



**MINUTES OF THE JOINT MEETING
OF THE
POWER AUTHORITY OF THE STATE OF NEW YORK AND
NEW YORK STATE CANAL CORPORATION**

January 25, 2022

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Minutes of the Joint Meeting of the New York Power Authority's Trustees and Canal Corporation's Board of Directors held via video conference at approximately 10:00 a.m.

Members of the Board present were:

John R. Koelmel, Chairman
Eugene L. Nicandri, Vice Chairman
Tracy McKibben
Michael A.L. Balboni
Dennis T. Trainor
Bethaida Gonzalez
Anthony J. Picente, Jr. – excused

| | |
|-----------------------|--|
| Justin Driscoll | Interim President and Chief Executive Officer |
| Philip Toia | President – NYPA Development |
| Lori Alesio | Interim Executive Vice President and General Counsel |
| Adam Barsky | Executive Vice President and Chief Financial Officer |
| Joseph Kessler | Executive Vice President and Chief Operating Officer |
| Kristine Pizzo | Executive Vice President and Chief Human Resource & Administrative Officer |
| Sarah Salati | Executive Vice President and Chief Commercial Officer |
| David Mellen | Regional Manager – Canals |
| Daniella Piper | Regional Manager and CTO |
| Yves Noel | Senior Vice President and Chief Strategy Officer |
| Robert Piascik | Senior Vice President – Chief Information & Technology Officer |
| Keith Hayes | Senior Vice President – Clean Energy Solutions |
| Paul Tartaglia | Senior Vice President – EHS & Crisis Management |
| Karen Delince | Vice President and Corporate Secretary |
| Joseph Gryzlo | Vice President and Chief Ethics & Compliance Officer |
| Adrienne Lotto Walker | Vice President and Chief Risk & Resilience Officer |
| Emilie Bolduc | Vice President – New York Energy Manager |
| John Canale | Vice President – Strategic Supply Management |
| Ricardo DaSilva | Vice President – Strategic Operations |
| Fabio Mantovani | Vice President – Head of e-Mobility |
| Eric Meyers | Vice President – Chief Information Security Officer |
| Anne Reasoner | Vice President – Budgets & Business Controls |
| Lisa Wansley | Vice President – Environmental Justice |
| James Levine | Assistant General Counsel – Finance & Bonds |
| Victor Costanza | Senior Director – Cyber Security & Deputy CISO |
| Earl Faunlagui | Senior Director – Market & Commodities Risk |
| Lawrence Mallory | Senior Director – Security & Crisis Manager |
| Joseph Rende | Senior Director – Key Account Management |
| Dave Work | Senior Director – Contract & Program Operations |
| Bryan Chan | Director – Market Analysis & Hedging |
| Christopher Fry | Director – Business Development |
| Laura Yu | Director – Enterprise Change Management & Engagement |
| Thakur Sundeep | Controller |
| Christina Iwaniew | R&TD Engineer II – NY Energy Manager |
| Carley Hume | Chief of Staff – President's Office |
| Mary Cahill | Manager – Executive Office |
| Christopher Vitale | Financial Performance & Reporting Manager |
| Lorna Johnson | Senior Associate Corporate Secretary |
| Sheila Quatrocci | Associate Corporate Secretary |
| Kelli Higgs | Assistant Corporate Secretary |
| Michele Stockwell | Project Coordinator – Executive Office |

Chairman Koelmel presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Koelmel welcomed the Trustees/Directors and NYPA and Canal staff members who were present at the meeting. He said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to the Authority's Bylaws, Article III, Section 3.

1. Adoption of the January 25, 2022 Proposed Meeting Agenda

On motion made by Trustee Balboni and seconded by Trustee McKibben, the members adopted the meeting Agenda.

Conflicts of Interest

Chairman Koelmel and members, Nicandri, Picente, McKibben, Trainor and Gonzalez declared no conflicts of interest based on the list of entities previously provided for their review. Trustee Balboni declared a conflict of interest as it relates to Deloitte & Touche, item #2e v.

2. DISCUSSION AGENDA

a. Strategic Initiatives

i. Interim President and Chief Executive Officer's Report

Interim President and Chief Executive Officer, Justin Driscoll provided an update on NYPA's performance to date. He said that the Authority is well-positioned to execute on its mission and also advance Governor Hochul's energy policies, and, more broadly, the clean energy transition in New York State. He continued that he has been working very closely with the NYPA Executive Management team and his colleagues in the Governor's office to achieve the Authority's VISION2030 Strategy and is confident that the Authority will be in a position to drive its vision forward and execute on its strategy.

December 2021 – VISION2030 Scorecard

As of December 2021, the Authority is meeting or exceeding the measurements it set for VISION2030.

2021 Successes

Strategic Priorities:

- **All five Strategic Priorities delivered on their goals.**

The Authority launched the VISION2030 Strategy and laid out an ambitious vision and mission, along with specific goals and targets to allow it to measure its progress in five Strategic Priorities and, cross-functionally, put the Authority on track to achieve those ambitious goals. To that end, the Authority supported current and future clean energy resources; transmitting clean energy resources from where they are produced and where they are used; assisted its customers to navigate the changes in the energy industry and reinvested the canal communities with new economic and recreational opportunities.

Foundational Pillars:

- **Each of the Foundational Pillars achieved key objectives.**

The Foundational Pillars reflect the Authority's efforts to, among other things, make enhancements to existing digital enabling productivity as well as cyber security; lead by example with its ESG and DEI Plans; and prepare for the future through its Risk and Resilience programs and career path framework within the Resource Alignment initiative.

Projects specific to NYPA's successes in 2021 include:

- Installation of rooftop solar arrays on 47 public school and multiple wastewater treatment facilities Projects. These projects will be in all five boroughs in New York City as well as Ulster, Delaware, and Westchester County with up to 22 megawatts of solar power. Several of these facilities are expected to include energy storage systems that will store energy for use during periods of peak electricity demand.
- Completion of lighting upgrades at Niagara Falls Housing Authority with approximately 1,000 new energy efficient fixtures at four Niagara Falls Housing Authority facilities through NYPA's Environmental Justice Program.
- Opening of the Utica Energy Zone, a 1500 square-foot facility, which provides an immersive, interactive, state-of-the-art museum experience focused on the past, present, and future of energy in New York State.
- Awards of ten Student Scholarships to College-bound New Yorkers to help increase diversity in the Electric Utility sector. This was the first year of NYPA's five-year "Future Energy Leaders Scholarship program. NYPA is also a Business Partner in the Pathways and Technology Early College High School ("PTECH") program, that will offer paid internships this summer to 15 students interested in science, technology, engineering, and math.
- Achieving the first major milestone in the Next Generation Niagara Upgrade Project, a \$1.1 billion, 15-year modernization and digitization program to significantly extend the operating life of the Niagara Power Project. This initiative is critical to achieving New York State's aggressive clean energy goal to transition to 100% carbon-free electricity by 2040.
- Celebration of the lighting of the Fairport Bridge on the Canal system. This newly installed lighting through the state's Reimagine the Canals initiative, is the first of several planned lighting projects to illuminate historic pieces of the New York Canalway infrastructure.

New LED lighting illuminated the Fairport lift bridge in Monroe County, as well as two Oneida Lake lighthouses, one in Brewerton in Oswego County and the other at Verona Beach in Oneida County.

- Transmission Development:
 - The Smart Path Project where the Authority has started the fourth of six phases of construction on rebuilding the existing Moses-Adirondack lines which is expected to be in service in 2023.
 - The Smart Path Connect Project is NYPA's first priority transmission project under its Accelerated Renewable Energy Growth and Community Benefit Act that was granted by the Legislature. This is a joint project with National Grid and is expected to be in service at the end of 2025.

- The Clean Path NY Project was selected by NYSERDA as a winner of the Tier 4 solicitation. This is a partnership between EnergyRe, Invenergy and NYPA. This project will be a 175-mile underground line along NYPA's Marcy-South right-of-way. NYSERDA recently submitted the contracts for the PSC's review and the public comment period in currently underway.
- Propel NY Energy is the SENY Public Policy Transmission Need Project. NYPA has submitted seven proposals with its partner NY Transco which is currently in the NYISO viability and assessment process. A final determination is expected in Q3 or Q4 of this year.

- Financial Management

NYPA exceeded its Financial Plan target of \$40 million Net Income for the year 2021 and met or surpassed all financial metrics necessary to maintain its AA credit rating.

2021 Accomplishments:

- Merger of the Canal Corporation's OPED liability into NYPA's OPED Trust and converted NYPA Medicare Eligible employees into Medicare Advantage Insurance resulting in savings and an improved balance sheet.
- NYPA established a new, Green Transmission Revenue Bond, which will be a separate credit from NYPA, that will increase overall borrowing capacity and enable the Authority to fund priority projects.
- NYPA issued its first Sustainability Plan and Sustainability Report.

- Capital Portfolio

Capital spending for the year 2021 was \$916 million of the \$1.1 billion budgeted or 84%. This is a 35% increase over 2020 spend.

The capital budget for year 2022 is the most ambitious in NYPA's history at \$1.87M growth, an increase of \$90 million or 8% over the 2021 plan.

The largest projects scheduled for 2022 Projects include Smart Path Connect (\$158 million); Smart Path (\$122 million); and the Central East Energy Connect (\$92 million) which are aligned with Governor Hochul's energy policies and initiatives.

2022 State of the State – New Era for New York

At the State of the State address by Governor Hochul, NYPA was mentioned seven times, including as it relates to the following:

- NYPA will work with NYSERDA and ESD to compete for available federal funding to make New York State a Green Hydrogen Hub. This will build on NYPA's Brentwood Green Energy Demonstration Project out of the Brentwood Peaker Plant as well as the hydropower award that NYPA made to Plug Power for a facility in Upstate New York to produce Green Hydrogen.
- Harden infrastructure to improve reliability for emergency services throughout the state.

NYPA will undertake the following work at the Police and Fire Departments in 2022, pursuant to the Governor's State of the State address:

- Commence resiliency installations, including solar storage, back-up generators and energy efficiency measures, at a minimum of 3 sites.
- Complete LED lighting retrofits in 100 precincts. NYPA will identify 5 model first responder facilities and conduct resiliency studies to determine best practices and technical requirements to be used as a blueprint for other facilities across the state.
- Beyond 2022, NYPA will focus on police precincts and 450 fire stations in New York State providing solar, storage and energy efficiency improvements.

2022 Goals – Building on NYPA’s Momentum in VISION2030’s Second Year:

Preserve Hydropower – NYPA will publish a public report on the future of hydropower based on the NYISO planning study.

Decarbonize NG Plants – NYPA will develop and publish a long-term SENY decarbonization plan.

Lead Transmission – NYPA will construct and test major projects and develop new proposals for identified NYS transmission needs.

Serve Customers and State – NYPA will expand customer segments served and begin voluntary REC sales.

Reimagine the Canals – NYPA will launch the “On the Canals” program.

Research and Development

In the area of Research and Development, NYPA’s Cadenza battery project will become operational in 2022. This is a 50-kW/20kWh battery storage system is on-site at the White Plains Office to reduce peak demand. The battery has a unique fire-suppression technology. The project is now installed and will go operational in Q1 2022 for a one-year demonstration.

Another Research and Development project is the 2022 substation robot application. The objective of this project is to inspect unmanned substation assets, such as transformers and breakers online to prevent unscheduled outages and unexpected failures. Testing on this project will resume in May 2022.

Risk and Resilience

In the Climate Adaptation Study, NYPA is applying downscaled climate impact modeling and infrastructure risk and resilience analysis to NYPA’s current infrastructure. The deliverables will inform the Authority’s adaptation and risk mitigation strategies as well as its capital expenditure planning. The study will be finalized in Q3 2022.

Financial Management

Credit

NYPA plans to execute a Green Transmission Revenue Bond by the end of Q1, execute assignment of its Energy Efficiency Loan Portfolio, and set-up a Revolving Loan Program.

Financial Reporting

NYPA plans to complete preparation for Integrated Reporting by year-end and go live in 2023.

Risk & Resilience

NYPA plans to raise its Risk Maturity Level to a score of “3”; strengthen its internal controls and, with legislative and regulatory approval, launch Captive Insurance Company by year-end.

Executive Budget

Governor Hochul recently announced the Executive Budget. Legislation has been proposed by the Governor that will enable NYPA to better deliver services to its customers and also protect the Authority. In that regard, the Captive Insurance Bill will again be included in this year’s budget which will allow NYPA the same ability as the MTA to access new insurance programs through insurance products and participate in federal insurance programs through the Captive Insurance Company, which would be a corporate subsidiary of NYPA.

Part DDD of the Governor’s Executive Budget, an amendment to NYPA’s 1517 Energy Efficiency authority, will allow the Authority to serve any general hospital in New York State, thus expanding the customer base for its energy services program.

Part FFF of the Governor’s Executive Budget, in connection with the Authority’s \$10 million pilot, will authorize NYPA to utilize unused broadband capacities to support the Governor’s broadband initiative around the state.

Part ZZZ in 2022, the Authority will authorize \$20 million in energy related projects to the State Treasury Fund.

In closing, Interim President Driscoll said that the Authority continues to be a leader and is in complete alignment with Governor Hochul’s goals for the state. The Authority is in a solid financial state with a talented and engaged workforce.

b. Chief Operations Officer’s Report

Mr. Joseph Kessler, Executive Vice President and Chief Operations Officer, provided an update on the Authority’s operations to the Board.

Environment, Health & Safety (EH&S)

DART Rate

DART (Days Away, Restricted or Transferred) is the Authority’s safety metrics.

- The year-to-date DART Rate is 0.59. The target is 0.78.

For 2021, the DART rate was on target; there were no significant injuries to the workforce.

Collaboration on Health & Safety Programs Enterprise-wide

Electrical Safety Program

The safety of the Authority’s employees and contractors is important. The Authority has a significant number of contractors for projects associated with its significant capital budget and holds these contractors to the highest expectations of safety in the performance of the work to be accomplished.

Operations developed the Electrical Safety Program and worked on sharing best practices and new requirements in terms of electrical safety with employees and contractors.

COVID-19 ICS Response

NYPA's Covid Incident Command Structure ("ICS") and response has been very effective. The incident command structure team uses innovative ideas and technology to protect employees' health; providing vaccines on site for COVID-19 as well as the flu to make sure that the employees are safe. The team is now working on ramping back on some of the restrictions, taking the effects of the Omicron variant into consideration. The members will be provided further report on the Authority's efforts on collaborating staff's return to the office.

Procurement of EH&S Technical Software

NYPA plans to procure a EH&S technical software to aid, in real time, the management of EH&S work. As it relates to VISION2030, the software will aid in meeting the group's Digitization, Resource Alignment, Resilience, and Environmental, Social & Governance goals.

Enhancing Job Briefings

NYPA will continue to enhance its job briefings, an OSHA requirement to ensure that the Authority is conducting job safety analyses and briefings for all jobs, developing new policies and standardizing documentations across all sites.

Updating Hearing Conservation Policy

After a thorough review of the Occupational Health Program last year, staff identified an improvement opportunity associated with Hearing and Conservation. To that end, an Occupational Health Nurse Practitioner was onboarded to assist in developing Optimal Hearing Protection programs for all employees.

Drills, Exercises and Preparedness

In 2021, 59 drill exercises were conducted. This completed all of the regulatory required exercises. These include:

- Crescent Vischer Ferry FERC Emergency Action Plan Exercise
- The NYS Utility Mutual Assistance Exercise hosted by NYPA
- New York State Canal Corporation preemptive lifting of movable dams to prevent flooding

Going forward, the Authority will take into consideration all the lessons learned from the 59 and other exercises, evaluating and implementing improvement opportunities; conducting hazard vulnerability assessments and refresh its Regional Crisis Management plans to ensure that staff is informed on actions to be taken in those instances.

Major Projects

- 2021 was a record year for capital investments for the Authority the most significant being the Next Generation Niagara Project with the completion of the first controls of Robert Moses Unit 12. Other projects include the Smart Path Project which foundation work is ongoing and the Central East Energy Connect Project construction which is also ongoing; new towers and conductors are being installed to support a connection between the Authority's Princetown substation and New Scotland substation.
- The Battery Storage project is a 20-megawatt hours storage facility located adjacent to the Authority's Willis Substation.
- The Smart Path Connect Project's Article 7 application was determined complete in December 2021. Settlement negotiations are currently ongoing with the agencies and the team hopes to secure approval in Q3 2022, which will allow the Authority to meet the in-service date of Q4 2025.

- The Y49 Reconductoring project repairs and remedial work have been completed. Plans are now being made to replace the entire Nassau County segment, with completion scheduled for May 2023.

c. Chief Commercial Officer's Report

Ms. Sarah Salati, Executive Vice President and Chief Commercial Operations Officer, provided highlights of the report to the Board.

In 2021, Commercial Operations teams focused on three core revenue streams, namely, the transmission build; commercial contracting - bidding or contracting through economic development programs – hydro and generation; and the Behind the Meter and Customer facing projects with the evolution of VISION2030 and the shift to focus more on transmission with the NYPA Development units.

In 2022, Commercial Operations will focus on the commercial electricity supply P&L as well as Behind the Meter and the development of strategies for its implementation.

Electricity Supply through December 2021

2021 Merchant Gross Margin Projections

The 2021 Merchant Gross Margin is above the target of \$272.4M.

Economic Development

Economic Development programs continue to support the economic growth and vitality of New York State. It is also providing stable contracting and long-term contracts for the Authority's hydropower, supporting its VISION2030 goal of preserving and enhancing the value of hydropower. The Authority continues to contract and allocate power to support job creation and retention as well as capital investment in the State.

On the Merchant side, with the unallocated hydropower, working with the Risk and Finance departments, Commercial Operations has developed a hedging strategy to support ensuring that the Authority has less volatility in the EBIDA margin, which comes from the electricity supply; protecting the downside, but ensuring that they are taking into account the market constraints, hydro flow volumes and the ability to capture some upside relative to the wholesale market.

Economic Development Allocations

In terms of new allocations, new jobs committed and extensions to existing customers, 77 megawatts were allocated in 2021 to new companies and organizations representing 73 new customers that are taking advantage of the Authority's economic development programs.

The Authority has created and supported the creation of more than 28,000 new jobs, predominantly in the hospital and medical areas, and \$2.2 billion of new capital commitments in 2021.

Customer Business Lines:

Clean Energy Solutions

Despite being fatigued from the COVID-19 Pandemic, Commercial Operations adapted to the headwinds and was able to meet its capital spend, and have a robust pipeline for next year, well above the target of \$223 million.

eMobility

NYPA is meeting a very strong market need supporting the EVolve network, building fast-charging ports across the state, as well as at its customer facing business, working and developing master plans with the major transit facilities and agencies across the state. NYPA is now the largest public facing DCFC charging network in New York State.

NY Energy Manager and DER Flexibility

Despite headwinds due to the inflationary pressures, the Authority continues its efforts towards meeting its 2025 targets in terms of installed capacity.

As it relates to New York Energy Manager, the Authority is focused on the flexibility of the grid, optimizing the energy usage of its customers.

The Authority met the target for this metric for the year 2021, supporting the opportunity for customers to reduce their energy usage, save on their energy bills, and, ultimately, reduce the amount of demands for supply side construction of renewables that is needed to reach its 2040 target.

2021 Highlights

Commercial Operations has been focused on integrating new capabilities to better structure electricity supply in an increasingly competitive and volatile market with the integration of renewables. To that end, the Authority closed a deal with two anchor customers for renewable or green products, Mohawk Fine Papers and New York Law School. Commercial Operations will report further on incremental closed transactions in 2022.

In terms of energy efficiency, Commercial Operations will continue to work with Finance to ensure that it has the financing mechanisms to support this essential work with its customers, particularly state agencies.

Commercial Operations will also continue to leverage new technology, supporting the Digitization Pillar to provide the products and services for the customers, e.g., Virtual Power Plant and integrated offerings. They will also continue to deliver on its products and services effectively and efficiently, leveraging new technology with digital remote solutions.

As it relates to NYPA Ventures, Commercial Operations will continue to support the incubation and agile scaling of the sustaining organizations.

Commercial Operations will identify opportunities for standardization processes, as well as significant process improvements for project delivery in 2022, both within the Operations department and across the organization.

Customer Satisfaction

In terms of Customer Satisfaction, NYPA is at the top quartile amongst the Electric Utility Business Index. This result was due mainly to the EDCAP of 1.0 and 2.0, which provided bill deferment as well as incremental allocations to help organizations come out of the COVID-19 pandemic. Secondly, increased efficiency in contract turn-around time as well as the communication during construction; and third, in products and services, the new marketing website and the proactive communications related to the new products and services.

2022 - Looking Forward

NYPA is a leader in executing the state's policy across the board, including the energy sector, working closely with its customer base as well as ensuring that it is impactful in its relationships with other state agencies such as NYSERDA.

Secondly, Commercial Operations will be implementing strategies for the commercial electricity supply and behind the meter, supporting the VISION2030 Strategy.

Thirdly, in terms of getting closer to its customers, Commercial Operations plans to host a Customer Clean Energy exchange event to further enhance its relationships with its public and private sector customers and maintain the role of trusted energy advisor for the organizations it works with.

Finally, Commercial Operations will continue with its efforts to be an industry leader and deliver on its commitments in support of the VISION2030 Strategy.

d. Chief Financial Officer's Report

Mr. Adam Barsky, Executive Vice President and Chief Financial Officer, provided highlights of the report to the Board. He said that the results being reported are unaudited, the Authority is currently going through the audit process and KPMG, the Authority's auditors, will provide the official report to the Board at its meeting in March.

Year-End Actuals – (January – December 2021)

Net Income is \$72.6 million against the target of \$40 million. The major drivers for this result include an improvement against the EBIDA targets; the hedging strategy which minimized the downside risks; the transmission margins which exceeded the projections, driven by the New Annual Transmission Revenue Requirement that was filed on July 1st, as well as FACTS revenues that was received related to congestion revenue pricing.

Margins - Generation – revenues are ahead the Budget Plan projections

Margins - Transmission – revenues are ahead of the Budget Plan projections

Margins - Non-Utility – revenues are slightly below the Budget Plan. This was due mainly to the delays related to some energy efficiency projects.

Operating Expense

O&M is ahead of the budget of \$46 million. The main drivers for this result are related to the OPED merger of Canals into the NYPA Trust as well as the implementation of the Medicare Advantage Plan for NYPA employees who have reached the age of 65 and Medicare eligible.

Mr. Barsky ended that, overall, 2021 was a successful year for the Authority, especially given the challenges from the COVID-19 pandemic which resulted in a Net Loss. The Authority is back on track for its long-term trajectory, increasing funds available for debt service so that it can continue to fund its major capital investments, going forward.

2022 Budget Plan

- The Authority is well positioned in a number of areas to meet the 2022 Budget Plan.
- Finance is looking into the impacts of the supply and inflation pressures and doing a deep dive analysis on all of the Authority's contracts, reviewing the adequacy of contingencies and cost estimates to ensure that they are accounting for increased pricing.

- Finance is in the process of planning an extensive marketing outreach as it relates to the Green Transmission Revenue Bond issue approved by the Board, the goal of which is to inform the investment community of its major transmission investments and what is required of them.
- Finance will be working with the State Division of Budget through budget negotiations for approval of NYPA'S ability to file with the Department of Financial Services Capital Insurance Company. This will enable NYPA to manage significant risks that are currently uninsurable.

e. Finance and Risk Committee Report

Chair Tracy McKibben provided the following report:

“The Finance and Risk Committee met on January 12, 2022, adopted the minutes of the December 7, 2021 meeting, received one (1) staff report and considered and recommended the following six (6) resolutions which are now before the Trustees/Directors for adoption.

Finance and Risk Committee Recommendations for Approval:

i. Additional Proposed Issuance of Bonds and Release of Funds in Support of Separately Financed Projects

1. Proposed Issuance of Transmission Project Revenue Bonds

RESOLVED, that the Trustees hereby confirm that (i) the Committee met on January 12, 2022, and resolved to recommend the actions below, (ii) at the time of such resolution, the Committee was composed of all Trustees and (iii) each Trustee has received and reviewed the information, documents and other materials presented at such Committee meeting; and be it further

RESOLVED, that the Trustees hereby approve and adopt the resolution authorizing the Proposed Issuance of One or More Series of Transmission Project Revenue Bonds and Related Actions and Approvals, and the resolutions referred to therein, with such amendments, supplements, changes, insertions and omissions thereto as may be approved by the Chairman or the Interim President and Chief Executive Officer, which amendments, supplements, insertions and omissions shall be deemed to be part of such resolution as approved and adopted hereby, to provide for the issuance of special obligations of the Authority for the purpose of financing transmission projects and related costs; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Executive Vice President and Chief Financial Officer, or Treasurer be, and each hereby are, authorized and directed by the Trustees, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolutions, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel.

2. Release of Additional Funds in Support of Separately Financed Projects

RESOLVED, That the Trustees authorize the release of an additional amount of up to \$65 million in funding to support Separately Financed Projects of the Authority, as discussed in the report to the Committee of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Trustees affirm the amounts presently set aside as reserves in the Operating Fund are adequate for the purposes specified in Section 503(2) of the Authority's General Bond Resolution, that the amount of up to \$65 million in funding as described in such report is not needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Bond Resolution, and that the release of such amount is feasible and advisable; and be it further

RESOLVED, That the Trustees affirm that as a condition to making the payments specified in such report, on the day of such payments, the Treasurer shall certify that such monies are not then needed for any of the purposes specified in Section 503(1)(a)-(c) of the Authority's General Bond Resolution; and be it further

RESOLVED, That the Trustees affirm that the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer, the Interim Executive Vice President and General Counsel, the Executive Vice President and Chief Financial Officer, the Corporate Secretary, the Treasurer and all other officers of the Authority be authorized and directed, for and in the name and on behalf of the Authority, to do any and all things and take any and all actions and execute and deliver any and all certificates, agreements and other documents that they, or any of them, may deem necessary or advisable to effectuate the foregoing resolution, subject to approval as to the form thereof by the Interim Executive Vice President and General Counsel. Without limiting the generality of the foregoing, any amount released from the General Bond Resolution may, at the direction of any such officer, be transferred to any account or fund established pursuant to a bond resolution authorizing the issuance of bonds for any Separately Financed Project.

ii. Smart Path Connect Project – Steel Pole Structures and Anchor Bolt Cages – Contract Award

RESOLVED, That the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a five-year equipment contract to Sabre Industries Inc. of Alvarado, Texas in the amount of \$91,518,671 for the Smart Path Connect Project - Steel Pole Structures and Anchor Bolt Cages, in accordance with, and as recommended, in the report to the Committee of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs for the Smart Path Connect Project; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

iii. Y49 Cable – Engineer, Procure and Construct Reconductoring – Contract Award

RESOLVED, That the Trustees approve, pursuant to the Guidelines for Procurement Contracts adopted by the Authority and the Authority's Expenditure Authorization Procedures, the award of a two-year construction contract to Elecnor Hawkeye, LLC in the amount of \$37,877,000 for the reconductoring of the Nassau Segment of the Y49 Transmission Line, in accordance with, and as recommended, in the report to the Committee of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Authority will use Capital Funds, which may include proceeds of debt issuances, to finance the costs for the Y49 Nassau Segment Reconductoring Project; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

iv. Beechcraft King Air B350 – Transfer of Ownership to the New York State Police

RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Authority's Guidelines for the Disposal of Personal Property, and the Power Authority Act, approve the transfer of ownership of the Authority's King Air B350 S/N FL539, Registration Number N350NY, aircraft to the New York State Police for use by the State Police in furtherance of its mission to serve, protect and defend the people of the State of New York and in accordance with the report of the Interim President and Chief Executive Office; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

v. Enterprise Risk and Resilience Consulting Services – Contract Awards

RESOLVED, That the Trustees approve the award of Enterprise Risk and Resilience Consulting Services, pursuant to RFP No. Q21-7234SS and as described in the report to the Committee of the Interim President and Chief Executive Officer, to Aon Risk Services Northeast, Inc. (New York, NY); Customer Care Network, Inc. (Marietta, GA); Deloitte & Touche LLP (New York, NY); Ernst & Young LLP (New York, NY); Guidehouse Inc. (New York, NY); Marsh USA, Inc. (New York, NY) and The Brattle Group, Inc. (Boston, MA), in an aggregate amount of \$10 million for a term of 5 years; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

On motion made by Chairman Koelmel and seconded by Vice Chair Nicandri, the foregoing resolutions, as recommended by the Interim President and Chief Executive officer, were unanimously adopted.

1. Approval of the NYPA and Canals Risk Appetite Statement

Ms. Adrienne Lotto, Vice President and Chief Risk & Resilience Officer provided highlights of staff's recommendation to the members. She said that the purpose of the Risk Appetite Statement is to provide the New York Power Authority (NYPA) and Canal Corporation (Canals) staffs with broad-based guidance on the amount and type of risk that the Authority and Canal Corporation are willing to accept, mitigate, transfer, or avoid based on an evaluation of opportunities and threats at a corporate level, and in key risk categories to achieve the NYPA and Canals mission and objectives.

On motion made by Trustee Gonzalez and seconded by Trustee Trainor the following resolution, as recommended by the Interim President and Chief Executive officer, was unanimously adopted.

RESOLVED, That the Trustees and the Board of Directors hereby approve the NYPA and Canals Risk Appetite Statement; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and the Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canals to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

2. Historical Lookback on Hedging Strategy

Mr. Bryan Chan, Director of Market Analysis and Hedging, provided an historical lookback on the Authority's Hedging Strategy to the members. He said the guiding principle for the hedging program is to give more stability and certainty to the NYPA revenue stream.

Hedging Dampens Price Volatility

The goal of the hedging strategy follows the concepts of the dollar-cost averaging strategy.

Without the ability to time the market, it is important to stay the course once a strategy has been adopted to stabilize revenue and minimize downside risks.

Prior Year Lookback on Hedging Cost

In 2019 and 2020, the hedges, while at very low percentages, protected NYPA from lower revenue streams.

In 2021, the market turned around and gas prices rebounded on the upside; approximately \$30 million. If the rebound continues during 2022, there will be additional opportunity costs. However, if the market turns, the hedges will give the Authority the protection it is looking for; therefore, the hedging program is performing as intended. The Authority is mitigating the price exposure in some years at the expense of opportunity in other years.

Year 2021 could be considered the first full stable year of the new Hedging Strategy of a multi-year strategy, achieving the targets going into 2022. Also, in December 2021, the Executive Risk & Resilience Management Committee (ERRMC) approved the 2022 Plan.

While the overarching goal of the revenue stability has been confirmed with the strategy, the plan is to continue reviewing the data provided, along with other market data, to look for areas of improvement to build upon the current hedging program and hedging strategy.

One of the key updates to the 2022 Plan is aligning target dates with the budget snapshot dates to provide additional stability going to budget setting.

The team will continue to work with the ERRMC and provide the members with any risk updates.

f. Cyber and Physical Security Committee Report

Chair Michael Balboni reported that the Cyber and Physical Security Committee met earlier, and staff reported on NYPA's cyber security posture and 2022 plans including an independent assessment of the Cyber Security program using the NIST Cyber Security Framework and how NYPA will be using the framework annually to assess and prioritize future program improvements. Staff also reported on the recently completed drills and reviews of NYPA's FERC and NERC regulated security programs.

Chair Balboni said that this is a time of unprecedented cyber security activity. As a comparison, in the first quarter of years 2020 and 2021, ransomware went up approximately 62%; the Authority is vigilant to make sure that it understands the threat landscape and its ever-evolving nature.

3. CONSENT AGENDA:

On motion made by Trustee Trainor and seconded by Trustee McKibben, the Consent Agenda and the following resolutions, as recommended by the Interim President and Chief Executive Officer, were unanimously adopted.

a. Commercial Operations

i. Awards of Fund Benefits from the Northern New York Economic Development Fund Recommended by the Northern New York Power Proceeds Allocation Board

WHEREAS, The Northern New York Power Proceeds Allocation Board ("Allocation Board") has recommended that the Authority make an award of Fund Benefits from the Northern New York Economic Development Fund ("Fund") to the eligible applicant in the amount indicated in the report of the Interim President and Chief Executive Officer;

NOW THEREFORE BE IT RESOLVED, That the Authority hereby accepts the recommendation of the Allocation Board and authorizes an award of Fund Benefits to the applicant in the amount indicated for the reasons set forth in the report and the exhibit and other information referred to therein, conditioned upon an agreement between the Authority and the applicant on the final terms and conditions that would be applicable to the award and set forth in a written award contract ("Award Contract") between the Authority and the applicant, approved by the Interim President and Chief Executive Officer, or his designee, and approved by the Interim Executive Vice President and General Counsel or her designee, as to form; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official's designee, is authorized to negotiate with the applicant concerning such final terms and conditions that will be applicable to the award; and be it further

RESOLVED, That the Executive Vice President and Chief Commercial Officer, or such official's designee, is authorized to execute on behalf of the Authority an Award Contract for the award subject to the foregoing conditions; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

ii. Expansion Power Allocations

RESOLVED, That an allocation of 2,930 kilowatts of Expansion Power ("EP") be awarded to LW1 Operator, LLC for a term of 10 years as detailed in the report of the Interim President and Chief Executive Officer, be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That an allocation of 400 kilowatts of EP be awarded to Niagara Refining LLC for a term of 10 years as detailed in the report of the Interim President and Chief Executive Officer, be and hereby is approved, subject to rates previously approved by the Trustees; and be it further

RESOLVED, That the Trustees hereby authorize a public hearing pursuant to Public Authorities Law ("PAL") §1009 on the terms of the proposed form of the direct sale contract with LW1 Operator, LLC for the sale of the EP allocation; and be it further

RESOLVED, That the Corporate Secretary be, and hereby is, authorized to transmit a copy of the proposed Contract to the Governor, the Speaker of the Assembly, the Minority Leader of the Assembly, the Chairman of the Assembly Ways and Means Committee, the Temporary President of the Senate, the Minority Leader of the Senate and the Chairman of the Senate Finance Committee pursuant to PAL §1009; and be it further

RESOLVED, That the Chairman, the Vice Chair, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

b. Procurement (Services) Contracts

i. Procurement (Services) and Other Contracts – Business Units and Facilities – Awards, Extensions, and/or Additional Funding

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the award and funding of the multiyear procurement services contracts are hereby approved for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That pursuant to the Guidelines for Procurement Contracts adopted by the Authority and Canal Corporation, the contracts are hereby approved and extended for the period of time indicated, in the amounts and for the purposes listed therein, as recommended in the foregoing report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority and Canal Corporation are, and each of them hereby is, authorized on behalf of the Authority and Canal Corporation to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

c. Real Estate

i. Smart Path Connect Project – Acquisition of 1.536 Acres of Real Property, Town of Massena, County of St. Lawrence

RESOLVED, That the Interim President and Chief Executive Officer and the Vice President - Enterprise Shared Services be, and hereby are, authorized to acquire, by purchase or eminent domain, a fee interest in approximately 1.536 acres of real property, presently owned by Bonnie-Jean E. LaPradd, located in the Town of Massena, St. Lawrence County, on substantially the terms set forth, subject to approval of documents by the Interim Executive Vice President and General Counsel or her designee; and be it further

RESOLVED, That the Vice President – Enterprise Shared Services, or designee, is hereby authorized to execute any and all other agreements, papers, or instruments on behalf of the Authority that may be deemed necessary or desirable to carry out the foregoing, subject to the approval by the Interim Executive Vice President and General Counsel; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things and take any and all actions and execute and deliver any and all agreements, certificates, and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

d. Ratemaking

i. Adjustment to Westchester County Governmental Customer Cost of Service and Rates – Notice of Adoption

RESOLVED, That the Senior Director - Key Account Management, or his designee, be, and hereby is, authorized to issue written notice to the affected Customers of this final action by the Trustees for a 20.6% adjustment of the Cost of Service and associated rates applicable to the Westchester County Governmental Customers as set forth in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Corporate Secretary of the Authority be, and hereby is, directed to file such notices as may be required with the Secretary of State for publication in the *New York State Register* and to submit such other notice as may be required by statute or regulation concerning the Cost of Service and rates adjustment; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and

deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

e. Canal Corporation

i. Canal Corporation Weed Harvester – Transfer of Ownership for Less than Fair Market Value to the Town of Dresden, New York

RESOLVED, That pursuant to Title 5-A of Article 9 of the Public Authorities Law, the Canal Corporation's Guidelines for the Disposal of Personal Property and the Power Authority Act, the Board of Directors hereby approve the transfer of ownership of the weed harvester and transport trailer to the Town of Dresden, New York, as recommended in the report of the Interim President and Chief Executive Officer; and be it further

RESOLVED, That the Chairman, the Vice Chairman, the Interim President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority are, and each of them hereby is, authorized on behalf of the Authority to do any and all things, take any and all actions and execute and deliver any and all agreements, certificates and other documents to effectuate the foregoing resolution, subject to the approval of the form thereof by the Interim Executive Vice President and General Counsel.

f. Governance Matters

i. Proposed 2022 Schedule of Meetings

RESOLVED, That the 2022 meeting schedule, as set forth in the report of the Vice President and Corporate Secretary, be, and hereby is, approved.

ii. Approval of the Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on December 7, 2021

On motion made and seconded the Minutes of the Joint Meeting of the New York Power Authority's Board of Trustees and Canal Corporation's Board of Directors held on December 7, 2021 were unanimously adopted.

4. Motion to Conduct an Executive Session

"Mr. Chairman, I move that the NYPA and Canal Boards conduct an executive session to discuss the financial and credit history of a particular corporation, pursuant to §105 of the Public Officers Law."

On motion made by Trustee McKibben and seconded by Trustee Gonzalez, the members held an Executive Session.

5. **Motion to Resume Meeting in Open Session**

“Mr. Chairman, I move to resume the meeting in Open Session.” On motion made by Trustee Trainor and seconded by Trustee McKibben, the meeting resumed in Open Session.

Chairman Koelmel said that no votes were taken during the Executive Session.

6. **Next Meeting**

The Annual meeting of the New York Power Authority’s Board of Trustees and the Canal Corporation’s Board of Directors will be held on March 29, 2022 unless otherwise designated by the Chairman with the concurrence of the Trustees.

Closing

On motion made by Trustee Trainor and seconded by Trustee McKibben, the meeting was adjourned at approximately 12:15 p.m.

Karen Delince

Karen Delince
Corporate Secretary