

March 26, 2012

MEMORANDUM TO THE MEMBERS OF THE BOARD

SUBJECT: Conflict of Interest and Contacts Policies

SUMMARY

The Members of the Economic Development Power Allocation Board (“EDPAB”) are requested to review and approve policies on conflict of interest and contacts, as detailed below.

BACKGROUND AND DISCUSSION

- Conflict of Interest Policy

EDPAB is responsible for making power allocation recommendations to the New York Power Authority (“the Authority”). When making recommendations to the Authority, EDPAB members may have a conflict of interest that derives from his/her involvement with the organization requesting the allocation. Another conflict of interest may arise when an EDPAB member who votes to recommend an allocation also serves on the Authority’s Board of Trustees.

Under the proposed policy, the factors to be considered in determining a conflict of interest is the type of organization involved (e.g., not-for-profit) and whether the member receives compensation.

- Contacts Policy

The proposed Contacts policy provides restrictions on lobbying for ReCharge New York (“RNY”) power allocations in order to comply with EDPAB’s code of ethics and to preserve the integrity of the RNY allocation program.

The policy requires such contacts to be directed to a designated person and imposes a recording requirement.

RECOMMENDATION

It is recommended that Economic Development Power Allocation Board approve the policies attached as Exhibits “A” and “B.”

Karen Delince
Corporate Secretary
Legal Department

Atts.

**THE ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD
CONFLICT OF INTEREST POLICY**

The Economic Development Power Allocation Board (“EDPAB”) is responsible for making power allocation recommendations to the New York Power Authority (NYPA) in accordance with applicable law. The members of EDPAB serve on a volunteer basis, without salary or compensation. This policy addresses the conflict of interest that may arise when EDPAB members have significant involvement (in whatever capacity) with organizations that seek a power allocation recommendation (“Applying Organization”) or also serve as members of the NYPA Board.

- A. EDPAB member is involved with an Applying Organization that does not qualify as a Not for Profit
 - 1. The member must not participate in the preparation of the power application; and
 - 2. The member must recuse himself/herself from any discussion or vote on the power application; and
 - 3. The minutes of the Applying Organization should record the recusal from discussion and vote; and
 - 4. The member must recuse himself/herself from any discussion or vote on EDPAB board; and
 - 5. EDPAB minutes must record recusal from EDPAB discussion and vote.

- B. EDPAB member is compensated by a Not-for-Profit Applying Organization
 - 1. Follow the same procedures outlined in Section A, above.

- C. EDPAB member is involved with a Not-for-Profit Applying Organization and is not compensated
 - 1. The member must not participate in the preparation of the power application; and
 - 2. The member must recuse himself/herself from any discussion or vote on the power allocation; and
 - 3. The minutes of the Applying Organization should record the recusal from discussion vote; and
 - 4. The member may then vote on the power allocation under consideration before EDPAB; and

(a) The EDPAB minutes record the nature of the member's involvement in the Applying Organization and the fact that the member recused himself/herself from the preparation, discussion and vote of the power application before that organization; and

(b) If EDPAB makes its recommendation to the NYPA Board, it must provide a detailed summary of the circumstances attending the vote (including the member's involvement in the Applying Organization and his or her recusal from any discussion and vote before such organization.

D. EDPAB member is also a member of the NYPA Board of Trustees

1. EDPAB member may vote on whether to recommend the power application of the Applying Organization; and
2. EDPAB member, who has voted on such an application, must recuse himself/herself from discussion and vote before NYPA Board on the EDPAB recommendation; and
3. Minutes of the NYPA Board must record the fact and reasons for recusal from discussion and vote on such recommendation.

**ECONOMIC DEVELOPMENT POWER ALLOCATION BOARD
CONTACT POLICY**

SCOPE

In order to maintain the integrity of the process of allocating power and energy and in furtherance of the New York Power Authority ("NYPA") and the Economic Development Power Allocation Board's ("EDPAB") commitment to transparency and accountability of its decisions, this policy imposes contact restrictions on the allocation process and institutes a centralized recording system.

IMPLEMENTATION

This policy shall be adhered to by all members of EDPAB and NYPA employees, officers and trustees.

DEFINITIONS

Definitions. As used in this policy:

(a) The term "lobbyist" shall mean any person or organization retained, employed or designated by any client to influence the EDPAB or NYPA decision making.

(b) The term "contact" shall mean any oral, written or electronic communication with relevant entities under circumstance where a reasonable person would infer that the communication was intended to influence a decision regarding the allocation of low cost energy.

MANAGEMENT CONTROLS

Members of EDPAB and NYPA employees, officers and trustees who are contacted by a lobbyist regarding the allocation of power and energy shall:

1. Direct the lobbyist to the designated person, who shall be the Senior Vice President of Marketing & Economic Development and
2. Make a contemporaneous record of such contact containing the day and time of the contact, the identity of the lobbyist and a general summary of the substance of the contact. (See Contact Form) and
3. Forward a completed Contact form to the Corporate Secretary for recordkeeping at Secretarys.office@nypa.gov.

3/27/12