



**MINUTES OF THE JOINT SPECIAL MEETING
OF THE FINANCE and RISK COMMITTEE
October 6, 2021**

Table of Contents

<u>Subject</u>	<u>Page No.</u>	<u>Exhibit</u>
1. Adoption of the October 6, 2021 Proposed Special Meeting Agenda	3	
2. Motion to Conduct an Executive Session	4	
3. Motion to Resume Meeting in Open Session	5	
4. DISCUSSION AGENDA:	6	
a. New York State Energy Research and Development Authority Tier 4 Request for Proposals – Clean Path New York Update	6	4a-A
5. CONSENT AGENDA:	8	
a. Financial Operations	8	
i. Approval of Budget Report for Submission Pursuant to Section 2801 of the Public Authorities Law and Agency Procedures	8	5a i-A
6. Next Meeting	11	
7. Motion to Conduct an Executive Session	12	

Minutes of the special joint meeting of the New York Power Authority and Canal Corporation's Finance and Risk Committee held via videoconference at approximately 8:00 a.m.

Members of the Finance Committee present were:

Tracy B. McKibben - Chair
John R. Koelmel
Eugene Nicandri
Anthony Picente, Jr.
Michael Balboni
Dennis Trainor
Bethaida González

Also in attendance were:

Gil Quiniones	President and Chief Executive Officer
Justin Driscoll	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 Resources & Administrative Officer
Sarah Salati	Executive Vice President and Chief Commercial Officer
Phil Toia	President – NYPA Development
Daniella Piper	Regional Manager and CTO
Saul Rojas	Regional Manager – Site Administration - SENY
Lee Garza	Senior Vice President – Financial Operations
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology Officer
Scott Tetenman	Senior Vice President – Finance
Karen Delince	Vice President and Corporate Secretary
Adrienne Lotto Walker	Vice President and Chief Risk & Resilience Officer
Girish Behal	Vice President – Project & Business Development
John Canale	Vice President – Strategic Supply Management
Anne Reasoner	Vice President – Budgets and Business Controls
Javier Bucobo	Assistant General Counsel – Power Transmission & Regulatory
Peter Casper	Principal Attorney I – Commercial Operation & Legal Affairs
Glenn Haake	Special Counsel I – Power Transmission & Regulatory
Susan Craig	Director – Media Relations
Michael Midden	Director – Corporate Finance
Carley Hume	Deputy Chief of Staff
Christopher Vitale	Finance Performance & Reporting Manager
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Associate Corporate Secretary
Andrea Kelli Higgs	Associate Corporate Secretary
Michele Stockwell	Project Coordinator – Executive Office

Chairperson Tracy McKibben presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairperson Tracy McKibben welcomed committee members and the Authority's senior staff to the meeting. She said that the meeting had been duly noticed as required by the Open Meetings Law and called the meeting to order pursuant to Section B(4) of the Finance Committee Charter.

1. **Adoption of the October 6, 2021 Proposed Special Meeting Agenda**

On motion made by member Dennis Trainor and seconded by member Eugene Nicandri, the agenda for the meeting was unanimously adopted.

Conflicts of Interest

Chairperson McKibben and members Koelmel, Nicandri, Picente, Balboni, Trainor and Gonzalez declared no conflicts of interest based on the list of entities previously provided for their review.

2. **Motion to Conduct and Executive Session**

“Mr. Chairman, I move that the Committee conduct an executive session to discuss the financial and credit history of a particular corporation pursuant to Section 105 of the Public Officers Law.” On motion made by member Dennis Trainor and seconded by member Eugene Nicandri, the members conducted an executive session.

3. **Motion to Resume Motion in Open Session**

“I move that the meeting resume in open session.” On motion made by member Eugene Nicandri, seconded by member Bethaida González, the meeting resumed in open session.

Chairperson McKibben said no votes were taken during the executive session.

4. **DISCUSSION AGENDA:**

a. **New York State Energy Research and Development Authority
Tier 4 Request for Proposals – Clean Path New York Update**

Mr. Philip Toia, President of NYPA Development, provided an update on New York State Energy Research and Development Authority's ("NYSERDA") Tier 4 Request for Proposals - Clean Path New York (Exhibit "4a-A").

Clean Path NY: Project Overview

The Clean Path New York Project is in response to the NYSERDA Tier 4 solicitation for Request for Proposals. On May 12, 2021, NYPA submitted bids jointly with project participants Forward Power, which is a joint venture between EnergyRe and Invenergy. On September 20th, the start of Climate Week in New York, the Governor announced that the project would move forward. To that end, NYPA is working with Forward Power and discussions are continuing with NYSERDA toward the next step, approval by the New York State Public Service Commission to move the project forward.

The project will be a 175-mile, 1300 MW high-voltage DC transmission line, 105 miles of which will be on NYPA's existing right-of-way along the Marcy South corridor from Fraser Substation in the Catskills region to the Rock Tavern substation. From Rock Tavern the line will travel along state routes, public rights-of-way and some submarine cables along the Hudson and Harlem rivers, to Rainey Substation in New York City.

The purpose of the solicitation is to get renewables into the New York City area. The bulk of the generation Upstate New York ("Upstate") is renewables and the bulk of the load in New York State is in New York City therefore, the project will offset fossil generation in New York City.

Forward Power is also looking at interconnecting approximately 3800 megawatts of new, wind and solar capacity Upstate which will be transmitted over this proposed line into the New York City region. An additional part of the project is wind and solar which are intermittent; therefore, a portion of the Blenheim-Gilboa Pumped Storage Plant ("B-G") will be utilized to provide storage. The project will provide energy storage capability to optimize the use of solar and wind when there is excess generation that is not able to flow over the line, and use that energy stored at B-G at times when the wind and solar do not fill the lines. Therefore, there are additional benefits for NYPA and the project using its B-G Plant.

Project Benefits

Based on data from the Clean Path New York modeling:

- The estimates are that the project will be an \$11 billion investment in New York State of which approximately \$3.5 billion will be in the Transmission line investment; and approximately \$7.5 billion dollars in new, clean energy investment.
- The addition of the wind and solar farms, as well as the transmission line, will displace and reduce fossil fuel generation across the state, benefitting all of the people of New York State.
- Over the 25-year period of the NYSERDA contract, the estimates are that it will reduce carbon emissions by 39 million tons. It will also reduce criteria pollutants (NOx, SOx and Particulate Matter (PM2.5)).
- It is estimated that the project will create 8,300 jobs in New York State.
- Additional benefits of the project include billions of dollars in avoided social and public health costs due to the emissions reductions over 25 years.

NYPA and the Forward Power team are in discussions with NYSERDA; additional preliminary engineering work is ongoing to advance this project with anticipation of approval by the New York Public Service Commission to start the more detailed project work and execution with Forward Power.

President Quiniones added that one of the unique attributes of the line is that the location of the transmission line will finally resolve the congestion that occurs in the Albany-Utica area because, from the central part of the State going to the east, there has always been congestion in terms of moving power from Upstate to Downstate New York. There has been decades-long congestion along that corridor which has not been resolved. This line, when built, will significantly resolve the congestion in that area, and will enable cleaner, carbon-free power from Upstate down to New York City, a significant change in the way power flow will now be enabled from Upstate to Downstate New York.

5. **CONSENT AGENDA:**

On motion made by member Michael Balboni, seconded by member Eugene Nicandri, and by unanimous vote, the motion was unanimously adopted.

i. Approval of Budget Report for Submission Pursuant to Section 2801 of the Public Authorities Law and Agency Procedures

The President and Chief Executive Officer submitted the following report:

“SUMMARY

The Finance and Risk Committee is requested to recommend to the Trustees (a) the approval of the budget report attached as Exhibit '5a i-A' (the 'Budget Report'), and (b) the authorization and ratification of the Authority staff's submittal of the Budget Report to the State officials identified in Public Authorities Law ('PAL') §2801, and the filing of the Budget Report electronically with the State in accordance with New York State Authorities Budget Office ('ABO') and State Comptroller requirements.

BACKGROUND

PAL §2801 requires each state public authority to submit a budget report annually, not less than 90 days before the commencement of its fiscal year, in the form submitted to its members or trustees, with budget information on operations and capital construction setting forth the estimated receipts and expenditures for the next fiscal year and the current fiscal year, and the actual receipts and expenditures for the last completed fiscal year, to the Governor, the Chair and Ranking Minority Member of the Senate Finance Committee, the Chair and Ranking Minority Member of the Assembly Ways and Means Committee and the ABO (collectively, 'State Officials').

The ABO and State Comptroller also require state public authorities to file budget reports electronically with the State through the Public Authorities Reporting Information System ('PARIS') online reporting system. PARIS requires three additional years of forward-looking budget information for a total of six years of budget information.

DISCUSSION

The Finance and Risk Committee is requested to recommend to the Trustees the approval of the Budget Report prepared by staff. The Budget Report reflects information required by PAL §2801 and additional information required by the PARIS system. The Budget Report is inclusive of budget information relating to the Canal Corporation. The Finance and Risk Committee is further requested to recommend that the Trustees authorize and ratify the staff's submittal of the Budget Report to the State Officials identified in PAL §2801, and to file the Budget Report with the State electronically through PARIS.

The Budget Report is prepared solely for the purpose of meeting the requirements of PAL §2801 and Comptroller and ABO requirements. The Budget Report relies on data and projections that were developed during the months of July through September 2021. These data and projections include inputs such as forecasts of electric prices, fuel expenses, customer power and energy use, generation levels and revenues from Authority power projects, operations & maintenance, and capital expense. The Authority is not required to update the Budget Report at any point during the remainder of 2021 or in 2022 prior to submittal of the Budget Report for fiscal year 2022 for the normal annual process outlined in PAL §2801, however it is providing quarterly updates to the State based on a separate request for current year only figures.

Staff is in the process of preparing the Authority's annual budget as well as the Four-Year Budget and Financial Plan. The annual budget and the Four-Year Budget and Financial Plan will be presented to the Trustees for approval at a subsequent meeting. The Four-Year Budget and Financial Plan may include assumptions and figures that are different from those in the Budget Report.

FISCAL INFORMATION

The Budget Report's estimates for each of the years 2021-2022 are indicative forecasts. The Finance and Risk Committee is not being asked to approve any revenue or expenditure amounts for those years at this time.

RECOMMENDATION

The Chief Financial Officer recommends that the Finance and Risk Committee recommend to the Trustees: (1) the approval of the Budget Report; and (2) authorize and ratify staff's submittal of the Budget Report to State Officials, and the filing of the Budget Report with the State electronically through the Public Authorities Reporting Information System ('PARIS'), as discussed herein.

For the reasons stated, I recommend the approval of the above-requested action by adoption of the resolution below.

The following resolution, as submitted by the President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Finance and Risk Committee recommends that the Trustees, pursuant to Public Authorities Law §2801, approve the Budget Report attached as Exhibit '5a i-A' for the purposes stated in the foregoing report of the President and Chief Executive Officer; and be it further

RESOLVED, That the Finance and Risk Committee recommends to the Trustees that the Authority staff's submittal of the Budget Report to the State officials identified in Public Authorities Law §2801, and the filing of the Budget Report with the State electronically in accordance with New York State Authorities Budget Office and State Comptroller requirements be authorized and ratified; and be it further

RESOLVED, That the Finance and Risk Committee recommends that the Chairman, the Vice Chairman, the President and Chief Executive Officer, the Chief Operating Officer and all other officers of the Authority be authorized by the Trustees 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 Executive Vice President and General Counsel.

6. **Next Meeting**

Chairperson Tracy McKibben said that the next regular meeting of the Finance and Risk Committee is scheduled for November 16 , 2021 at a time to be determined.

Chairperson McKibben said that the members will conduct an executive session and adjourn the meeting at the end of the executive session.

7. **Motion to Conduct an Executive Session**

“I move that the Committee conduct an executive session, pursuant to Public Officers Law Section 105(f), to discuss the financial and employment history of a particular person and corporation. On motion made by member Michael Balboni and seconded by member Anthony Picente, the members conducted an executive session.

Karen Delince
Karen Delince
Corporate Secretary

FINANCE and RISK COMMITTEE

EXHIBITS

For

October 6, 2021

Special Meeting

Minutes



**NY Power
Authority**

**Canal
Corporation**

NYSERDA Tier 4 RFP – Clean Path NY Update

Philip Toia

President, NYPA Development

October 6, 2021

Clean Path NY: Project Overview

- Joint bid submitted on May 12th, 2021 in response to NYSERDA Tier 4 solicitation
- Project participants include NYPA and Forward Power (energyRe and Invenergy)
- 175-mile 1300 MW bi-directional HVDC transmission link connecting Fraser Substation in Central NY with Rainey Substation in NYC
 - 105 miles of line to be built in existing NYPA Right-Of-Way along Marcy South corridor
- 3,800 MW of new wind and solar capacity in Upstate New York
- Use of Blenheim-Gilboa for energy storage



Clean Path NY: Project Overview

- Clean Path NY Investment of \$11 billion in New York State¹
 - \$3.5 billion in Transmission investment
 - \$7.5 billion in new clean energy investment
- Reduced fossil fuel generation statewide
- Reduced carbon emissions by 39 million tons over 25 years¹
- Reduced criteria pollutants (NO_x, SO_x and Particulate Matter [PM_{2.5}])¹
- Creation of 8,300 jobs¹
- Billions of dollars in avoided social and public health costs due to emissions reductions over 25 years¹

Note 1: Data/Statistics are based on Clean Path NY modeling



**NY Power
Authority**

**Canal
Corporation**

POWER AUTHORITY OF THE STATE OF NEW YORK
ESTIMATED RECEIPTS AND EXPENDITURES
2021 TO 2025
ACTUAL RECEIPTS AND EXPENDITURES 2020

Exhibit - 5a i-A

2801 Report	Last Year 2020	Curent Year 2021	Proposed 2022	Proposed 2023	Proposed 2024	Proposed 2025
Revenue & Financial Sources						
Operating Revenues						
Charges for Services	\$2,205,589,379	\$2,660,077,807	\$2,793,176,480	\$2,826,561,370	\$2,917,513,452	\$3,074,785,969
Rentals & Financing Income	-	-	-	-	-	-
Other Operating Revenues	-	-	-	-	-	-
Non-Operating Revenues						
Investment Earnings	29,994,342	13,269,516	15,041,216	18,831,132	22,059,747	25,913,593
State Subsidies / Grants	-	-	-	-	-	-
Federal Subsidies / Grants	-	-	-	-	-	-
Municipal Subsidies / Grants	-	-	-	-	-	-
Public Authority Subsidies	-	-	-	-	-	-
Other Non-Operating Revenues	56,986,599	86,000,000	43,000,000	-	-	-
Proceeds from the Issuance of Debt	1,277,420,747	-	-	288,576,821	-	-
Total Revenues & Financing Sources	3,569,991,067	2,759,347,323	2,851,217,696	3,133,969,323	2,939,573,199	3,100,699,562
Expenditures						
Operating Expenditures						
Salaries and Wages	264,401,475	239,279,358	244,505,973	250,873,757	257,353,612	264,035,709
Other Employee Benefits	149,896,563	107,091,208	114,848,626	122,909,079	126,722,206	130,618,158
Professional Services Contracts	91,509,398	48,500,941	53,676,825	54,824,146	55,249,342	55,710,240
Supplies and Materials	78,518,047	213,039,669	215,782,558	216,058,523	224,621,535	232,908,851
Other Operating Expenditures	1,425,471,592	1,761,499,750	1,958,278,593	1,916,674,627	1,946,075,048	2,036,761,078
Non-Operating Expenditures						
Payment of Principal on Bonds and Financing Arrangements	342,880,000	1,445,000	1,485,000	1,520,000	17,513,227	18,444,667
Interest and other Financing Charges	60,229,253	(1,674,575)	30,428,183	49,494,992	68,555,065	67,639,684
Subsidies to Other Public Authorities	-	-	-	-	-	-
Capital Asset Outlay	507,109,872	762,234,633	892,073,534	666,918,156	521,589,923	463,512,340
Grants and Donations	-	-	-	-	-	-
Other Non-Operating Expenditures	-	-	-	-	-	-
Total Expenditures	2,920,016,200	3,131,415,984	3,511,079,292	3,279,273,280	3,217,679,958	3,269,630,727
Capital Contributions	-	-	-	-	-	-
Excess/(Deficiency) of Revenues and Capital Contributions over Expenditures	\$649,974,867	(\$372,068,661)	(\$659,861,596)	(\$145,303,957)	(\$278,106,759)	(\$168,931,165)