



**NY Power
Authority**

**Canal
Corporation**

**MINUTES OF THE REGULAR MEETING
OF THE
NYPA AND CANAL AUDIT COMMITTEE
March 22, 2023**

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Minutes of the meeting of the New York Power Authority and Canal Corporation's Audit Committee, held via videoconference, at approximately 10:00 a.m.

The following Members of the Audit Committee were present:

Dennis Trainor, Chairman
John R. Koelmel
Tracy McKibben
Bethaida González

Also in attendance were:

Justin E. Driscoll	Acting President and Chief Executive Officer
Adam Barsky	Executive Vice President and Chief Financial Officer
Joseph Kessler	Executive Vice President and Chief Operating Officer
Lori Alesio	Interim Executive Vice President and General Counsel
Yves Noel	Senior Vice President and Chief Strategy Officer
Robert Piascik	Senior Vice President and Chief Information & Technology Officer
Angela Gonzalez	Senior Vice President – Internal Audit
Karina Saslow	Interim Vice President Human Resources
Karen Delince	Vice President, Corporate Secretary
Joseph Gryzlo	Vice President and Chief Ethics & Compliance Officer
Sundeeep Thakur	Controller
Carley Hume	Vice President of Policy Communication and Chief of Staff
Christopher Vitale	Financial Performance and Reporting Manager
Lorna Johnson	Senior Associate Corporate Secretary
Sheila Quatrocci	Senior Associate Corporate Secretary
Michele Stockwell	Assistant - Corporate Secretary
Scott Heiser	KPMG
Christopher Davanzo	KPMG

Chairman Dennis Trainor presided over the meeting. Corporate Secretary Delince kept the Minutes.

Introduction

Chairman Dennis Trainor welcomed committee members and senior staff to 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 section B(4) of the Audit Committee Charter.

1. Adoption of the March 22, 2023 Proposed Meeting Agenda

On motion made by Member Tracy McKibben and seconded by Member John Koelmel the agenda for the meeting was unanimously adopted, as amended.

Conflicts of Interest

Chairman Trainor stated that there were no conflicts of interest based on the list of entities previously provided to Committee Members for their review.

2. DISCUSSION AGENDA:

a. New York Power Authority (consolidated) Year-end 2022 Financial Report

Mr. Adam Barksy, Executive Vice President and Chief Financial Officer, presented an overview of the Authority's financial statements for the year ending December 31, 2022.

2022 Consolidated Net Income – Actual vs Prior Year

- Net Income is \$130 million versus the prior year's, \$72 million.
- EBITDA was significantly stronger at \$627 million versus \$437 million in 2021.
- Operating Income was \$88 million greater in 2022 than the prior year (2021).
- In terms of the Balance Sheet, there were significant reductions in the liabilities and the cash position was improved.
- For 2022, the Debt Service Coverage ratio significantly improved over 2021.

GASB 87 – GASB 87 is the new standard on Leases. As it relates to Astoria Energy ("AEII") contracts entered into on behalf of the Authority's SENY customers, the Authority was able to remove AEII off the Balance Sheet. It will be reflected as a Power Purchase Agreement ("PPA") pass-through cost and revenue based on the new GASB 87 which has an exclusion for certain types of PPAs that do not have an embedded lease within it. NYPA does not make or lose money on the transaction. NYPA is a pass-through entity, and it will be reflected in that way.

Separately Financed Projects – The Authority created the Separately Financed Project ("SFP") bonds for its regulated rate transmission and high-priority projects. They remain on the Balance Sheet as a liability. From a credit perspective, it is not counted against the general bondholders; however, as a SFP, all liabilities, benefits and burdens are on the bondholders. NYPA owns all the assets; the claim on the revenues is for the benefit of the bondholders of the SFP. This required some changes in NYPA's financial statements for the benefit of the bondholders to see that the Authority is meeting all the requirements and covenants around those bonds.

Net Cash Provided by Operating Activities

Net cash provided by operating activities showed significant improvement year-over-year based on increased energy prices, transmission revenues, cash generated; and non-cash items such as depreciation.

Mr. Barsky ended that, at the Board's Annual Meeting, he will report on the various actions taken over the last few years (pre-pandemic to the present), with the members' approval, to improve the Authority's Balance Sheet, liquidity, and financial strength.

On motion made by member Bethaida González and seconded by member Tracy McKibben, the following resolution, as recommended by the Acting President and Chief Executive Officer, was unanimously adopted.

RESOLVED, That the Audit Committee hereby recommends the approval of Authority's Financial Statements Pursuant to Section 2800 of the Public Authorities Law, as amended by the Public Authorities Accountability Act of 2005 ("PAAA"); and be it further

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive 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. |

b. New York Power Authority Discussion with Those Charged with Governance

Mr. Scott Heiser, KPMG's Lead Audit Manager and Mr. Christopher DaVanzo, Lead Senior Audit Manager, presented KPMG's Annual Audit Results for the year ending December 31, 2022, to the committee.

Mr. Scott Heiser provided a report on discussions with NYPA staff charged with governance. He said that, following the meetings with NYPA staff regarding Astoria Energy II ("AEII") and the evaluation under the new GASB 87 (Leases) Standard, KPMG is substantially on track to issue its reports in connection with the Authority's consolidated financial statements within its timeline.

He said that the two biggest items that were outside the normal scope of the audit evaluations were the AEII and the Separately Financed Projects ("SFPs") which created additional disclosures and efforts. KPMG is comfortable with the disclosures related to both items.

He continued that KPMG has started a dialogue with Adam Barsky, the Authority's Chief Financial Officer, and his team on the Clean Path and Connect All projects and the accounting considerations related to those projects.

Mr. Heiser concluded that the KPMG team continues to work collaboratively with NYPA's team and, overall, NYPA's audit processes have improved over the last four years.

Mr. Christopher DaVanzo, KPMG's Lead Senior Audit Manager, provided the following report:

Expanding the use of Technology

KPMG's engagement team continues to seek new opportunities to increase its use of technology for efficiencies in its audits, and making sure that all Journal Entries are complete. For example, Analytics tools for Journal Entry Insights are used to examine the total population of Journal entries throughout the year. This is also used in the assessment of Management's Override of Controls and identifying high-risk criteria in Journal entries.

KPMG also uses various tools, e.g., a matching routine, which matches data sets between one another, and helps in performing risk assessments and identifying risk of material misstatements.

Audit Results: Overview

- KPMG is on track to complete its audit procedures and expects to be in a position to issue its reports in connection with the Authority's Consolidated Financial Statements on the due date of March 31, 2023.
- Outstanding matters include completion of audit procedures including manager reviews, management representation letter, legal confirmations, and in-house legal letter.

Summary: Audit Results required Communications and other Matters

- Written Communications

Written communications include the Engagement Letter, Management Representation Letter, and a summary of uncorrected misstatements which will be provided under separate cover in a letter to the Audit Committee.

- Internal Control Related Matters

The purpose of KPMG's audit is to express an opinion on the Consolidated Financial Statements. KPMG does not opine on the effectiveness of internal controls; however, it does consider it in its performance of the audit.

Significant Risks and Other Significant Audit Matters:

Management override of controls

The engagement team determined that, to date, there are no matters to report related to the internal controls over management override of controls.

Significant Accounting Estimates

The engagement team determined that no indicators of possible management bias were identified.

Other Post-Retirement Benefit (OPEB) (GASB 75)

Management uses a third-party Actuary (Buck Consultants) to value the OPEB Plan. KPMG engages a Valuation Specialist to perform an independent review of the valuation, including the key assumptions and data used in that valuation.

Pension Plan (GASB 68)

NYPA participates in the State Pension Plan which valuation is driven by the state; NYPA records its proportional share of that Plan. Based on KPMG's Actuary's review, no indications of possible management bias were identified.

Valuation of Marketable Securities

KPMG performed an assessment of the valuation of investments using the KPMG National Pricing Desk and no indications of possible management bias were identified.

Valuation of Derivatives

KPMG engaged a Derivative Evaluation expert to independently test fair value expectations and found no indications of possible management bias.

Significant Audit Areas:

Long-Term Debt

KPMG confirmed all long-term debt obligations, reviewing issuances and repayments and performing a recalculation of interest expense for the period. The engagement team determined that there were no matters to report related to Long-Term Debt.

Capital assets and Adoption of GASB 87 (Leases)

KPMG performed test work over the Capital activities during the period, including Construction Work in Progress and Plant-in-Service and determined that there were no matters to report related to capital assets and the GASB 87 Adoption.

In addition, KPMG assessed the Astoria Energy II (AEII) contract to determine if the contract met the lease criteria under GASB 87 as of December 31, 2022.

Revenue

The engagement team performed detailed testing of the various revenue streams, such as SENY and wholesale customers; NYISO sales; and U-Cap revenues. The team reviewed both price and volume in performance of those procedures and determined that there were no matters to report related to revenues as of December 31, 2022.

Newly Effective Accounting Standards

Newly effective accounting standards such as GASB 87 and forward-looking accounting standards which were adopted during the reporting period are currently being assessed by the NYPA management and KPMG and are not expected to have any material impact.

c. New York Power Authority and Canal Corporation Internal Audit Update

Ms. Angela Gonzalez, Senior Vice President of Internal Audit (“IA”), provided an update on the 2022 Internal Audit Plan for New York Power Authority (“NYPA”) and Canal Corporation; the 2023 Internal Audit Plan and the 2023 Environmental Health and Safety Plan.

Internal Audit Scorecard – March 2023

2022 Audit Plan Completion

The 2022 Audit Plan is 98% complete. One report will be issued today to close out the 2022 Audit Plan.

2022 IA Operational Excellence

- **Audit Deliverables with Opinions** are 68% complete. This target will be re-evaluated and revised for the 2023 Scorecard.
- **Fieldwork to Report Issuance** is below the benchmark.
- **Average Project Cycle Time** of an audit is approximately 10.6 weeks, which is below the benchmark.

2022 IA Staff Excellence

75% of IA staff each have at least one Professional Certification. In terms of Internal Audit Experience, Internal Audit staff have approximately 17 years of experience.

Departmental Utilization

IA has utilized 80% of all available hours for audit work. The remaining percentage has been allocated to eGRC, Data Analytics, Training and Administrative time.

Observations Identified and Implemented

IA tracks the percentage of “High-Risk” Observations. To date, 8 observations have been identified as “High Risk” as opposed to 19 that were identified in 2021. Therefore, IA has decreased the number of “High-Risk” Observations, an indicator of the control environment.

High Risk Observations Tracking

One High Risk Observation for 2021 is still open. For 2022, 3 out of the 8 observations identified were closed ahead of time.

2022 Observation Summary Status – NYPA and Canal Corporation

77 observations were identified; 40 observations have been closed and 37 remain open.

2022 Audit Plan Status

- 42 Audits are included in the NYPA and Canal Corporation (“Canals”) Audit Plan.
- 44 deliverables have been issued associated with 42 audit projects. A total of 45 audit projects will be delivered for the NYPA and Canals Audit Plan; of these projects, 3 audit engagements had more than one deliverable due to system implementations or ongoing advisory work.
- Of the Report Opinions, 16% were rated “Satisfactory”; 30% “Some Improvement Needed”; 23% “Considerable Improvement Needed”; and 31% were not rated.
- 8 of the “High-Rated” observations were associated with the 10 “Considerable Improvements Needed” reports, as opposed to the 19 “High-Rated” observations identified in 2021 associated with 10 “Considerable Improvement Needed” opinion reports issued.

As previously mentioned, management continues to elevate the control environment through various internal mechanisms and is making steady progress to mitigate risks.

2022 Environmental, Health & Safety (EH&S) Compliance Audit Plan Status

- 4 audits were included in the EH&S Compliance Audit Plan and all 4 reports have been issued. “Some improvements needed” opinions issued for all four audits; however, Observations identified did not have any violations of external laws or regulations, or substantial risk to the environment, health and safety to employees, customers, or the public.

2022 Observation Summary Status – NYPA and Canals

- 77 observations have been identified. Forty (52%) observations have been closed and 37 are open.
- To date, 47% (37 out of 77) of the 2022 Open Observations have been either closed ahead of time or on time with minimal observation extensions. Open Observations are on track to close within their due date. To date, no observations are overdue.

2021 Observation Summary Status – NYPA and Canals

- 98 observations were identified for 2021; 95 (97%) observations have been closed; and 3 (1 high; 1 medium and 1 low) observations remain open.
- To date, 79% (77 of 98) of the 2021 open observations have been closed ahead of time or on time; 18% (18 of 98) of the closed observations were extended but were closed on time; and 3 Open Observations are on track to close on their due dates.

2021 Open Observation – NYPA

Fixed Assets (1 medium-rated observation)

Fixed Assets observation was extended to June because the Accounting team needed additional time to configure depreciation rates in SAP and update the process and procedures associated with those rates which were approved by FERC in October 2022. The new group depreciation methodology requires extensive system configurations in SAP to accommodate this requirement.

2021 Open Observation – Canals

Canals Post Integration Review (1 high-rated observation)

Management is working with consultants to classify shared service responsibilities for Phase 2 of Canals Post Integration Review. Development of policies and procedures, communication protocols and metrics continues, and is scheduled to be completed by June 30, 2023. IA will conduct a follow-up review when the integration has advanced and phased-in within the organization.

2022 EH&S Open Observation Summary Status

- For 2022, 37 observations were identified; 19 observations (4 high; 6 medium; 9 low) have been closed, and 18 observations are open.
- To date, 51% (19 of 37) open observations have been either closed ahead of time or on time with no observation extensions.
- All observations are on track to close within their due dates.

2021 EH&S Open Observation Summary Status

One observation remains open from the 2021 EH&S Compliance audits related to the Eugene W. Zeltmann Power Plant fire suppression system. NYPA management is working with an expeditor to complete the application for the new fire suppression system. On approval of the application by FDNY, the system will be installed and commissioned. The new system is targeted for completion at the end of June 2023.

d. New York Power Authority and Canal Corporation 2023 Internal Audit Plan

Ms. Angela Gonzalez provided a report on the 2023 Internal Audit Plan for NYPA and Canals. She said that the proposed plan is fully developed and reflects the following key components:

- A defined and risk-scored Audit Universe aligned by Business Unit.
- 49 audit entities are in the Audit Universe and Audit Project selection is based on audit risk ranking, last audit year, and internal audit resources.

- Key stakeholders' input from Executive Management Committee, Risk Management, and various Business Units across the organization.
- 93 percent of the Audit Plan is aligned to NYPA and Canal Corporation's Strategic Priorities and Foundational Pillars and Top Enterprise Risks.
- Evaluation of emerging risks and changing business needs will be considered when IA quarterly reviews its Audit Plan and adjusts it accordingly.

Risk Assessment Process (NYPA AND Canal Corporation)

The key components of the Risk Assessment Process include:

- **Internal Inputs**
 - Reviewing the 2022 Audit Plan results
 - Deferred Audits
 - Last Audit Year
 - Open/Closed Observations
 - Strategic Priorities/Pillars
 - Top Enterprise Risks
- **Key Stakeholders**
 - approximately 81 interviews conducted throughout the organization to obtain information.
- **External Inputs**
 - Gartner 2023 Hot Spots.
 - NYPA's Internal Audit Benchmark against itself and its peers and industry benchmarks.
- **Audit Universe**
 - NYPA has 49 auditable entities, to date.
 - Refined Risk Scoring Model.
- **2023 Audit Plan**
 - The Plan has 39 NYPA and 3 Canal Corporation audit projects.
 - The Plan is presented to the EMC for their review and then to the Audit Committee for approval.

Audit Universe

The Audit Universe has 49 audit entities for NYPA and Canal Corporation and was adjusted for any new audit entities, department name changes, or organizational restructuring. Each audit entity is risk assessed using IA's risk model.

Audit Entities Cycle

- Audit projects in each year's Plan will focus on high and medium-rated audit entities.
- The audit coverage is a five-year cycle and considers the last year audited, business needs, strategic initiatives, emerging risks, and degree of change.

Audit Entities Coverage

- IA has audited all "high-rated" audit entities, and 87% of the "medium-rated" audit entities.
- IA continues to audit the "low-rated" entities, based on benchmark, which is as needed.

Proposed NYPA and Canal Corporation 2023 Audit Plan

2023 Audit Plan Activities and Summary

- IA has 42 projects on the 2023 proposed Audit Plan for NYPA and Canal Corporation of which 86% are Audits, 9% Assessments and 5% Advisory Engagements. The Plan is based mainly on Internal Audit Staff Hours for the Audit Plan, and Third-Party co-source hours.
- The average budgeted hours for audit projects in 2022 was approximately 525 hours. Average audit project hours increased to 550 reflecting IA's increased use of data analytics during the audit process.
- The total Audit Plan hours are 22,725 hours. Internal Audit staff hours were 15,525 hours, with 7200 hours allocated to Third-Party co-source hours.
- Approximately 850 hours are contingency hours for special projects; IA generally executes at least two special projects during the year.

2023 Audit Plan Resource and Audit Type Allocation

- 42 projects are included in the Audit Plan based on Resource Availability. This includes Internal Staff Hours for the Audit Plan and Third-Party Co-Source Hours.
- Third-Party co-source hours support audit projects related to information technology and some integrated audits.
- The third-party co-source hours increased for business audits due to labor market conditions leading to staffing shortages. Internal Audit's staffing model has been repositioned to include dedicated third-party resources for both Technology and Business audit work.
 - o Business audits increased slightly from year 2022 to 2023 due to a focus on certain business operations not audited to date, or not recently audited in Commercial Operations and to cover specific audits to meet the ISO 55001 Standards and Utility Operations.
 - o Technology audits have decreased slightly due to audit coverage that was completed in 2022;
 - o IA had a slight increase in integrated audits due to coverage for organization-wide digitalization implementation projects that IA is participating in.

Audit Risk Category Allocation

2023 Audit Plan Risk Category Allocation

The allocation of the 2023 audit projects by risk categories has not materially changed from the 2022 allocation. IA takes into account the VISION2030 Strategic Priorities, Foundational Pillars, Top Enterprise Risks, and external industry top risks when considering this allocation.

Audit coverage for Operational Risks has increased; Financial Risk coverage decreased; and Strategic Risk audit coverage remains the same, as well as Technology risk supporting the Digitalization Foundational Pillar and Regulatory and Compliance.

There was an increase in Financial Risk Audit coverage for Canal Corporation due to a focus on areas not audited in prior years. These will be reviewed in 2023.

2023 Audit Plan - Alignment

93% of the projects in the Audit Plan are directly aligned with the Strategic Priorities, Foundational Pillars and/or Top Enterprise Risks with a concentration on Customer and State, Digitalization, Critical Infrastructure, Customer Energy Choices and Cyber Security.

Internal Audit 2023-2024 Strategic Initiatives

IA supports NYPA's VISION2030 Strategic Initiatives by identifying challenges and opportunities and providing solutions to continue advancing NYPA towards successful outcomes. The three components of the strategy are Organizational Trust; Environmental, Social & Governance (ESG); and Data Analytics.

Impact of Trust in Organizations

The three components of the Impact of Trust in organizations are: 1) Why Trust Matters; 2) Why Internal Audit; and 3) Value provided by Internal Audit.

Why Trust Matters:

Financial Performance - Trust affects financial performance. A trustworthy company outperforms its competitors by up to four times.

Workforce Engagement - Seventy-nine percent (79%) of employees who highly trust their employer feel motivated to work.

Brand Protection - Organizations that are affected by a negative trust event value falls between 26% to 74% against their industry peers.

Why Internal Audit:

- As trusted advisors to the organization, Internal Audit is uniquely positioned to drive and measure trust awareness across NYPA.
- Internal Audit can provide independent and transparent objectives, observations, and recommendations.
- Internal Audit works closely with the Business Units and looks at risks from a "bottom-up," and "top-down" approach as it relates to trust across the organization.

Value Provided by Internal Audit:

- IA's independent assessment provides a comprehensive view of how trust is perceived across the organization and any gaps in trust.
- IA can compare performance to sector/industry benchmarks to understand where NYPA ranks.
- IA will quantify stakeholder trust across organizational domains using a Trust Assessment tool. The results from the Trust Assessment tool will be incorporated into IA's Risk Assessment process.

Environmental, Social and Governance (ESG) and Data Analysis

Why ESG Matters:

Regulators – Rulemaking focuses on required climate-related issues and other ESG disclosures, particularly diversity and inclusion.

Transparency - Requests for transparency focuses on financial impacts of climate-related issues and other ESG matters that do not align to the ESG commitment. IA will provide future focus engagements related to ESG.

Why Internal Audit:

IA can provide data driven insights via analytics to identify processes and controls not aligned with NYPA's ESG commitment.

IA can also provide future-focused engagements related to ESG through assessments and advisory projects.

Value Provided by Internal Audit

Value provided by Internal Audit will drive forward NYPA's VISION2030 ESG pillar through seamless alignment and integration, as well as having access to subject matter specialists to provide valuable insights and leading industry practices.

Data Analytics

IA will continue to innovate its audits tools and provide valuable insight through execution of the audits.

IA will continue to improve collaboration with key stakeholders across the organization, as well as mature Data Analytics skillsets within Internal Audit.

Organizational Trust Roadmap

Define Purpose / Refresh Brand

- Trust overview session with Internal Audit Staff.
- Update brand with revised purpose statement.
- Communicate refreshed brand to external stakeholders.

Update Risk Assessment

- Update risk assessment interview template to include prioritized Trust domains.

Organizational Trust Assessment

- Demo Trust Assessment with EMC members that includes 18 Trust domains.
- Run Trust Assessment Tool across the organization.
- Review Trust Assessment results.

Conduct Risk Assessment for 2024 Audit Plan

- Incorporate results of Trust assessment into the risk assessment process.

Debrief Trust Assessment Results

- Debrief EMC and coordinate with key stakeholders to prioritize Trust domains.

Update 2024 Audit Plan

- Incorporate audits specific to prioritized trust domains for the Audit Plan.

ESG RoadMap

- Meet with Key Stakeholders

- To enhance IA's understanding of ESG Metrics in place.
- Evaluate impact of recent legislation related to ESG.

- **Update Risk Assessment and Audit Plan**
 - Update interview template to include ESG elements.
 - Map ESG capitals to Audit Plan.
- **Talent Upscale**
 - Enhance ESG talent capacities.
 - Create targeted training plan to upscale skillset.
 - Continue to align Internal Audit goals to ESG and DEI organizational goals.
- **Socialize/Communicate**
 - Coordinate with stakeholders and socialize IA's role in ESG.
- **Execute ESG Audits**
 - Execute ESG related audits and incorporate information from Risk Management on ESG risks within audits, where applicable.

Data Analytics (DA) Roadmap

Project Plan / Re-sourcing

- Review and evolve plan for managing resources necessary for Data Analytics strategy advancement.

Methodology Alignment

- Enhance the Internal Audit methodology to include digital procedures across the audit lifecycle.

Internal Audit DA Platform

- Establish a network and infrastructure to create the foundation for a stable and accurate data environment for the continuous auditing and monitoring routines.
- Support current and future capabilities for analytics advancement.

Partnership DA Program

- Improve collaboration and communication with stakeholders across the organization.
- Prioritize areas for enhanced collaboration.

Support DA Upskilling/Training

- Continue to increase skills sets; develop a training development plan and track progress.

DA Lifecycle Management

- Implement a methodology to manage the lifecycle of DA opportunities.

Internal Audit will advance continuous auditing and monitoring activities.

e. New York Power Authority and Canal Corporation 2023 Environmental, Health & Safety Compliance Audit Plan

Audit Universe

The Environmental Health & Safety ("EH&S") Compliance Plan contains eight (8) audit entities and is aligned to the NYPA and Canals ESG Strategic Pillars and the Workforce, Health and Safety top enterprise risk.

The EH&S audit entities are categorized by type and size of the facility, as well as construction projects that are at those facilities. Each audit entity is risk assessed using Internal Audit's risk model. IA also

consults with its third-party consultants, and a subcommittee which includes the EH&S Department, Law Department, Ethics and Compliance, and Utility Operations reviews the Audit Plan.

Audit Universe Cycle

The audit projects will continue to focus on “high,” “medium” and “low-rated” audit entities with a six-year cycle to allow for validation of NYPA’s compliance with EH&S regulatory and internal requirements.

Audit Plan

The 2023 EH&S Compliance Audit Plan includes four (4) compliance audit projects, namely, Transmission (Clark Energy Center); Canal Corporation (Western Region – Lyons site); Canal Corporation construction project (Glenn Falls Feeder Canal Sinkhole and Culvert Repair) and NYPA White Plains Office.

Ms. Gonzalez ended that Internal Audit is requesting that the Audit Committee approve the 2023 NYPA and Canal Corporation Audit Plan and the Environmental Health & Safety (“EH&S”) Compliance Audit Plan.

On motion made by member Bethaida González and seconded by member Tracy McKibben, the following resolutions, as recommended by the Vice President of Internal Audit, were unanimously approved.

2023 NYPA and Canal Corporation Audit Plan

RESOLVED, That the Audit Committee recommends that the New York Power Authority Board of Trustees and New York State Canal Corporation Board of Directors approve the 2023 Internal Audit Plan.

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers, 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.

2023 NYPA and Canal Corporation Environmental, Health and Safety Compliance Audit Plan

On motion made by member Bethaida González and seconded by member Tracy McKibben, the following resolution, as recommended by the Vice President of Internal Audit, was unanimously approved.

RESOLVED, That the Audit Committee recommends that the New York Power Authority Trustees and New York State Canal Corporation Board of Directors approve the 2023 Environmental, Health and Safety Compliance Audit Plan; and be it further

RESOLVED, That the Chair, the Vice Chair, the Acting President and Chief Executive Officer, and all other officers, 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.

3. CONSENT AGENDA:

a. Approval of the Minutes of the Regular Joint Meeting held on December 13, 2022

On motion made by Member Michael Balboni by Member Tracy McKibben, the Minutes of the Regular Meeting of the Audit Committee held on December 13, 2022 were unanimously approved.

4. Motion to Conduct an Executive Session

On motion made by member Michael Balboni and seconded by member Tracy McKibben, an Executive Session was held to discuss the financial and credit history of a particular corporation pursuant to §105(f) of the New York State Public Officers Law.

5. Motion to Resume Meeting in Open Session

On motion made by Member John Koelmel and seconded by Member Tracy McKibben, the meeting resumed in open session.

Chairman Dennis Trainor said that no actions were taken during the Executive Session.

6. Next Meeting

Chairman Dennis Trainor said that the next regular meeting of the Audit Committee will be held on July 18, 2023.

Closing

On motion made by Member Michael Balboni and seconded by Member John Koelmel, the meeting was adjourned at approximately 11:59 a.m.

Karen Delince

Karen Delince
Corporate Secretary