Dick Valentinetti (VT), Lisa DeVito, RGGI, Inc., Nicole Singh, RGGI, Inc. and Jonathan Schrag as Executive Director.

Quorum of Directors

The Secretary, Mr. Sullivan, stated that a quorum of the Directors was present. Mr. Sullivan and Ms. DeVito kept the minutes of the meeting.

Introduction from the Chair

The Chair thanked all participants for joining the meeting. Mr. Littell noted that the meeting agenda was focused on program review, including, a technical analysis of the IPM modeling. Mr. Littell stated the meeting will also address governance issues of the Corporation and include a review of the Corporation's budget.

Modeling Discussion

IPM Modeling Status Update

The Board received an update on IPM modeling and the scheduled November 12th stakeholder meeting.

Retrospective Analysis of RGGI Electricity Sector CO₂ Emissions

Mr. Michael presented an overview of the work completed by NYSERDA on the retrospective analysis. Mr. Michael stated the report reflected the directionality and order of magnitude of the factors that contributed to the change in RGGI electricity sector CO₂ emissions from 2005 to 2009, concluding fuel prices, load growth, and availability of generation sources the predominant factors. Mr. Giudice commended Mr. Michael and NYSERDA for their work and recommended publication of the report. The Board agreed and directed the report to be published.

Preliminary "Reference Case" Results

The Board received an update on preliminary previously published Reference Case modeling results addressing capacity changes, generation mix changes, the CO₂ emissions trajectory, RGGI allowance prices, and wholesale electricity prices.

Assumptions Review and Overview of Stakeholder Comments

After discussion, the Board agreed to update Reference Case assumptions in response to stakeholder comments to align with assumptions for the cost and performance of new generation and cost and performance of pollution controls assumptions in the recently released EPA Base Case. In addition, the Board noted a need to monitor assumptions in other modeling processes, such as US EPA.

The Board noted that firmly planned generation and retirements and regional energy and peak demand were two assumptions that received the most comments from stakeholders.

Sensitivity Analysis

The Board a proposal for six sensitivity scenarios including high load, low load, gas prices and groupings for a high emissions and a low emissions combination scenario. The group agreed to move forward with the proposed sensitivity analysis.

Discussion of sensitivity analyses continued to address a variety of long-term topics related to RGGI program review.

Potential alternative scenarios for presentation to stakeholders and subsequent modeling in November 2010

Ms. Singh presented potential alternative cap scenarios designed to begin discussion on how to continue engagement with stakeholders in the future. There was discussion on various components of each of the illustrative scenarios.

Update on Leakage and Electricity Imports

Mr. Sherry presented an update on leakage. Mr. Sherry reported that the leakage subgroup was completing an analysis of import trends. Mr. Sherry stated that subgroup was working on finalizing and reconciling data for a memo to Agency Heads.

Ms. Brogan discussed the difficulties of tracking leakage within PJM because of the system structure and asked for clarification on the approach used to estimate electricity trends within PJM. In response, Mr. Sherry provided more information on the proposed approach for PJM.

Adjourn for Lunch

The Board adjourned for lunch at 12:15 PM and resumed the meeting at 1:15 PM.

Governance of the Corporation

Executive Committee Report

Mr. Sullivan presented the Minutes of the Executive Committee meetings from June 7, 2010 through September 13, 2010 (June 7, 2010; July 26, 2010; August 2, 2010; August 16, 2010; August 30, 2010; September 13, 2010) and the Draft Minutes of the Executive Committee meeting of September 20, 2010. Mr. Below called the Board's attention to the approval of the Corporation's 990 Form.

Audit Committee Report

Mr. Burack presented a report from the Audit Committee. The Committee received the 2009 Audit of the Corporation and management letter from auditor Condon O'Meara. The report found no material errors or omissions. Mr. Burack also reported that the contract for the auditor Condon O'Meara was extended.

June 14, 2010 Meeting Minutes

Mr. Littell stated that the draft of the Minutes of the Annual Meeting of the Board of Directors held on June 14, 2010 had been submitted to each director prior to the meeting. After a brief discussion, and on motion duly made by Phil Giudice and seconded by Michael Sullivan, it was unanimously

RESOLVED that the draft June 14, 2010 Minutes were approved.

Finance Committee Report

Ms. Brogan presented a report on the finances of the Corporation. Ms. Brogan provided an update of the corporation's performance compared with the current year budget and the end of year forecast.

Following the 2010 update, Ms. Brogan presented the proposed 2011 budget. She noted the budget was developed with three factors in mind: the need to build contingencies to provide states with reliable numbers, that savings achieved will be put toward states' future payments, and supporting program review. Ms. Brogan highlighted the "unspecified program consulting" line item intended for unanticipated program review projects in the 2011 budget. Mr. Below suggested changing the line item to "program consulting contingency" rather than "unspecified." Ms. Brogan moved to approve the proposed 2011 Budget, with the change recommended by Mr. Below, and was seconded by Mr. Sullivan, it was unanimously

RESOLVED that the proposed 2011 Budget were approved with the recommended change.

Mr. Below commended the work of the Treasurer and the Finance Committee.

Nominations Committee

Ms. Wilson presented the proposed 2011 slate for officer positions and members of the Executive Committee on behalf of the Nominations Committee. Prior to the meeting, six officer positions are filled and there is one vacancy. Ms. Wilson proposed the following slate David Little as Chair, Alexander P. Grannis as Vice Chair, Laurie Burt as Vice Chair, Clifton Below and Vice Chair, Susanne Brogan as Treasurer, Michael Sullivan as Secretary, and Collin O'Mara as Member at Large. After a discussion and a upon a motion duly made by Alexander P. Grannis and seconded by Mr. Johnson, it was unanimously

RESOLVED that the proposed 2011 slate shall be approved.

Mr. Below made a motion for a resolution to create the new third Vice Chair position reserved for the former past chair. The motion was seconded by Mr. Sullivan.

Mr. Below moved to confirm Mr. Grannis as the new Vice Chair and Mr. Sullivan seconded the motion, it was unanimously

RESOLVED that the proposed Vice Chair position shall be filled by Alexander P. Grannis.

New Business

Ms. Burt discussed the strategic communications team's work on developing information on the costs and benefits of programs. Ms. Burt reported a draft report on the use of allowance proceeds was in final review. Mr. Grannis suggested creating FAQs or fact sheets for the RGGI website.

Modeling Discussions Cont'd

The group reconvened to discuss additional potential alternative modeling scenarios. Ms. Brogan raised the difficulty of having to model scenarios out to 2030. The group also discussed the need to balance the number of alternative scenarios and sensitivity analysis to maintain the budget.

Adjourn

There being no other business before the Directors, and with unanimous consent, Mr. Below moved to adjourn the meeting and Ms. Burt seconded the motion. Mr. Littell adjourned the meeting at 4:45 pm.

Respectfully submitted,



W. Michael Sullivan