

## SECTION 12

NYPA is unique among New York State's public authorities. It is the nation's largest state-owned public power utility, which employs more than 2,000 people at the various facilities' offices and operates in a competitive and dynamic electricity marketplace. NYPA is also one of the largest electricity producers in New York, operating 17 generating facilities and more than 1,550 circuit miles of transmission and providing through its generation and power purchases, up to one-quarter of all the electric energy consumed in the state. NYPA supplies electricity to a wide variety of public, non-profit and business customers. NYPA has more than 1,000 customers altogether: local and state government entities, New York City governmental, municipal and rural cooperative electric systems, and industry, large and small businesses and non-profit organizations. NYPA's economic development programs support industry, other businesses, and not-for-profits in the State. These programs provide either project funding or low-cost power, including hydroelectric power, primarily in exchange for commitments to retain or create jobs and invest capital in the State. NYPA's governmental customers include among others, the Metropolitan Transportation Authority, the State Office of General Services, New York City, Westchester County, the New York City Housing Authority, the Port Authority of New York and New Jersey and Municipal and Rural Electrical Cooperatives.

To perform its responsibilities, NYPA is organized into a number of major "units" which include the following:

### **NEW YORK POWER AUTHORITY MAJOR UNITS**

#### **BUSINESS SERVICES**

The Business Services Unit (BSU) manages the financial and supply management functions of NYPA. Its departments include the Office of the EVP & Chief Financial Officer, Budgets & Internal Business Controls, Controller, Finance, Financial Operations, Strategic Supply Management, and Treasury.

Business Services provides innovative and cost-effective financial services and products, such as, Captive Insurance Company and the OPEB Trust Fund, which contribute towards the success of its internal and external customers while preserving the financial strength of the Authority. We are the entrusted fiscal stewards charged with ensuring access to low-cost capital to fund future projects as well as the ability to undertake any new initiatives necessary to carry out our overarching corporate mission.

In addition to the above functions, Business Services also includes Strategic Supply Management and its mission is to enable NYPA to achieve its goals by becoming a strategic partner to our business stakeholders, developing deep market knowledge aligning with NYPA's major spend categories, and leading in capability and technology to sustainably develop local economics and utilize diverse suppliers.

## **COMMUNICATIONS & EXTERNAL AFFAIRS**

Corporate Communications includes the following departments and responsibilities: media relations, digital communications, graphic communications and photography, internal communications, and video production. Its goal is to develop and implement a comprehensive, and proactive communications program that will build and enhance public and employee awareness in support of the Power Authority's 2030 strategic vision and its objectives and accomplishments. Corporate Communications works closely with the Executive Chamber, Executive Departments, and all the major units of the Power Authority and Canal Corporation to meet specific communications needs.

Environmental Justice leads corporate social responsibility and strives to ensure that NYPA is a good neighbor by leveraging NYPA's energy expertise and resources for the benefit of the historically disadvantaged communities that host the Power Authority's facilities and strategic projects. Internally, the department works across NYPA operational units to ensure that an environmental justice lens is applied to strategic, operational and policy decision making. Finally, Environmental Justice is responsible for implementing energy education programs, advancing clean energy initiatives, and leading community based projects for the benefit of environmental justice communities within proximity of NYPA assets.

Community and Government Relations works closely with the cities, towns and villages across New York State to address energy, environment, crisis management and economic development needs. It also is responsible for the staffing and management of visitor centers at the Power Authority's Niagara, St. Lawrence, and Blenheim-Gilboa plants, which educate the public on the benefits the Power Authority brings to the area and the State. In addition, Community and Government Relations leads NYPA's intergovernmental activities.

Legislative Relations oversees and supports the interaction of the Power Authority with the New York State Legislature and Federal officials. Legislative Relations monitors state legislative activity and provides timely notice to NYPA management of the progress of bills of special interest.

## **ENTERPRISE RISK & RESILIENCE**

Risk & Resilience works to protect and enhance the value of NYPA and the Canal Corporation by ensuring risk, resilience, and sustainability considerations inform strategic decision-making. It is comprised of four coordinated functions - Enterprise & Operational Risk Management, Market & Credit Risk Management, Resiliency, and Sustainability - which collaborate across the Major Units to better prepare and enable delivery of VISION2030 within a rapidly changing, more distributed, and increasingly uncertain operating environment.

The Enterprise & Operational Risk Management function develops a portfolio of the most significant risks to achieving the Authority's objectives. It continually collaborates with stakeholders and subject matter experts throughout the organization to identify, assess, monitor, and report on the risks. The team works with the Authority's executive management and Trustees to establish risk appetite levels, which serve as guardrails. It also advises on risk

responses to minimize negative impacts (threats) and pursue positive benefits (opportunities) to help drive alignment of the risk portfolio with the appetite levels.

The Market & Credit Risk function protects the Authority's financials and contributes to the achievement of strategic initiatives by assessing exposures related to volatile commodities markets and to trading counterparties, customers, and suppliers. Focused on portfolio governance, monitoring and valuation, the Market Risk team characterizes market price volatility, models financial exposures, and reviews contracts and proposals. To protect against the possibility of a loss resulting from a borrower or counterparty failure to repay a loan or meet contractual obligations, the Credit Risk team monitors credit quality, determines collateral requirements, aggregates enterprise-wide credit exposure, and advises on mitigation measures.

The Resiliency function drives the development and implementation of a strategic resilience framework across the Authority. It leads cross-cutting efforts to guide resilience stakeholders to prepare and secure NYPA and the Canal Corporation against all hazards (current and emerging), reduce the impact of disruptive events, and respond to and rapidly recover from any disruptions across its portfolio. It also provides executive leadership and risk owners with actionable information related to potential developing threats and opportunities through proactive horizon scanning and monitoring, emerging risk analysis, and risk trend analysis.

The Sustainability function is responsible for leading development and implementation of NYPA and the Canal Corporation's sustainability strategy and plan. The team provides strategic guidance, oversight, and reporting for Environmental, Social, Governance (ESG) matters. It helps the Authority to set sustainability objectives and targets and tracks progress toward achieving them. It also manages lead-by-example programs that support the goals and requirements of the CLCPA and Executive Order 22 (EO22) and provides support on day-to-day execution of the Authority's sustainability-related programs and initiatives.

## **EXECUTIVE OFFICE**

The Executive Office supports the needs of the President and CEO through close collaboration with the President's Executive Committee members. The Executive Office works across NYPA Business Units to ensure alignment regarding strategic priorities for the Authority.

## **HUMAN RESOURCES**

The Human Resources business unit consists of Human Resources (digital HR, employee relations, HR business partners, Canal Corporation's HR, talent acquisition and development, and total rewards) and the Office of Civil Rights and Inclusion.

The business unit is responsible for the advancement of the workforce planning and development strategic initiative. The Human Resources (HR) department serves as a strategic business partner and internal consultant to the Executive Management Committee and all departments of NYPA. HR guides NYPA's leadership in developing the most effective organizational structure and aligning the right people with the right roles to achieve the organization's mission and vision. Programs are designed to provide employees with fair,

competitive and inclusive compensation and benefits offerings. To further these goals, HR promotes a work environment that is characterized by open communication, personal accountability, trust and mutual respect. Employees and managers can engage with employee relations for expert advice on work-related matters.

The Office of Civil Rights and Inclusion is responsible for investigating employee claims of affirmative action violations, manager and staff training, and development of policies and procedures. The office also implements proactive strategies to promote a culture of inclusion through fostering Employee Resource Groups and providing training.

## **INNOVATION OFFICE**

The Innovation Office enables and accelerates innovation at NYPA in support of customer and state goals. The Innovation Office includes the following functions: Strategy, Research and Development, Advanced Grid Innovation Laboratory for Energy, Change Management, Customer Innovation and Digital Transformation. Strategy develops and drives the strategy across the organization, while ensuring that business strategies and actions align with, and support the company's strategic plan. Customer Innovation develops innovative business models and strategies that align with the changing energy landscape and advises on the commercialization of new products and services. Research and Development partners with staff throughout the organization, customers, and trade organizations to explore, ideate and incubate solutions that support business and customer goals, and the overall decarbonization goals of the state. AGILE is a digital twin of the New York state grid, an essential tool to test, model and create new energy solutions for the grid of the future. Change Management supports the creation of a change ready culture and the application of change management best practices to initiatives that have a broad impact on the organization. Digital Transformation explores and champions the use of technology to support business goals.

## **INTERNAL AUDIT**

Internal Audit (IA) reports directly to the Audit Committee of NYPA's Board of Trustees and administratively (i.e., day-to-day operations) to the SVP, Chief Resiliency Officer. IA is responsible for the performance of financial, operational, compliance, strategic, information technology and cyber security audits at corporate offices, operating plants, construction sites and/or contractor offices, to provide NYPA and the Canal Corporation management at all levels, and the Audit Committee of the Board of Trustees with objective assurance and advisory services designed to add value and improve the organization's internal control structure. The objective of the IA program is to improve the Authority's internal control environment and operations. IA helps NYPA and the Canal Corporation accomplish its objectives by bringing a systematic, disciplined approach to evaluate, test, and improve the effectiveness of risk management, internal controls, and governance processes. IA is also responsible for the Environmental, Health and Safety (EH&S) Compliance Audit Program and conducts EH&S compliance audits of NYPA and the Canal Corporation's facilities to ensure compliance with EH&S laws and regulations and internal policies and procedures.

## **INFORMATION TECHNOLOGY & CYBER SECURITY**

The Information Technology (IT) business unit at NYPA plays a key role in enabling digital innovation and operational excellence by strategically planning, building, and running technology assets that support and secure organizational operations. IT consists of several specialized departments: Technology Business Management; Product Development; Data Management & AI Enablement; Digital Enterprise Architecture, Engineering, & Operations; Cyber Security; and the Office of the CITO and Strategic Technology Relationship Management.

Through close collaboration with business units, the Innovation Office, operations technology, and external technology partners, IT fosters the adoption of emerging technologies to enable secure, compliant capabilities and operational efficiencies. The department aligns technology strategy with business objectives, ensuring investments and priorities are geared towards achieving NYPA's VISION2030.

## **LEGAL AFFAIRS**

The Law Department provides legal advice and support to the Authority's Trustees, senior management, and all Authority business units, provides legal representation to the Authority as appropriate, and supervises outside counsel providing legal services to the Authority.

Legal Affairs also includes the Office of the Corporate Secretary, the Office of Ethics and Compliance, Policy and Regulatory Affairs, as well as Workforce Development.

The Office of the Corporate Secretary provides administrative support to the Authority's Trustees, the Canal Corporation Board of Directors, the Economic Development Power Allocation Board ("EDPAB"), Western New York Power Proceeds Allocation Board ("WNYPPAB"), and the Northern New York Power Proceeds Allocation Board ("NNYPPAB") and serves as a liaison between the Authority and the public. Among its primary functions, it maintains the Authority's official records and records of proceedings, initiates Authority rulemaking activities as required by the State Administrative Procedure Act ("SAPA") and coordinates public hearings.

The Office of Ethics and Compliance is responsible for handling ethics and compliance inquiries, and for developing and monitoring programs to assure the Authority's and Canal Corporation's compliance with applicable laws, rules, and regulations.

The Policy and Regulatory Affairs group provides strategic planning, coordination, and analysis of New York State regulatory and policy activities impacting Power Authority operations, customers, and long-term plans and requirements. Key responsibilities of the Policy and Regulatory Affairs group include: (i) monitoring proceedings from the New York State Public Service Commission (PSC), the Federal Energy Regulatory Commission (FERC), New York State Energy Research & Development Authority (NYSERDA), and the New York State Department of Environmental Conservation (DEC) and (ii) assisting business units with regulatory matters through briefing them on developments, coordinating responses to regulatory filings, and representing them before regulatory staff.

The Policy and Regulatory Affairs group also supports NYPA business units and NYPA customers pursue federal funding opportunities by actively monitoring Infrastructure Investment and Jobs Act (IIJA) and Inflation Reduction Act (IRA) program developments coming out of federal agencies, such as the United States Department of Energy, the United States Department of Transportation, and the United States Treasury Department, and tracks and shares federal policy developments that are of interest to the Power Authority. This group works closely with other state entities to ensure a coordinated and collaborative State approach to federal funding in New York.

Workforce Development is a new unit within Legal Affairs and was formed as a result of the 2023-2024 enacted state budget. Enacted in May 2023, subdivision 27-d to the Public Authorities Law authorizes the Authority, as deemed feasible and advisable by the Trustees, to make available up to \$25 million annually to fund clean energy workforce training programs. The Authority is committed to enhancing clean energy workforce development initiatives in a holistic manner to support the deployment, use or maintenance of renewable energy in NYS, through (1) the Authority's own initiatives, (2) contracting with public and private sector Training Providers, and (3) in partnership with the Department of Labor. These workforce training programs will help transition traditional utility workers to the renewable energy field, and develop educational and employment opportunities for people entering the workforce who need to develop basic skills that can be used in the renewable energy field.

## **NYPA Development**

NYPA Development is responsible for the commercial development of grid scale projects, including transmission, energy storage assets and renewable generation projects. These activities support the development, integration and transmission of renewable energy towards meeting New York's Climate Leadership and Community Protection Act's goal of achieving 100% renewable energy generation by 2040.

Project Development and Licensing is responsible for the development, evaluation and licensing of new electric transmission facilities. This includes managing the Article VII licensing process with the New York State Public Service Commission (NYSPSC), Environmental Management and Construction Plans (EM&CP), compliance with NYSPSC certificates and evaluation of third-party projects for impacts on NYPA facilities.

## **OPERATIONS**

Operations is responsible for investing in new and existing assets to ensure reliable power supply and to meet the future energy needs of NYPA's customers and the people of New York State. This is done through operating and maintaining the generation and transmission assets of NYPA in an effective, efficient, and safe manner. The Unit is comprised of Customer Solutions, Power Generation & Waterways, Transmission, Central Support Services, the Canal Corporation Director, and Project Delivery.

Customer Solutions, comprised of Energy Resource Management, Economic Development & Key Account Management, NYPA Ventures, Product Marketing & Business Development and Operations & Reporting, is responsible for managing the revenue generated from NYPA's

wholesale and customer businesses, including marketing electricity and related offerings, and the delivery of supply and new business development.

Energy Resource Management (ERM) manages NYPA's merchant and its customers' generation resources in the energy markets to maximize benefits to New York State and to reduce energy costs to consumers. This responsibility includes the bidding of NYPA energy, capacity and ancillary products into the various New York Independent System Operator markets, developing and implementing fuel supply and hedging strategies and procuring emission allowances. It also serves as the primary load serving entity for NYPA power supply customers, administering scheduling, forecasting and settlements of their load with the NYISO.

Economic Development & Key Account Management, which also includes our Business Power Allocations and Compliance group along with Power Contracts, is responsible for: maintaining relationships with NYPA's customers, marketing a wide range of energy solutions including energy efficiency, hydro, market and renewable power supply options, distributed generation and advanced energy technologies; supporting contract negotiations and including the administration and marketing of the economic development programs portfolio. Maintains relationships with local and regional industrial development agencies and corporations to attract new business to NYS.

NYPA Ventures is comprised of Grid Flexibility and e-Mobility. Grid Flexibility is developing the Virtual Power Plant (VPP) operating model providing digital service offerings focused on building data analytics and associated advisory services including the implementation of customer-sited distributed energy resources. The e-Mobility group drives initiatives focused on the electrification of the transportation industry, including Direct Current Fast Charging stations throughout NY via its EVolve NY and customer sited vehicle and bus chargers for customers such as the MTA and Niagara Frontier Transportation Authority.

The Product Marketing & Business Development group gathers and builds upon the Voice of Customer program to develop, introduce and enhance new or existing products and services for NYPA's customers as well as the marketing communications associated with them. This team supports strategic decisions through product valuations to ensure contributions to the state and customers are aligned with VISION2030. The Business Development team works closely with Key Account Management, Product Teams and internal business partners to ensure the efficient development of NYPA offerings. They work closely with customers including state agencies and local communities connecting them to optimal resources, internally and externally, to help them meet their clean energy goals.

The Operations & Reporting group serves as the primary internal and external customer reporting source. The team supports the department by ensuring efficient day-to-day group operations, monitoring KPIs and Initiatives performance that ensure alignment to CLCPA and VISION2030, development and maintenance of critical reports used by multiple groups including the Executive Office. The team enhances coordination and workflow with internal business partners, including the Corporate Secretary's Office for Trustees' item submittal and Corporate Communications for internal and external communications and

press releases. The group is responsible for the maintenance of the Customer Relationship Management (CRM) System, which stores all critical customer details, including project pipelines, customer communications and data that is shared with the Investor Owned Utilities (IOUs), which enable the Economic Development programs to serve them power.

Power Generation & Waterways consists of the generating facilities, Canal Corporation O&M, and Labor Relations.

The Transmission Business Unit consists of groups that support the O&M of NYPA's 1,560+ circuit miles of transmission lines and substations. NYPA's transmission system serves as the backbone for the NYS bulk electric system. In addition to its function supporting O&M activities, the Transmission Business Unit encompasses the Energy Control Center (ECC). The ECC serves as the node for NYPA's bulk electric system operations and is responsible for interfacing with the New York Independent System Operator (NYISO) to ensure the safe and reliable operations of the NYS bulk electric grid.

Central Support Services consists of several functions including: Technical Training is responsible for developing, providing, and maintaining technical training programs; O&M Services and Technical Compliance is responsible for Dam Safety at NYPA and the Canal Corporation, Reliability, Standards & Compliance, Code Compliance and Quality Assurance; Facility Management; Strategic Operations is responsible for Operations Performance Reporting, Project and Program Controls, Asset Performance, Asset Strategy, and the Integrated Smart Operations Center; and System Planning and Analysis is responsible for system studies and planning, transmission planning, and energy economics. Security and Crisis Management is responsible for overseeing the development and compliance with NYPA's physical security programs as well as providing a support structure for NYPA to be effectively prepared, respond and rebound in the aftermath of an event. Continuous Process Improvement focuses on the evaluation of existing and proposed processes for effectiveness and efficiency and works with teams to improve those processes using their own knowledge of the job and ideas, but with a structured approach. Environmental, Health and Safety is responsible for overseeing NYPA's corporate safety and environmental programs and working to promote a safe culture and strong commitment to excellence and regulatory compliance.

The Canal Corporation Director is responsible for working closely with Canal Corporation public engagement staff, external stakeholders, and operations and maintenance staff to drive the revitalization of the Canals.

Project Delivery consists of four groups including: Central Engineering, Utility Project & Construction Management, Customer Project Delivery, and Canals Infrastructure Project Delivery. These teams are responsible for project and program delivery, including engineering, project and construction management. In support of advancing VISION2030 and Customer decarbonization goals to meet CLCPA, this team is responsible for implementation of an annual capital portfolio in excess of \$1B consisting of generation, transmission, canal infrastructure, energy efficiency, decarbonization, renewables, transportation electrification, and clean energy projects and programs supporting NYPA, NYS Canal Corporation, and Customer assets.

Additional support services within Operations includes mail, reprographics and travel services.



## **NEW YORK POWER AUTHORITY SUBSIDIARIES**

In accordance with legislation enacted on April 4, 2016, the Canal Corporation, formerly a subsidiary of the New York Thruway Authority, became a subsidiary of NYPA, effective January 1, 2017. The Canal Corporation exists primarily to operate, improve, maintain, repair and promote the NYS Canal System. The Canal Corporation employs approximately 470 people at the various facilities offices spanning 524-miles of waterways.

Legislation enacted in May of 2022 (Chapter 193 of the Laws of 2022) amended the State Insurance Law to provide the Authority with the legal authority to form a pure captive insurance company enabling the Authority to effectively provide coverage for risks that are not currently insured, not insurable on the traditional commercial markets, or prohibitively expensive to insure through the commercial markets and to provide the Authority with related tax exemptions. The Authority's Board of Trustees thus approved the formation of a subsidiary corporation called the NYPA Captive Insurance Company (the "Captive"), and the requisite license to operate the Captive was issued by the New York State Department of Financial Services on July 25, 2023. It is anticipated that the existence of this captive insurance company will result in cost savings to the Authority by reducing the need for commercial insurance and creating an efficient and effective claims handling process which will further enable the Authority to manage its overall risk more effectively and economically.

In May 2023, the State Legislature adopted Part QQ of Chapter 56 of the Laws of 2023 (the "Enhanced Authority") which amended the Power Authority Act (Title 1, Article 5 of the PAL) giving the Authority additional powers to, among other things, plan, design, develop, finance, construct, own, operate, maintain and improve, either alone, or jointly with other entities through the use of public-private agreements, renewable energy generating projects in New York State (the "State"). The purpose of the Enhanced Authority is to: (i) support the State's renewable energy goals established by the Climate Leadership and Community Protection Act ("CLCPA"); (ii) provide or maintain an adequate and reliable supply of electric power and energy in the State, including but not limited to, high need areas and communities served by small natural gas power plants; and (iii) support the Renewable Energy Access and Community Help ("REACH") program to provide bill credits to low- and moderate-income ratepayers in disadvantaged communities.

PAL §1005(27-a)(f) gives the Authority the right to exercise and perform all or part of its powers and functions under the Enhanced Authority through one or more wholly-owned subsidiaries, which subsidiaries the Authority may form either under the Business Corporation Law ("BCL") or the New York Not-For-Profit Corporation Law, and to enter into public-private partnerships if such collaborations are in the best interest of the State and necessary to mitigate financial risks to the Authority.

Pursuant to the Enhanced Authority, the Authority incorporated New York Renewable Energy Development Holdings Corporation ("NYREDHC") on November 21, 2025. NYREDHC was formed under the BCL, and is a wholly-owned subsidiary of the Authority. Its purposes, as more specifically set forth in the Certificate of Incorporation, will be to carry out certain of the Authority's powers and functions under the Expanded Authority.